

LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY

DRAFT Minutes—REGULAR BOARD OF DIRECTORS MEETING

9:30 a.m. Wednesday, July 16, 2014 at our La Mesa Office, 521 St Valentine St.

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), Director Cali Tellez (District 3) and Director Furman Smith (District 7). Absent were Secretary Santos Ruiz (District 2), Director Arturo Terrazas (District 1) and Director Mike McMullen (District 6). 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 was Espy Holguin (HUD). With a quorum established the meeting was called to order by Mr. Nieto at 9:32 am.
- II. **Pledge of Allegiance** {1:04}
- III. **Approval of Agenda** Mr. Tellez moved to approve the agenda. Mr. Smith seconded the motion and it passed 4-0. {1:23}
- IV. **Approval of Minutes of June 18, 2014, Regular Meeting** Mr. Holguin moved to approve the minutes of June 18, 2014. Mr. Smith seconded the motion. Mr. Tellez noted that he was not noted as absent on the signature line. The motion was amended to note that change by Mr. Holguin and seconded by Mr. Smith. The motion passed 4-0. {3:06}
- V. **Guest Presentation** None {3:23}
- VI. **Public Input—15 minutes total allotted for this item, 3 minutes time limit per person** None {3:31}
- VII. **Managers’ Reports**
 - A. **General Manager** Mr. Martin Lopez submitted a written report and responded to questions.

Mr. Tellez asked about the FEMA funds. There has been a change in administration and no reply to inquiries. Mrs. Holguin mentioned that people that had submitted claims to FEMA from Hurricane Sandy had yet to be reimbursed.

Mr. Holguin asked about the NMFA Oversight Committee Meeting in Ruidoso. Mr. Martin Lopez and Ms. Karen Nichols have been invited to give testimony to the Oversight Committee on the subject of the MOU between NMED and NMFA and the subject of oversight.

Mr. Tellez asked about office staff training. The office staff had gone to a day-long seminar on dealing with difficult people. {12:09}
 - B. **Operations** Mr. Mike Lopez submitted a written report and responded to questions.

Mr. Nieto asked about water flow from the tanks. Mr. Mike Lopez explained that with the current electrical storms, the pumps can be affected and no one can realize it until it’s too late. He and JJ have been monitoring the pumps more closely with scada software.

Mr. Holguin asked about the construction activity south of Berino. The County is rebuilding the flood control damn that broke last summer and flooded the Berino office.

Mr. Tellez wanted to know if the Authority’s wells were be affected by the dropping water table. Generally, the Authority’s wells’ strainers are set at 800 ft. and the pumps at 400 ft. While the water table has dropped the Authority’s wells have not been affected.

Additionally, members of the operations crew have graduated in their certifications. There is now one more Water III operator, one more Waste Water III operator, one more Waste Water II operator and another Waste Water I operator.

After the installation of the radio read meters is completed, Mr. Mike Lopez plans on designating a maintenance crew and an installation crew. {17:24}

- C. Projects** Ms. Karen Nichols submitted a written report and responded to questions.
Operations Page is up on the website.
Layne Construction is still finishing details on the Mesquite Waste Water project: removing electrical connections, etc. There is still \$1 million not paid out but there is currently around \$60K left in contingencies and there is a final change order.
SmithCo has 30 days from July 7 to mobilize on the Berino-Mesquite/Del Cerro project. Currently, they are looking for storage site large enough for the project's pipe inventory.
Mr. Tellez backed up and asked about the Authority's involvement in the MNDOT project at the Vado interchange. Our project phase has been finished with no issues.
The Organ project inspection will be next Wednesday.
Mr. Nieto asked about the Veteran's Rd project. Given the funding agencies' schedules and how the design build system works, work is anticipated to begin the beginning of 2015. {24:46}
- D. Finance** Ms. Kathi Jackson submitted a written report and responded to questions.
Audit scheduled for first week in August
LRGPWWA took in \$2+ million in revenue for the fy2014 with \$130,000 in excess which has been set aside for loan payments. {29:55}

VIII. Unfinished Business

- A. Organ Audit—for approval** This will be the last audit for Organ. Mr. Holguin moved to approve the Organ Audit. Mr. Tellez seconded the motion and it passed 4–0 with no discussion. {32:23}
- B. Disposition of vehicles**
- 1. Committee to approve and oversee disposition of obsolete, worn-out or unusable tangible personal property.** Upon research, it was discovered that statute requires a committee to approve of any sort of asset disposal and the state needs to be notified of the decision. Mr. Nieto appointed a committee consisting of Mr. Holguin, Mr. Tellez and Mr. Nieto.
 - 2. Official Finding—for approval** Mr. Holguin moved to accept the finding. Mr. Tellez seconded the motion and it passed 3–0. {38:35}

IX. New Business

- A. Resolution 2015-01 4th Quarter Budget Report for Fiscal Year 2014—for approval** Mr. Holguin made a motion to approve Resolution 2015-01 4th Quarter Budget Report for Fiscal Year 2014. Mr. Tellez seconded the motion and it passed 4–0 with no further discussion. {41:22}
- B. Resolution 2015-02 Final Budget for Fiscal Year 2015** Mr. Tellez made a motion to approve Resolution 2015-02 Final Budget for Fiscal Year 2015. Mr. Holguin seconded the motion and it passed 4–0. {42:33}
- C. Revert Property (Parcel ID 03-15202) to Previous Owner pending concurrence by USDA-RD and State of NM (if applicable), Official Finding—for approval** The Jimenez family donated this small piece of property to Brazito MD for a tank site. The warranty deed has a revert clause so that, once the property is no longer used for the tank, it will revert to the family. There are no attachments and no owed back taxes. Mr. Tellez moved to revert property (Parcel ID 03-15202) to previous owner pending concurrence by USDA-RD and State of NM (if applicable). Mr. Holguin seconded the motion and it passed 4–0. {44:48} Further discussion on another piece of property. {46:25}
- D. Temporary reduction of sewer connection fee for proposed Brazito/Mesquite sewer project.**
In the Brazito/Mesquite sewer project, Rural Development is willing to subsidize the cost of customer hook-ups but with the condition that customers to pay a minimal amount. The total cost of a sewer hook-up is \$2,500. Mr. Martin Lopez is recommending that the minimal amount be the sewer minimum (\$12) over a year which would be \$144. This sewer expansion would cover 422 families. The customer can pay

from their pocket or can apply for funds to cover this amount from HUD or a couple of other programs. LRG will have a public meeting to inform customers of their choices. Additionally, there is the possibility of capital outlay monies. Ms. Jackson recommended a payment plan. Mr. Tellez asked if the Authority would require a sewer hook-up to be receiving Authority water. Yes, a sewer customer would be required to receive water from LRG. Rural Development is requiring that only existing structures be hooked-up. No sewer hook-ups will be installed at empty lots. Mr. Tellez moved to approve a reduction of sewer connection fee for proposed Brazito/Mesquite sewer project. Mr. Holguin seconded the motion and it carried 4-0. {1:00:29}

- X. Motion to convene in Closed Session pursuant to NMSA 1978 Section 10-15-1(H)(7) threatened or pending litigation, ROLL CALL VOTE** Mr. Tellez moved to convene in Closed Session pursuant to NMSA 1978 Section 10-15-1(H)(7) threatened or pending litigation. Mr. Holguin seconded the motion. The roll call was as follows: Mr. Nieto, aye; Mr. Holguin, aye; Mr. Tellez, aye; Mr. Smith, aye. The meeting was closed at 10:33 am. {1:01:07}
- A. Motion to resume the Open Meeting** Mr. Smith made a motion to resume the open meeting. Mr. Tellez seconded the motion and it carried 4-0. The meeting was opened at 10:43 am. {1:01:32}
- B. Statement by the Chair that only items listed in the motion were discussed and no action was taken.** Mr. Nieto stated that only threatened or pending litigation had been discussed and that no action was taken. {1:01:35}
- XI. Other discussion and agenda items for next meeting, 9:30 a.m. August 20, 2014 at the La Mesa Office** There was no further discussion and no agenda items for the August 20 meeting. There will be a special meeting before the end of July to address a resolution required by the state for a budget adjustment. Additionally there will be a closed session.
- XII. Adjourn** Mr. Holguin made a motion to adjourn the meeting. Mr. Tellez seconded the motion which passed 4-0 and the meeting was closed at 10:46 am.

Minutes approved August 20, 2014

Roberto Nieto, Chairman (District 5)

John Holguin, Vice-Chairman (District 4)

Absent

Santos Ruiz, Secretary (District 2)

Absent

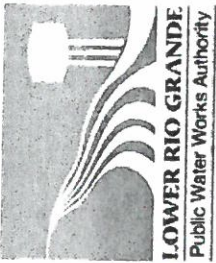
Arturo Terrazas, Director (District 1)

Carlos Tellez, Director (District 3)

Absent

Michael McMullen, Director (District 6)

Furman Smith, Director (District 7)



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

Date: July 16, 2014 Time: 9:30 Places: La Mesa Event: Regular Meeting

Signature	Print Name, Title, Company or Agency Represented	Contact Information	Email Address
<i>[Signature]</i>	FURMAN SMITH LRG	SAME	SAME
<i>[Signature]</i>	Carolyn Zaker, LRG Kathie Jackson Finance Manager URG/WWA	-	-
<i>[Signature]</i>	LRG BOD	575 636-3851	
<i>[Signature]</i>	LRG PWWA	915 203 2059	Karen.n.choise LRGauthority.org
<i>[Signature]</i>	LRG PWWA	575 571-3828	Martin.choise @LRGauthority.org
<i>[Signature]</i>	LRG PWWA	(575) 635-3921	
<i>[Signature]</i>	HUD	575 635-1289	Espananza@A-Hokkaido @HUD.org
<i>[Signature]</i>	LRG PWWA	233-5742 xt123	Joan.Ferguson@ LRGauthority.org

LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY

Meeting Notice & DRAFT Agenda—REGULAR BOARD OF DIRECTORS MEETING

9:30 a.m. Wednesday, July 16, 2014 at our La Mesa Office, 521 St Valentine St.

Agendas are final 72 hours prior to the meeting and may be obtained at any LRGPWVA 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 June 18, 2014, Regular Meeting
- V.** Guest Presentation
- 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.** Projects
 - D.** Finance
- VIII.** Unfinished Business
 - A.** Organ Audit—for approval
 - B.** Disposition of vehicles
 - 1. Committee to approve and oversee disposition of obsolete, worn-out or unusable tangible personal property.
 - 2. Official Finding—for approval
- IX.** New Business
 - A.** Resolution 2015-01 4th Quarter Budget Report for Fiscal Year 2014—for approval
 - B.** Resolution 2015-02 Final Budget for Fiscal Year 2015
 - C.** Revert Property (Parcel ID 03-15202) to Previous Owner pending concurrence by USDA RD and State of NM (if applicable), Official Finding—for approval
 - D.** Temporary reduction of sewer connection fee for proposed Brazito/Mesquite sewer project.
- X.** Motion to convene in Closed Session pursuant to NMSA 1978 Section 10-15-1(H)(7) threatened or pending litigation, ROLL CALL VOTE
 - A.** Motion to resume the Open Meeting
 - B.** Statement by the Chair that only items listed in the motion were discussed and no action was taken.
- XI.** Other discussion and agenda items for next meeting, 9:30 a.m. August 20, 2014 at the La Mesa Office
- XII.** 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 LRGPWVA 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 LRGPWVA 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 señas, o cualquier otra forma de asistencia o servicio para atender o participar en las juntas, por favor llame a la oficina LRGPWVA, 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 LRGPWVA si un resumen o otro tipo de forma accesible es necesario.

LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY

DRAFT Minutes—REGULAR BOARD OF DIRECTORS MEETING

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- II. **Pledge of Allegiance** {0:44}
- III. **Approval of Agenda** Because Mike Lopez, Operations Manager was not present, there will be no operations report. The Organ audit has not been released by the State Auditor so that item (VIII.A) will be postponed. With those changes, Mr. Holguin moved to approve the agenda. Mr. Smith seconded the motion and it carried 5-0. {1:30}
- IV. **Approval of Minutes of May 21, 2014, Regular Meeting** Mr. McMullen moved to approve the minutes of May 21, 2014. Mr. Terrazas seconded the motion and it carried 5-0. {2:20}
- V. **Guest Presentation** Mr. Bill Gomez, Representative-elect of the 34th District introduced himself and talked briefly about his goals and the recent meetings he has had in the community. {14:36}
- VI. **Public Input—15 minutes total allotted for this item, 3 minutes time limit per person** Ms. Espy Holguin (HUD) briefed the Board on a housing project that she was involved with in the community and asked the help of Mr. Terrazas and Mr. Gomez. She also thanked the Board for their attention to the Veteran’s Rd issue and asked about the timeline for the project. There currently is no timeline on that project. {22:35}
- VII. **Managers’ Reports**
 - A. **General Manager** Mr. Martin Lopez submitted a written report and stood for questions. After research, it was discovered that what was previously understood as a piece of property in Organ was actually a tank and a fence and an easement.

Mr. Holguin asked about the FCC licenses. These are licenses to operate telemetry.

Mr. Smith asked about Timberline in Organ. Timberline’s work on the Organ project should be finished by June 27. {25:30}
 - B. **Projects** Ms. Karen Nichols submitted a written report and stood for questions. Mr. Holguin had asked about the Lower Rio Grande Water Users Organization. Ms. Nichols explained that the organization is composed of all the major players in Doña Ana County who are interested in water and who are involved in the regional water plan.

Ms. Nichols mentioned the monies that were granted to the LRG by the CITF.

Ms. Nichols discussed the RCAC Work Group on Regional Authority Legislation. The group includes Rural Communities Assistance Corporation (RCAC), Santa Fe County, the El Valle Water Alliance, Doña Ana MDWCA and the Authority. The goal of the legislation is to provide a framework for future regionalization. She was encouraged with the progress.

USDA-RD closed on the Berino/Mesquite-del Cerro Water System Project. LRG should be able to do first draw as soon as the UCC filings are processed by the Secretary of State's office and received by the Authority's attorney. The first draw is more than \$850,000 which will be used to pay off the RCAC bridge loan and reimburse the Authority. The reimbursed monies will go into reserves.

Approval for the RFP for the new billing software has been received. It should be in the newspaper June 19 and also will be posted on the website.

Additionally, there were non-substantial changes to the ICIP. {39:07}

C. Operations Mr. Mike Lopez was not present and did not submit a written report.

D. Finance Ms. Kathi Jackson submitted a written report and stood for questions.

Ms. Jackson reported that the Authority ended April with \$39,000 in income. The May numbers will be similar.

Finance will be in good shape for the \$10,000/month loan payment on the Mesquite/Berino-del Cerro project. That loan also requires a \$412,000 reserve which will be met with monthly payments of \$900.

Management is still protesting the short-lived fund reserves which would total \$25,000/month.

HIDTA fee is being reduced because their funding was cut.

Additional bad debt has been recovered and more customers are in good standing. Penalties are being waived.

The radio read meters have been a huge success. They allow a customer to see their usage history (by the hour), take far less time to read and are having a significant impact on revenue.

Mr. Martin Lopez announced a South Central Council of Governments meeting Friday, June 27 at 10am at La Posta in Mesilla. {45:30}

VIII. Unfinished Business

A. Organ Audit—for approval postponed {45:32}

IX. Motion to convene in Closed Session pursuant to NMSA 1978 Section 10-15-1(H)(7) threatened or pending litigation and 10-15-1(2) limited personnel matters—ROLL CALL VOTE Mr. Holguin made a motion to convene in closed session pursuant to NMSA 1978 Section 10-15-1(H)(7) threatened or pending litigation and 10-15-1(2) limited personnel matters. Mr. Smith seconded the motion. The roll call was as follows: Chairman Marty Nieto (District 5) voted aye, Vice-Chairman John Holguin (District 4) voted aye, Director Arturo Terrazas (District 1) voted aye, Director Mike McMullen (District 6) voted aye and Director Furman Smith (District 7) voted aye. The ayes carried and the meeting was closed at 10:16am. {46:23}

A. Motion to resume the Open Meeting Mr. Holguin moved to resume the open meeting. Mr. Terrazas seconded the motion. It carried 5-0. The meeting opened at 10:27 am. {46:40}

B. Action, if any, related to the Closed Session topic The Chair stated that the closed session only addressed matters on the agenda and no action was taken. {46:50}

X. New Business—approval to lift hiring freeze Mr. Martin Lopez asked for approval from the board to lift the hiring freeze in order to hire two additional employees. A current employee is requesting part-time instead of

full-time. Her reduced hours and the future need to transcribe data into a new billing system necessitates hiring an additional employee. The second employee would be an operations member that would be dedicated to the new wastewater system. Chemical levels in the system will have to be monitored enough to require a full time employee. Mr. Martin Lopez would probably transfer a current Level II Wastewater Operator to that position and hire a new employee at the entry level. Mr. Holguin moved to approve the hiring freeze. Mr. Terrazas seconded the motion and it carried 5-0. It was clarified that the hiring freeze would be lifted for the two requested hires. {55:05}

XI. Other discussion and agenda items for next meeting, 9:30 a.m. July 16, 2014 at the La Mesa Office

- A. 2015 final Budget
- B. Final budget amendment for 2014
- C. Organ Audit {1:03:00:}

XII. Adjourn Mr. Holguin moved to adjourn the meeting. Mr. Terrazas seconded the motion and it carried 5-0. The meeting closed at 10:43.

Minutes approved July 16, 2014

Roberto Nieto, Chairman (District 5)

John Holguin, Vice-Chairman (District 4)

Absent
Santos Ruiz, Secretary (District 2)

Absent
Arturo Terrazas, Director (District 1)

Carlos Tellez, Director (District 3)

Michael McMullen, Director (District 6)

Furman Smith, Director (District 7)

LRGPWWA
Manager's Report
July 16, 2014

- Transfer of Assets from Associations
 - Berino RD Mortgage Release prior to merger need to be recorded at DAC; awaiting documents from RD
 - Organ: Tierra Alta Drive transfer of facilities pending DAC Assessor and Attorney procedure outline
 - FCC Licenses: Transfer Complete
- FEMA (Berino Office) still waiting for funds-new FEMA contact
- Refinance application finalized for Brazito, Butterfield Park and Organ RD loans-pending
- Property Tax Exemption request to DAC Assessor for Organ, Brazito, Butterfield Park, Vado (old well site), Franco Land, and Berino (tank site) properties; requires site visit scheduled for July 28th.
- James, Cooke, and Hobson from El Paso has invited Mike and JJ to Newport Beach, California for training at the Cal Val facility-will be installing PRV and PSV valves as part of Berino-Mesquite-Del Cerro Water Project. Training will be August 19-21. Travel Expenses to be covered by JCH.
- Office staff attended another Customer Service Training at DACC on July 8th
- 2013 Consumer Confidence Reports are available at offices and website
- Provided a message on the July bill for the new County bus routes
- 19th Annual NM Infrastructure Finance Conference
October 28-30, 2014 in Pojoaque, New Mexico
- Invited by Senator Joseph Cervantes to NMFA Oversight Committee meeting in Ruidoso on July 18th

SAVE THE DATE!

19th ANNUAL New Mexico Infrastructure Finance Conference



October 28-30, 2014 in Pojoaque, NM

Buffalo Thunder Resort

"Building a Sustainable Foundation for Our Future"

CONFERENCE TRACKS INCLUDE:

- Community and Economic Development
- Finance
- Housing
- Planning
- Transportation
- Tribal
- Utilities

PLENARY SESSIONS INCLUDE:

- Conference Opening with Lt. Governor John Sanchez
- Funding Panel
- Drought/Wildfire
- Energy Efficient Buildings- moderated by Santa Fe Mayor Javier Gonzales

Scholarships are available for registration costs *ONLY* and are limited. Visit website for application forms. For consideration apply between June 16 – September 15, 2014. <http://www.ifc.state.nm.us>



State of New Mexico
Infrastructure Finance Conference
407 Galisteo Street
Santa Fe, New Mexico 87501



Lower Rio Grande PWWA

Operators Report

July 16, 2014

System Problems and Repairs.

- Backflow inspections are current.(Mesquite District)
- We have had great results with the Thio- Guard at lift station #1.
- My operators have finished installing 220 radio read meters in the Brazito area.
- Timber line has installed the SCADA system in Butterfield Park Area, still having some programming problems.
- We have had some problems with the lightning and our SCADA in Desert Sands.
- We had 3 new water services at the South Valley.
- Gabe had 2 new installs at the East Mesa.
- For the month of April my operators and I were issued 161 work orders.
- For the Month of May operations was issued a total of 169 work orders.
- For the Month of June operations were issued a total of 177 work orders.

- For the Month of June we calculated a water loss of 17.1%

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

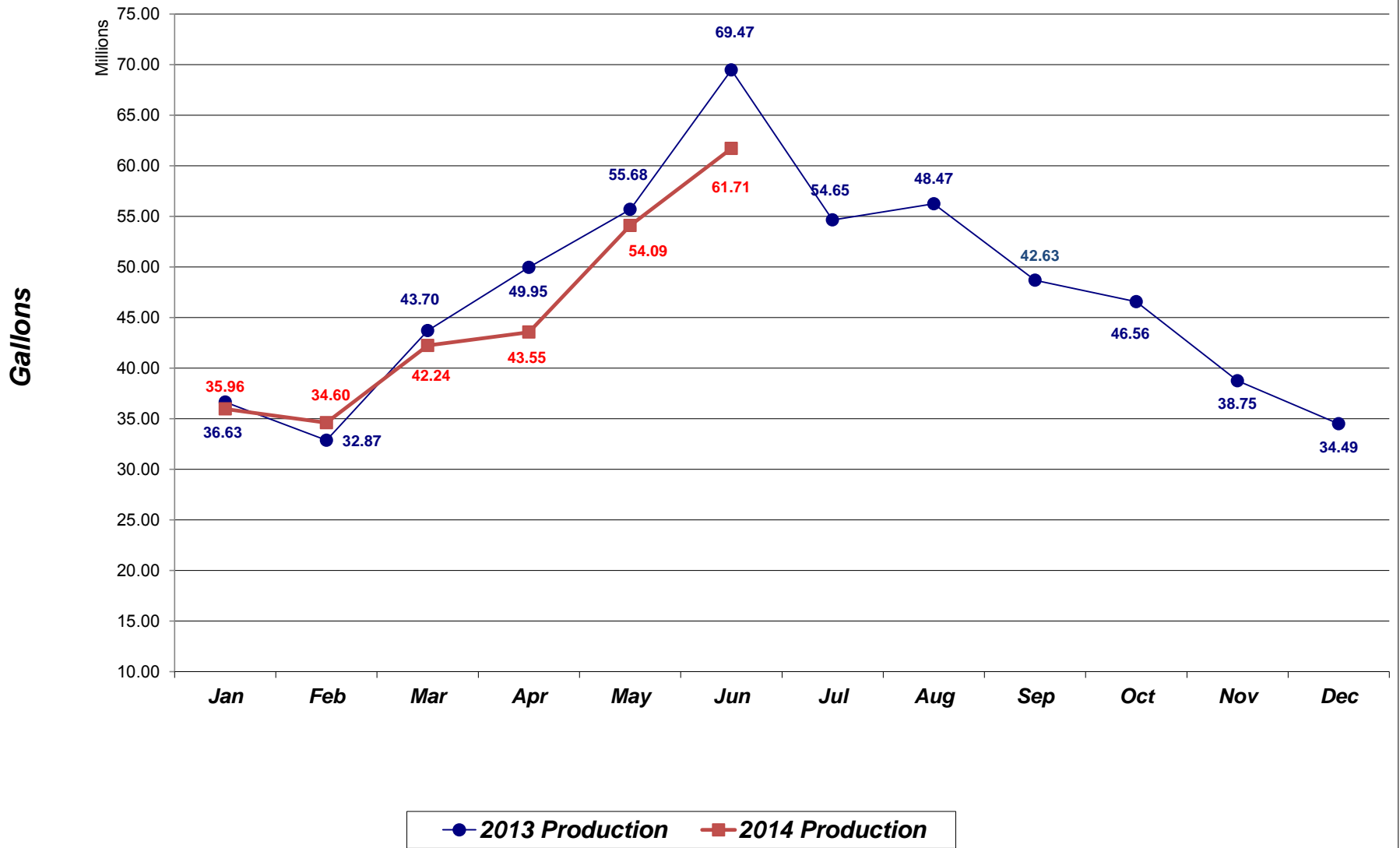
Mesquite district Wetlands: We will soon start rehab of the wetlands.

Mesquite Sewer Report.

Chlorine: No problems.

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

Lower Rio Grande PWWA Water Production Report



**LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY
PROJECTS REPORT – 7/16/14 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: Construction was substantially complete at the end of February. The contractor continues to address outstanding issues. We are withholding final payment until the issues have been addressed and a final inspection can be completed. We completed the final inspection of the services on 6/12. There were substantial remaining issues, so the contractor agreed to complete the work and request future approval. SMA is working on final closeout (record drawings, O&M Manuals).

LRG-11-02.2 - Authority/Brazito Sewer Project – Vencor – **Pre-Design/Funding Application Stage** – NMFA PG/SAP funded Planning, \$30k 2014 SAP, \$540,608 2014 CITF (10% Loan), RD Application under review: PER & EID are complete and approved by NMED-CPB and in review at USDA-RD. Comments were received on 5/13 and engineer responded on 5/22/14. RD has requested project be phased differently for 2 phases instead of 3, revised application & documentation have and are being submitted.

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

LRG-11-04 – Berino/ Mesquite-Del Cerro Water System Project WTB #223 – Vencor – **Construction Stage** - Smithco – RD - \$5,420,147/WTB - \$4,371,630: Contractor is lining up a site for storing materials in order to mobilize and begin the project.

LRG-11-05 – Surface Water Treatment Plant WTB #252– Bohannon Huston - **Design stage** - \$750,000 WTB – 10% Loan 10% Match – Final Draft report has been reviewed by Authority staff. NMED-CPB comments have been received and are being address by the engineer.

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

LRG-12-01 – Authority Water System Improvements PER 2013 – Vencor – **Planning Stage** - CDBG Planning Grant \$50,000, NMFA Planning Grant \$37,500 & \$12,500 Local Match: PER is complete, planning grants have both closed.

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. Project is complete and closed out. Remaining meters are being installed. Additional meters will be received with the Berino/Mesquite-Del Cerro Project and the Brazito Water Project to complete replacement of meters for additional routes.

LRG-13-02 – System-wide Information Technology Standardization - \$175,000 NM STB: Monthly reporting is up to date. RFP was published 6/19/14 with a deadline of 2:00 pm on 7/22/14. Grant agreement for 2014 Capital Outlay for SCADA should arrive soon after July 1.

LRG-13-03 – Water System Purchase Project – for RFP – Planning Stage - \$37,500 NMFA Planning Grant – on DWSRLF Priority List: SMA visited the site on June 11, 2014 and met with the system owner in his offices on July 1, 2014 to interview him about the system history and gather documents to copy (returned those documents to his office on July 7, 2014.) SMA visited the system operator's offices on July 8, 2014 to get pumping and meter reading records. SMA has a draft of the system assessment report complete and needs to complete a cost estimate for those improvements to the system that SMA will recommend. The appraiser indicated that Mr. Livingston has forwarded some of the required information with more to come, so he expects to move ahead with the appraisal ASAP.

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: Timberline Electric completed the field work for the SCADA upgrades and additional SCADA at Well #2 and Butterfield tanks 6/20/14. Their programmers have been working through some issues with alarms and other SCADA internal problems remotely. As of today they have fixed the issue where the Tierra Alta tank can call for water, however there are still issues at the Butterfield tank that they are working through. These are all done remotely from the Denver office. The new Organ Booster Pump Station was brought on line 6/24/14 and remains in operation. The small booster pump for Tierra Alta is now off line. Patti Ann Mobile Home Park was also transferred over to the new system. There are some adjustments that the LRGPWWA crews are working on to set the Organ upper zone pressure and Patti Ann MH Park to its highest pressure while not exceeding limits on the homes on the lower end of the system south of US 70. There is also problems with one of the new flow meters installed on the Tierra Alta line is not reading flows properly. LRGPWWA crews are also looking into this issue. These will be looked at through SCADA as well as in the field. After the change to the new booster station, it was discovered that the house east of the Organ tanks did not have water service and the contractor potholed and made the connection to the new system to correct the outage. The final remaining work items will be to have our Final Construction meeting with USDA RD this month and go over punch list and general clean up items to close out the project on Wednesday, July 23rd at 2:00 at the East Mesa Office.

LRG-13-01 – Brazito Water System Improvements – Souder, Miller & Associates. – Design Phase - \$523,354 NM CITF Grant, \$58,150 Loan, \$58,150 Match Requirement, 2014 CITF \$157,986 (10% loan): Engineer submitted construction drawings and contract documents for review to the following agencies: NMDOT, NMED-DWB, DAC Engineering Services and EBID. SMA will follow up with review agencies about any comments. Also budget has been modified based on the recent increase in NMGR. SMA submitted draft of final contract documents on 7/11/14, and these have been reviewed by Operations.

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. Updated financial information was requested and has been provided.

Infrastructure Capital Improvements Plan 2016-2020: Complete and posted on our website.

Documents Retention & Destruction – Sorting of old association documents for storage or destruction is ongoing, and staff is implementing approved retention/destruction schedules for LRGPWWA documents. Two containers were sent out for shredding in the past month. Desert Sands, La Mesa, Vado, Berino and Brazito files have all been sorted and stored or destroyed.

Website and Email – Notices and Board Minutes pages are current. Other updates are ongoing.

Training – Nothing new to report.

Lower Rio Grande Water Users Organization – attended Lower Rio Grande Regional Water Planning Meeting on June 26th.

RCAC Work Group on Regional Authority Legislation – third conference call on is set for 7/17/14.

Funding Applications Pending:

- Three 2014 Colonias Infrastructure Trust Fund applications have been funded with a 10% loan component:
 - Mesquite-Brazito Sewer Project - \$540,608 total
 - Waterline Extension Project – Design Build (includes Veterans Rd., Bosque area & Berino/Mesquite-Del Cerro shortfall) - \$882,430 total
 - Waterline Extension Project – Brazito (funding shortfall from 2012 CITF Project) - \$157,896 total

- PER, Environmental Document were previously submitted to RD, Application for Funding was submitted 1st week of February, and complete WEP Application Notebook and proposed Engineering Agreement for the Mesquite Brazito Sewer Project were submitted to USDA Rural Development on 4/17/14. These are still under review, and revised and updated documents have been submitted based on their comments.

LRGPWWA
Profit & Loss
 June 2014

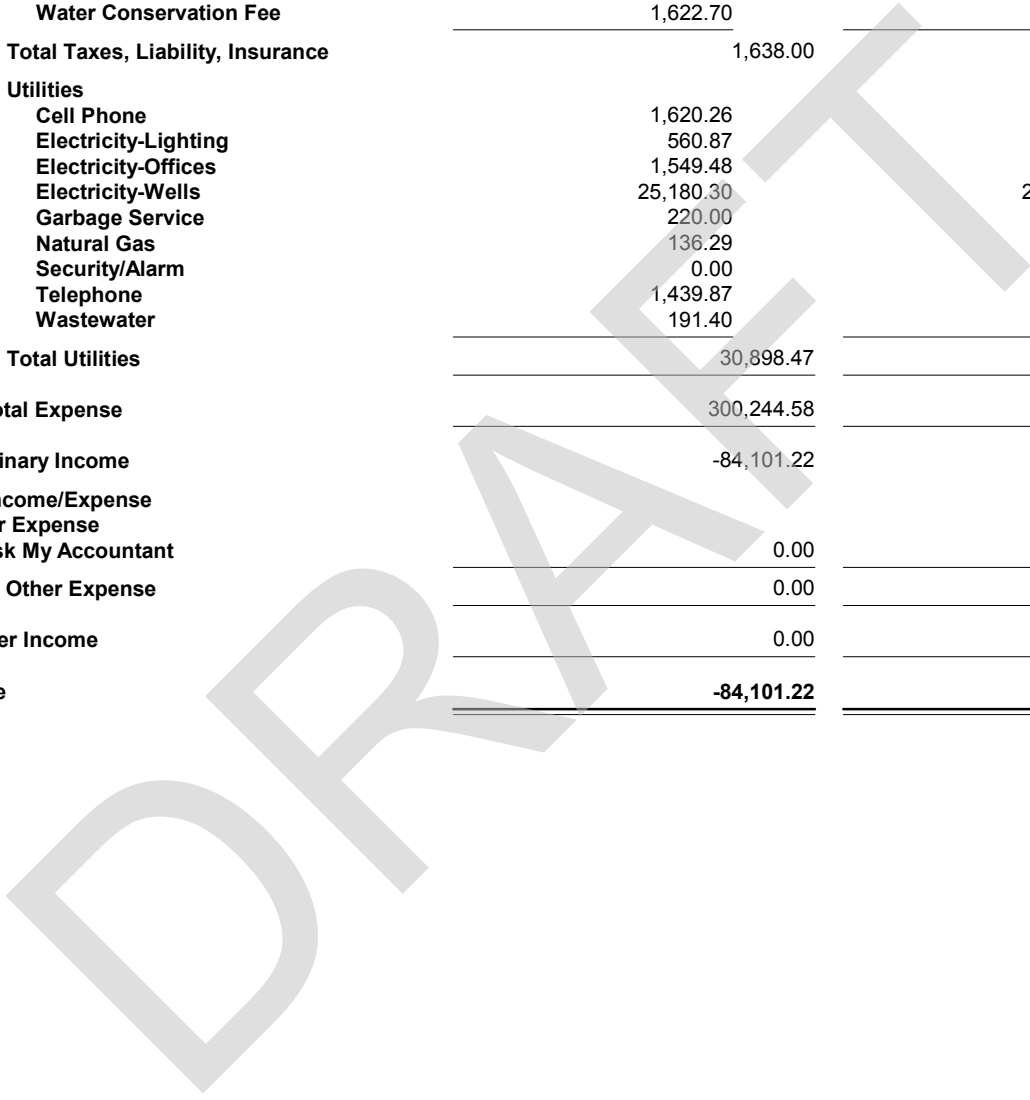
	Jun 14	Jul '13 - Jun 14
Ordinary Income/Expense		
Income		
Credit Card Fees	748.93	7,534.89
Interest	80.93	298.51
Non-Operating Revenue		
Copy/Fax	85.25	904.85
Other Income	175.78	42,026.10
Tower Rent	12,577.28	25,654.56
Total Non-Operating Revenue	12,838.31	68,585.51
Operating Revenue		
Activation & Connection Fees	3,070.00	38,187.28
Contract Services	1,633.26	15,783.26
Impact Fees	0.00	37,503.96
Installation Fees	847.25	15,445.58
Membership Fees	600.00	6,770.00
Monthly Services	175,938.60	1,865,687.35
Monthly Services-Sewer	12,237.16	116,228.28
Other Income	50.00	13,208.20
Penalties-Sewer	313.58	3,333.88
Penalties-Water	3,304.90	-3,575.64
Returned Check Fees	0.00	1,395.00
Tampering Fee/Line Breaks	475.00	5,245.36
Total Operating Revenue	198,469.75	2,115,212.51
Professional Fees-Other	4,005.44	39,011.79
Total Income	216,143.36	2,230,643.21
Cost of Goods Sold		
Cost of Goods Sold	0.00	-11,057.36
Total COGS	0.00	-11,057.36
Gross Profit	216,143.36	2,241,700.57
Expense		
Accounting, Auditing, Legal		
Accounting Fees	0.00	-186.26
Audit	0.00	20,813.50
Bad Debts	0.00	51,347.52
Bank Service Charges	741.92	8,067.04
Cash Short/Over	0.00	485.97
Dues and Subscriptions	0.00	701.00
Engineering Fees	0.00	1,650.01
Legal Fees	3,033.26	8,325.34
Legal Notices	0.00	1,235.03
Licenses & Fees	4,190.13	5,240.13
Meals	101.45	328.04
Permit Fees	0.00	760.00
Postage	975.59	20,341.62
Project Development	0.00	14,090.69
Retirement Account Fees	187.50	1,125.00
Tank Site Lease	302.58	1,412.04
Training	833.00	5,627.16
Travel		
Lodging Per Diem	201.18	1,288.60
Meals Per Diem	70.00	364.37
Mileage/Parking Per Diem	136.40	161.00
Travel - Other	0.00	105.00
Total Travel	407.58	1,918.97
Total Accounting, Auditing, Legal	10,773.01	143,282.80

LRGPWWA
Profit & Loss
 June 2014

	Jun 14	Jul '13 - Jun 14
Debit Service		
Interest paid to NMED	0.00	0.00
Interest paid to NMFA	3,143.61	26,382.03
Interest paid to USDA	4,385.77	55,200.58
Total Debit Service	7,529.38	81,582.61
Depreciation Expense		
Sewer	5,693.51	68,340.05
Water	57,567.70	691,496.74
Total Depreciation Expense	63,261.21	759,836.79
Salaries		
401K 10% Company Contribution	70,376.74	34,492.50
401K Employee Contribution	0.00	0.76
Accrued Leave	2,898.59	20,118.23
Administrative Labor	19,980.28	252,846.92
Clerical Labor	13,458.09	189,796.30
Employee Benefits-401K Contrib	2,183.42	24,910.83
Federal Income Tax Withholding	0.00	20.38
HISC-Blue Medicare Rx.	86.00	1,082.70
Insurance-Dental	826.18	10,681.59
Insurance-Health	9,373.42	113,881.69
Insurance-Life,Disability	859.50	2,575.46
Insurance-Work Comp	1,675.00	16,684.00
Merit	0.00	3,031.97
Mileage	0.00	272.80
Operations Labor	28,415.61	348,171.09
Payroll Taxes-Federal Unemploym	0.00	712.07
Payroll Taxes-Medicare	665.27	10,901.56
Payroll Taxes-Social Security	2,844.70	47,622.03
Payroll Taxes-State Unemploymen	0.00	2,424.00
Payroll Taxes-Worker's Comp Fee	0.00	-10.30
Total Salaries	153,642.80	1,080,216.58
Sewer		
DAC Waste Water Flow Charge	3,816.58	19,004.84
Electricity-Sewer	2,261.27	13,362.60
Lab & Chemicals-Sewer	1,284.44	4,647.69
Supplies & Materials	77.19	5,455.19
Total Sewer	7,439.48	42,470.32
Supplies		
Automobile Repairs & Maint.	2,240.39	54,438.42
Computer Maintenance	2,455.54	42,459.60
Equipment Rental	0.00	26.00
Fuel	6,061.24	77,888.73
Lab, Chemicals-Water		
Chemicals	2,479.89	21,295.68
Laboratory Fees	163.49	3,665.16
Total Lab, Chemicals-Water	2,643.38	24,960.84
Locates	682.25	3,610.36
Maint. & Repairs-Infrastructure	279.44	1,551.00
Maint. & Repairs-Office	653.98	2,279.17
Maintenance & Repairs-Other	0.00	49,411.23
Materials & Supplies	7,170.20	85,812.42
Office Supplies	1,507.24	7,427.13
Printing and Copying	778.42	9,629.68
Tool, Furniture	0.00	507.89
Uniforms-Employee	590.15	7,821.66
Vehicles-Truck	0.00	5,990.00
Total Supplies	25,062.23	373,814.13

LRGPWWA
Profit & Loss
 June 2014

	Jun 14	Jul '13 - Jun 14
Taxes, Liability, Insurance		
Cobra Fee	15.30	183.60
Government Penalties & Interest	0.00	6,141.96
GRT	0.00	1,886.32
Insurance-General Liability	0.00	58,070.00
Insurance-Vision	0.00	0.00
Property Taxes	0.00	2,306.40
State Taxes	0.00	23.00
Water Conservation Fee	1,622.70	16,778.07
Total Taxes, Liability, Insurance	1,638.00	85,389.35
Utilities		
Cell Phone	1,620.26	16,814.20
Electricity-Lighting	560.87	5,711.46
Electricity-Offices	1,549.48	14,179.04
Electricity-Wells	25,180.30	243,127.77
Garbage Service	220.00	2,087.00
Natural Gas	136.29	2,294.10
Security/Alarm	0.00	2,494.39
Telephone	1,439.87	13,247.07
Wastewater	191.40	2,003.10
Total Utilities	30,898.47	301,958.13
Total Expense	300,244.58	2,868,550.71
Net Ordinary Income	-84,101.22	-626,850.14
Other Income/Expense		
Other Expense		
Ask My Accountant	0.00	0.00
Total Other Expense	0.00	0.00
Net Other Income	0.00	0.00
Net Income	-84,101.22	-626,850.14



UNITED STATES DEPARTMENT OF AGRICULTURE
STATEMENT OF BUDGET, INCOME AND EQUITY

Schedule 1

Name LowerRioGrandePublicWaterWorksAuthority	Address Budget Adjustment Request
---	--------------------------------------

(1) OPERATING INCOME	PRIOR YEAR Actual (2)	ANNUAL BUDGET	For the _____ Months Ended 06-30-2014		
		BEG 07-01-2013 END 06-30-2014 (3)	CURRENT YEAR		Actual YTD (Over) Under Budget Col. 3 - 5 = 6 (6)
		Actual Data		Year To Date (5)	
			Current Quarter (4)		
		<i>Current</i>		<i>Amended</i>	<i>Change</i>
1. Water Revenue	1,688,918	1,919,353		1,959,353	-40,000
2. Sewer Revenue	94,500	90,000		117,000	-27,000
3. Interest	300	300		300	0
4. _____					0
5. Miscellaneous					0
6. Less: Allowances and Deductions					0
7. Total Operating Income (Add lines 1 through 6)	1,783,718	2,009,653	0	2,076,653	-67,000
OPERATING EXPENSES					
8. Salaries, Labor	1,090,990	1,103,000		1,085,672	17,328
9. Accounting, Legal	87,874	87,000		144,670	-57,670
10. Taxes, Insurance	120,284	112,000		85,460	26,540
11. Utilities	257,824	241,650		302,100	-60,450
12. Supplies	350,463	321,650		374,070	-52,420
13. Sewer, Lab, Chem	27,797	30,000		42,600	-12,600
14. Debt Service	69,386	319,353		82,000	237,353
15. Interest					0
16. Depreciation	606,000	606,000		760,000	-154,000
17. Total Operating Expense (Add Lines 8 through 16)	2,610,618	2,820,653	0	2,876,572	-55,919
18. NET OPERATING INCOME (LOSS) (Line 7 less 17)	-826,900	-811,000	0	-799,919	-11,081
NONOPERATING INCOME					
19. Water	216,400	200,000		200,147	-147
20. Sewer	4,500	5,000		3,500	1,500
21. Total Nonoperating Income (Add 19 and 20)	220,900	205,000	0	203,647	1,353
22. NET INCOME (LOSS) (Add lines 18 and 21)	-606,000	-606,000	0	-596,272	-9,728
23. Equity Beginning of Period					0
24. Reserves				-163,728	163,728
25. _____					0
26. Equity End of Period (Add lines 22 through 25)	-606,000	-606,000	0	-760,000	154,000

Budget and Annual Report Approved by Governing Body

Quarterly Reports Certified Correct

Secretary

Date

Appropriate Official

Date

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0015 and 0572-0137. The time required to complete this information collection is estimated to average 2-1 2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

UNITED STATES DEPARTMENT OF AGRICULTURE
STATEMENT OF BUDGET, INCOME AND EQUITY

Schedule 1

Name LowerRioGrandePublicWaterWorksAuthority

Address PO Box 2646
Anthony NM 88021

(1) <u>OPERATING INCOME</u>	<u>PRIOR YEAR Actual (2)</u>	ANNUAL BUDGET		For the <u>Months Ended 06-30-2014</u>		
		<u>BEG 07-01-2013 END 06-30-2014 (3)</u>	CURRENT YEAR		<u>Actual YTD (Over) Under Budget Col. 3 - 5 = 6 (6)</u>	
			<u>Actual Data</u>			
			<u>Current Quarter (4)</u>	<u>Year To Date (5)</u>		
1. Water Revenue	1,688,918	1,959,353	487,607	1,956,922	2,431	
2. Sewer Revenue	94,500	117,000	37,330	116,227	773	
3. Interest	300	300	106	300	0	
4.					0	
5. Miscellaneous					0	
6. Less: Allowances and Deductions					0	
7. Total Operating Income (Add lines 1 through 6)	1,783,718	2,076,653	525,043	2,073,449	3,204	
<u>OPERATING EXPENSES</u>						
8. Salaries, Labor	1,090,990	1,085,672	356,799	1,080,217	5,455	
9. Accounting, Legal	87,874	144,670	-21,679	143,283	1,387	
10. Taxes, Insurance	120,284	85,460	20,907	249,117	-163,657	
11. Utilities	257,824	302,100	75,022	301,958	142	
12. Supplies	350,463	374,070	78,372	373,814	256	
13. Sewer, Lab, Chem	27,797	42,600	19,137	42,470	130	
14. Debt Service	69,386	82,000	20,907	81,583	417	
15. Interest					0	
16. Depreciation	606,000	760,000	189,788	759,837	163	
17. Total Operating Expense (Add Lines 8 through 16)	2,610,618	2,876,572	739,253	3,032,279	-155,707	
18. NET OPERATING INCOME (LOSS) (Line 7 less 17)	-826,900	-799,919	-214,210	-958,830	158,911	
<u>NONOPERATING INCOME</u>						
19. Water	216,400	200,147	23,438	195,496	4,651	
20. Sewer	4,500	3,500	984	3,334	166	
21. Total Nonoperating Income (Add 19 and 20)	220,900	203,647	24,422	198,830	4,817	
22. NET INCOME (LOSS) (Add lines 18 and 21)	-606,000	-596,272	-189,788	-760,000	163,728	
23. Equity Beginning of Period					0	
24. Reserves					0	
25.					0	
26. Equity End of Period (Add lines 22 through 25)	-606,000	-596,272	-189,788	-760,000	163,728	

Budget and Annual Report Approved by Governing Body

Quarterly Reports Certified Correct

Secretary

Date

Appropriate Official

Date

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0015 and 0572-0137. The time required to complete this information collection is estimated to average 2-1 2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

Name		Address				
Applicant Fiscal Year		County		State (Including ZIP Code)		
From	To	20	20	20	20	First Full Year
		(1)	(2)	(3)	(4)	(5)
OPERATING INCOME						
1. _____						
2. _____						
3. _____						
4. _____						
5. Miscellaneous						
6. Less: Allowances and Deductions	()	()	()
7. Total Operating Income (Add Lines 1 through 6)						
OPERATING EXPENSES						
8. _____						
9. _____						
10. _____						
11. _____						
12. _____						
13. _____						
14. _____						
15. Interest (RD)						
16. Depreciation						
17. Total Operating Expense (Add lines 8 through 16)						
18. NET OPERATING INCOME (LOSS) (Line 7 less 17)						
NONOPERATING INCOME						
19. _____						
20. _____						
21. Total Nonoperating Income (Add Lines 19 and 20)						
22. NET INCOME (LOSS) (Add Lines 18 and 21) (Transfer to Line A Schedule 2)						

Budget and Projected Cash Flow Approved by Governing Body

Attest: _____
Secretary Date

Appropriate Official Date

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0015 and 0572-0137. The time required to complete this information collection is estimated to average 5 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

PROJECTED CASH FLOW

	20	20	20	20	First Full Year
A. Line 22 from Schedule 1 Income (<i>Loss</i>)					
<i>Add</i>					
B. Items in Operations not Requiring Cash:					
1. Depreciation (<i>Line 16, Schedule 1</i>)					
2. Others: _____					
C. Cash Provided from:					
1. Proceeds from RD loan/grant					
2. Proceeds from others					
3. Increase (<i>Decrease</i>) in Accounts Payable, Accruals and other Current Liabilities					
4. Decrease (<i>Increase</i>) in Accounts Receivable, inventories and Other Current Assets (<i>Exclude Cash</i>)					
5. Other: _____					
6. _____					
D. Total all A, B and C Items					
E. <i>Less</i> : Cash Expended for:					
1. All Construction, Equipment and New Capital Items (<i>Loan and grant funds</i>)					
2. Replacement and Additions to Existing Property, Plant and Equipment					
3. Principal Payment RD Loan					
4. Principal Payment Other Loans					
5. Other: _____					
6. Total E 1 through 5					
<i>Add</i>					
F. Beginning Cash Balances					
G. Ending Cash Balances (<i>Total of D minus E 6 plus F</i>)					
Item G Cash Balances Composed of:					
Construction Account					
Revenue Account					
Debt Payment Account					
O&M Account					
Reserve Account					
Funded Depreciation Account					
Others: _____					

Total - Agrees with Item G					

**Organ Water and Sewer
Association**

**Basic Financial Statements and
Supplementary Information
for the Period of January 1, 2012
through September 30, 2012
and Independent Auditors' Report**

**STATE OF NEW MEXICO
ORGAN WATER AND SEWER ASSOCIATION**

TABLE OF CONTENTS

	Page
DIRECTORY OF OFFICIALS	1
INDEPENDENT AUDITORS' REPORT	2
BASIC FINANCIAL STATEMENTS:	
Statement of Net Position	5
Statement of Revenues, Expenses and Changes in Net Position	6
Statement of Cash Flows	7
Notes to Basic Financial Statements	9
SUPPLEMENTARY INFORMATION:	
Statement of Revenue, Expenditures and Changes in Cash Balance - Budget and Actual on Budgetary Basis	18
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	19
Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133	21
Schedule of Findings and Questioned Costs	24
Exit Conference	27

**STATE OF NEW MEXICO
ORGAN WATER AND SEWER ASSOCIATION**

**DIRECTORY OF OFFICIALS
FOR THE PERIOD ENDED SEPTEMBER 30, 2012**

Board of Directors

Western Lee	President
Clyde Williamson	Vice President
Dennis Remley	Director
Furman Smith	Director

Officials

Martin Lopez	General Manager
--------------	-----------------

INDEPENDENT AUDITORS' REPORT

Hector H. Balderas, State Auditor
and the Board of Directors of the
Organ Water and Sewer Association
Vado, New Mexico

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of the Organ Water and Sewer Association, (the Association), as of and for the period ended September 30, 2012, which collectively comprise the Association's basic financial statements as listed in the table of contents. We have also audited the budgetary comparison for the major enterprise fund presented as supplemental information in the financial statements for the period of January 1, 2012 through September 30, 2012 as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Association's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of Organ Water and Sewer Association, and the respective changes in financial position, and cash flows, where applicable, thereof and the respective budgetary comparisons for the business type funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Management has omitted the Management's Discussion and Analysis which is required to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements.

The schedule of expenditures of federal awards is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 26, 2013 on our consideration of the Association's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Association's internal control over financial reporting and compliance.



El Paso, Texas
November 26, 2013

BASIC FINANCIAL STATEMENTS

**STATE OF NEW MEXICO
ORGAN WATER AND SEWER ASSOCIATION**

**STATEMENT OF NET POSITION
FOR THE PERIOD ENDED SEPTEMBER 30, 2012**

ASSETS:

Current assets:

Cash and cash equivalents	\$ 80,566
Grants receivables	353,359
Accounts receivables, net	8,132
Other assets	<u>7,628</u>

Total current assets 449,685

Noncurrent assets:

Restricted cash	700
Capital assets	<u>3,081,185</u>

Total assets \$ 3,531,570

LIABILITIES:

Current liabilities:

Accounts payable	\$ 349,991
Accrued liabilities and other expenses	1,756
Current portion of long-term debt	<u>316,584</u>

Total current liabilities 668,331

Non-current liabilities:

Non-current portion of long-term debt	<u>10,253</u>
---------------------------------------	---------------

Total noncurrent liabilities 10,253

Total liabilities 678,584

NET POSITION:

Net investment in capital assets	2,754,348
Unrestricted	97,938
Restricted	<u>700</u>

Total net position 2,852,986

Total liabilities and net position \$ 3,531,570

See accompanying notes to financial statements and independent auditors' report.

**STATE OF NEW MEXICO
ORGAN WATER AND SEWER ASSOCIATION**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE PERIOD ENDED SEPTEMBER 30, 2012**

Operating revenues	
Service fees	\$ 156,803
Activation, connection and installation fees	5,029
Late fees	2,369
Membership fees	<u>27,206</u>
Total operating revenues	191,407
Operating expenses	
Advertising	39
Bad debt expense	934
Bank charges	325
Dues and subscriptions	1,437
Licenses and permits	2,356
Depreciation	74,463
Salaries and wages	40,107
Office Expense	442
Taxes and license - other	3,835
Cost of operations	12,497
Insurance	8,084
Maintenance and repairs	13,757
Professional fees	34,259
Travel and entertainment	21
Utilities	<u>25,680</u>
Total operating expenses	218,236
Operating loss	<u>(26,829)</u>
Nonoperating revenues (expenses)	
Grant revenue	360,052
Other income	2,064
Interest expense	<u>(13,810)</u>
Total nonoperating revenues (expenses)	348,306
Change in net position	321,477
Net position, beginning of year	<u>2,531,509</u>
Net position, end of year	<u>\$ 2,852,986</u>

See accompanying notes to financial statements and independent auditors' report.

**STATE OF NEW MEXICO
ORGAN WATER AND SEWER ASSOCIATION**

**STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED SEPTEMBER 30, 2012**

CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from customers	\$ (104,298)
Cash payments to suppliers and employees	179,871
Cash payments to employees for services	<u>(40,107)</u>
Net cash provided by operating activities	35,466
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:	
Other income	<u>2,064</u>
Net cash provided by non-operating activities	2,064
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Principal payments	(19,356)
Grants	360,052
Acquisition of property and equipment	(359,094)
Interest payments	<u>(13,810)</u>
Net cash used in financing activities	<u>(32,208)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	<u>5,322</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>75,944</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 81,266</u>
RECONCILIATION TO CASH AND CASH EQUIVALENT AS REPORTED ON THE STATEMENT OF NET ASSETS	
Cash and cash equivalents	\$ 80,566
Restricted cash	<u>700</u>
	<u>\$ 81,266</u>

(Continued)

See accompanying notes to financial statements and independent auditors' report.

**STATE OF NEW MEXICO
ORGAN WATER AND SEWER ASSOCIATION**

**STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED SEPTEMBER 30, 2012**

RECONCILIATION OF OPERATING LOSS TO NET CASH
PROVIDED BY OPERATING ACTIVITIES:

Operating loss	\$	(26,829)
Adjustment to reconcile operating loss to net cash provided by operating activities:		
Depreciation		74,463
Change in:		
Grants receivable		(353,359)
Accounts receivable		(1,378)
Other assets		1,265
Accounts payable		341,982
Accrued payable and other liabilities		<u>(678)</u>
Total adjustments		<u>62,295</u>
Net cash provided by operating activities	\$	<u>35,466</u>

(Concluded)

See accompanying notes to financial statements and independent auditors' report.

**STATE OF NEW MEXICO
ORGAN WATER AND SEWER ASSOCIATION**

**NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE PERIOD ENDED SEPTEMBER 30, 2012**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organ Mutual Domestic Water Consumer Association (the Association) supplies water to occupants and residents within the vicinity of the communities of southern New Mexico. Sales revenues are generated primarily from water supply sales to domestic and commercial users within these areas.

The Association has a Board of Directors that consists of five (4) members who are responsible for legislative and fiscal control of the Association. The Board is also responsible for administrative control of the Association.

Reporting Entity

The financial statements of the Association have been prepared in accordance with general accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements. Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued after November 30, 1989 that do not conflict with or contradict GASB pronouncements.

GASB Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the Association is considered a primary government, since it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No. 14, fiscally independent means that the Association may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges and issue bonded debt.

The Association has no component units, defined by GASB Statement No. 14 as other legally separate organizations for which the elected Association members are financially accountable. There are no other primary governments with which the Association Board Members are financially accountable. There are no other primary governments with which the Association has a significant relationship.

The accounts of the Association are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements.

The funds of the Association are classified as a proprietary fund type. The fund classification and a description of the fund type follows below:

Measurement Focus and Basis of Accounting

The proprietary fund financial statements are reported using the economic resources measurement focus.

The proprietary fund is accounted for using the accrual basis of accounting. The revenues are recognized when they are earned and the expenses are recognized when they are incurred.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Association are charges to customers for sales and services. The Association also recognizes as connection, membership and delinquency fees as revenue. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Analysis of Impairment

Management review long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Impairment is determined based upon comparison of future cash flows to the recorded value of the assets. Impairment losses are measured based upon the fair value of the impaired assets. No such impairment losses were recorded during the period of September 30, 2012.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Association considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Restricted Cash

Restricted cash consist of the following:

Customer deposits	<u>\$ 700</u>
Total restricted cash	<u>\$ 700</u>

Restricted cash consist of non-mandatory reserves set aside within the operating account for outstanding customer deposits.

Budget and Budgetary Accounting

The Association follows these procedures in establishing the budgetary data reflected in the financial statements:

1. On or before January 1 of each year, the Board of Directors, approves and certifies to the estimated operating budgets for use by the local board pending final approval from the United State Department of Agriculture and the New Mexico Department of Finance and Administration - Local Government Division.
2. The United State Department of Agriculture and New Mexico Department of Finance and Administration - Local Government Division approve the budget for the Association to utilize during the year.
3. Budget adjustments may be made during the year. The Board of Directors approves budget resolutions to increase or decrease revenue and/or expenditure line items during the year.
4. The level of budget authority is at the fund level.

Use of Restricted Funds

When both restricted and unrestricted resources are available for use, it is the Association's policy to use restricted resources first, then unrestricted resources as they are needed.

Revenue

The policy for defining the proprietary fund's operating revenues and expenses is how individual transactions would be categorized for purposes of preparing a statement of cash flows. Transactions

for which cash flows are reported as capital and related financing activities, noncapital financing activities, or investing activities normally are not reported as components of operating income.

Estimates

The preparation of financial statements in conformity with United States generally accepted accounting principles require the use of management's estimates.

Allowance for Doubtful Accounts

Management considers the majority of the accounts receivable as collectible. Any accounts receivable considered uncollectible are not considered material. Accordingly, no allowance for doubtful accounts has been recorded.

Capital Assets

Capital assets are recorded at historical costs. Purchase property and equipment in excess of \$5,000 is capitalized. Costs for the new water system and the building include the costs for construction during the current year including costs of engineering, architecture, and drilling costs incurred in the prior year. Depreciation is calculated using the straight-line method over the following estimated useful lives:

Office equipment	10 years
Utility lines, pump station and shed	38 years
Wells	15-20 years
Water system	38 years
Vehicles	5 years

Net Position

Net position comprises the various net earnings from operating and non-operating revenues, expenses and contributions of capital. Net position is classified in the following three components: net investment in capital assets; restricted; and unrestricted net assets. Net investment in capital assets consists of all capital assets, net of accumulated depreciation and reduced by outstanding debt that is attributable to the acquisition, construction and improvement of those assets; debt related to unspent proceeds or other restricted cash and investments is excluded from the determination. Restricted net position consists of net assets for which constraints are placed thereon by external parties, such as lenders, grantors, contributors, laws, regulations and enabling legislation, including self-imposed legal mandates. Unrestricted net assets consist of all other net assets not included in the above categories.

New Governmental Accounting Standards - In November 2010, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 61 The Financial Reporting Entity: Omnibus—an amendment of GASB Statements No. 14 and No. 34, which is effective for financial statements for periods beginning after June 15, 2012. Earlier application is encouraged. The objective of this Statement is to improve financial reporting for a governmental financial reporting entity. The requirements of Statement No. 14, The Financial Reporting Entity, and the related financial reporting requirements of Statement No. 34, Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments, were amended to better meet user needs and to address reporting entity issues that have arisen since the issuance of those Statements. The Association is analyzing the effect that this statement will have on its financial statement, and currently believes it will have no significant effect on the financial statement for the upcoming year.

In December 2010, the GASB issued Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements. That Statement supersedes Statement No. 20, Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting. Statement 62 is effective for financial statements for periods beginning after December 15, 2011, with early application

encouraged. The objective of this statement is to provide non-conflicting pronouncements between FASB and GASB. The Association is analyzing the effect that this statement will have on its financial statement, and currently believes it will have no significant effect on the financial statement for the upcoming year.

In June 2011, the GASB issued Statement No. 63, Financial reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and net Position, which is effective for financial statements for periods beginning after December 15, 2011. Earlier application is encouraged. The objective of this statement is to provide financial reporting guidance for deferred outflows of resources and deferred inflows of resources. Concepts Statement No. 4, Elements of Financial Statements, introduced and defined those elements as a consumption of net assets by the government that is applicable to a future reporting period, and an acquisition of net assets by the government that is applicable to a future reporting period, respectively. Previous financial reporting standards do not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities. Concepts Statement 4 also identifies net position as the residual of all other elements presented in a statement of financial position. This Statement amends the net asset reporting requirements in Statement No. 34, Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments, and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. The Association is analyzing the effect that this statement will have on its financial statement, and currently believes it will have no significant effect on the financial statement for the upcoming year.

In June 2011, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 64 Derivative Instruments: Application of Hedge Accounting Termination Provisions—an amendment of GASB Statement No. 53, which is effective for financial statements for periods beginning after June 15, 2011. Earlier application is encouraged. The objective of this Statement is to clarify whether an effective hedging relationship continues after the replacement of a swap counterparty or a swap counterparty’s credit support provider. This Statement sets forth criteria that establish when the effective hedging relationship continues and hedge accounting should continue to be applied. The Association is analyzing the effect that this statement will have on its financial statement, and currently believes it will have no significant effect on the financial statement for the upcoming year.

In March 2012, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 65 Items Previously Reported as Assets and Liabilities, which is effective for financial statements for periods beginning after December 15, 2012. Earlier application is encouraged. The objective of this Statement is to improve financial reporting by clarifying the appropriate use of the financial statement elements deferred outflows of resources and deferred inflows of resources to ensure consistency in financial reporting. The Association is analyzing the effect that this statement will have on its financial statement, and currently believes it will have no significant effect on the financial statement for the upcoming year.

In March 2012, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 66 Technical Corrections-2012- an amendment of GASB Statements No. 10 and No. 62, which is effective for financial statements for periods beginning after December 15, 2012. Earlier application is encouraged. The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, and No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements. The Association is analyzing the effect that this statement will have on its financial statement, and currently believes it will have no significant effect on the financial statement for the upcoming year.

In June 2012, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 67 Financial Reporting for Pension Plans - an amendment of GASB Statement No. 25. Earlier application is encouraged. The objective of this Statement is to improve financial reporting by state and local governmental pension plans. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces the requirements of Statements No. 25, Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans, and No. 50, Pension Disclosures, as they relate to pension plans that are administered through trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The requirements of Statements 25 and 50 remain applicable to pension plans that are not administered through trusts covered by the scope of this Statement and to defined contribution plans that provide postemployment benefits other than pensions. The Association is analyzing the effect that this statement will have on its financial statement, and currently believes it will have no significant effect on the financial statement for the upcoming year.

In June 2012, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 68 Accounting and Financial Reporting for Pensions- an amendment of GASB Statement No. 27. Earlier application is encouraged. The objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces the requirements of Statement No. 27, Accounting for Pensions by State and Local Governmental Employers, as well as the requirements of Statement No. 50, Pension Disclosures, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement. The Association is analyzing the effect that this statement will have on its financial statement, and currently believes it will have no significant effect on the financial statement for the upcoming year.

2. **CASH AND DEPOSITS**

Cash and investments - The Association is required by New Mexico State Statute (Section 6-10-17) to be 50 percent collateralized. Following is a schedule calculating the requirement and disclosing the pledged securities.

Citizens Bank	Balance Per	Reconciled	
<u>Name of Account</u>	Bank 9/30/12	Balance	Type
Operating account	\$ 57,890	\$ 62,402	Checking
Construction account	100	100	Checking
Reserve	18,064	18,064	Checking
Deposit	700	700	Checking
Total Deposited	76,754	<u>\$ 81,266</u>	
Less: FDIC Coverage	<u>(76,754)</u>		
Uninsured amount	-		
50% collateral requirement	-		
Pledged securities	-		
Over (under) requirement	<u>\$ -</u>		

Custodial Credit Risk-Deposits

Custodial credit risk is the risk that in the event of a failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. As of September 30, 2012, \$0 of the Association's bank balance of \$76,754, was exposed to custodial credit risk.

3. PROPERTY AND EQUIPMENT

The cost basis of property and equipment are stated as follows:

	<u>Beginning Balance</u>	<u>Transfers</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets not being depreciated:					
Land	\$ 73,679	\$ -	\$ -	\$ -	\$ 73,679
Construction in progress	293,779	-	350,177	-	643,956
Total capital assets not being depreciated	<u>367,458</u>	<u>-</u>	<u>350,177</u>	<u>-</u>	<u>717,635</u>
Capital assets, being depreciated					
Buildings	18,062	-	8,917	-	26,979
Water systems	3,452,123	-	-	-	3,452,123
Furniture, fixtures and equipment	721	-	-	-	721
Machinery and equipment	145,915	-	-	-	145,915
Transportation equipment	21,200	-	-	-	21,200
Total capital assets, being depreciated	<u>3,638,021</u>	<u>-</u>	<u>8,917</u>	<u>-</u>	<u>3,646,938</u>
Total capital assets	<u>4,005,479</u>	<u>-</u>	<u>359,094</u>	<u>-</u>	<u>4,364,573</u>
Less accumulated depreciation for:					
Buildings	18,062	-	-	-	18,062
Water systems	1,168,942	-	74,463	-	1,243,405
Furniture, fixtures and equipment	721	-	-	-	721
Transportation equipment	21,200	-	-	-	21,200
Total accumulated depreciation	<u>1,208,925</u>	<u>-</u>	<u>74,463</u>	<u>-</u>	<u>1,283,388</u>
Total other capital assets, net	<u>\$ 2,796,554</u>	<u>\$ -</u>	<u>\$ 284,631</u>	<u>\$ -</u>	<u>\$ 3,081,185</u>

Depreciation expense was \$74,463 for the period of January 1, 2012 through September 30, 2012.

4. LONG TERM DEBT

Changes in long-term debt during the period ended September 30, 2012 were as follows:

	<u>Balance 12/31/11</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance 9/30/12</u>	<u>Amounts Due Within One Year</u>
Citizens Bank	\$ 17,340	\$ -	\$ 2,894	\$ 14,446	\$ 4,193
NMFA Loan	<u>301,584</u>	<u>10,807</u>	<u>-</u>	<u>312,391</u>	<u>312,391</u>
	<u>\$ 318,924</u>	<u>\$ 10,807</u>	<u>\$ 2,894</u>	<u>\$ 326,837</u>	<u>\$ 316,584</u>

New Mexico Finance Authority

On March 10, 2011, Organ Mutual Domestic Water Consumer Association entered into a \$313,090 loan agreement with the New Mexico Finance Authority (NMFA) to finance the water and waste water system improvements. The loan has a 5.5% interest and matures in December 2012. The loan is secured by monthly revenue of the Association. On September 30, 2012, Organ Mutual Domestic Water Consumer Association merged with the Lower Rio Grande Public Water Works Authority and the Authority assumed the loan.

Loan principal and interest payments for each of the next years and thereafter are as follows:

Period Ending September 30:	Principal	Interest	Total
2013	\$ 312,391	\$ 16,333	\$ 328,724
Totals	<u>\$ 312,391</u>	<u>\$ 16,333</u>	<u>\$ 328,724</u>

Citizens Bank

On December 31, 2010, Organ Mutual Domestic Water Consumers Association entered into a \$21,000 loan agreement with Citizens Bank. The loan bears interest at 7.15% and maturing in December 2015. The note is payable in monthly installments of \$418 starting January 2011. The loan is secured by monthly revenue of the Association. On September 30, 2012, Organ Mutual Domestic Water Consumer Association merged with the Lower Rio Grande Public Water Works Authority and the Authority assumed the loan.

Loan principal and interest payments for each of the next years and thereafter are as follows:

Period Ending September 30:	Principal	Interest	Total
2013	4,193	827	5,020
2014	4,503	517	5,020
2015	5,750	184	5,934
Totals	<u>\$ 14,446</u>	<u>\$ 1,528</u>	<u>\$ 15,974</u>

5. **RISK MANAGEMENT**

The Association covers its risk of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters through various insurance policy coverage. The coverage includes workers compensation, general and professional liability, property, and fidelity bonds coverage. The Association transfers these risks of loss to the insurance carrier except for deductible amounts. Premiums paid on policies for the period of January 1, 2012 through September 30, 2012 was \$8,084.

6. **SUBSEQUENT EVENTS**

On September 30, 2012 the Board of Directors of Organ Mutual Domestic Water Conservation Association, according to the Sanitary Project Act, Section 3-29-20-1, NMSA 1978, approved a plan of merger with the Lower Rio Grande Public Works Authority. The Association will immediately commence the process of merge into the Authority, which process may take one to two years.

SUPPLEMENTARY INFORMATION

**STATE OF NEW MEXICO
ORGAN WATER AND SEWER ASSOCIATION**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN CASH
BALANCE - BUDGET AND ACTUAL ON BUDGETARY BASIS
FOR THE PERIOD ENDED SEPTEMBER 30, 2012**

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
Operating Income				
Water revenue	\$ 186,000	\$ 186,000	\$ 156,803	\$ (29,197)
Sewer revenue	27,000	27,000	5,029	(21,971)
Other income	8,390	8,390	29,575	21,185
Total operating income	<u>221,390</u>	<u>221,390</u>	<u>191,407</u>	<u>(29,983)</u>
Operating Expenses				
Salaries, labor	52,700	52,700	-	52,700
Accounting, legal	38,000	38,000	34,584	3,416
Taxes, insurance	10,000	10,000	11,919	(1,919)
Utilities	47,400	47,400	25,680	21,720
Supplies	2,500	2,500	15,636	(13,136)
Repairs and maintenance	7,300	7,300	-	7,300
Bad debt expenses	250	250	934	(684)
Miscellaneous	39,325	39,325	42,502	(3,177)
Fuel	4,800	4,800	12,497	(7,697)
Travel and entertainment	350	350	21	329
Depreciation	98,400	98,400	74,463	23,937
Total operating expenses	<u>301,025</u>	<u>301,025</u>	<u>218,236</u>	<u>82,789</u>
Excess (deficiency) of revenues over expenditures	<u>(79,635)</u>	<u>(79,635)</u>	<u>(26,829)</u>	<u>52,806</u>
Nonoperating revenues				
Agency loans/grants	1,500,000	1,500,000	360,052	(1,139,948)
Other expenses	-	-	(11,746)	(11,746)
Total nonoperating income	<u>1,500,000</u>	<u>1,500,000</u>	<u>348,306</u>	<u>(1,151,694)</u>
Revenue over (under) expenses	<u>\$ 1,420,365</u>	<u>\$ 1,420,365</u>	<u>\$ 321,477</u>	<u>\$ (1,098,888)</u>

See accompanying notes to financial statements and independent auditors' report.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Hector H. Balderas, State Auditor
and the Board of Directors of the
Organ Water and Sewer Association, New Mexico

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and the budgetary comparison presented as supplementary information of Organ Water and Sewer Association (the Association) as of and for the period of January 1, 2012 through September 30, 2012, and have issued our report thereon dated November 26, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit, of the financial statements, we considered the Association's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. Accordingly, we do not express an opinion on the effectiveness of the Association's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore material weaknesses or significant deficiencies may exist that were not identified. We consider the deficiency (12-02) to be considered a significant deficiency. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that we have not identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Association's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and responses as item 12-01.

Organ Water and Sewer Association's Response to Findings

Organ Water and Sewer Association's responses to the finding identified in our audit is described in the accompanying schedule of findings and responses. Organ Water and Sewer Association's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the Association's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Association's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

White + Samaniego + Campbell, LLP

EI Paso, Texas
November 26, 2013

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB
CIRCULAR A-133**

Hector H. Balderas
New Mexico State Auditor
and the Council Members
Organ Water and Sewer Association
Vado, New Mexico

Report on Compliance for Each Major Federal Program

We have audited the Organ Water and Sewer Association's compliance with the types of compliance requirements described in the OMB Circular A-133 *Compliance Supplement* that could have a direct and material effect on each of the Organ Water and Sewer Association's major federal programs for the period of January 1, 2012 through September 30, 2012. The Organ Water and Sewer Association's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Association's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Association's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Association's compliance with those requirements.

Opinion on Each Major Federal Program

In our opinion, the Association, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the period ended September 30, 2012.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 12-02. The fiscal year end of Organ Water and Sewer Association is December 31, 2012. The early reporting date resulted from the merger of Organ Water and Sewer Association with Lower Rio Grande Public Water Works Authority, which occurred on September 30, 2012.

Report on Internal Control over Compliance

Management of the Association is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Association's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Association's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses or significant deficiencies, as defined above.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

White + Samaniego + Campbell, LLP

El Paso, Texas
November 26, 2013

**STATE OF NEW MEXICO
ORGAN WATER AND SEWER ASSOCIATION**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE PERIOD ENDED SEPTEMBER 30, 2012**

Federal Grantor Pass Through Grantor Program Title	CFDA	Award Amount	Expenditures
<i>United States Department of Agriculture Rural Development</i>			
Water and Waste Disposal Systems for Rural Communities - Loan	10.760	\$ 312,391	\$ 312,391
Water and Waste Disposal Systems for Rural Communities - Grant	10.760	<u>367,169</u>	<u>367,169</u>
Total Expenditures of Federal Awards		<u>\$ 679,560</u>	<u>\$ 679,560</u>

Note 1 - Basis of Presentation

The above Schedule of Expenditures of Federal Awards includes the federal grant activity of the Organ Water and Sewer Association and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in preparation of, the basic financial statements.

See accompanying notes to financial statements and independent auditors' report.

**STATE OF NEW MEXICO
ORGAN WATER AND SEWER ASSOCIATION**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE PERIOD ENDED SEPTEMBER 30, 2012**

SECTION I - SUMMARY OF AUDITORS' REPORT

FINANCIAL STATEMENTS

Type of Auditors' Report Issued	Unmodified	
Significant Deficiencies Identified?	<u> X </u> Yes	<u> </u> No
Significant Deficiencies Identified that Are Considered to Be Material Weakness(es)?	<u> </u> Yes	<u> X </u> No
Noncompliance Material to Financial Statements	N/A	

FEDERAL AWARDS

Type of Auditors' Report Issued on compliance for Major Programs	Unmodified	
Internal Control Over Major Programs:		
Significant Deficiencies Identified?	<u> </u> Yes	<u> X </u> No
Significant Deficiency(ies) Identified that Are Considered to Be Material Weakness(es)?	<u> </u> Yes	<u> X </u> No
Any Audit Findings Disclosed that are Required to be Reported in accordance with Section 501(a) of Circular A-133?	<u> </u> Yes	<u> X </u> No

Identification of Major Programs:

CFDA	10.760	Water and Waste Disposal Systems for Rural Communities
------	--------	--

Dollar Threshold Used to Distinguish Between Type A and Type B Programs	\$300,000	
Auditee Qualifies as Low-Risk Auditee	<u> </u> Yes	<u> X </u> No

**STATE OF NEW MEXICO
ORGAN WATER AND SEWER ASSOCIATION**

**SCHEDULE OF AUDIT FINDINGS AND RESPONSES
FOR THE PERIOD ENDED SEPTEMBER 30, 2012**

Late Audit Report (12-01) - Other Matters

CONDITION	The audit report was submitted to the State Auditor after the required deadline.
CRITERIA	Special districts audits for the year ended of December 31 are required to be submitted to the State Auditor within five months after year-end. This is a requirement of the State Auditors Office Rule 2.2.2.9A(1) (C).
EFFECT	State Auditor regulations have not been adhered to. Also, the users of the financial statements such as legislators, creditors, bondholders, State and Federal grantors, etc., do not have timely audit reports and financial statements for their review. Late audit reports could have an effect on state and federal funding.
CAUSE	The Association was unable to submit the audit report on a timely basis as a result of the merger.
RECOMMENDATION	The Association should adhere to all audit report required deadlines.
RESPONSE	The Association has merged with Lower Rio Grande Public Water Works and will have no future audit reports under this Association.

**Data Collection Form Submission - United States Department of
Agriculture Rural Development CFDA 10.760 Water and Waste Disposal
Systems for Rural Communities, Awarded in 2012 (12-02) - Other Matters**

CONDITION	The Association did not submit their data collection form to the Federal Clearing House by September 30, 2013 (9 months after fiscal year ending December 31, 2012).
CRITERIA	OMB Circular A-133 states that the single audit data collection form is to be submitted no later than 9 months after the end of the fiscal year.
CAUSE	The Association did not have controls in place to ensure that internal controls were in place and working properly.
EFFECT	The data collection form was not filed timely.
RECOMMENDATION	The Authority should adhere to the rules for submitting the required data collection form.
RESPONSE	The Association has merged with Lower Rio Grande Public Water Works and will have no future audit reports under this Association.

**STATE OF NEW MEXICO
ORGAN WATER AND SEWER ASSOCIATION
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE PERIOD ENDED SEPTEMBER 30, 2012**

STATUS OF PRIOR YEAR FINDINGS

No prior year findings

**STATE OF NEW MEXICO
ORGAN WATER AND SEWER ASSOCIATION**

**EXIT CONFERENCE
FOR THE PERIOD ENDED SEPTEMBER 30, 2012**

An exit conference was conducted November 26, 2013 in a closed meeting of the Association pursuant to Section 12-6-5 NMSA, 1978 with the following individuals in attendance:

Organ Mutual Domestic Water Conservation Association

Western Lee	President
Martin Lopez	General Manager
Kathi Jackson	Finance Manager

White + Samaniego + Campbell, LLP

Roxie Samaniego, CPA	Partner/On-Site Manager
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FINANCIAL STATEMENT PREPARATION

The combined financial statements of the Association as of, and for the period of January 1, 2012 through September 30, 2012 were prepared by White + Samaniego + Campbell, LLP, with the aid of responsible Association personnel. Official responsible personnel agree that the presentations are made with their knowledge and agreement.



LOWER RIO GRANDE

Public Water Works Authority

Findings of the LRGPWWA Disposition Committee

As per NM Statute 13-6-1, we the undersigned find that the listed vehicles are no longer in usable condition and we intend to sell them by way of negotiated sale.

The quotes given for salvage are as follows:

1999 Dodge truck	\$200
1998 Chevy GM4	\$250
1997 Chevy GM4	\$200
1991 Nissan Pathfinder	\$200

Estimated value:	
Truck bed trailer	\$150

Date Signed: July 16, 2014



lrgauthority.org

LOWER RIO GRANDE

Public Water Works Authority

Resolution #FY2015-01

4th Quarter Budget Report for Fiscal Year 2014

Whereas, in order to comply with Sections 6-6-1 and 6-6-2 NMSA 1978 and to apply for CDBG funding, the Board of Directors wishes to adopt and pass a resolution to approve the FY2014 4th Quarter Budget Report on July 16, 2014.

Therefore, be it resolved, the Board of Directors adopts and passes this resolution to approve the FY2014 4th Quarter Budget Report officially approve on July 16, 2014.

PASSED, APPROVED, AND ADOPTED: July 16, 2014.

Roberto M. Nieto, Chairman

Seal:

Santos Ruiz, Secretary



lrgauthority.org

LOWER RIO GRANDE

Public Water Works Authority

Resolution #FY2015-02

Final Budget for Fiscal Year 2015

Whereas, in order to comply with Sections 6-6-1 and 6-6-2 NMSA 1978 and to apply for CDBG funding, the Board of Directors wishes to adopt and pass a resolution to approve the FY2015 Final Budget on July 16, 2014.

Therefore, be it resolved, the Board of Directors adopts and passes this resolution to approve the FY2015 Final Budget officially approve on July 16, 2014.

PASSED, APPROVED, AND ADOPTED: July 16, 2014.

Roberto M. Nieto, Chairman

Seal:

Santos Ruiz, Secretary

WARRANTY DEED

CHRIS C. JIMENEZ and NICOLASA JIMENEZ, husband and wife,

for consideration paid, grant to BRAZITO MUTUAL DOMESTIC WATER CONSUMERS ASSOCIATION, whose address is Star Route 66, Mesilla Park, New Mexico 88047 the following described real estate in Dona Ana County, New Mexico:

A 0.0803 acre tract of land situate North of Mesquite, Dona Ana County, New Mexico in Section 25, T. 24 S., R. 2 E., N.M.P.M. as part of Lot 81 of the subdivision of Lots 4 and 5 of the Brazito Grant filed November 20, 1916 in Dona Ana County records and being more particularly described on Exhibit "A" attached hereto and made a part hereof.

Subject to easements, restrictions, and reservations of record.

Reverter Clause: The subject property is to be used by the Grantee for the placement of a water well and/or water tank to be used by the Mutual Domestic Water Consumers Association. Grantee has a year to start drilling a well or place a water tank over 10,000 gallons on subject property. If the subject property ceases to be used by the Grantee for non-domestic water community purposes, then the property shall automatically revert to the Grantor herein.

No farm animals, except one horse may be kept. No unsightly sheds. No junk yards or junk cars.

with warranty covenants.

WITNESS OUR hands and seals this 13th day of November, 19 86

Chris C Jimenez
CHRIS C. JIMENEZ

(Seal)

Nicolasa Jimenez
NICOLASA JIMENEZ

(Seal)

(Seal)

(Seal)

ACKNOWLEDGMENT FOR NATURAL PERSONS

STATE OF NEW MEXICO

COUNTY OF DONA ANA

ss.

The foregoing instrument was acknowledged before me this 13th day of November, 19 86,

by Chris C. Jimenez and Nicolasa Jimenez, husband and wife.

(Name or Names of Person or Persons Acknowledging)

My commission expires:

(Seal) January 3, 1989

Sofia M. Rodriguez
Notary Public

ACKNOWLEDGMENT FOR CORPORATION

STATE OF NEW MEXICO

COUNTY OF

ss.

The foregoing instrument was acknowledged before me this day of 19

by (Name of Officer)

(Title of Officer) of (Name of Corporation Acknowledging)

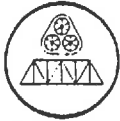
a corporation, on behalf of said corporation.

(State of Incorporation) My commission expires:

(Seal)

Notary Public

FOR RECORDER'S USE ONLY



CHAVEZ • MERINO & ASSOCIATES
PROFESSIONAL ENGINEERS & LAND SURVEYORS

LOHMAN ATRIUM OFFICES
1980 E. LOHMAN AVE., SUITE D
LAS CRUCES, NEW MEXICO 88001
(505) 524-2258

July 19, 1985

DESCRIPTION OF A 0.0803 ACRE TRACT

A tract of land situate North of Mesquite, Dona Ana County, New Mexico in Section 25, T. 24S., R. 2E., NMPM as part of Lot 81 of the subdivision of Lots 4 and 5 of the Brazito Grant as filed November 20, 1916 in Dona Ana County records and being more particularly described as follows, to wit:

BEGINNING at a 1/2 inch rebar set for the Southeast corner of the tract herein described; WHENCE the Southwest corner of Lot 81 of the subdivision of Lots 4 and 5 of the Brazito Grant bears the following three courses and distances; S 16 deg. 24'08" E., a distance of 231.65 feet; THENCE S 59 deg. 54'00" W., a distance of 1512.46 feet; THENCE S 0 deg. 15'30" E., a distance of 139.67 feet;

THENCE FROM THE POINT OF BEGINNING S 73 deg. 13'51" W., 70.00 feet to the Southwest corner of the tract herein described;

THENCE N 16 deg. 24'08" W., 50.00 feet to the Northwest corner of this tract;

THENCE N 73 deg. 13'51" E., 70.00 feet to the Northeast corner of the tract herein described;

THENCE S 16 deg. 24'08" E., 50.00 feet to the point of beginning containing 0.0803 acres of land, more or less.

Together with the following described 15 foot wide road and utility easement:

BEGINNING at the Southeast corner of this easement being identical to the Southwest corner of the aforementioned 0.0803 acre tract;

THENCE S 73 deg. 13'51" W., 76.93 feet to the Southwest corner of this easement a point in the center of a 15 foot wide road and utility easement;

THENCE along the center of said easement N 16 deg. 46'09" W., 15.00 feet to the Northwest corner of this easement;

THENCE leaving aforementioned center line N 73 deg. 13'51" E., 77.03 feet to the Northeast corner of this easement, a point on the West property line of the 0.0803 acre tract;

THENCE along the West line of the 0.0803 acre tract S 16 deg. 24'08" E., 15.00 feet to the point of beginning.

Field notes by GILBERT CHAVEZ N.M.P.L.S. 6832
LD85-403.B

State of N. Mex., Co. of Dona Ana; ss
RECEPTION NO. 23677. Hereby
certify that this instrument was filed
for record and duly recorded on:

NOV 14 1986

123 P. [Signature]
Book 309 Page 455 of the
Records of Dona Ana County, New Mexico
County Clerk

NOV 14 1986
11 4 23
CLERK

Martin, Crosswell et al

WARRANTY DEED

CHRIS C. JIMENEZ and NICOLASA JIMENEZ, husband and wife

to BRAZITO MUTUAL DOMESTIC WATER COMMUNITY ASSOCIATION, for consideration paid, grant

whose address is Star Route 66, Mesilla Park, NM 88047

and

whose address is

the following described real estate in Dona Ana County, New Mexico:

A 0.0803 acre tract of land situate North of Mesquite, Dona Ana County, New Mexico in Section 25, T. 24 S., R. 2 E., N.M.P.M. as part of Lot 81 of the subdivision of Lots 4 and 5 of the Brazito Grant as filed November 20, 1916 in Dona Ana County records and being more particularly described on Exhibit "A" attached hereto and made a part hereof.

Subject to easements, restrictions, and reservations of record.

Reverter Clause: Grantee has until December to start drilling well on the subject property. Also, if subject property is ever used for any purpose other than a community water well site the property shall automatically revert to the grantor herein.

No farm animals, except one horse may be kept. No unsightly sheds. No junk yards or junk cars.

with warranty covenants.

WITNESS OUR hand and seal this 18th day of October, 1985

Chris C. Jimenez (Seal) Nicolasa Jimenez (Seal)

(Seal) (Seal)

ACKNOWLEDGMENT FOR NATURAL PERSONS

STATE OF NEW MEXICO
COUNTY OF DONA ANA

The foregoing instrument was acknowledged before me this 18th day of October, 1985 by Chris C. Jimenez and Nicolasa Jimenez, husband and wife

My commission expires 14-86

ACKNOWLEDGMENT FOR CORPORATION

STATE OF NEW MEXICO
COUNTY OF
City of
(City of Office)
(State of Incorporation)
corporation

My commission expires: Notary Public

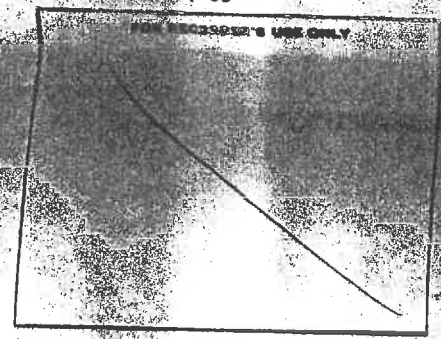


EXHIBIT "A"



CHAVEZ • MERINO & ASSOCIATES
PROFESSIONAL ENGINEERS & LAND SURVEYORS

LOHMAN ATRIUM OFFICES
1980 E. LOHMAN AVE., SUITE D
LAS CRUCES, NEW MEXICO 88001
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July 19, 1985

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THENCE along the center of said easement N 16 deg. 46'09" W., 15.00 feet to the Northwest corner of this easement;

THENCE leaving aforementioned center line N 73 deg. 13'51" E., 77.03 feet to the Northeast corner of this easement, a point on the West property line of the 0.0803 acre tract;

THENCE along the West line of the 0.0803 acre tract S 16 deg. 24'08" E., 15.00 feet to the point of beginning.

Field notes by GILBERT CHAVEZ N.M.P.L.S. 6832

STATE OF NEW MEXICO, COUNTY OF DONA ANA, ss:

I hereby certify that this instrument was filed for records:
Rec. No. 18120BK 299 Pg. 704 Records of land

BERNICE BOWDEN - DONA ANA COUNTY CLERK 705

By: [Signature] DEPUTY

RETURN TO: [Signature]

SEP 21 1985



Layer Visibility:

- Roads
- Buildings
- City Limits
- MLS Zones

Parcel ID: [03-15202](#)
 Map Code: [4-012-143-285-343](#)
 NAME: BRAZITO MUTUAL DOMESTIC WATER
 NAME2: CONSUMERS ASSOCIATION
 Mail Address: PO BOX 16165
 CITY: LAS CRUCES
 STATE: NM
 ZIP: 88004
 LOT: PT LT 81
 BLOCK: null
 Subdivision: BRAZITO TRACTS LOTS 4 & 5
 Condo Name: null
 Condo Unit: null
 Mobile Homes: 0
 Clerk Record: 8623677
 RTS: 2E 24S 25
 Property Address: null
 Acres: 0.08
 Assessed Land Value: \$200
 Assessed Bldg Value: \$0
 Total Assessed Value: \$200



Parcel ID	Map Code	Owner 1	Owner 2	Address	City	State	Zip	Lot	Block	Subdivision
03-15202	4-012-143-285-343	BRAZITO MUTUAL DOMESTIC WATER	CONSUMERS ASSOCIATION	PO BOX 16165	LAS CRUCES	NM	88004	PT LT 81		BRAZITO TRACTS LOTS 4 & 5



LOWER RIO GRANDE

Public Water Works Authority

325 Holguin Road Box C Vado, New Mexico 88072 (575) 233-5742

www.LRGauthority.org

Findings of the LRGPWWA Disposition Committee

As per NM Statute 13-6-1, we the undersigned find that the real property listed is no longer in use for the Lower Rio Grande Public Water Works Authority (LRGPWWA) Water Facility.

Dona Ana County Parcel ID 03-15202 Map Code 4-012-143-285-343
Dona Ana County Assessed Valuation is \$200.00; 0.08 Acres

The property deeded at no cost to the Brazito Mutual Domestic Water Consumers Association (MDWCA) by Chris C. Jimenez and Nicolasa Jimenez. In turned deeded to the LRGPWWA as part of the merger of the Brazito MDWCA into the LRGPWWA.

The property deeded to the Brazito MDWCA contains a Revert Clause back to Chris C. Jimenez and Nicolasa Jimenez should the property ceased to be utilized for domestic community water purposes. The Revert Clause limits the Sale of Property.

The LRGPWWA Disposition Committee authorizes the Real Property be Reverted to Chris C. Jimenez and Nicolasa Jimenez at no cost. This action under 13-6-1.A.1 and 13-6-1.A.2 requires finding to be submitted to the NM State Auditor and the NM Department of Finance DFA LGD with a 30-day notice. Additionally, the United Statement Department of Agriculture, Rural Development must concur and issue a partial release of mortgage (lien) specific to the property.

Date Signed: July 16, 2014
