

LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY
MINUTES—REGULAR BOARD OF DIRECTORS MEETING

9:30 a.m. Wednesday, July 17, 2013 at our La Mesa Office, 521 St. Valentine St, La Mesa

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

- I. **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), Director Mike McMullen (District 6) and Director Furman Smith (District 7). Staff members present were General Manager Martin Lopez, Finance Manager Kathi Jackson, Operations Manager, Mike Lopez, Projects Manager Karen Nichols and Adm. Asst. Joan Ferguson. Secretary Santos Ruiz (District 2) was absent and District 1 seat was vacant. Also present were Tiffany Goolsby (SCCOG), Espy Holguin (HUD) and Josh Smith (counsel). With a quorum established the meeting was called to order by Mr. Nieto at 9:33.
- II. **Pledge of Allegiance** {0:55}
- III. **Approval of Agenda** Mr. McMullen moved to approve the agenda, Mr. Smith seconded it and the motion passed 5–0. {1:31}
- IV. **Approval of Minutes of 6/19/2013** Mr. Lopez (GM) notified the Board that Mr. Arturo Uribe had requested a copy of the recording of the Regular Board Meeting of 6/9/13. Mr. Smith asked the reason for the request. Mr. Lopez (GM) explained that under the Public Inspection of Records had had the right to ask for it without explanation and LRG had no right to inquire. Mr. McMullen moved to approve the minutes of 6/19/2013, Mr. Tellez seconded the motion and it passed 5–0. {3:16}
- V. **Guest Presentations—Tiffany Goolsby, SCCOG—ICIP Presentation** Ms. Tiffany Goolsby from the South Central Council of Governments gave a power point presentation (attached) about the Infrastructure Capital Investment Plan (ICIP) and answered questions about the process. She responded to questions explaining that this planning document was not required by Department of Finance and Administration but very strongly recommended (annually) for any state funding. Mr. Smith asked how the citizens of Veterans Road would be addressed. Mr. Lopez (GM) explained that it would be included in one of the top five ICIP projects. Ms. Nichols has public meeting arranged to present the ICIP: the East Mesa Office on Aug 6; the Brazito Office on Aug 7; the Berino Office on Aug 8; and at Mr. Tellez’s request either the La Mesa Community Center or the church on Aug 13. All public meetings will be at 6:30 p.m. The results from the public meetings will be incorporated into a rough draft which will be presented to the Board at the August meeting. A final draft will be presented to the Board at the September meeting and will be mailed to Santa Fe the day after the September meeting. {26:08}
- VI. **Public Input—15 minutes total allotted for this item, 3 minute time limit per person** Ms. Espy Holguin discussed meetings that she has had concerning the Veterans Road citizens’ dry wells. {36:10}
- VII. **Managers’ Reports**
 - A. **Management Report** Mr. Martin Lopez submitted a written report (attached) and discussed it with the Board.
 1. RE: Desert Pride Academy. The school district discovered that the contractor at the old Berino Elementary had neglected to install a valve on one of the hydrant but that has been repaired.
 2. RE: EBID Surface Plant. Mr. Tellez asked for more information. Keeping in mind that EBID is asking for and may or may not receive an extension from the Water Trust Board, EBID has purchased a small surface water treatment plant but has not installed it. The plan evolved to treat canal water and supply it to Brazito. As per the LRG letter of support, it would be a useful tool in the Authority’s pilot studies for its own proposed surface water treatment plans.{50:19}
 - B. **Finance Report** Ms. Kathi Jackson submitted a written report (attached) and discussed it with the Board.

1. Two contracts will be brought to the Board, one for computer services the other for tire purchases for Operations trucks.
 2. Not able to yet to fund the ten percent contribution to the retirement fund.
 3. Organ has a credit card still open that needs to be canceled.
 4. CUSI is working out glitches on the online credit card payments.
 5. Mr. Smith asked why the Organ PO Box is still being maintained instead of mailing payments to Butterfield Park. Ms. Jackson explained that the Authority still has to maintain the mailing permit but once the computer system is fully integrated all payments will go to one post office box.
 6. Mr. Nieto asked about the county trash coupons. Ms. Jackson explained that LRG has been buying them in bulk. But Mr. Martin Lopez said that the county is planning on accepting credit cards at the dump which will probably make the coupons less attractive. {1:04:49}
- C. **Operations Report** Mr. Mike Lopez submitted a written report (attached) and discussed it with the Board.
1. Mr. Lopez (OM) reported that next month they would be bringing a policy change to the Board to assess a nominal fee to commercial users for backflow inspections to offset training and other expenses.
 2. Radio Read installations have slowed down because of summer breaks. La Mesa is finished. Desert Sands has ten more streets left.
 3. The pump control valve is Well #2 in Butterfield Park has failed and it was losing 30 gal/min. Either it is a leak in the column pipe or a seal failure. Next week they would be running a camera down the shaft to confirm what needed to be repaired. Mr. Smith offered that the column pipe was very old.
 4. Mr. Smith asked about water loss. The average water loss for the south valley for 2013 is around 23%. They're still working on compiling non-billed water. {1:34:33}
- D. **Projects Report** Ms. Karen Nichols submitted a written report (attached) and discussed it with the Board. {1:40:30}

VIII. Unfinished Business

- A. **Appointment of Director for District 1** A letter of interest for the District 1 seat was submitted by Mr. Arturo C. Terrazas. Mr. Holguin had spoken with him and thought he would be an asset to the Authority and recommended his appointment. Mr. Holguin moved to appoint Mr. Terrazas to District 1. Mr. Tellez seconded the motion. The motion carried 5–0. {1:42:48}

IX. New Business

- A. **Adjust Regular Meeting Presentations** Mr. Holguin asked that this item be added to the agenda because he thought the meetings were running too long. He stated that the Authority was the best thing to have happened to the lower valley and commended Mr. Lopez (GM) and Ms. Nichols efforts and knowledge. On the other hand, he thought that Organ and Butterfield Park probably were not properly evaluated in light of finance and maintenance. In the spirit of making regular meetings more efficient he suggested that after management reports were given that management would be able to return to work if they had no more business with the Board. Mr. Tellez agreed with Mr. Holguin. Mr Lopez (GM) suggested that management submit written reports but not read them but they would be present for questions. There was agreement to try Mr. Lopez's (GM) suggestion. {1:48:38}
- B. **Resolution No. FY2014-01 to amend the scope for the surface water treatment plant—for adoption** Ms. Nichols explained that the original PER for this project included both surface and ground water. Because there was no water in the river this year the engineer on the project suggested they consider brackish water. NMFA and NMED liked the idea but they needed a scope change. This resolution would add the word "brackish" to the project. The goal of the project is to diversify water sources. Mr. Tellez asked Ms. Jackson about the financing. Mr. Lopez (GM) explained that the funds had already been accounted for because the project had been approved three years prior. Mr. Holguin moved to amend the scope for the surface water treatment plant. Mr. Smith seconded the motion. The vote was 4–1 with Mr. Tellez voting against.

- C. **Final Budget Resolution FY2014-02—for adoption** Mr. Lopez (GM) explained that the figures in this resolution were based on FY2013's year-end figures. Mr. Tellez asked Ms. Jackson if there had been any further cuts. She explained that she had already cut \$600,000.00. Mr. Lopez (GM) pointed out that one-time expenses that had already been discussed would affect the budget. Mr. Holguin said that rate changes would affect the budget and that it can be adjusted as situations demanded. Ms. Jackson explained the audit issues that affect budgeting. On the same subject, Mr. Holguin asked whether the current State issues with audit findings were affecting the Authority. Mr. Lopez (GM) explained that Ms. Nichols had already contact Sen. Papen to see if LRG was on the list and it was not. He also noted that Ms. Jackson had been proactive in dealing with audit findings. Mr. Holguin moved to adopt the Final Budget Resolution FY2014-02. Mr. Tellez seconded it and it passed 5–0 with no further discussion. {1:52:35}
- D. **Motion to convene in closed session pursuant to NMSA 1978 10-15-1 H. (2) Limited Personnel Matters—Roll Call Vote** Mr. Holguin moved to convene in closed session to discuss limited personnel matters pursuant to NMSA 1978 10-15-1 H. Mr. Tellez seconded the motion. The roll call vote was 5–0: Mr. Nieto, yea; Mr. Holguin, yea; Mr. Tellez, yea; Mr. McMullen, yea; Mr. Smith, yea. The session was closed at 11:36. {2:02:54}
- E. **Motion to reconvene in open session, statement by the chair that no action was taken in closed session and the only item discussed was the one described in the motion** Mr. Holguin moved to reconvene in open session, Mr. Tellez seconded the motion. The motion carried 5–0. The session reconvened in open session at 12:30 p.m. Mr. Nieto stated that no action was taken in the closed session and that they only discussed limited personnel matters. {2:03:31}
- F. **Action (if any) related to the matters discussed in closed session.** There was no action taken in regards to the matters discussed in the closed session. {2:07:40}
- X. **Other discussion and agenda items for next meeting, 9:30 a.m. 8/21/13 at the La Mesa Office**
- A. Draft ICIP
 - B. Fees for backflows
- XI. **Adjourn** Mr. Holguin moved to adjourn, Mr. Tellez seconded the motion and the vote was unanimous, 5–0. The meeting was adjourned at 12:34 p.m.

Lower Rio Grande Public Water Works Authority

P. 1/2

Sign in Sheet

Date: July 17, 2013 Time: 9:30 A Place: La Mesa Office Meeting Type: Regular Meeting

Name, Title—print signature	Company or Agency represented	Mailing Address	Telephone	Email
Joan Ferguson Joan T Ferguson	LRG PWWA	4613 April Pl LC, NM	405-779172	Joan.ferguson@lrgauthority.org
MIKE MCMULLEN Mike McMullen	LRG PWWA	201 STONE DR. MESILLA PARK	970-302-7852	MCM+MCMULLEN@VORTIO.COM
Charles Tillot Charles Tillot	LRG PWWA	RD. 454 C4 La Brea BSOFF	575-233-4140	
John Holsain John Holsain	LRG PWWA	611 H. S. RD (Rt) VAD.	602-9007	jholsain@lrg.org
Mike Lopez Mike Lopez	LRG PWWA	P.O. Box 2648 Anthony NM 88021	635-3921	mike.lopez@lrgauthority.org
Kathi Jackson Finance Manager Kathi Jackson	LRG PWWA	PO Box 2646 Anthony	640-4330	kathi.jackson@lrgauthority.org
FURMAN SMITH Furman Smith	"	PO BOX 172 ORGAN P.O. Box 2646 Anthony	382 5982 575-636-3551	SMITHF@ZIANET.COM
MAARTIN LOPEZ Martin Lopez	LRG PWWA	PO Box 2646 Anthony, NM 88021	575-571-3628	martin.lopez@lrgauthority.org
Karen Nichols Karen Nichols	LRG PWWA	PO Box 2646 Anthony, NM 88021	575-233-5742 x122	Karen.Nichols@lrgauthority.org

LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY
MEETING NOTICE & AGENDA—REGULAR BOARD OF DIRECTORS MEETING

9:30 a.m. Wednesday, July 17, 2013 at our La Mesa Office, 521 St. Valentine St, La Mesa

Agendas are final 36 hours prior to the meeting and may be obtained at any LRG PWWA Office—call 575-233-5742 for information

- I. Sign in, Roll Call to Establish Quorum, Call to Order
- II. Pledge of Allegiance
- III. Approval of Agenda
- IV. Approval of Minutes of 6/19/2013
- V. Guest Presentations—Tiffany Goolsby, SCCOG—ICIP Presentation
- VI. Public Input—15 minutes total allotted for this item, 3 minute time limit per person
- VII. Managers' Reports
 - A. Management Report
 - B. Finance Report
 - C. Operations Report
 - D. Projects Report
- VIII. Unfinished Business
 - A. Appointment of Director for District 1
- IX. New Business
 - A. Adjust Regular Meeting Presentations
 - B. Resolution No. FY2014-01 to amend the scope for the surface water treatment plant—for adoption
 - C. Final Budget Resolution FY2014-02—for adoption
 - D. Motion to convene in closed session pursuant to NMSA 1978 10-15-1 H. (2) Limited Personnel Matters—Roll Call Vote
 - E. Motion to reconvene in open session, statement by the chair that no action was taken in closed session and the only item discussed was the one described in the motion
 - F. Action (if any) related to the matters discussed in closed session.
- X. Other discussion and agenda items for next meeting, 9:30 a.m. 8/21/13 at the La Mesa Office
- XI. Adjourn

If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aide or service to attend or participate in the hearing or meeting, please contact the LRG PWWA office at 575-233-5742, 325 Holguin Rd, Vado NM 88072 at least one week prior to the meeting or as soon as possible. Public documents, including the agenda and minutes, can be provided in various accessible formats. Please contact the LRG PWWA office if a summary or other type of accessible format is needed.

Si es un individuo con una incapacidad esta en necesidad de un lector, amplificador, lenguaje por señas, o cualquier otra forma de asistencia o servicio para atender o participar en las juntas, por favor llame a la oficina LRG PWWA office at 575-233-5742, 325 Holguin Rd, Vado NM 88072 una semana antes de la junta o en cuanto posible. Documentos públicos, incluyendo la agenda y minutos, están disponibles en varios formatos. Por favor opóngase en contacto con la oficina LRG PWWA si un resumen o otro tipo de forma accesible es necesario.

LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY

MINUTES—REGULAR BOARD OF DIRECTORS MEETING

9:00 a.m. Wednesday, June 19, 2013 at our La Mesa Office, 521 St. Valentine St, La Mesa

NOTE: Minutes are in DRAFT form until approved by Board of Directors

- I. **Sign in, Roll Call to Establish Quorum, Call to Order** Sign-in sheet and agenda are attached. Directors present were Chairman Robert “Marty” Nieto (District 5), Director Furman Smith (District 7), Director Mike McMullen (District 6), and Director Cali Tellez (District 3). 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. Absent were Vice-Chairman John Holguin (District 4) and Secretary Santos Ruiz (District 2). Also present were Dr. David D. Garcia (Dona Ana Commissioner), Ray and Heather Avelar, Javier Medina, Jose Evaro, Matt Dyer (PSC) Tiffany Goolsby, Sean Hicks, Aaron Garcia, Stephen Leary, Robert Nava, Josh Smith (attorney), Arturo Uribe, Johnny Lechuga, Espy Holguin (HUD) and Manuel Garcia. With a quorum established the meeting was called to order by Mr. Nieto at 9:01 a.m.
- II. **Pledge of Allegiance** {:21}
Ms. Nichols asked that the roll-call be repeated for the recording {:58}
- III. **Approval of Agenda** Mr. Tellez was concerned that the absent directors should be present for the adoption of some of the resolutions. Mr. Nieto said they could take Mr. Martin Lopez’s advice as the agenda progressed. Mr. Smith moved to approve the agenda. Mr. McMullen seconded the motion and it carried 4–0. {2:05}
- IV. **Approval of Minutes of 5/15/2013** Mr. McMullen moved to approve the minutes of 5/15/2013, Mr. Smith seconded the motion and it passed 4–0. {3:51}
- V. **Guest Presentations—Johnny Lechuga and County Commissioner Dr. Garcia** Mr. Johnny Lechuga explained that in their cluster of nine homes, three wells had gone dry. The issue is the agricultural pumping. A recent farm well drilled in the vicinity is 300ft deep with a 12-inch water line. He asked for help from the Board and Authority.
Dr. Garcia recounted an amusing story about working together. He had contacted local legislators and asked the Board’s advice on the cost of running water lines and funding sources. An engineer’s cost estimate and some photos were projected for the Board
Mr. Martin Lopez had a construction assessment (attached) drawn up for running the water lines (projected with photos) and hook-ups for this cluster of homes. The construction alone is estimated to be \$172,119.92. Additional costs would be for design, project administration by an engineer as well as inspection costs. He then went on to explain that most federal funding agencies would require an engineering report (approximately \$50K) before granting any funds. He also cautioned the Board that when the Authority applied for grants and/or loans the granting/loaning agency questions the Authority’s minimum water bill charge.
He explained the following funding sources:
A Community Development Block Grant (CDBG) through HUD would be a 100% grant totaling \$500,000. Those applications that come closest to a \$500K total would have priority which would mean that the Authority would have to put together several smaller projects to approach the \$500K mark. The funds are competitive first at the county and then at the state level and County needs could pre-empt any other applications. Application would depend on Dona Ana County having met threshold by closing out their last CDBG grant. There have been previous conversations with HUD and DFA about the Authority applying for grants independent of the county. Construction would be impossible before next summer (July 2014).

The second alternative would be a legislative appropriation. It would be without a loan component but work could not begin until the new fiscal year (July 2014). There is also the possibility that the governor would veto the appropriation.

The third alternative would be a United States Department of Agriculture-Rural Development (USDA-RD) loan/grant. USDA funding requires both engineering and an environmental report and—which could cost up to an extra \$70K—and a loan component. Again, this process would take at least 12 months and possibly 2-3 years before construction could begin.

The fourth alternative would be Colonias Infrastructure Trust Fund (CITF) funding. This funding would include a 10% loan and a 10% match. Sometimes they are able to combine funds that were not used and apply them to emergency cases but because they sell bonds to fund projects, those funds are only available to those who applied during that funding cycle. Ms. Espy Holguin suggested that emergency funding be brought up at the next CITF meeting because the issue of domestic wells drying up is becoming much more common.

The fifth alternative – and the most costly—would be a 100% loan. The NM Environment Dept's Construction Bureau offers RIP loans. These loans can be applied for and granted in a couple of months and may have come down to 2% from 3%. It would not be contingent on either an engineering or environment report but a technical report that would cost \$10K–15K. There is an outside chance that USDA-RD could be convinced to refinance a RIP loan for 40 years.

A sixth alternative would be to ask Senator Papen to lobby Department of Finance Authority to not “claw back” the overage from the Alto de las Flores Interconnect Project—\$38K—which could be used towards the reports for this extension. Conceivably, this could allow a construction application in October/November. This still puts a possible construction timeline beginning in June 2014.

Emergency funding through the state is no longer available.

Mr. Tellez asked what could be done immediately to help. Mr. Smith had mentioned running a temporary 1-inch line. Mr. Martin Lopez said that the costs would be similar to those of a permanent line because boring would have to be done under highways and ditches regardless. A 1-inch line would also mean that those furthest away from the main would have little or no pressure. Another alternative for these citizens would be to upgrade their own wells and they might find some financial assistance through Rural Housing which is a sister agency of USDA-RD. Unfortunately Rural Housing only helps with hook-ups, not extensions. Additionally there is a low-income requirement to that assistance.

Mr. Smith was concerned with the current situation and asked if the National Guard could help with water tankers which is a possibility.

Ms. Jackson calculated that a \$200K loan amortized over 40 years would cost LRGPWVA customers an addition eight cents (\$.08) on their bills. At \$250K loan amortized over 20 years would cost twenty-one cents (\$.21) per customer, per month.

At the end of this discussion, Mr. Nieto assured Dr. Garcia and the citizens that the Authority would do what was possible and would stay in communications on the issue.{1:04:02}

VI. Public Input—15 minutes total allotted for this item, 3 minute time limit per person Dr. Nava asked why Butterfield Park was part of LRG. Mr. Smith explained that Butterfield Park and Organ had asked to merge with LRG because of the difficulty in finding trained operators and competent staff as well as inability to form a 5-person board. Dr. Nava asked if there weren't plans for Las Cruces to annex that area. Mr. Smith said that it wasn't feasible and that there was adequate water in the area. There are 1,000 users in that area. Dr. Nava inquired about the number of and use of Authority vehicles. Mr. Martin Lopez explained that Authority vehicles are for use of staff only. There are four to five vehicles that need to be disposed of and Dr. Nava asked if he could buy them. Mr. Lopez indicated that he should talk to Ms. Jackson about their purchase. Dr. Nava also inquired about whether renters are voting members. They are not. Voting members are those who property owners and are receiving water service. {1:08:45}

Mr. Arturo Uribe discussed his emergency evacuation plan and asked if members of the Board were interested in participating. Mr. Nieto asked that meetings be scheduled and said that Mr. Holguin (absent) was waiting to participate. Mr. Tellez asked if Mr. Uribe had a presentation and

indicated his willingness to participate in forming a plan. Ms. Holguin had done some research on the issue at the request of her husband, Director Holguin. She discovered that the Federal government mandates that State governments have emergency responses. The state then forms a local team that develops a response plan. The State Emergency Response Commission ([governor.state.nm.us.Emergency_Response_.aspx](http://governor.state.nm.us/Emergency_Response_.aspx)) would be better able to coordinate with the fire departments, schools, the railroad, the utilities, community groups, etc. {1:14:40}

Mr. Manuel Garcia asked to be considered for the vacant District 1 seat and presented his letter of interest. He has served on the Desert Sands Board of Directors, PACE, is the past-President of LULAC Council in Anthony, United Way... Because this is the public input portion of the meeting, no action can be taken. Action can be taken under the unfinished business part of the agenda (VIII.A). {1:17:45}

VII. Managers' Reports

A. Management Report Mr. Martin Lopez submitted a written report and discussed it with the Board.

- RE Berino BLM transfer fee should be about \$600.00.
- Mr. Tellez asked about Alto de Las Flores' budget numbers. They are not yet available but O&M is already a budget item because of the previous contract with the county.
- Brazito has a water tank site that they are no longer using. The warranty deed stipulates that the property revert back to property owners once it is no longer being used by Brazito MDWA, however, there are four federal mortgages on the property and it cannot be reverted until 2045.
- Files on the Wastewater Wetlands have been provided to the law firm requesting them. {1:24:45}

B. Projects Report Ms. Karen Nichols submitted a written report and discussed it with the Board.

- Ms. Nichols had a short presentation (attached) on the Infrastructure Capital Improvement Plan (ICIP).
- La Mesa Water Project is nearly done and will be closed out shortly.
- Mesquite project is at the point where they should be paving shortly.
- Complimented the Operations crew on the Radio Read Meter Project. They have been installing meters at the rate of 48 per day. They finished the La Mesa area in less than twenty-one days. The last billing was done with the new meters and there were no re-reads. Additionally, Angie Meza has been doing a great job managing the spreadsheet keeping track of the project and Mr. Gabe Gutierrez has been doing a great job managing inventory.
- Mr. Smith asked if there would be a final walk-through/inspection on the Organ water project. Ms. Nichols said yes there would be a final walk-through/inspection/training and Mr. Smith would be welcome to participate. Additionally there is a one-year warranty period.
- Mr. Martin Lopez added that a draft letter on Berino had been received authorizing LRG to go to bid on the Berino/Mesquite-Del Cerro Water System Project. {1:35:25}

C. Operations Report Mr. Mike Lopez submitted a written report and discussed it with the Board.

- The LRG lost a co-op employee but Mr. Mike Lopez has found someone that is interested and is getting with Mr. Martin Lopez and Ms. Jackson to possibly hire them.
- The Radio Read Project is going well. Mr. Mike Lopez has only discovered one transposition in serial numbers.
- East Mesa pump control panel went out and has finally been installed with Organ project funds.
- New tank at La Mesa (#12) had a chemical residue. After consultation with MNED, the tank has been drained and is being opened so that the coating can have another couple

of weeks of curing. Ms. Nichols mentioned that the tank in Organ has the same issue. They will also allow the tank in Brazito cure longer.

- New pump for Well #8 will be installed this Friday (June 21). The 60 hp pump was not keeping up with demand: 250 gal/minute less than the 75 hp pump which totals 288,000/day. There is about 10-12 ft (normal is 24–25 ft.) of water in the tank currently but that would not be adequate for July/Aug. The current pump has been working 24/7 for the past week.
- Alto de Las Flores has compliance issues that Mr. Mike Lopez wants to rectify, the first one being putting a fence around the well/tank site.
- Mr. Martin Lopez asked if the Consumer Confidence Reports (CCR) had gone out. They need to be posted by July 1. Mr. Mike Lopez said that they would be posted this week. {1:45:33}

D. Finance Report Ms. Kathi Jackson submitted a written report and discussed it with the Board.

- \$150,000 pledge of reserves for water right has been released back into the Reserve Fund
- Post Office lost sections of 141 bills.
- Dismissed an employee at the Butterfield Park office.
- Preparing for the audit.
- Explained how the interest on a loan is accounted for as an expense on the Profit and Loss statement. Principal is accounted for on the balance sheet. {1:59:20}

VIII. Unfinished Business

A. Appointment of Director for District 1 Mr. Nieto asked if the Board was ready to address Mr. Garcia's letter of interest or table it until the next meeting. Mr. Tellez and Mr. McMullen said that they were ready to vote for Mr. Manuel Garcia to fill the vacant District 1 seat. Mr. Smith expressed reservations because he knew nothing about Mr. Garcia. He asked Ms. Nichols about her opinion. She declined comment. Mr. Smith thought they ought to postpone the appointment until the next meeting. There was a short discussion about the time period set down in the Governance Document before someone should be appointed. The 45-day period to appoint a director to a vacant seat had passed in May, a quorum was present and no other letters of interest had been received. Mr. Smith moved that the appointment be tabled. The motion was not seconded and died. Mr. Tellez made a motion to take action. Mr. McMullen seconded it. A point was made that the motion needed to be to affirm or to deny. Mr. Tellez amended his motion to affirm the appointment of Mr. Garcia. Mr. McMullen seconded the amendment.

Ms. Espy Holguin wanted to know Mr. Garcia's experience and wanted to know how the members in District 1 were notified of the vacancy. She also said that she didn't know Mr. Garcia but knew of him and could not recommend him. Mr. Martin Lopez explained that in addition to a website notice mailers were sent to all the customers in District 1. Of the roughly 460 letters that were sent out only 21 were returned as undeliverable. Ms. Holguin was concerned because she had heard accusations and wanted to see that the Board could continue to work together.

Mr. Nieto asked for further discussion and asked Mr. Smith what he thought. Mr. Smith still wanted to know more about Mr. Garcia. Mr. Nieto asked Mr. Garcia to address the Board.

Mr. Garcia explained that he had not received the letter asking for letters of interest. He had contacted the office and discussed the issue with Ms. Jackson who gave him a copy of the letter. He stated that he thought it important that the members of District 1 as well as the community needed to be represented and that the whole Board work together. He stated he had experience working on the Desert Sands MDWA Board of Directors, several different committees and helped organize the community.

Mr. Nieto asked if there was any more discussion and said that in fairness to the Board and the membership he wanted to explain the history with Mr. Garcia. Before LRG had been conceived, working with Mr. Garcia was good. As the work began to merge the original five companies, Mr.

Garcia and four others advocated against it in Santa Fe. “He advocated in any way, shape or form to bring down the Authority.” When Mr. Garcia was with Desert Sands, meetings would last 3–4 hours and he had issues against Karen Nichols. Mr. Nieto said that Mr. Garcia was advocating for what he thought fair and appropriate for the people but Mr. Nieto’s main issue is that the people who worked to form LRG worked hard to do it and Mr. Garcia worked against those efforts. He asked Mr. Garcia if he thought that that was a fair assessment. Mr. Garcia said that he was never against the formation of LRG. He thought it seemed like a good idea but he was against the way that it was managed. He felt that the community was not brought in and if “everyone in the community had voted for it, [he] could be for it.” He said he was advocating for the people and the community and what they wanted.

Arturo Uribe stood up to say that he was for the formation of LRGPWWA and lobbied for it. It was during the first election that he objected to the way it was conducted which he asserted was proven by the low voter turnout. He believes that there should be more community input involved. He believes people like Mr. Garcia should be on the Board.

Mr. Martin Lopez interrupted and pointed out that the MDWAs all acted according to their articles of incorporation and the Authority, according to its governance document. Additionally the Authority was investigated—at Mr. Garcia’s request—by not only the State Police but the Attorney General’s office. The investigations discovered no fraudulent behavior in the merger of the mutual domestics.

Mr. Tellez asked if Mr. Garcia would be willing to let the past go and work with the Board. Mr. Garcia said that he would be willing to try to work with the Board but the one thing that bothered him was that it was asserted that there were only 5 dissenters when there is a petition with over 300 signatures of people who disagreed with the way things were handled. That being said, he said it was “fairly important” to include the community and that if everyone worked together they could get a lot done.

Ms. Holguin is an election official. She rejected the assertion that it was the Authority’s inattention that resulted in a low voter turnout. Low voter turnout is caused by voter apathy. Her proof is that over 400 letters were mailed, soliciting letters of interest for the vacant Board seat and there was only one response. Additionally, the election was conducted by Dona Ana County. Mr. Uribe objected because in the water system renters cannot vote.

Mr. Smith said that he suspected that Mr. Garcia has an axe to grind and does not have the best interest of the Authority and does not want to give his recommendation.

Ms. Nichols spoke up. She said she did not want to revisit the past. The formation of the LRGPWWA was thoroughly investigated by the State Police at the request of Mr. Garcia. His accusations were unfounded. The investigator was invited to a Board meeting where the representative members of the individual MDWAs brought the documents that pertained to their merging into LRG. Mr. Garcia created a great deal of discord with the board and the community with board meetings that would last until 1 a.m., generating a great deal of personal animosity and venom. He had to be cautioned repeatedly about his treatment of staff which was extensive enough to constitute a liability.

Mr. Nieto asked for a vote and took a role call: Mr. Tellez voted aye; Mr. McMullen voted nay; Mr. Smith voted nay and Mr. Nieto voted nay. Mr. Nieto asked that the other directors, Mr. Ruiz and Mr. Holguin, be allowed to vote on the same subject next week as Mr. Holguin had asked that the issue be tabled. Mr. Tellez objected to having to go through the motions again in July. Mr. Tellez made a motion to not revote. It was not seconded. Mr. Garcia—or anyone— will be welcome to submit a letter of interest and be considered for the seat of District 1. {2:31:00}

IX. New Business

A. CDBG Resolutions—for re-adoption

1. Requirements of the Procurement Code and Public Works Contracts, Resolution FY13-15—for adoption

2. Adopting Community Development Block Grant Program Citizen Participation Plan, Resolution FY13-16—for adoption
3. Residential Anti-Displacement and Relocation Assistance Plan, Resolution FY13-17—for adoption
4. Residential Anti-displacement and Relocation Assistance Plan—for approval
5. Community Development Block Grant Program Section 3 Plan, Resolution FY12-18—for adoption
6. Section 3 plan—for approval
7. Fair Housing Proclamation—for approval
8. Fair Housing Self-Assessment—for approval

Mr. Martin Lopez asked Tiffany Goolsby from South Central Council of Governments to review the CDBG resolutions and asked the Board to vote for them as a packet. Mr. Tellez asked if it would cost money. Ms. Goolsby said no. A motion was made by Mr. Smith to approve the CDBG Resolutions IX.A.1 through IX.A.7. It was seconded by Mr. McMullen. The vote carried 4–0 with no further discussion. {3:26:28}

- B. Authorizing and Approving submission of a completed Application for Financial Assistance and project approval to the New Mexico Finance Authority, Resolution FY13-19—for adoption** Mr. Smith made a motion to authorize and approve a complete Application for Financial Assistance and project approval to the NMFA, Resolution FY13-19. Mr. McMullen seconded the motion. This resolution allows Projects to apply for a grant to study the feasibility of buying a water system. The system is around 100 homes (hookups) and is approximately 30 years old. There is a potential for another 100–200 homes. It would be another source of revenue but there would be additional costs. There is a 2-inch well. Mr. Tellez was concerned that if the Authority decided to pursue this project the people on Veteran’s Rd would be neglected. Mr. Martin Lopez assured him that they would pursue funding for that project as well. The vote was 3-1 with Mr. Tellez voting against. {2:56:50}
- C. Water right fees for Berino-Del Cerro hook-ups** The Berino-del Cerro project will begin soon. The entire cost of a hook-up is \$2,150.00. The project is paying for the meter, the meter box, etc. which will offset the hook-up fee by \$500.00. The balance is \$1,650 which covers the water right fee. Mr. Martin Lopez asked the Board for clarification about whether or not the customer should be charged or the Authority should pick up the \$1,650 fee. Mr. Joshua Smith, the Authority’s lawyer, said that that Authority is required by its own governance documents to charge customers the full fee, therefore, if the project is covering \$500.00 of the cost to the member would be \$1,650.00. Ms. Holguin asked if that fee could be broken up into smaller payments. Mr. Martin Lopez said yes. {3:01:47}
- D. Connection fees for Mesquite Waste Water Project (county hook-up fees)** The Mesquite Waste Water Project originally accounted for 400 sewer customers with the project covering the \$300.00 impact fee to the county. In the meantime, 15 people have asked to be hooked up but the Authority has been able to provide sewer service only to the property line. Mr. Martin Lopez asked for direction from the Board. Would they want any leftover funds from the grant applied to the county hook-up fees for the additional 15 people on the wait list. Mr. Tellez made a motion to apply remaining project funds to offset the county impact fees for the 15 customers on the wait list. Mr. Smith seconded the motion and it passed 4–0. {3:05:30}
- E. RFP for rate study—for approval** Mr. Smith asked if it was necessary to out-of-house for a rate study. Mr. Martin Lopez explained that if we wanted to apply for funding, the Authority would need a rate study, not by an accountant but an engineer, stamped. Ms. Jackson has estimates from \$8,000-15,000. But an outside company would be able to independently analyze the finances thoroughly enough that we could be confident that we would be charging a fair rate and

covering our costs. Both USDA and NMFA are requesting a rate study. Mr. Tellez asked if the money would come back to the Authority. Ms. Jackson replied that eventually it would. Additionally, the Authority would be in good standing with the state and would avoid mandated rate increases that very possibly could be higher than what a rate study could indicate. Mr. McMullen made a motion issuing an RFP for a rate study. Mr. Tellez seconded it. The vote passed 4–0 with no further discussion. {3:11:20}

- F. Drivers’ safety courses (Director Tellez)** Mr. Tellez followed a LRGPWWA vehicle and discovered the driver going 10 mph over the limit. He said that in the eventuality of an accident, having staff take drivers’ safety courses will work in the Authority’s favor. Additionally, he said the Authority may get a break with their insurance. Mr. Smith concurred. Mr. Tellez made a motion to direct staff to find a drivers’ safety course for all employees. Mr. McMullen seconded the motion and it passed 4–0 with no further discussion. {3:20:67}
- G. Report from Director Tellez about his meet & greet May 22, 2013** The event turned out to be a good meeting—10 people including those from other districts attended. He would like to periodically doing this again, every two months or so. Mr. Tellez hoped that in the future more staff would attend. Mr. Martin Lopez asked that if he wanted staff to attend, he discuss it with him so it can be scheduled. {3:23:45}
- H. Mr. Tellez requests changing file/map room at La Mesa into office space so that he can meet with the public on Tues, Thurs and Sat.** Mr. Tellez would like of have office hours in the case that a member/customer would like to meet behind closed doors to discuss personal issues: billing difficulties, etc. Other directors are welcome to join Mr. Tellez. Mr. Nieto asked that he not micromanage. Mr. Tellez agreed. Mr. Lopez asked that policies be followed and emphasized (twice) that any request to staff be directed through the GM. Mr. Smith suggested that he have the written policies with him. Mr. Josh Smith reminded Mr. Tellez that he cannot deal with “personal” problems outside of the Authority’s written policies. They either need to be taken to the Board or to the GM. Mr. Tellez concurred. Ms. Ferguson noted that the back office was too secluded. Mr. Josh Smith suggested that the conference room was open enough. Additionally there is a camera in the conference room. Mr. Tellez agreed to meet with customers/members in the conference room between 10am and 12pm. Sat is a problem but he said he could use the La Mesa Community Center. Mr. Tellez moved that he use the conference room Tuesdays and Thursdays, 10 a.m. to 12 p.m. Mr. McMullen seconded the motion and it passed 4–0 with no further discussion. {3:34:30}
- I. Proposal from Chaparral Cable Co. to locate equipment on an Authority tank** Mr. Martin Lopez is considering trade of service for space on an Authority tank and he has done research on the different fees that cable companies and cell phone companies charge. Mr. Smith recommended giving Mr. Martin Lopez negotiating power. Mr. McMullen made a motion to authorize Mr. Martin Lopez to negotiate with Chaparral Cable Co. Mr. Tellez seconded the motion and it carried 4–0. {3:31:29}
- X. Other discussion and agenda items for next meeting, 9:30 a.m. 7/17/13 at the La Mesa Office**

 - A.** Resolution regarding change of scope for surface water treatment project
 - B.** Final budget
- XI. Adjourn** Mr. Smith moved to adjourn. Mr. Tellez seconded it and it carried 4-0. The meeting was adjourned at 12:52 p.m.

Date Minutes signed: July 17, 2013

Roberto Nieto, Chairman (District 5)

Absent
John Holguin, Vice-Chairman (District 4)

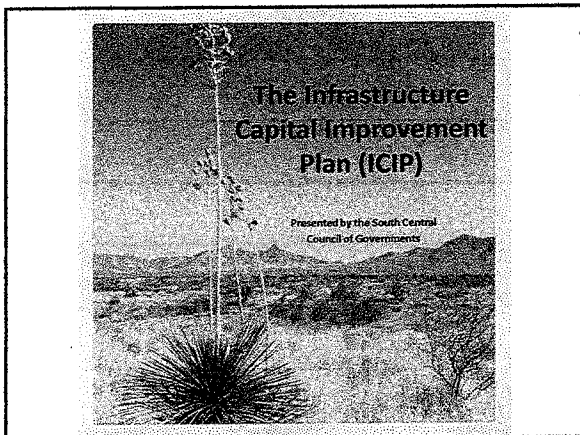
Absent
Santos Ruiz, Secretary (District 2)


Vacant
Director (District 1)

Carlos Tellez, Director (District 3)


Michael McMullen, Director (District 6)

Furman Smith, Director (District 7)



 **What is Your Infrastructure Capital Improvement Plan (ICIP)?**

- Your ICIP is a five year projection of capital improvement projects.
- Your ICIP is re-done every year.

 **Who does an ICIP in New Mexico?**

- Counties
- Municipalities
- Tribes
- Acequias
- Mutual Domestics and water-related districts
- Land Grants
- Other types of local governments



Capital Improvement Projects

- Capital improvement projects typically have the following characteristics:
 - High dollar value
 - Long life cycle (at least 10 years)
 - Not part of annual budget
 - New systems/buildings, or major renovations/repairs
 - Under the ownership or long-term lease of the governmental entity doing the plan



Citizen Engagement

- Now is also the time to think about how you want to involve your members in this year's ICIP process



Citizen Engagement: Why?

- You are educating your members about projects and funding at ICIP public meetings
- You are incorporating public feedback into policy decisions
- You are increasing public support and ownership of community capital projects
- You will learn of any opposition to your projects

LRGPWWA
Manager's Report
June 19, 2013

- Transfer of Assets from Associations
 - Berino: BLM permit application to transfer has been submitted
 - Berino: Arsenic ACO extension request to NMED DWB: Approved
 - Brazito items pending
 - Construction account closing pending approval of O&M Manual by USDA RD (Being done by LRGPWWA staff since NM Rural Water not currently staffed)
- Desert Academy Letter send to Superintendent
- EBID Surface Pant-Request for extension from WTB, LRGPWWA Letter of Support
- Brazito Customer: Congressman Pearce staff to investigate release of mortgage for the customer's property
- Letter sent to Senator Papen to see if she could help retain and redirect the Alto De Las Flores project funds to the Veterans road extension, she needed to discuss with Tom Clifford, DFA Cabinet Secretary
- RCAC will begin Rate Study in August
- NMDOT: Planning for utilities relocation for Mesquite and Vado exits (Round-Abouts), could impact LRGPWWA at Vado exit
- Chaparral Cable Company: 1 year agreement at \$425/month
- Tierra De Sol: Use of unauthorized water meters-resolved; property owners building fences on utility easements (in some cases on water lines and valves, TDS staff are researching
- GM employment contract set to expire December 15, 2013



State of New Mexico
ENVIRONMENT DEPARTMENT
ENVIRONMENTAL HEALTH DIVISION
DRINKING WATER BUREAU

1190 St. Francis, PO Box 5469
 Santa Fe, New Mexico 87502-5469
 Telephone (505) 476-8620 Fax (505) 476-8656
www.nmenv.state.nm.us/dwb/

SUSANA MARTINEZ
 Governor

RYAN FLYNN
 Secretary-Designate

JOHN A. SANCHEZ
 Lt. Governor

BUTCH TONGATE
 Deputy Secretary

CERTIFIED RETURN RECEIPT REQUESTED

7005 1820 0001 5707 8157

June 17, 2013

Martin Lopez
 Lower Rio Grande Public WWA NM3502407
 Berino MDWC&MSWA NM3511307
 PO Box 2646
 Anthony, New Mexico 88021

**RE: ADMINISTRATIVE COMPLIANCE ORDER, NO. 2009-CO-039,
 Berino Mutual Domestic Water Consumers and Mutual Sewage Works Association,
 PWS# NM3511307—Request for Extension**

Dear Mr. Lopez:

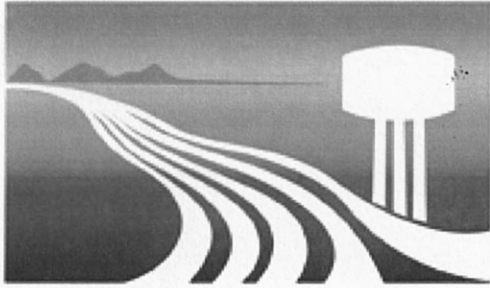
The New Mexico Environment Department (NMED) Drinking Water Bureau received your request for extension letter dated January 8, 2013. The NMED has reviewed your request and agrees to modify Paragraph 9 of Administrative Order, NO. 2009-CO-039. Paragraph 9 shall be modified to read "by February 15, 2015, be in compliance with Section 20.7.10.100 NMAC, incorporating 40 C.F.R. § 141.62(b), and provide drinking water with a concentration of Arsenic below the MCL of 0.010 mg/L." Paragraph 10 shall be modified to read "No later than February 15, 2016, have a RAA concentration for Arsenic below 0.010 mg/L and be in compliance with Section 20.7.10.100 NMAC, incorporating 40 C.F.R. § 141.23(i) (1)."

If you have any questions or need assistance, please contact Violette Valerio-Hirschfeld, PWSS Manager at 505-476-8636 or via email at violette.valerio-hirschfeld@state.nm.us.

Sincerely,

Tom Blaine, Division Director
 Environmental Health Division

cc. Ernest Valenzuela, Compliance Officer, Southern Region
 Electronic File
 Enforcement file
 System File



LOWER RIO GRANDE

Public Water Works Authority

325 Holguin Road

Vado, New Mexico 88072

(575) 571-3628

July 9, 2013

Erfen Yturralde
Superintendent
Gadsden Independent School District
P.O. Drawer 70
Anthony, NM 88021

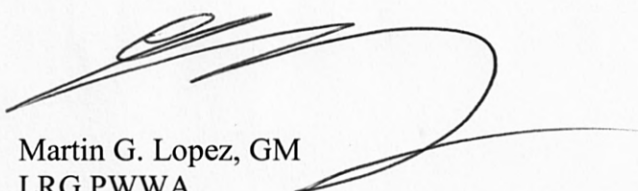
RE: Desert Pride Academy

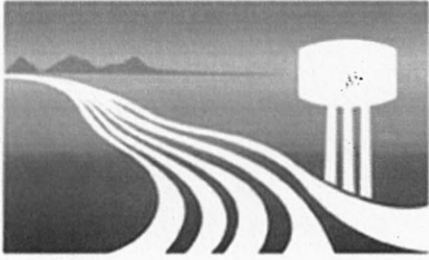
Dear Superintendent Yturralde:

The Lower Rio Grande Public Water Works Authority is the water provider in the area (Berino Elementary) where Desert Pride Academy will be constructed. I viewed your requests for contractor bids to construct the school and would like to express a concern related to both construction water and water service. No one from GISD has contacted the LRGPWWA to establish either, which will possibly delay water availability. We have been contacted by Christopher Licking from FMS Engineering, but he did not indicate who would be following up from GISD.

In an effort to avoid the issues encountered with the Vado Elementary, the LRGPWWA is requesting your assistance to open a dialogue with GISD personnel. Please feel free to contact me at (575) 571-3628 or email me at martin.lopez@lrgauthority.org.

Regards,


Martin G. Lopez, GM
LRG PWWA



www.LRGauthority.org

LOWER RIO GRANDE

Public Water Works Authority

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

July 10, 2013

Angela Quintana, Sr. Program Admin.
Water Trust Board/NM Finance Authority
207 Shelby Street
Santa Fe NM 87501

RE: Elephant Butte Irrigation District request for extension of WTB-149

Dear Ms. Quintana:

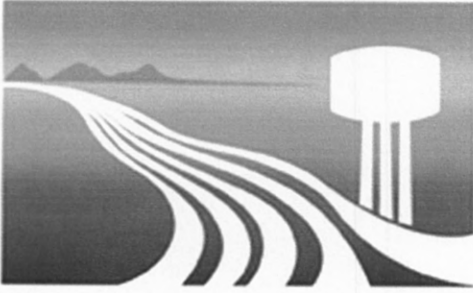
I am writing to express our heartfelt support for Elephant Butte Irrigation District's request for an extension of time for Water Trust Board Grant #149, the funding for their Surface Water Treatment Demonstration Project. We place a high value on our partnership with EBID and see the importance of this project to our rural communities, especially in light of the current record-breaking drought and our duty to provide a sustainable supply of potable water to our communities.

As you are aware, we recently sought a change of scope for WTB-252, our Surface Water Treatment Facility Project, to delay pilot testing of surface water treatment technologies and add a brackish groundwater treatment component due to the lack of available surface water in the Rio Grande this year and uncertainty about future supplies due to the current drought. In granting the scope change to add brackish groundwater treatment to our project, a member of the Water Trust Board asked our engineer, Robert Fowlie, if this would add to the cost of the project. The answer was yes. We are currently diverting to funds originally budgeted for pilot testing of surface water treatment technology to the investigation of brackish water sources, and will still need to conduct the surface water pilot studies. It should be noted, however, that our partnership with EBID in their project will greatly reduce our costs for conducting surface water treatment pilot testing in the future.

Best regards,



Martin G. Lopez, General Manager



LOWER RIO GRANDE

Public Water Works Authority

325 Holguin Road

Vado, New Mexico 88072

(575) 571-3628

lrgauthority.org

Senator Papen:

We need your assistance to redirect 2010 Surplus Colonias Funds (10-1238 #13) from a completed project (emergency water line interconnection between Alto De Las Flores {San Miguel} and the Lower Rio Grande Public Water Works Authority. We received really good bids and there is a balance of \$38,311.53 (original amount \$86,400.00)

We would like to amend the Scope of the Funding (Project Description) to plan and design another water line extension to serve some families, whose wells are drying up due to the drought. Dona Ana County Commission Dr. David Garcia mentioned he spoke to you about the situation with those families which are located south of Veterans Road along Hwy 28 in La Mesa.

We had requested DFA Local Division to allow us to change the Scope to utilize the funds in Mesquite, but they indicated the funds needed to be reverted. We are requesting your assistance in asking DFA to allow us to change the Project Scope to allow us to provide water service to the families in La Mesa.

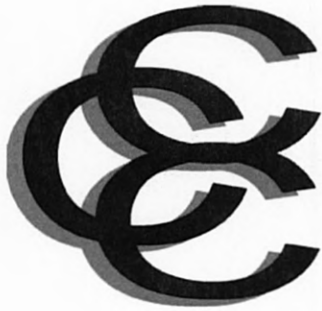
Enclosed are relevant pages of the grant agreement.

Thank you,

Martin G. Lopez, GM
LRGPWWA

FAX: (505) 986-4409

Number of Pages: 6 including cover page



Chaparral Cable Co.

Work Assumptions for Installation of tower:

- Site Preparation and Proposal for authorization of Deployment on existing lollipop tower:
 - Installation of point to point dishes and PTMP. If advisable we would have the power company set our own meter if need be. Unless you have power available for us.
 - Installation of camera's power supply in equipment room/ and or mounted in an environmental secure box with a 110 volt power plug. Power for the wireless gateways and camera system are 12 volt and should only use about 3 dollars a month of power if even that much.
 - Installation of one of our IP PTZ, vandal proof camera for viewing of water towers, gate, inside and/or outside pump room.
 - Camera's are property of Chaparral Cable Company we will issue username and password for a secure log in via over our network. This will be issued to whom you would like to have the secure log in info. This could be worked out if leasing of site was decreased for cost of service.
 - The frequency Chaparral Wireless uses are FCC Licensed Frequencies, and will not interfere with SCADA products and or other wireless equipment providers existing on tower.
- Site Documentation: Chaparral Cable would be interested in a 1 year lease with offering above offerings to LRGA. With a 1 year optional renewal going forward with this agreement between Chaparral Cable Co. DBA Chaparral Wireless and LRGA.
- Our general cost for a monthly lease we would be paying is \$425.00 per month.
- Any additional equipment and/or programming requested by the customer that is not included on this proposal must be paid 100% prior to commencement.

Other Proposal Notes:

- Any modifications requested by customer (hardware) to this proposal to be notified as soon as possible in order to make the necessary arrangements.
- Upon approval, project can commence as soon as we receive the authorization and commencement of the project.

Approval Signature's for commencement of proposal

7/9/13

Date

Signature of Chaparral Cable Co.

DBA: Chaparral Wireless

Date

LRGPWWA
Profit & Loss
 June 2013

	Jun 13	Jul '12 - Jun 13
Ordinary Income/Expense		
Income		
Credit Card Fees	243.61	2,022.06
Interest	0.00	329.34
Meter Relocation	0.00	781.88
Non-Operating Revenue		
Copy/Fax	45.50	885.35
Other Income	3,258.98	21,637.94
Total Non-Operating Revenue	3,304.48	22,523.29
Operating Revenue		
Activation & Connection Fees	3,507.50	27,715.00
Contract Services	0.00	16,819.74
Impact Fees	1,600.00	31,565.43
Installation Fees	0.00	17,294.63
Membership Fees	450.00	5,245.00
Monthly Services	176,868.27	1,678,202.70
Monthly Services-Sewer	8,528.01	94,420.67
Other Income	250.00	5,284.57
Penalties-Sewer	253.19	4,578.99
Penalties-Water	3,795.90	50,052.37
Returned Check Fees	105.00	1,685.00
Unclaimed Customer funds	107.68	107.68
Operating Revenue - Other	0.00	100.00
Total Operating Revenue	195,465.55	1,933,071.78
Other Types of Income		
Miscellaneous Revenue	2,908.13	36,865.60
Total Other Types of Income	2,908.13	36,865.60
Total Income	201,921.77	1,995,593.95
Cost of Goods Sold		
Cost of Goods Sold	0.00	1,601.35
Total COGS	0.00	1,601.35
Gross Profit	201,921.77	1,993,992.60
Expense		
Accounting, Auditing, Legal		
Accounting Fees	21.02	485.92
Audit	0.00	30,642.73
Bank Service Charges	0.00	3,065.17
Cash Short/Over	0.00	288.96
Dues and Subscriptions	21.34	3,814.68
Engineering Fees	0.00	8,363.58
Government Penalties & Interest	0.00	16,094.10
Interest Expense	4,875.02	69,385.58
Legal Fees	2,681.01	8,857.62
Legal Notices	0.00	1,155.42
Licenses & Fees	25.00	1,812.00
Meals	55.06	690.16
Permit Fees	25.00	5,397.97
Postage	749.50	7,912.58
Prof Fees-Interpreter	0.00	1,046.68
Professional Fees-Other	0.00	1,015.00
Project Development	0.00	3,539.00
Retirement Account Fees	0.00	562.50
Tank Site Lease	0.00	403.44
Training	0.00	2,550.00

LRGPWWA
Profit & Loss
 June 2013

	Jun 13	Jul '12 - Jun 13
Travel		
Lodging Per Diem	0.00	4,288.39
Meals Per Diem	0.00	1,829.92
Travel - Other	147.44	147.44
Total Travel	147.44	6,265.75
Total Accounting, Auditing, Legal	8,600.39	173,348.84
Lab, Chemicals		
Chemicals	2,330.08	20,544.55
Laboratory Fees	0.00	8,712.69
Total Lab, Chemicals	2,330.08	29,257.24
Salaries		
401K 10% Company Contribution	5,254.81	63,023.71
Accrued Leave	1,053.74	19,423.09
Administrative Labor	19,354.93	257,161.08
Clerical Labor	16,779.81	164,205.83
Employee Benefits-401K Contrib	1,886.78	23,807.09
Federal Income Tax Withholding	0.00	8,483.56
HISC-Blue Medicare Rx.	0.00	788.80
Insurance-Dental	749.16	6,345.98
Insurance-Health	8,844.93	95,333.84
Insurance-Life,Disability	0.00	95.40
Merit	0.00	7,700.49
Operations Labor	28,901.98	365,608.40
Payroll Taxes-Federal Unemploy	0.00	26.69
Payroll Taxes-Medicare	949.32	11,945.05
Payroll Taxes-Social Security	4,059.04	50,816.89
Payroll Taxes-State Unemploy	0.00	9.34
Payroll Taxes-Worker's Comp Fee	1,295.30	14,989.30
Salaries - Other	0.00	1,219.24
Total Salaries	89,129.80	1,090,983.78
Supplies		
Computer Maintenance	1,749.46	71,781.78
Equipment Rental	0.00	360.85
Fuel	6,270.35	77,632.20
Internet Service - Butterfield	127.94	1,235.38
Maint. & Repairs-Infrastructure	3,691.74	11,954.46
Maint. & Repairs-Office	0.00	4,448.00
Maintenance & Repairs-Other	0.00	2,117.26
Materials & Supplies	14,186.57	132,633.77
Office Supplies	535.16	16,239.72
Printing and Copying	0.00	4,153.05
Tool, Furniture	0.00	145.47
Uniforms-Board Members	0.00	240.73
Uniforms-Employee	357.26	5,777.37
Total Supplies	26,918.48	328,720.04
Taxes, Liability, Insurance		
Cobra Fee	15.30	137.70
GRT	0.00	-84.90
Insurance-General Liability	245.00	79,264.15
Insurance-Vision	0.00	0.00
Property Taxes	0.00	2,959.59
State Taxes	0.00	0.00
Water Conservation Fee	1,670.42	15,676.95
Taxes, Liability, Insurance - Other	6,235.00	6,235.00
Total Taxes, Liability, Insurance	8,165.72	104,188.49

4:55 PM
07/15/13
Accrual Basis

LRGPWWA
Profit & Loss
June 2013

	<u>Jun 13</u>	<u>Jul '12 - Jun 13</u>
Utilities		
Automobile Repairs & Maint.	748.49	19,335.30
Cell Phone	1,452.53	17,541.59
Electricity-Office	24,677.86	199,697.82
Electricity-Operations	2,683.57	16,129.17
Garbage Service	180.00	1,686.60
Locates	116.94	2,262.71
Natural Gas	121.24	2,029.38
Security/Alarm	0.00	4,412.04
Telephone	1,406.68	14,539.64
Telephone- Butterfield Park	0.00	232.99
Wastewater	0.00	225.50
Total Utilities	<u>31,387.31</u>	<u>278,092.74</u>
Total Expense	<u>166,531.78</u>	<u>2,004,591.13</u>
Net Ordinary Income	35,389.99	-10,598.53
Other Income/Expense		
Other Expense		
Ask My Accountant	0.00	0.00
Total Other Expense	<u>0.00</u>	<u>0.00</u>
Net Other Income	<u>0.00</u>	<u>0.00</u>
Net Income	<u><u>35,389.99</u></u>	<u><u>-10,598.53</u></u>

LRGPWWA
Balance Sheet
 As of June 30, 2013

	Jun 30, 13
ASSETS	
Current Assets	
Checking/Savings	
Berino/Mesquite Water Project	172.14
Citizens Bank CD	11,344.48
Citizens Bank LRGPWWA	57,495.06
LowerRio2-Loan Reserve Acct	44,303.40
LRGPWWA DEBT SERVICE PAYOFF	75,252.08
LRGPWWA La Mesa Water Project	398.67
LRGPWWA Mesquite Sewer Project	-4,260.88
LRGPWWA Reserve Account	164,941.77
Organ Water and Sewer Project	103.01
Total Checking/Savings	349,749.73
Accounts Receivable	
A/R-Contract Services	15,251.28
Total Accounts Receivable	15,251.28
Other Current Assets	
A/R	
A/R-Water & Sewer Cycle 1	169,997.53
A/R Butterfield/Organ	42,878.63
A/R - Other	-730.16
Total A/R	212,146.00
Construction In Progress	
Brazito Sewer Extension	102,878.15
Brazito Water Project	58,150.00
Brazito/Mesquite Interconnect	452,734.31
Del Cerro/Mesquite Phase IV	1,615,703.03
La Mesa Well Project	2,017,508.28
LRGPWWA PER	105,233.98
Mesquite Sewer Project	6,468,033.71
Organ Water & Sewer Improvement	2,065,460.16
Radio Read Meter Project	308,677.62
RCAC/Water Project	57,284.00
Surface Water Treatment Project	75,000.00
Total Construction In Progress	13,326,663.24
Inventory Asset	441.57
Petty Cash	1,250.99
Prepaid Rent-Tank Site Lease	7,261.83
Reimbursable Expenses Paid	241,326.59
Returned Checks	551.29
Undeposited Funds	200.00
Total Other Current Assets	13,789,841.51
Total Current Assets	14,154,842.52
Fixed Assets	
Accumulated Depreciation	-9,587,212.67
Building	
La Mesa Office Building	544,269.51
Building - Other	1,179,071.85
Total Building	1,723,341.36
Furniture and Equipment	401,859.34
Interconnects	
Alto de Las Flores Interconnect	64,991.02
Total Interconnects	64,991.02

LRGPWWA
Balance Sheet
 As of June 30, 2013

	Jun 30, 13
Land	354,685.49
Land Improvements	33,632.63
Machinery and Equipment	590,779.72
Vehicles	388,121.65
Water & Sewer System	22,767,155.80
Total Fixed Assets	16,737,354.34
Other Assets	
Water Rights	10,927,171.20
Total Other Assets	10,927,171.20
TOTAL ASSETS	41,819,368.06
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
A/P- Water/Sewer Phase I & II	103,394.61
A/P Operating	54,463.86
Total Accounts Payable	157,858.47
Credit Cards	
Capital One	-191.17
Capital One-La Mesa	-2,500.25
Chevron/Texaco	41.00
Total Credit Cards	-2,650.42
Other Current Liabilities	
*Direct Deposit Liabilities	-3,673.40
Customer Deposits	
Hydrant Meter Deposits	23,329.76
Renter Deposits	28,802.36
Customer Deposits - Other	-75.75
Total Customer Deposits	52,056.37
DAC Trash Coupons	-330.70
Gross Receipts Tax	9,126.94
Payroll Liabilities	
Blue Cross Dental	-870.00
Disability Insurance (AFLAC)	-95.40
Lovelace Health Payable	-9,435.53
Retirement	
401K 10% Annual Contribution	94,581.64
Retirement - Other	-187.50
Total Retirement	94,394.14
State	
Income Tax Withholding	2,089.04
Total State	2,089.04
Workers' Comp Fee Employee	2.30
Payroll Liabilities - Other	6,197.15
Total Payroll Liabilities	92,281.70
Unclaimed Funds	152.20
Total Other Current Liabilities	149,613.11
Total Current Liabilities	304,821.16
Long Term Liabilities	
N/P RCAC	57,284.00

LRGPWWA
Balance Sheet
 As of June 30, 2013

	Jun 30, 13
NMFA Loans	
NMFA- DesertSands5	13,130.23
NMFA- LowerRio2 (Refinance)	753,216.42
NMFA- LowerRio3 (BerinoDelCerro)	414,328.35
NMFA-LowerRio4	150,228.27
NMFA-LowerRio5 (Surface Water)	73,201.67
NMFA-LowerRio6 (Gravity Collect	167,025.00
NMFA CIF	58,150.00
Total NMFA Loans	1,629,279.94
USDA Loans	
USDA 91-07	72,900.26
USDA 91-09	36,604.51
USDA 91-12	4,638.20
USDA 91-14	210,460.41
USDA 91-15	169,511.55
USDA 91-02 (Butterfield Park)	212,014.46
USDA 91-04 (LaMesa Water Proj)	463,726.87
USDA 92-13 (Mesquite Sewer)	98,537.39
USDA 92-19 (Mesquite Sewer)	593,251.83
USDA 93-09 (Organ Water)	100,368.46
Total USDA Loans	1,962,013.94
WSC 85-03 R	29,045.27
Total Long Term Liabilities	3,677,623.15
Total Liabilities	3,982,444.31
Equity	
Contributed Equity	
Berino	5,297,573.57
Brazito Water	3,727,560.36
Butterfield Park	373,138.38
Desert Sands	3,771,443.30
La Mesa	2,305,222.27
LRG Mutual	2,955,146.36
Mesquite	6,859,946.38
Organ Water	2,522,527.73
Vado	617,278.68
Total Contributed Equity	28,429,837.03
Opening Balance Equity	500.00
Unrestricted Net Assets	169,830.77
Net Income	9,236,755.95
Total Equity	37,836,923.75
TOTAL LIABILITIES & EQUITY	41,819,368.06

Lower Rio Grande PWWA

Operators Report

July 17, 2013

System Problems and Repairs.

- Backflow inspections are current.(Mesquite District)
- Sewer tank inspections are current.(Mesquite District)
- La Mesa Radio read meters are complete.
- We took well #12 water tank off line so that it can cure more.
- The Mountain View water tank has been disinfected.
- Well #2 in Butterfield Park has issues.
- Well # 8 is keeping up with demand and storage.
- We have received a 2nd Qtr. Arsenic MCL Violation.
- We have lost communications with the Mesquite SCADA.
- We continue to have major problems with our vehicles.
- We shocked the Arroyo Well site on 7/15/13.
- Start up on lift stations #1 & #2 should be scheduled for some time next week.
- I am reviewing the O&M manuals for the Brazito booster station
- We had a water line break at the Cervantes chili factory.
- We sold a 3000 gallon Pneumatic to Jurado Chili Co.
- We took static and drawdown levels @ wells #8 and #11.

NMED: Monthly Bac-T-Samples have been taken for the Lower Rio Grande PWWA.

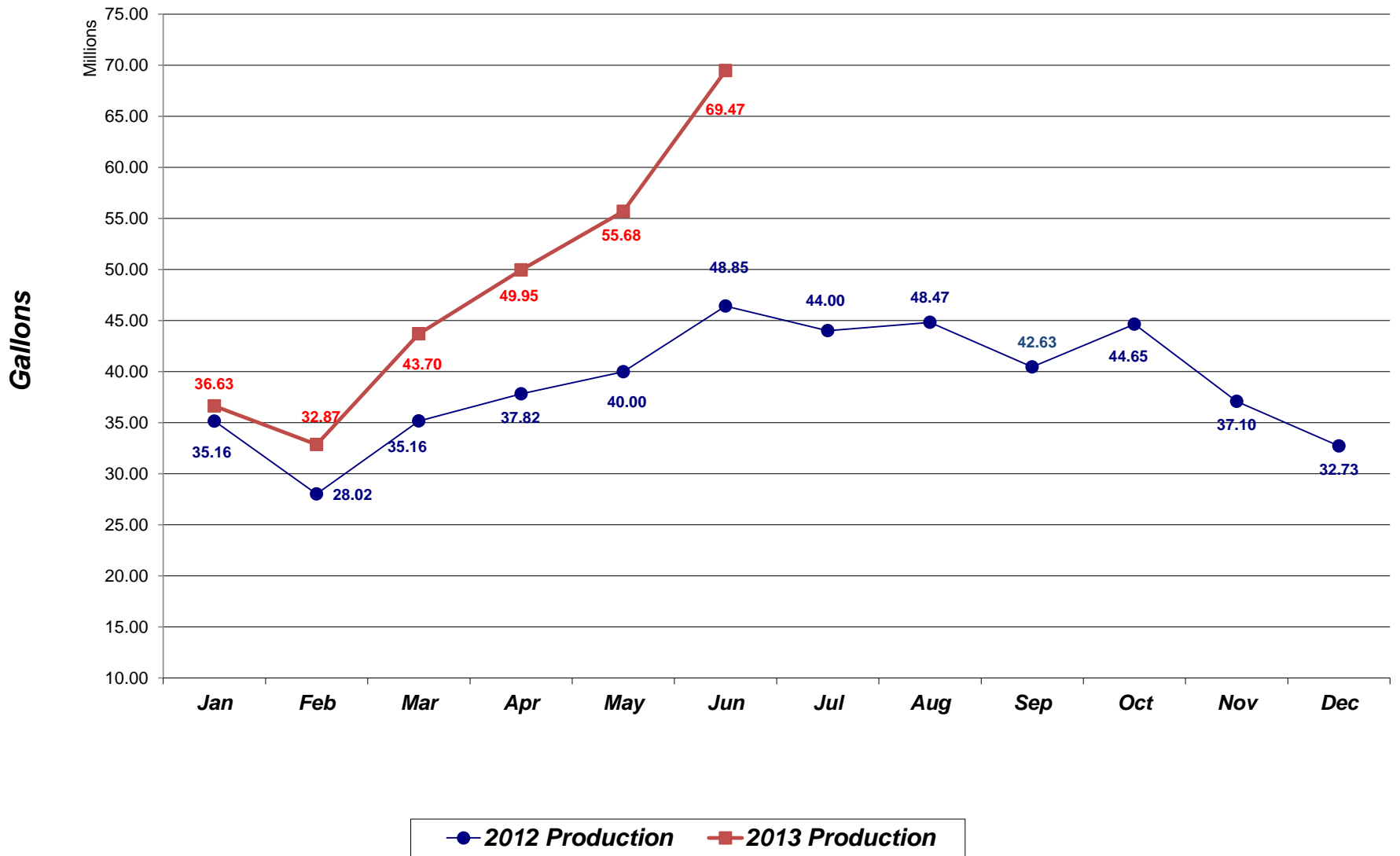
Mesquite district Wetlands: wetlands have been working fine.

Mesquite Sewer Report. Has been sent.

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 – 7/17/13 BOARD OF DIRECTORS MEETING**

Authority Construction Projects:

LRG-11-01 -La Mesa Water System Improvements – Molzen Corbin – Construction Stage – Burn Construction -RD -\$2,040,346: Project is complete except for a few punch-list details and getting the tank filled and online after dealing with the odor issue. Final pay app. has not yet been received.

LRG: 11-02.1 -Mesquite Wastewater Project – Gannett Fleming– CONSTRUCTION Stage – Layne Southwest - RD \$7,262,081, CITF \$1,670,257: Contractor has finished work on the sewer mains and is in the process of completing the performance tests (TV inspections) Once the inspections are completed to LRG's satisfaction and the Lift Stations are accepted by LRG, contractor will begin connecting homes to the new system. The contractor has requested another 90 days to complete construction, but we have asked for a completions schedule to evaluate this request. The contractor is in the process of preparing a proposal to install guardrail and fencing around the lift stations. Engineer has prepared a change order for the utility conflicts and to adjust the quantities for service lines and dewatering, and contractor is reviewing. Contractor's Project Manager is no longer on the project. They are in the process of replacing him and have assured us that they are committed to completing the project.

LRG-11-02.2 - Authority/Brazito Sewer Project – Vencor – Pre-Design Stage/Funding Application Stage – NMFA/SAP/RD Application: Zia Environmental completed EID and submitted to NMED on 7/1/13. Pending review by Mr. Deal.

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

LRG-11-04 – Berino/ Mesquite-Del Cerro Water System Project WTB #223 – Vencor - Letter of Conditions/final design & review of plans & specs – RD - \$5,420,147/WTB - \$4,371,630: Advertisement for Bid dates: July 28, July 31 and August 4, 2013 - Pre-Bid Conference at 10 AM on 8/9/13, Del Cerro Multi-Purpose Community Center - Bid Opening at 2 PM on 8/23/13, La Mesa Office. Closing will be scheduled when bids are tallied.

LRG-11-05 – Surface Water Treatment Plant WTB #252– Bohannon Huston - Design phase - \$750,000 WTB – A Resolution is on the today's agenda for the scope change. New closing date is 8/20/13. Engineering Services Agreement amendment is prepared to submit to NMED for approval after the scope change. One requisition for funds has been submitted. NMED is now saying we need to re-issue the RFP for engineering service with the new scope as well.

LRG-12-03 – Authority-Alto de Las Flores Interconnect– Vencor – Design - \$86,400 Old Colonias Initiative/DFA + GF & Alto contributions – Project is complete, final payment has been made to contractor. We still have some engineering invoices to submit for reimbursement since Mr. Gleason did not allow us to use remaining funds for the water pipeline stub-outs in Mesquite. Senator Papen will speak with Sec. Clifford at DFA about using the funds for the Veteran's Road area.

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

LRG-12-01 – Authority PER – Vencor - prelim. planning - CDBG Planning Grant \$50,000, NMFA Planning Grant \$37,500 & \$12,500 Local Match: 92% complete. Still pending NMED-CPB review. Ms. Goolsby will follow-up again with Mr. Deal, meanwhile we submitted an extension request to NM-DFA on 7/1/3.

Forty-Year Water Plan – CE&M – complete: pending NM-OSE comments/approval.

Return Flow Credit Plan – CE&M – GF – Pending Review: Drafted and submitted to Ms. Thacker at local NM-OSE 12/21/11.

LRG-12-02 - Radio Read Meters – in-house/Rio Grande Pump & Supply – 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. 4½ pallets of meters have been received, 3 funds requisitions have been approved and paid so far, 4th submitted. Operators stopped installing for about a week because they were shorthanded due to people out on leave and to avoid creating confusion during the meter reading cycle. 636 meters have been installed as of 7/12/13.

LRG-13-02 – System-wide Information Technology Standardization - \$175,000 NM STB: Funds will be available sometime after 7/15/13. Confirmed with Senator Papan that our funds are not in danger of being pulled back by the governor.

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: Installation of new 8" transmission line on El Centro is complete, including replacement of the rip-rap and concrete curb. The new transmission line on Luna Vista was completed. New 6" PVC distribution lines were completed on Gopher Rd., Fox Rd. and Indianhead Rd. Distribution lines on Coyote and Arrowhead to MacArthur Rd. were also completed. Water meter and service installation continues on Eagle and Fox Roads. A new well control panel was installed at the Arroyo well. The tank coating and floor replacement is complete and awaiting cure time and follow up water sampling prior to putting the tank back in service.

LRG-13-01 – Brazito Water System Improvements – Engineers Inc. – Design Phase - \$523,354 NM CITF Grant, \$58,150 Loan, \$58,150 Match Requirement: Still attempting to get an answer from NMFA regarding the necessity of a scope change. Funding was awarded for construction only, but there is no design yet for this project. Funding application prepared by Engineers Inc. does not mention design in the Project Purpose & Description, just in the Readiness to Proceed section. Closing was finalized, and we have transcript by email, no hard-copy yet.

Other projects:

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

Infrastructure Capital Improvements Plan 2015-2019: I did a brief introduction of the ICIP process at the last board meeting, Tiffany Bloom is doing a presentation at this meeting. Met with management staff regarding projects list on 6/28/13 and with Ms. Bloom and GM on 7/12/13 regarding project budgets, timelines and public input. Attended ICIP training by NM-DFA staff on 7/11/12. Dates for public input will be 6:30 pm on August 6, 7 & 8 at our East Mesa, Brazito and Berino offices respectively.

Documents Retention & Destruction – Electronic documents schedule is pending completion & approval. Joan is doing some research. Sorting of old association documents for storage or destruction is ongoing, and staff is implementing approved retention/destruction schedules for LRGPWVA documents.

Website – We have been updating and reorganizing the entire site, and that work is ongoing. Notices and Board Minutes pages are up to date.

Funding Applications – **NMFA Planning Grant** application was submitted on 6/25/13, and I was advised we would qualify for \$37,500. Award letter has not been received.

A **Project Interest Form** and supplemental documents were submitted to NMED for **CWSRLF** funding to decommission the wetlands in Mesquite on 5/7/13.

CITF did not fund the Mesquite/Brazito Sewer Design Project because we had not expended funds on the Mesquite Wastewater Project from the previous year due to the fact that NMFA's legal consultant did not get the closing accomplished and transcript distributed in time for us to do so.

USDA-RD Water Rights Purchase Project: \$1.5 million Application and PER were submitted to USDA-RD on 6/26/13, some additional documentation has been provided and more requested

July 14, 2013

Members of the Board of Directors
The Lower Rio Grande Public Water Works Authority
325 Holguin Road, Box C
Vado, NM 88072

Dear Members of the Board,

I write to you today to respectfully request to be named to fill the vacancy on the Board of Directors. I believe that I possess the desired qualifications of public service, administrative and hands-on utility experience that would make me an asset to your organization. I have a considerable amount of experience in the delivery of utility services, from the actual physical installation of a system to the oversight and management. I also have experience interacting with regulators and elected officials to obtain funding for projects.

During my career, I served as a member of the Doña Ana Board of Commissioners and for a time my district encompassed much, if not all of the service area of the Authority. As a County Commissioner, I often worked with many of my constituents on acquiring reliable utility services that would maintain and sometimes improve their quality of life. I can honestly say that working on these issues was truly one of the highlights of my time in elected office.

Before my time on the Commission, I also worked for the city of Las Cruces' utility department for 20 years. When I served in that position, my duties included installing and maintaining the utility infrastructure for the city and assisting in overseeing the overall safety of the system. After retiring from the city, I became a consultant to a private environmental company that assisted rural mutual domestic water systems so I am very well versed in the needs of utility companies.

As I stated before, I believe that my experience and knowledge would make a unique and valuable member of your organization. If you have any questions or would require more information, please do not hesitate to contact me at 915-731-0751.

Thank you in advance for your time and consideration.

Sincerely,



Arturo C. Terrazas

**RECORD OF PROCEEDINGS RELATING TO THE ADOPTION OF
RESOLUTION NO. FY2014-01 THE BOARD OF DIRECTORS
OF THE LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY
DONA ANA COUNTY, NEW MEXICO
JULY 17, 2013**

STATE OF NEW MEXICO)
) ss.
COUNTY OF DONA ANA)

The Board of Directors (the “Governing Body”) of the Lower Rio Grande Public Water Works Authority (the “Borrower/Grantee”) met in a regular session in full conformity with the law and the rules and regulations of the Governing Body at the La Mesa office located at 521 Saint Valentine, La Mesa, New Mexico being the meeting place of the Governing Body for the meeting held on the 17th day of July, 2013 at the hour of 9:30 a.m. Upon roll call, the following members were found to be present:

Present:

Chairman: _____

Directors: _____

Absent: _____

Also Present: _____

Thereupon, there were officially filed and presented at the meeting copies of a proposed Resolution and a First Amendment to Water Project Fund Loan/Grant Agreement in final form; the Resolution being as hereinafter set forth:

**LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY
RESOLUTION NO. FY2014-01**

AUTHORIZING THE EXECUTION AND DELIVERY OF A FIRST AMENDMENT TO A WATER PROJECT FUND LOAN/GRANT AGREEMENT BY AND AMONG THE LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY AS BORROWER/GRANTEE AND THE NEW MEXICO WATER TRUST BOARD AND THE NEW MEXICO FINANCE AUTHORITY AS LENDERS/GRANTORS; AMENDING THE SCOPE OF THE PROJECT FINANCED BY THE WATER PROJECT FUND LOAN/GRANT AGREEMENT; APPROVING THE FORM AND TERMS OF AND OTHER DETAILS CONCERNING THE FIRST AMENDMENT TO WATER PROJECT FUND LOAN/GRANT AGREEMENT; AMENDING RESOLUTION NO. FY2013-06 TO CONFORM TO THE PROVISIONS OF THIS RESOLUTION; RATIFYING ACTIONS HERETOFORE TAKEN; REPEALING ALL ACTION INCONSISTENT WITH THIS RESOLUTION; AND AUTHORIZING THE TAKING OF OTHER ACTIONS IN CONNECTION WITH THE EXECUTION AND DELIVERY OF THE AMENDMENT TO THE WATER PROJECT FUND LOAN/GRANT AGREEMENT.

WHEREAS, the Borrower/Grantee is a legally and regularly created, established, organized and existing public water works authority under the general laws of the State of New Mexico and more specifically, NMSA 1978, § 73-26-1 as amended; and

WHEREAS, the Governing Body adopted Resolution No. FY2013-06 on November 14, 2012 (the "Original Resolution") authorizing the Borrower/Grantee to execute a Loan/Grant Agreement to accept a grant in the amount six hundred seventy-five thousand dollars (\$675,000) and enter into a loan in the amount of seventy-five thousand dollars (\$75,000) from the New Mexico Water Trust Board (the "WTB") and the New Mexico Finance Authority (the "Finance Authority") (collectively, the "Lenders/Grantors") and for the Project defined in the Original Resolution (the "Original Project"); and

WHEREAS, the Borrower/Grantee and the Lenders/Grantors entered into the Loan/Grant Agreement on December 21, 2012 pursuant to NMSA 1978, §§ 72-4A-1 through 72-4A-10, as amended and NMSA 1978, §§ 6-21-1 through 6-21-31, as amended. The payment of principal and interest on the Loan proceeds is payable from the Pledged Revenues described in the Original Resolution (the "Loan/Grant"); and

WHEREAS, the pilot studies required to design the surface water treatment facility contemplated by the Original Project cannot be conducted because drought conditions have reduced the availability of surface water from the Rio Grande river; and

WHEREAS, the Governing Body has determined that modification of the Project to include an evaluation of the availability and treatment requirements of brackish groundwater is the best course of action; and

WHEREAS, on May 22, 2013, and the WTB and the approved and consented to the request of the Borrower/Grantee to amend the Loan/Grant Agreement to revise the Original Project to authorize the Loan/Grant proceeds to be used for the planning and design phases of a proposed surface water and brackish groundwater treatment facility, (the "Amended Project"); and

WHEREAS, the Finance Authority, pursuant to Section 11.4 of the Loan/Grant agreement consents to the amendment of the Loan/Grant Agreement solely for the purpose of changing the scope of Project as set forth herein; and

WHEREAS, the Governing Body has determined and hereby determines that the Amended Project may be financed with amounts borrowed under the Loan/Grant Agreement and that it is in the best interest of the Borrower/Grantee and its members that the Loan/Grant Agreement be amended and that the financing of the acquisition and completion of the Amended Project take place by executing and delivering an amendment to the Loan/Grant Agreement (the "Amendment"); and

WHEREAS, there have been presented to the Governing Body and there presently are on file with the Secretary this Resolution and the form of the Amendment; and

WHEREAS, the Governing Body hereby determines that the Amended Project is to be used for governmental purposes of the Borrower/Grantee; and

WHEREAS, the Governing Body intends by this Resolution to authorize the execution and delivery of the Amendment for the purposes set forth herein; and

WHEREAS, all required authorizations, consents and approvals in connection with: (i) the use of the proceeds of the Amendment and the Loan/Grant Agreement to finance the Amended Project; and (ii) the authorization, execution and delivery of the Amendment which are required to have been obtained by the date of this Resolution, have been obtained or are reasonably expected to be obtained.

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

Section 1. Definitions. Capitalized terms used in this Resolution shall, for all purposes, have the same meanings specified or defined in the Original Resolution, unless the context clearly requires otherwise or otherwise defined herein.

Section 2. Ratification. All action heretofore taken (not inconsistent with the provisions of the Resolution) by the Governing Body and officers of the Borrower/Grantee directed toward the Amended Project and the execution and delivery of the Amendment be, and the same hereby is, ratified, approved and confirmed.

Section 3. Authorization of the Amendment and the Amended Project; Amendment of Original Resolution. The redefinition of the Original Project and the use of Loan/Grant

proceeds for the Amended Project, through execution and delivery of the Amendment, are hereby authorized and ordered. The Amended Project is for the benefit and use of the Borrower/Grantee. The term “Project” as used in the Original Resolution, this Resolution and Loan/Grant Agreement shall include the Original Project and the Amended Project, as defined in this Resolution.

The definition of the term “Project” in Section 1 of the Original Resolution and in Exhibit “A” to the Loan/Grant Agreement are amended to include the definition of “Amended Project” in this Resolution.

Section 4. Findings. The Borrower/Grantee hereby declares that it has considered all relevant information and data and hereby makes the following findings:

A. The Amended Project is needed to meet the needs of the Borrower/Grantee and the constituent public it serves.

B. Moneys available and on hand for the Amended Project from all sources other than the Loan/Grant are not sufficient to defray the cost of acquiring the Amended Project.

C. The Pledged Revenues may lawfully be pledged pursuant to the Act to secure the payment of amounts due under the Original Resolution and this Resolution and the Amendment does not change the terms of the payment of the amounts due under the Original Resolution and the Loan/Grant Agreement.

D. It is economically feasible to defray, in whole or in part, the costs of the Amended Project by the execution and delivery of the Amendment.

E. The Amended Project and the execution and delivery of the Amendment pursuant to the Act to provide funds for the financing of the Amended Project are necessary and in the interest of the public health, safety, morals and welfare of the public served by the Borrower/Grantee.

F. The Borrower/Grantee will acquire and complete the Amended Project, in whole or in part, with the net proceeds of the Loan/Grant.

Section 5. Amendment - Authorization and Detail.

A. Authorization. This Resolution has been adopted by the affirmative vote of at least a majority of all members of the Governing Body. For the purpose of protecting the public health, conserving the property, protecting the general welfare and prosperity of the constituent public served by the Borrower/Grantee and acquiring the Amended Project, it is hereby declared necessary that the Borrower/Grantee, pursuant to the Act, execute and deliver the Amendment. The Borrower/Grantee shall use the proceeds of the Loan/Grant to finance the Amended Project and to pay the costs of issuance of the Amendment. The Amended Project will be owned by the Borrower/Grantee.

B. The Amendment shall be in substantially the form of the Amendment presented at the meeting of the Governing Body at which this Resolution was adopted.

C. Except as expressly amended by the Amendment, the Loan/Grant Agreement shall remain effective in its entirety.

D. Except as expressly amended by this Resolution, the Original Resolution shall remain effective in its entirety.

Section 6. Approval of Amendment. The form of the Amendment as presented at the meeting of the Governing Body at which this Resolution was adopted is hereby approved. Authorized Officers are hereby individually authorized to execute, acknowledge and deliver the Amendment with such changes, insertions and omissions as may be approved by such individual Authorized Officers, and the Secretary is hereby authorized to affix the seal of the Borrower/Grantee on the Amendment and attest the same. The execution of the Amendment by an Authorized Officer shall be conclusive evidence of such approval.

Section 7. Authorized Officers. Authorized Officers are hereby individually authorized and directed to execute and deliver any and all papers, instruments, opinions, affidavits and other documents and to do and cause to be done any and all acts and things necessary or proper for carrying out this Resolution, the Amendment and all other transactions contemplated hereby and thereby. Authorized Officers are hereby individually authorized to do all acts and things required of them by this Resolution and the Amendment for the full, punctual and complete performance of all the terms, covenants and agreements contained in this Resolution and the Amendment, including but not limited to, the publication of the summary of this Resolution set out in Section 13 below (with such changes, additions and deletions as they may determine).

Section 8. Amendment of Resolution. Prior to the date of the initial delivery of the Amendment to the Lenders/Grantors, the provisions of this Resolution may be supplemented or amended by Resolution of the Governing Body with respect to any changes that are not inconsistent with the substantive provisions of this Resolution. This Resolution may be amended without receipt by the Borrower/Grantee of any additional consideration, but only with the prior written consent of the Lenders/Grantors.

Section 9. Resolution Irrepealable. After the Amendment has been executed and delivered, this Resolution shall be and remain irrepealable until all obligations due under the Amendment and the Loan/Grant Agreement shall be fully paid, canceled and discharged, as provided in the Original Resolution.

Section 10. Severability Clause. If any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

Section 11. Repealer Clause. All other bylaws, orders, resolutions and ordinances, or parts thereof, inconsistent herewith are hereby repealed to the extent only of such inconsistency.

This repealer shall not be construed to revive any bylaw, order, resolution or ordinance, or part thereof, heretofore repealed.

Section 12. Effective Date. Upon due adoption of this Resolution, it shall be recorded in the book of the Borrower/Grantee kept for that purpose, authenticated by the signatures of the Chairman and Secretary of the Borrower/Grantee, and this Resolution shall be in full force and effect thereafter, in accordance with law; provided, however, that if recording is not required for the effectiveness of this Resolution, this Resolution shall be effective upon adoption of this Resolution by the Governing Body.

Section 13. General Summary for Publication. Pursuant to the general laws of the State, the title and a general summary of the subject matter contained in this Resolution shall be published in substantially the following form:

(Form of Summary of Resolution for Publication)

LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY
Notice of Adoption of Resolution

Notice is hereby given of the title and of a general summary of the subject matter contained in Resolution No. FY2014-01 duly adopted and approved by the Lower Rio Grande Public Water Works Authority on July 17, 2013. A complete copy of the Resolution is available for public inspection and may be obtained by contacting the office of the Secretary, at 215 Bryant Street, Mesquite, New Mexico.

The title of the Resolution is:

LOWER RIO GRANDE WATER WORKS AUTHORITY
RESOLUTION NO. FY2014-01

AUTHORIZING THE EXECUTION AND DELIVERY OF A FIRST AMENDMENT TO A WATER PROJECT FUND LOAN/GRANT AGREEMENT BY AND AMONG THE LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY AS BORROWER/GRANTEE AND THE NEW MEXICO WATER TRUST BOARD AND THE NEW MEXICO FINANCE AUTHORITY AS LENDERS/GRANTORS; AMENDING THE SCOPE OF THE PROJECT FINANCED BY THE WATER PROJECT FUND LOAN/GRANT AGREEMENT; APPROVING THE FORM AND TERMS OF AND OTHER DETAILS CONCERNING THE FIRST AMENDMENT TO WATER PROJECT FUND LOAN/GRANT AGREEMENT; AMENDING RESOLUTION NO. FY2013-06 TO CONFORM TO THE PROVISIONS OF THIS RESOLUTION; RATIFYING ACTIONS HERETOFORE TAKEN; REPEALING ALL ACTION INCONSISTENT WITH THIS RESOLUTION; AND AUTHORIZING THE TAKING OF OTHER ACTIONS IN CONNECTION WITH THE EXECUTION AND DELIVERY OF THE AMENDMENT TO THE WATER PROJECT FUND LOAN/GRANT AGREEMENT.

A general summary of the subject matter of the Resolution is contained in its title. This Notice constitutes compliance with NMSA 1978, § 6-14-6.

(End of Form of Summary for Publication)

PASSED, APPROVED AND ADOPTED THIS 17TH DAY OF JULY, 2013.

LOWER RIO GRANDE PUBLIC WATER
WORKS AUTHORITY

By _____
Roberto Nieto, Chairman

ATTEST:

By _____
Santos Ruiz, Secretary

Governing Body Member _____ then moved adoption of the foregoing Resolution, duly seconded by Governing Body Member _____.

The motion to adopt the Resolution, upon being put to a vote, was passed and adopted on the following recorded vote:

Those Voting Aye:

Those Voting Nay:

Those Absent:

_____ (____) Members of the Governing Body having voted in favor of the motion, the Chairman declared the motion carried and the Resolution adopted, whereupon the Chairman and Secretary signed the Resolution upon the records of the minutes of the Governing Body.

After consideration of matters not relating to the Resolution, the meeting upon motion duly made, seconded and carried, was adjourned.

LOWER RIO GRANDE PUBLIC WATER
WORKS AUTHORITY

By _____
Roberto Nieto, Chairman

ATTEST:

By _____
Santos Ruiz, Secretary

STATE OF NEW MEXICO)
) ss.
COUNTY OF DONA ANA)

I, Santos Ruiz, the duly qualified and acting Secretary of the Lower Rio Grande Public Water Works Authority (the “Borrower/Grantee”), do hereby certify:

1. The foregoing pages are a true, perfect, and complete copy of the record of the proceedings of the Board of Directors of the Borrower/Grantee (the “Governing Body”), had and taken at a duly called regular meeting held at 521 Saint Valentine, La Mesa, New Mexico, on July 17, 2013 at the hour of 9:30 a.m., insofar as the same relate to the adoption of Resolution No. FY2014-01 and the execution and delivery of the proposed Amendment to Loan/Grant Agreement, a copy of which is set forth in the official records of the proceedings of the Governing Body kept in my office. None of the action taken has been rescinded, repealed, or modified.

2. Said proceedings were duly had and taken as therein shown, the meeting therein was duly held, and the persons therein named were present at said meeting, as therein shown.

3. Notice of the meeting was given in compliance with the permitted methods of giving notice of meetings of the Governing Body as required by the State Open Meetings Act, NMSA 1978, §§ 10-15-1 through 10-15-4, as amended, including Borrower/Grantee's open meetings Resolution No. FY2013-12 in effect on the date of the meeting.

IN WITNESS WHEREOF, I have hereunto set my hand this 23rd day of August, 2013.

LOWER RIO GRANDE PUBLIC WATER WORKS
AUTHORITY

By _____
Santos Ruiz, Secretary

EXHIBIT "A"

Notice of Meeting
and Meeting Agenda

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. 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					

**LRGPWWA
DEBIT SERVICE
As of June 30, 2013**

	<u>Current Balance</u>	Term	Interest Rate	Principal Payment	Interest Payment	Total Annual Payment	Current Portion of Long Term Debt	Long Term Debt
Long Term Liabilities								
N/P RCAC	57,284.00		5.500%					\$ 57,284.00
WSC 85-03 R	29,045.27	5	3.000%	\$ 9,181.00	\$ 859.00	\$ 10,040.00	\$ 9,181.00	\$ 19,864.27
Total Other Loans	86,329.27			9,181.00	859.00	10,040.00	9,181.00	77,148.27
 NMFA Loans								
NMFA- DesertSands5	13,130.23	5	0.000%	\$ 14,274.00	\$ -	\$ 14,274.00	\$ 14,274.00	\$ -
NMFA- LowerRio2 (Refinance)	753,216.42	30	5.261%	\$ 16,878.00	\$ 36,825.00	\$ 53,703.00	\$ 16,878.00	\$ 736,338.42
NMFA- LowerRio3 (BerinoDelC	414,328.35	20	0.000%	\$ 22,384.00	\$ -	\$ 22,384.00	\$ 22,384.00	\$ 391,944.35
NMFA-LowerRio4	150,228.27	22	0.000%	\$ 7,960.00	\$ -	\$ 7,960.00	\$ 7,960.00	\$ 142,268.27
NMFA-LowerRio5 (Surface Wa	73,201.67	20	0.250%	\$ 3,673.00	\$ 185.00	\$ 3,858.00	\$ 3,673.00	\$ 69,528.67
NMFA Lower Rio 6	167,025.00		0.000%	\$ -	\$ -	\$ -	\$ -	\$ 167,025.00
NMFA CIF	58,150.00	20	0.000%	\$ 2,908.00	\$ -	\$ 2,908.00	\$ 2,908.00	\$ 55,242.00
Total NMFA Loans	1,629,279.94			\$ 68,077.00	\$ 37,010.00	\$ 105,087.00	\$ 68,077.00	\$ 1,562,346.71
 USDA Loans								
USDA Berino\Del Cerro (Pendi	2,304,000.00	40	3.375%	\$ 28,380.00	\$ 76,692.00	\$ 105,072.00	\$ 28,380.00	\$ 2,275,620.00
USDA 91-07	72,900.26	40	4.125%	\$ 1,140.00	\$ 2,952.00	\$ 4,092.00	\$ 1,140.00	\$ 71,760.26
USDA 91-09	36,604.51	40	4.250%	\$ 552.00	\$ 1,536.00	\$ 2,088.00	\$ 552.00	\$ 36,052.51
USDA 91-12	4,638.20	40	4.500%	\$ 71.00	\$ 205.00	\$ 276.00	\$ 71.00	\$ 4,567.20
USDA 91-14	210,460.41	40	3.375%	\$ 3,127.00	\$ 7,001.00	\$ 10,128.00	\$ 3,127.00	\$ 207,333.41
USDA 91-15	169,511.55	40	2.750%	\$ 2,505.00	\$ 4,599.00	\$ 7,104.00	\$ 2,505.00	\$ 167,006.55
USDA 91-02 (Butterfield Park)	212,014.46	40	5.000%	\$ 4,336.00	\$ 10,472.00	\$ 14,808.00	\$ 4,336.00	\$ 207,678.46
USDA 91-04 (LaMesa Water Pro	463,726.87	40	2.750%	\$ 6,874.00	\$ 12,578.00	\$ 19,452.00	\$ 6,874.00	\$ 456,852.87
USDA 93-09 (Organ Water)	91,403.74	40	3.250%	\$ 1,041.00	\$ 3,217.00	\$ 4,258.00	\$ 1,041.00	\$ 90,362.74
Total USDA Loans (Water)	3,565,260.00			\$ 48,026.00	\$ 119,252.00	\$ 167,278.00	\$ 48,026.00	\$ 3,517,234.00
USDA 92-13 (Mesquite Sewer)	98,537.39	40	3.375%	\$ 1,280.00	\$ 3,280.00	\$ 4,560.00	\$ 1,280.00	\$ 97,257.39
USDA 92-19 (Mesquite Sewer)	593,251.83	40	2.000%	\$ 10,645.00	\$ 11,702.00	\$ 22,347.00	\$ 10,645.00	\$ 582,606.83
USDA 93-09 (Organ Sewer)	8964.72	40	3.250%	\$ -	\$ -	\$ -	\$ -	\$ 8,964.72
Total USDA Loans (Sewer)	\$ 700,753.94			\$ 11,925.00	\$ 14,982.00	\$ 26,907.00	\$ 11,925.00	\$ 688,828.94
							\$ -	\$ -
Total Long Term Liabilities	5,981,623.15			137,209.00	172,103.00	309,312.00	137,209.00	5,845,557.92

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

Schedule 1

Name	Address
------	---------

(1) <u>OPERATING INCOME</u>	PRIOR YEAR <u>Actual</u> (2)	ANNUAL BUDGET BEG _____ END _____ (3)	For the _____ Months Ended _____ CURRENT YEAR		Actual YTD (Over) Under Budget Col. 3 - 5 = 6 (6)
			Actual Data		
			Current Quarter (4)	Year To Date (5)	
1. _____					
2. _____					
3. _____					
4. _____					
5. Miscellaneous					
6. Less: Allowances and Deductions					
7. Total Operating Income (Add lines 1 through 6)					
<u>OPERATING EXPENSES</u>					
8. _____					
9. _____					
10. _____					
11. _____					
12. _____					
13. _____					
14. _____					
15. Interest					
16. Depreciation					
17. Total Operating Expense (Add Lines 8 through 16)					
18. NET OPERATING INCOME (LOSS) (Line 7 less 17)					
<u>NONOPERATING INCOME</u>					
19. _____					
20. _____					
21. Total Nonoperating Income (Add 19 and 20)					
22. NET INCOME (LOSS) (Add lines 18 and 21)					
23. Equity Beginning of Period					
24. _____					
25. _____					
26. Equity End of Period (Add lines 22 through 25)					

Budget and Annual Report Approved by Governing Body	Quarterly Reports Certified Correct
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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. 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.