

LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY

Minutes—REGULAR BOARD OF DIRECTORS MEETING

9:30 a.m. Wednesday, January 20, 2016 at our La Mesa Office, 521 St. Valentine, La Mesa, New Mexico

NOTE: Minutes are a DRAFT until approved & signed by the Board of Directors

- I. **Call to Order, Roll Call to Establish Quorum:** Vice Chairman John Holguin called the meeting to order at 9:37 a.m. and called the roll. Mr. Raymundo Sanchez representing District #1 was absent, Ms. Alma Boothe representing District #2 was present, Mr. Cali Tellez representing District #3 was absent, Mr. John Holguin representing District #4 was present, Mr. Roberto Nieto representing District #5 was absent, Mr. Mike McMullen representing District #6 was present, and Mr. Furman Smith representing District #7 was present. Staff members present were General Manager Martin Lopez, Operations Manager Mike Lopez, Projects Manager Karen Nichols, Finance Manager Kathi Jackson, and Projects Specialist Liza Lopez. Also present were Espy Holguin from HUD, Jennifer Hill with D.B. Stephens and Associates, and Adan and Maria Acero, who are residents of Brazito.
- II. **Pledge of Allegiance:** John Holguin led the pledge.
- III. **Motion to approve the Agenda:** The Board moved item IX.C., Request for Transfer of Real Property on Bosque Farms Road, after Item IV and the motion to approve the revised agenda was made by Mr. McMullen and seconded by Ms. Boothe.
- IV. **Motion to approve the minutes of the December 9, 2015 Regular Board Meeting:** Mr. McMullen made the motion to approve the minutes and Ms. Boothe seconded the motion.
- V. **Public Input—15 minutes total allotted for this item, 3 minutes per person:** None
- VI. **Guest Presentations**
 - A. **Employee Recognition: Kathi Jackson and Benita Evaro.** Martin Lopez presented plaques to Kathi Jackson, Finance Manager, and Benita Evaro, Purchasing, and thanked them for their five years of service to the LRGPWVA.
 - B. **BECC Water Audit Presentation:** Jennifer Hill, an engineer with D.B. Stephens and Associates, presented a power point presentation on the ongoing BECC/LRGPWVA Water Audit, outlining the objectives, results, and recommendations to the Board and providing a copy of the draft report. Mr. Holguin and Mr. Smith expressed concern over the logistics of the recommended yearly water audits and the recommended review of LRGPWVA's rate structure.
 - C. **Espy Holguin from H.U.D:** summarized the Vado Community Meeting she attended on January 14, 2016, which was held at the Del Cerro Community Center by Dona Ana County Chairman Billy Garrett and Vice Chair Wayne Hancock.
- VII. **Managers' Reports**
 - A. **General Manager:** Mr. Martin Lopez provided a written report and stood for questions. Mr. Holguin asked for clarifications about the 401K contributions and Mr. Martin Lopez told him the money would be distributed in the upcoming quarter. Mr. Martin Lopez also advised the board that the LRGPWVA was looking into the possibility of hiring a temporary worker to assist with taking payments at the East Mesa Office.
 - B. **Operations:** Operations Manager Mike Lopez provided a written report and stood for questions. He thanked the LRGPWVA operations staff for the in-house rehabilitation of Well #6. He estimated a savings to the LRGPWVA of \$20,000 because the work was done in-house.
 - C. **Projects:** Ms. Karen Nichols provided a written report and stood for questions. Mr. McMullen asked her about the problems with the roads in Brazito. Ms. Nichols advised Mr. McMullen that the contractor did not meet the specifications for asphalt density and smoothness, and that Stone Drive and Estrellita are on the punch list of contract items that are incomplete. The contractor was asked to remove and replace the

defective asphalt on Calle de Brazito. To date the project has not been completed and/or accepted. She also told the Board that House Bill 151, amending the statute that created the LRGPWWA, has been pre-filed in the legislature for this session.

- D. **Finance:** Ms. Kathi Jackson provided a written report and stood for questions. She provided the Profit and Loss Statement for the second quarter, reporting that there were no expenses that were out of the ordinary to report, and that actual revenue had exceeded budgeted revenue and actual expenses had been less than budgeted expenses. She told the Board that the installation of new, more accurate water meters has greatly helped to increase revenue. Ms. Jackson mentioned the LRGPWWA's transition to the new accounting system and stated that it should be fully functional by March.

VIII. Unfinished Business

- A. **Motion to convene in closed session pursuant to NMSA 1978 10-15-1 H.2 to discuss a limited personnel matter regarding the General Manager's evaluation:** Mr. Smith made the motion to convene in closed session. Mr. McMullen seconded the motion. Mr. Holguin took the roll call vote: District #1 (Mr. Sanchez) was absent, #2 (Ms. Boothe) voted "yes," #3 (Mr. Tellez) was absent, #4 (Mr. Holguin) voted "yes," #5 (Mr. Nieto) was absent, #6 (Mr. McMullen) voted "yes," and #7 (Mr. Smith) voted "yes."
- B. At 11:13 A.M. Mr. McMullen made the motion to reconvene in open session. Ms. Boothe seconded the motion and it passed with none opposed.
- C. Mr. Holguin made the statement that the matters discussed in the closed meeting were limited only to those specified in the motion for closure and that no action was taken.
- D. Mr. Smith made the motion to give Mr. Martin Lopez, the General Manager of the LRGPWWA, a rating of "excellent" on his evaluation and raise his salary to \$85,000 effective with the next pay period. Mr. McMullen seconded this motion and the motion passed with none opposed.

IX. New Business

- A. **Motion to Adopt Resolution #FY2016-09, closing on DWSRLF funds for the Valle Del Rio Project:** Projects Manager Karen Nichols gave a summary of the closing documents and explained that the Board would be making the motion to adopt the closing resolution today; however, the expected closing date would be February 26, 2016. Mr. McMullen made the motion to adopt this resolution. Mr. Smith seconded the motion and it passed with none opposed.
- B. **Motion to adopt Resolution #FY2016-10, Second Quarter Budget:** Mr. McMullen made the motion to adopt this resolution. Mr. Smith seconded the motion and the motion passed with none opposed.
- C. **Request for Transfer of Real Property on Bosque Farms Road:** : Mr. Adan Acero and his wife, Ms. Maria Acero, residents of Berino, requested the Transfer of Real Property on Bosque Farms Road. Martin Lopez provided photographs and a description of the property, which consists of a small concrete slab with a defunct well head. Mr. Martin Lopez told the Board that the well has been capped and is no longer in use. Mr. Acero requested the property be transferred to them and asked the Board for permission to fence the property. Mr. McMullen made the motion to allow Mr. Acero to fence the property and to allow LRGPWWA staff to research the necessary information needed for the property transfer. Ms. Boothe seconded the motion and it carried with none opposed. (This item followed Item IV on the agenda)
- D. **Motion to Authorize the GM to engage a lobbyist to assist with the passage of legislation to amend the LRGPWWA Statute:** Mr. Martin Lopez advised the Board that the LRGPWWA has never engaged a lobbyist to assist with the passage of legislation before. He described the proposed changes to the Statute filed under House Bill 151, and the letter that had been composed and sent to Governor Susana Martinez asking for her support with this Bill. He requested permission from the Board to engage a lobbyist. Ms. Boothe made the motion to authorize Mr. Martin Lopez to engage a lobbyist. Mr. McMullen seconded the motion and it passed with all in favor.
- E. **Motion to approve RFP Committee recommendation and select an engineering firm for the Valle Del Rio Project:** Projects Manager Karen Nichols informed the board that the proposal from Ideals was incomplete, lacking page 2 of the EPA form XP-215, and that Committee members unanimously agreed to reject the proposal from Ideals for failure to submit the required form. She informed the Board that the RFP Committee had unanimously voted to recommend Souder, Miller & Associates for the Valle Del Rio

Project. Mr. Smith then made the motion to approve the RFP Committee's recommendation and Ms. Boothe seconded the motion. The motion carried with none opposed.

- F. Motion to adopt proposed amendment to the LRGWWA Member Customer Service Policy:** Mr. Martin Lopez outlined the changes to the policy, which included changing the attachment numbers and the statement that payments of bills made by check would not be held; all checks will be deposited immediately. Mr. Smith made the motion to adopt the proposed amendment. Ms. Boothe seconded the motion and it carried with none opposed.
- G. Motion to adopt proposed amendment to the LRGWWA Schedule of Rates and Fees:** After reviewing the proposed amendment, Ms. Boothe made the motion to adopt the changes and Mr. Smith seconded the motion. The motion passed with all in favor.

X. Other discussion and agenda items for next meeting, 9:30 A.M., February 17, 2016 at the East Mesa Office:

- A.** Motion to approve the minutes of the November 18, 2015 Regular Board Meeting

XI. Adjourn: Mr. McMullen made the motion to adjourn. Ms. Boothe seconded the motion, and it carried unanimously. Mr. Holguin declared the meeting adjourned at 11:42 A.M.

Minutes approved February 17, 2016

ABSENT

Roberto Nieto, Chairman (District 5)

John Holguin, Vice-Chairman (District 4)

Alma Boothe, Secretary (District 2)

ABSENT

Raymundo Sanchez, Director (District 1)

ABSENT

Carlos Tellez, Director (District 3)

Michael McMullen, Director (District 6)

Furman Smith, Director (District 7)



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

Date: 1/20/14

Time: 9:30 AM

Places: La Mesa

Event: Regular Board Meeting

Signature	Print Name, Title, Company or Agency Represented	Contact Information	Email Address
<i>[Signature]</i>	WGA PWWA	575-621-2192	
<i>[Signature]</i>	FERRAN SMITH	382 5982	SAME
<i>[Signature]</i>	MIKE LOPEZ	(575) 635-3521	mike.lopez@lrauthority.org
<i>[Signature]</i>	KATHI JACKSON FINANCE MANAGER MIDMEMORIAL LRG PWA	(575) 640-4330 910322-7552	kathijackson@lrauthority.org
<i>[Signature]</i>	KAREN NICHOLS LRG PWA	915 203 2057	Karen.nichols@lrauthority.org
<i>[Signature]</i>	ADAM ARNO	(575) 640-2187	arnoadam@gmail.com
<i>[Signature]</i>	MARIA G. ARNO SANDLER HILL DPS SA	(575) 520 2755	macera515@gmail.com
<i>[Signature]</i>	LRG PWA	(505) 957-9332	julie@albstephens.com
<i>[Signature]</i>	LRG PWA	575-211-4959	j.b.louis@lrauthority.org
<i>[Signature]</i>	LRG PWA	(95) 309-7670	alunahart@lrauthority.org
<i>[Signature]</i>	LRG PWA	525 635-1289	Esperanza.A.Holguin@lrauthority.org

LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY

Meeting Notice & Agenda—REGULAR BOARD OF DIRECTORS MEETING

9:30 a.m. Wednesday, January 20, 2016 at our La Mesa Office, 521 St. Valentine, La Mesa, NM 88044.

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

- I. Call to Order, Roll Call to Establish Quorum: District #1 (Mr. Sanchez)___, #2 (Ms. Boothe)___, #3 (Mr. Tellez)___, #4 (Mr. Holguin)___, #5 (Mr. Nieto)___, #6 (Mr. McMullen)___, #7 (Mr. Smith)___.
- II. Pledge of Allegiance
- III. Motion to approve the Agenda (consider moving VIII after all of IX)
- IV. Motion to approve the minutes of the December 9, 2015 Regular Board Meeting
- V. Guest Presentations
 - A. Employee Recognition: Kathi Jackson and Benita Evaro
 - B. BECC Water Audit Presentation
- VI. Public Input—15 minutes total allotted for this item, 3 minutes per person
- VII. Managers' Reports
 - A. General Manager
 - B. Operations
 - C. Projects
 - D. Finance
- VIII. Unfinished Business
 - A. Motion to convene in closed session pursuant to NMSA 1978 10-15-1 H.2 to discuss a limited personnel matter regarding the General Manager's evaluation. Roll Call Vote: District #1 (Mr. Sanchez)___, #2 (Ms. Boothe)___, #3 (Mr. Tellez)___, #4 (Mr. Holguin)___, #5 (Mr. Nieto)___, #6 (Mr. McMullen)___, #7 (Mr. Smith)___
 - B. Motion to reconvene in open session
 - C. Statement by the Chair that the matters discussed in the closed meeting were limited only to those specified in the motion for closure
 - D. Action, if any, related to the matters discussed in closed session
- IX. New Business
 - A. Motion to adopt Resolution #FY2016-09, closing on DWSRLF funds for the Valle Del Rio Project
 - B. Motion to adopt Resolution #FY2016-10, Second Quarter Budget
 - C. Request for Transfer of Real Property on Bosque Farms Road
 - D. Motion to authorize the GM to engage a lobbyist to assist with passage of legislation to amend the LRGPWWA statute.
 - E. Motion to approve RFP Committee recommendation and select an engineering firm for the Valle Del Rio Project
 - F. Motion to adopt proposed amendment to the LRGPWWA Member Customer Service Policy
 - G. Motion to adopt proposed amendment to the LRGPWWA Schedule of Rates and Fees
- X. Other discussion and agenda items for **next meeting, 9:30 a.m., February 17, 2016 at the East Mesa Office:**
 - A. Request for presentation from Mr. Mattiace, Executive Director of the New Mexico Border Authority, regarding the proposed Santa Teresa International Rail project.
 - B. Amendment to Safety Policy
- XI. Adjourn

If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aide or service to attend or participate in the hearing or meeting, please contact the LRGPWWA office at 575-233-5742, PO Box 2646, Anthony NM 88021 OR 215 Bryant St., Mesquite NM at least one week prior to the meeting or as soon as possible. Public documents, including the agenda and minutes, can be provided in various accessible formats. Please contact the LRGPWWA office if a summary or other type of accessible format is needed.

Si usted es una persona con una discapacidad que necesita un lector, amplificador, intérprete de lenguaje de signos o cualquier otra forma de ayudante auxiliar o de servicio para asistir o participar en la audiencia o reunión, póngase en contacto con la oficina de LRGPWWA, 575-233-5742, PO Box 2646, Anthony, NM 88021 o 215 Bryant St., Mesquite, NM por lo menos una semana antes de la reunión o tan pronto como sea posible. Documentos públicos, incluyendo el orden del día y actas, pueden proporcionarse en diferentes formatos accesibles. Póngase en contacto con la oficina LRGPWWA si es necesario un resumen u otro tipo de formato accesible.

LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY

Minutes—REGULAR BOARD OF DIRECTORS MEETING

9:30 a.m. Wednesday, December 9, 2015 at our La Mesa Office, 521 St. Valentine, La Mesa, New Mexico

NOTE: Minutes are a DRAFT until approved & signed by the Board of Directors

- I. **Call to Order, Roll Call to Establish Quorum:** Vice Chairman John Holguin called the meeting to order at 9:34 a.m. and called the roll. Mr. Raymundo Sanchez representing District #1 was present, Ms. Alma Boothe representing District #2 was absent at the beginning of the meeting but she arrived at 9:36 a.m., Mr. Cali Tellez representing District #3 was present, Mr. John Holguin representing District #4 was present, Mr. Nieto representing District #5 was absent, Mr. Mike McMullen representing District #6 was present, and Mr. Furman Smith representing District #7 was absent. Staff members present were General Manager Martin Lopez, Operations Manager Mike Lopez, Projects Manager Karen Nichols, and Projects Specialist Liza Lopez. Also present were Espy Holguin from HUD, Dave Bonner, a resident of the East Mesa, and Melanie McKinney.
- II. **Pledge of Allegiance:** John Holguin led the pledge.
- III. **Motion to approve the Agenda:** Mr. Tellez made the motion to approve the agenda and Mr. McMullen seconded the motion.
- IV. **Motion to approve the minutes of September 16, 2015, Regular Board Meeting:** This item has been postponed until the January 20, 2016 board meeting because there were not enough directors present who had attended that meeting in order to make and second the motion.
- V. **Guest Presentations – NONE**
- VI. **Public Input—15 minutes total allotted for this item, 3 minutes per person:** Dave Bonner, a resident of the East Mesa asked whether someone from Organ/Butterfield was on the board of the LRGPWWA. Martin Lopez responded “yes.” Mr. Bonner commended the LRGPWWA on doing an excellent job and asked questions regarding the water treatment facility on the East Mesa. Mr. Mike Lopez told him about the new vacuum/jetter and the ongoing maintenance. Karen Nichols described the water and sewer system improvements in the area and Martin Lopez provided an overview of updates and upgrades to the East Mesa water system. Mr. Bonner also had questions regarding billing procedures, deposits and delinquencies which were addressed by the staff. (Mr. Bonner arrived late and this item actually followed Item IX on the agenda.)
- VII. **Managers’ Reports**
 - A. **General Manager:** Mr. Martin Lopez provided a written report and stood for questions. Mr. Holguin asked questions regarding employee health insurance premiums. Mr. Tellez asked where the proposed Tierra del Sol subdivision would be located and how many houses would be built. Martin Lopez advised him it would be located off of Vado Drive and that there would be 47 homes. Mr. Tellez also inquired about the discussion with Moy Surveying about the proposed lot split/possible subdivision off of Corona and Hawk Roads and asked if there was any decision as to how it would be developed. Mr. Martin Lopez responded that it was still in the preliminary stages.
 - B. **Operations:** Operations Manager Mike Lopez provided a written report and stood for questions. He provided an update on the recently acquired vacuum/sewer jetter and its performance. He stated that he was still waiting on the truck that will pull the trailer the sewer jetter is on, and he mentioned that there will be more operations training on the usage of the sewer jetter in the upcoming months.
 - C. **Projects:** Ms. Karen Nichols provided a written report and stood for questions. She updated the board on the USDA-RD Transfer and Assumption Application Packages and the closing, which would be taking place at 1:30 p.m. on Wednesday, December 9, 2015. She stated that the art that had been purchased for the La Mesa building through the Art in Public Places Program using Capital Outlay monies should be arriving

soon. Mr. Tellez asked about the status of the Veteran's Road Project. Ms. Nichols stated that preliminary work has begun. Mr. Holguin asked questions regarding the 2016 Legislative session and the status of our bill in the legislature. Ms. Nichols advised him that our bill had passed all committees and the Senate Floor but did not make it to the House Floor by the end of the session. If the LRGPWWA can get the Governor to authorize the bill being heard we will try again in the upcoming session. Mr. Holguin advised that he had met with Representative Gomez last week and he might be able to assist us with our bill. Mr. Holguin also inquired about the El Valle Alliance and Martin Lopez explained they were a group of water systems in northern New Mexico. Both Mr. Tellez and Ms. Boothe asked if any more had been heard from Vencor Engineering regarding the waterline extension project. Mr. Martin Lopez and Ms. Karen Nichols reminded them that Vencor had provided a letter to the board withdrawing their complaint. The Board was also advised that the easement issue in Berino had also been solved.

- D. **Finance:** Ms. Kathi Jackson was not present at the board meeting because of the ongoing audit, and billing and financial management software programming. Ms. Jackson provided the draft Profit and Loss Statement for November, which was uploaded to the LRGPWWA website and included in the Board Packets for the December meeting.

VIII. Unfinished Business

- A. **Motion to convene in closed session pursuant to NMSA 1978 10-15-1 H.2 to discuss a limited personnel matter regarding the General Manager's evaluation:** Postponed until January 20, 2016.

IX. New Business

- A. **Motion to approve staff and board travel and per diem for Legislative Session as needed:** Mr. Holguin asked when staff would be travelling. Mr. Martin Lopez advised staff would travel as needed and for Colonias Day at the Legislature. Mr. Tellez asked how many staff members would be travelling. Mr. Martin Lopez advised him that there were usually two or three staff members travelling up to the Legislature. Mr. Tellez made the motion to approve staff and board travel and per diem. Ms. Boothe seconded the motion and the motion passed with none opposed.
- B. **Santa Teresa International Rail Study presentation and possible motion to direct staff to provide feedback:** a Power Point presentation was shared describing the proposed project. The board discussed the potential impact of this proposed project. Mr. Tellez made the motion to request a presentation in the upcoming months from Mr. Mattiace, Executive Director of the New Mexico Border Authority, in order to gather more information about the proposed project. Ms. Boothe seconded the motion and the motion passed with none opposed.
- C. **Motion to approve Employee Incentives:** Mr. Tellez made the motion to approve an incentive of \$100.00 to all employees. Mr. McMullen seconded the motion and the motion passed with none opposed.
- D. **Motion to approve waiver of Membership Fees for Valle Del Rio Water System customers:** Ms. Boothe clarified that this waiver was for existing customers only. Ms. Boothe then made the motion to approve the waiver. Mr. Tellez seconded the motion. The motion passed with none opposed.

X. Other discussion and agenda items for next meeting:

- A. BECC Water Audit Work Sessions for Board and Staff tentatively set for 1/20/16. Ms. Nichols explained that there would be an overview of the Audit at the Regular Board Meeting scheduled for 1/20/16 and that the 1:00 p.m. work session would be more detailed.
- B. Resolution for closing on DWSRLF funds for Valle Del Rio Project
- C. Surface/brackish water treatment facility project could be a potential agenda item

D. A rate structure for Organ sewer-only customers needs to be developed and could be a potential agenda item.

XI. **Adjourn:** Mr. Tellez made the motion to adjourn, Mr. Holguin seconded the motion, and it carried unanimously. Mr. Holguin declared the meeting adjourned at 10:29 a.m.

Minutes approved January 20, 2016

ABSENT _____
Roberto Nieto, Chairman (District 5)

John Holguin, Vice-Chairman (District 4)

Alma Boothe, Secretary (District 2)

Raymundo Sanchez, Director (District 1)

Carlos Tellez, Director (District 3)

Michael McMullen, Director (District 6)

ABSENT _____
Furman Smith, Director (District 7)

LRGPWWA
Manager's Report
January 20, 2016

- Heating/Cooling System at Brazito Office has been replaced
- New Phone System is operational, including East Mesa Office
- Notification has been mailed to Brazito, Butterfield Park and Organ customers pertaining to the completion of transfer and assumption-LRGPWWA Rates, Customers Policies, etc.
- HIDTA Semi-Annual Certification has been completed
- State Land Office annual lease for Organ property has been completed
- Tax & Revenue Department-need to finalize Worker's Compensation Fee for Vado MDWCA (2010)
- Worker's Compensation Fee-Annual Safety Inspection will need to be completed (all facilities)-transition into the development of a Safety Program and update of Safety Policy #2014-01
- Had a customer fall at Berino office on December 28th
- Will begin the process of recording the service area via plat with DAC as required by Statute, may wait for Valle Del Rio acquisition to finalize to avoid additional expenses
- Valle Del Rio public meeting will be held on January 26 at 6:30 pm at the North Valley Elementary School in San Miguel
- Staff 2015 evaluations are complete
- Possible hiring of a temporary worker to assist with payments due to the implementation of the Customer Policies (East Mesa)
- 401K contributions will be scheduled in the upcoming quarter
- Brazito RD Loan 91-07 consideration≈\$70K (4.13% interest rate)

Lower Rio Grande PWWA

Operators Report

January 20, 2016

System Problems and Repairs.

- Backflow inspections are current.(Mesquite District)
- The wetlands project continues.
- Well #6 Rehab is complete, and a total of 20,000.00 dollars was saved by us completing this huge task in house.
- For the Month of December we have been issued 208 work orders.
- For the Month of November we have been issued 211 work orders.
- Arroyo well is back in service, once the well people finished we shocked the well to 50 MG/l let it sit for 24 hours, flushed and pulled a Bac-T, and put it back on line.
- We had a Pump bowl on a booster pump at Butterfield Park started leaking. I ordered a new lower end, JJ, and well techs installed and wired it up and it is back in service.
- We have 4 new services for this month.

- We have almost completed changing out most of all the 2” radio read meters. They are for dairies or other commercial Accounts.

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

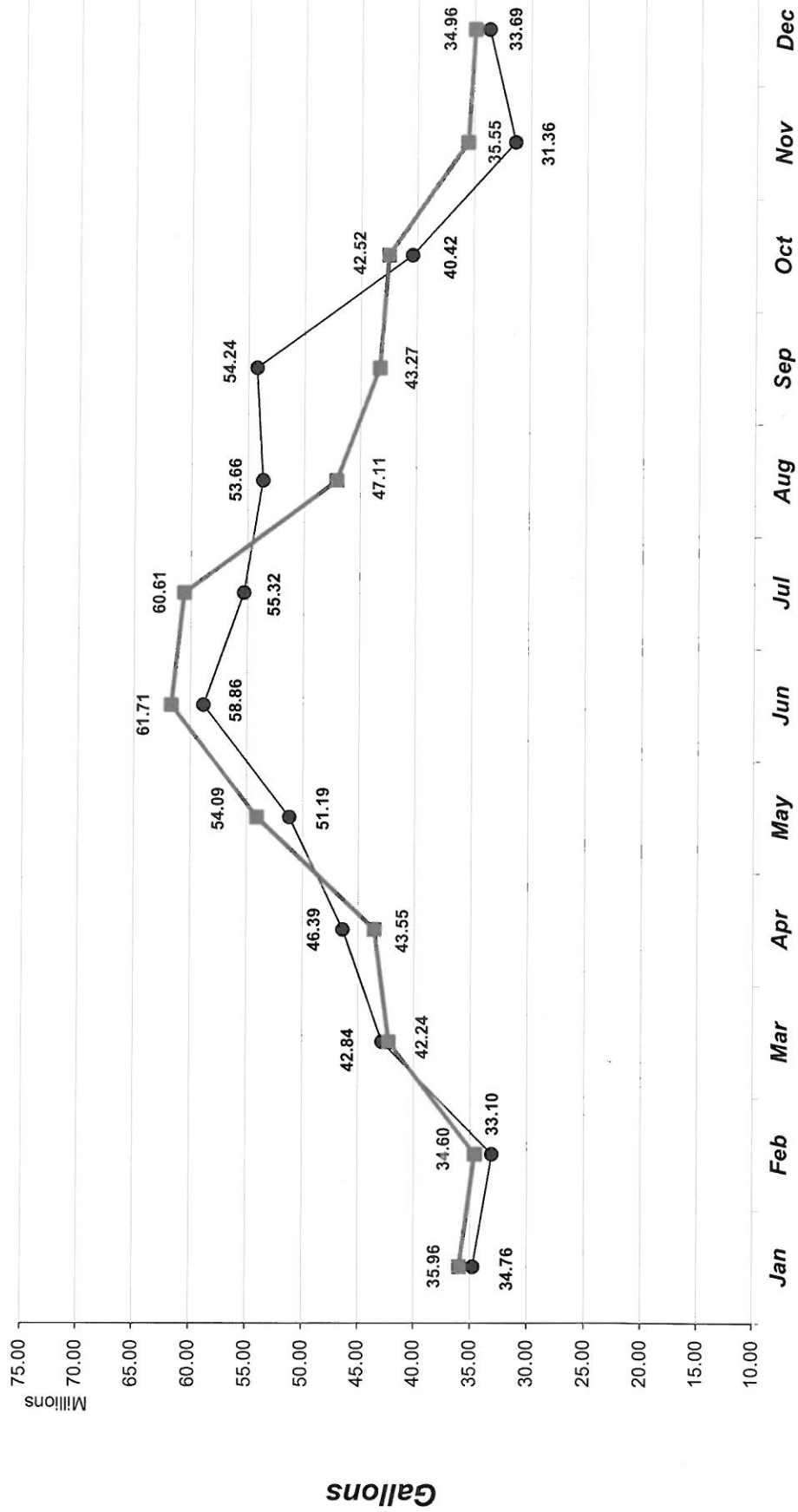
Mesquite district Wetlands: Demo continues.

Mesquite Sewer Report. Due in February.

Chlorine: No problems.

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

Lower Rio Grande PWWA Water Production Report



● 2015 Production ■ 2014 Production

**LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY
PROJECTS REPORT – 1/20/16 BOARD OF DIRECTORS MEETING**

Authority Construction Projects:

LRG: 11-02.1 - Mesquite Wastewater Project – Gannett Fleming– CONSTRUCTION Stage complete – Layne Southwest - RD \$7,262,081, CITF \$1,670,257: Remaining funds will be used along with RD Vehicle Purchase Project funds toward purchase of the 1-ton truck necessary to pull the unit. Local RD office has received and is reviewing closing instructions on the Vehicle Purchase funding.

LRG-11-02.2 – Mesquite-Brazito Sewer Project – Bohannon Huston, Inc. – LOC Stage – NMFA PG/SAP funded Planning, \$30k 2014 SAP, \$540,608 2014 CITF (10% Loan), USDA-RD Loan \$357,000 @ 3.250%, Grant \$1,194,919, Colonias Grants of \$6,356,474 & \$119,407: Resumed monthly conference calls with RD. Request for extension and updated project schedule have been submitted to RD. Site field work completed to evaluate the pipeline alignments previously chosen. Adjustments to alignments identified with new station locations to remove pressure collection system. Initial survey corridor and preparation for aerial flight was coordinated. Initial project survey control being established for flight. Aerial flight must occur before tree leafing anticipated to begin in April.

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

LRG-11-04 – Berino/ Mesquite-Del Cerro Water System Project WTB #223 – Vencor – Construction Stage - Smithco – RD - \$5,420,147/WTB - \$4,371,630: Berino/Bosque Area: Contractor still lacking waterline markers on fire hydrants on DAC ROW. Pending waterlines, bore and crossing installations: BNSF-Berino bore, Kinder Morgan (KM)/EPNG crossings, Bullock Road waterline extension and Three Saints (small) bore crossing at 3522 Three Saints Road. As of 1/05/16, Contractor installed +/- 6,300 LF of 8" waterline on Three Saints Road from Bosque Road to Joy Drive, completing Additive Alternative 14, less the bore at intersection of Three Saints and Joy Drive. Contractor also installed 1400 LF of 6" waterline on Bullock Road from Opitz Road heading west. Note: waterlines installed to date in the Berino/Bosque areas have not been pressure tested and no Bac-t's have been taken.

Mesquite Area: Contractor still lacking water line markers on the fire hydrants on DAC ROW. Contractor addressing Punch List items in the Mesquite area and about 90% complete. Pending items include (corrective) asphalt patching on Aceitunas Road and (corrective) asphalt patching by Mesquite Elementary School/Baseball field.

Del Cerro/Vado Area: Contractor lacking a sampling station on Moro Lane but LRGPWWA has requested to relocate the sampling station to Joy Drive/ Three Saints Rd, next to the installed FH. Contractor to notify I. Muñoz, foreman to address installation. Contractor addressing Punch List items in the Del Cerro/Vado area and about 60% complete.

Project Water Line Bores: To date, Contractor has installed 6 of the 9 project waterline horizontal bores. Pending bores: BNSF / Berino, EBID Joy Drive bore and 3522 Three Saints Road (small) bore. "

LRG-11-05 – Surface Water Treatment Plant WTB #252– Bohannon Huston - Design stage - \$750,000 WTB – 10% Loan 10% Match: The final PER amendment has been approved by NMED-CPB. The Water

Trust Board approved the scope change and time extension on 12/2/15. The remaining project funds will be used to complete the PER recommendations for improvements to the southeast service area that has seen a lowering water table and well problems. This will involve a new well, water treatment and storage reservoir improvements and potentially a water master plan.

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

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

LRG-13-02 – System-wide Information Technology Standardization - Software - \$175,000 NM STB – Tyler Technologies: Eight requisitions have been submitted to NMED-CPB and seven paid. Change Order #2 to further reduce the scope of the data conversion is in preparation at Tyler. Project is behind schedule and training on the Utility module has been delayed to the week of February 8th. Tyler staff has been on-site, and the Finance Manager's report will discuss their progress.

LRG-15-01 – System-wide Information Technology Standardization - SCADA - \$130,000 NM STB – Molzen Corbin: Molzen staff visited the SCADA sites on 12/17/15.

LRG-13-03 – Water System Purchase Project – RFP/Planning/Design Stage - \$1,197,708 DWSRLF funding - \$898,281 principal forgiveness – 299,427 loan repayment: Closing Resolution is on today's agenda, RFP recommendation is on today's agenda. Public meeting for Valle Del Rio customers is set for 6:30 pm on Tues. 1/26/16 at North Valley Elementary in San Miguel.

LRG-13-01 – Brazito Water System Improvements – Souder, Miller & Associates. – Construction Phase - Western Building & Development - \$523,354 NM CITF Grant, \$58,150 Loan, \$58,150 Match Requirement, 2014 CITF \$157,986 (10% loan): The contractor did not meet substantial and final completion due dates of 8/28/15 and 9/11/15 respectively. To date the project has not been completed and/or accepted. Western Building and Development did not meet the specifications for asphalt density and smoothness. The contractor was asked to remove and replace the defective asphalt. On November 10, 2015, SMA submitted an additional request for a plan of action for the completion of the project to the contractor. SMA met with county staff on 12/4/15 to discuss the specifications for addressing the issue by partially removing material from the one lane that was paved and replacing it with an overlay over both lanes. Meanwhile, the contractor directly contacted NMFA about payment prior to submitting an application for payment on 12/2/15 which included the pavement that does not meet specifications and has had their attorney send us a payment demand letter. Only about \$150 or so of the Pay App. is eligible for payment at this point, there are density and bac-T reports still pending that have not been submitted by the contractor, and the amount that can be approved is too little to process unless they submit the required reports.

LRG-14-01 – Waterline Extension Project (incl. Veterans Road) – Design/Build - \$882,430 CITF incl. 10% Loan – Parkhill, Smith & Cooper: PSC met with EBID to discuss permit fees, right-of-way considerations, and attain design parameters when utilizing EBID property on 12/11 & 12/22/15 and has begun coordination with Kinder Morgan for gas pipeline crossings. Met with LRGPWVA staff on 12/15/15. Geotechnical drilling is nearly complete, unexpected site conditions required hand auger on two bore sites. Design Plans begun. Coordinated with LRG Projects Dept. for project information flyers

distributed to the residents of Barrio Rd., Dos Amigos, Rd., Camino Santo, and Jacquez Rd. Land Survey is nearly complete, several issues of property corner locating in field. Contacted One-Call for utility locates.

Other projects:

Water Audit – BECC: Audit presentation is scheduled for today's meeting followed by a more in-depth staff work session this afternoon.

USDA-RD Transfer & Assumption Application Packages: All three applications were submitted 1/7/13, Letter of Conditions notebooks were submitted to USDA-RD on 5/27/15, closing was December 9, 2015, and the title policy is now being finalized after some confusion about the required amount of coverage.

USDA-RD Community Facilities Grant/Loan for Vehicle Purchase – LOC - \$46,600 Grant/\$103,400 Loan: Letter of Conditions binders were submitted to USDA-RD in October. Closing instructions have been issued by OGC and are under review in the local office, so closing should be scheduled soon.

Infrastructure Capital Improvements Plan 2017-2021: Final for this year.

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

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

Training –Liza and I will AWWA Water Audit Training this month for large systems on Feb. 5th

Lower Rio Grande Water Users Organization – nothing to report

US-EPA Regionalization Case Study – I received a draft and submitted edits on 2/2/15. Case study has not yet been published. I have followed up a few times, and it is still under review at EPA.

EBID Surface Water Plant: - EBID has submitted their response to NMED-DWB comments as they pertain to the LRGPWWA and to our Surface Water/Brackish Water Treatment Facility Project. More comments have been received, and we have done what we can to assist them with their response.

2016 Legislature: Ramon Lucero from El Valle Alliance let us know that the regional water authority legislation will be reintroduced next session. We have met with Rep. Bill Gomez and Sen. Cervantes about our bill. Rep. Gomez has had it drafted, and Sen. Cervantes will sponsor in the Senate. We will need the Governor to declare it germane. Spoke with Rep. Gallegos, and she is happy to be supportive. Will be submitting Capital Outlay Requests for the SCADA Project (\$80,000) and the Mesquite-Brazito Sewer Project as soon as I have budget numbers from Bohannon Huston, Inc. Colonias Day at the Legislature will be February 16, 2016. Legislative Report for 2016 is posted at the Board's webpage and is being updated daily.

Lower Rio Grande Public Water Works Authority

Projects Manager's Report - 2016 NM Legislature

<http://www.nmlegis.gov/lcs/>

Updated Through: 1/12/16

Session Dates:

December 15, 2015 - January 15 Legislation may be prefiled

January 19 Opening day (noon)

February 3 Deadline for introduction

February 16 COLONIAS DAY

February 18 Session ends (noon)

March 9 Legislation not acted upon by governor is pocket vetoed

May 18 Effective date of legislation not a general appropriation bill or a bill carrying an emergency clause or other specified date

2016 Bills of Interest:

***HB 12 PUBLIC PROJECT REVOLVING FUND PROJECTS Patricia A. Lundstrom**

AUTHORIZING THE NEW MEXICO FINANCE AUTHORITY TO MAKE LOANS FOR PUBLIC PROJECTS FROM THE PUBLIC PROJECT REVOLVING FUND; DECLARING AN EMERGENCY

HPREF

HB 19 DRINKING WATER SYSTEM FINANCING Debbie A. Rodella

One million eight hundred thousand dollars (\$1,800,000) is appropriated from the public project revolving fund to the drinking water state revolving loan fund

HPREF

HB 38 CRITERIA FOR DISPOSITION OF PUBLIC PROPERTY Conrad D. James

ADJUSTING AND CLARIFYING THE CRITERIA FOR THE DISPOSITION OF OBSOLETE, WORNOUT OR UNUSABLE TANGIBLE PERSONAL PROPERTY

HPREF

HB 71 SMALL WATER SYSTEM PROJECT FINANCING Carl Trujillo

REQUIRING TEN PERCENT OF FUNDING FOR THE FINANCING OF WATER PROJECTS THROUGH THE WATER PROJECT FUND TO BENEFIT SMALL WATER SUPPLY ASSOCIATIONS SUBJECT TO THE SANITARY PROJECTS ACT AND ACEQUIA ASSOCIATIONS

HPREF

HB 78 NMSU WATER RESOURCES RESEARCH INSTITUTE Bill McCamley

MAKING AN APPROPRIATION FOR THE NEW MEXICO WATER RESOURCES RESEARCH INSTITUTE AT NEW MEXICO STATE UNIVERSITY - \$400k

HPREF

HB 80 STATE ETHICS COMMISSION ACT Brian Egolf

ENACTING THE STATE ETHICS COMMISSION ACT; CREATING THE STATE ETHICS COMMISSION; PROVIDING FOR AN EXECUTIVE DIRECTOR; PROVIDING FOR ANNUAL ETHICS TRAINING AND THE PUBLICATION OF ETHICS GUIDES; REQUIRING THE DEVELOPMENT OF A PROPOSED ETHICS CODE; PROVIDING FOR THE ISSUANCE OF ADVISORY OPINIONS; TRANSFERRING THE ADMINISTRATION OF CERTAIN ACTS TO THE STATE ETHICS COMMISSION; PROVIDING FOR THE FILING OF COMPLAINTS AGAINST PUBLIC OFFICERS AND EMPLOYEES, CANDIDATES, GOVERNMENT CONTRACTORS AND LOBBYISTS FOR ETHICS VIOLATIONS; PROVIDING FOR INVESTIGATIONS AND HEARINGS; GRANTING SUBPOENA POWERS; REQUIRING CONFIDENTIALITY; PROHIBITING RETALIATION; PROVIDING PENALTIES.

HPREF

HB 93 VETERAN BUSINESS PREFERENCE CHANGES **Bob Wooley**

Increases max income to qualify up to \$3 million from \$1 million, makes the preference 10% for all who qualify, limits businesses to qualifying for the preference for ten years.

HPREF

HB 96 NO PENSION FOR CONVICTED PUBLIC OFFICIALS **Matthew McQueen**

MAKING A PUBLIC OFFICIAL INELIGIBLE TO RECEIVE A PENSION IF THE PUBLIC OFFICIAL IS CONVICTED OF OR HAS PLED GUILTY OR NOLO CONTENDERE TO A CORRUPTION OFFENSE

HPREF

HB 125 INCREASE MINIMUM WAGE **Miguel P. Garcia**

INCREASING THE MINIMUM WAGE; REVISING THE MINIMUM WAGE FOR TIPPED EMPLOYEES; PROVIDING FOR AN ANNUAL COST-OF-LIVING INCREASE IN THE STATE MINIMUM WAGE RATE; PROVIDING LIMITATIONS

HPREF

SB 28 COLONIA, ACEQUIA & COLONIA LEGAL SERVICES **Gerald Ortiz y Pino/Miguel P. Garcia**

ESTABLISHING A PROGRAM TO INCREASE LEGAL SERVICES FOR ACEQUIAS, LAND GRANTS- MERCEDES AND LOWINCOME RESIDENTS OF COLONIAS; ESTABLISHING A WAIVER OF TUITION FOR SERVICE PROGRAM; CREATING A FUND; MAKING AN APPROPRIATION

SPREF

SB 30 ADVANCED WATER MAPPING & FUND **Carlos R. Cisneros**

CREATING THE ADVANCED MAPPING FUND; PROVIDING FOR ADVANCED MAPPING BY THE DEPARTMENT OF TRANSPORTATION, INCLUDING FOR THE RIO GRANDE TRAIL; MAKING AN APPROPRIATION

SPREF

SB 33 CAPITAL OUTLAY PLANNING & MONITORING ACT **Carlos R. Cisneros**

ENACTING THE CAPITAL OUTLAY PLANNING AND MONITORING ACT; INCREASING FISCAL AND PROGRAMMATIC SCRUTINY OF CAPITAL OUTLAY EXPENDITURES; REQUIRING COMPREHENSIVE FIVE-YEAR PLANS; CREATING THE CAPITAL OUTLAY PLANNING COUNCIL; MAKING AN APPROPRIATION

SPREF

***SB 48 WEB-BASED CAPITAL OUTLAY PUBLICATION** **Sander Rue**

REQUIRING WEB-BASED, USERFRIENDLY PUBLICATION OF CAPITAL OUTLAY APPROPRIATION OR BOND AUTHORIZATION ALLOCATIONS BY LEGISLATIVE MEMBERS AND THE GOVERNOR; DECLARING AN EMERGENCY

SPREF

Actions Abbreviations

- * Emergency clause. (If a bill passes by less than the required two-thirds vote, this symbol is deleted.)
- [30] Legislative day (as opposed to calendar day).
- API. Action postponed indefinitely.
- CA Constitutional Amendment
- CC Conference committee. This entry follows when the Senate and House fail to agree on amendments to a bill.
- CS Committee substitute. (This entry, following a DNP report, indicates the committee's substitute bill. Succeeding entries will record the action on the committee substitute.)
- CS/H 18 Committee substitute for House Bill 18.
- DNP nt adptd DO NOT PASS committee report NOT adopted.
- DNP. DO NOT PASS committee report adopted.
- DOA. Died on adjournment.
- DP DO PASS committee report adopted.
- DP/a DO PASS, as amended, committee report adopted.
- E&E The final authoritative version of a bill passed by both houses of the legislature. The preparation is performed by the house of introduction and incorporates all amendments adopted and agreed to by both houses.
- FAILED/H (or/S) Failed passage in House (sometimes followed by announced vote - FAILED/H (22-48)).
- FL/ Floor substitute. (A bill or committee substitute may be substituted on final passage by any legislator. Succeeding entries will record the action on the floor substitute.)
- fl/a Floor amendment adopted. (fl/aaa - three floor amendments adopted.)
- germane Bills which fall within the purview of a 30-day session.
- h/fld cnr House has failed to concur in Senate amendments on a House bill. The House then sends a message requesting the Senate to recede from its amendments.
- H AFC Appropriations & Finance
- HAWC Agriculture, Water & Wildlife
- HBEC Business & Employment
- HCW Committee of the Whole
- HE&EC Enrolling & Engrossing
- HEC Education
- HEENC Energy, Environment & Natural Resources
- HGEIC Government, Elections & Indian Affairs
- HHC Health
- HJC Judiciary
- HPREF House Pre-file
- HPSC Printing & Supplies
- HRC Rules & Order of Business
- HRPAC Regulatory & Public Affairs
- HSCAC Safety & Civil Affairs
- HTPWC Transportation & Public Works
- HWMC Ways & Means
- m/rcnsr adptd Motion to reconsider previous action adopted.
- PASSED/S (or/H) Passed Senate (always followed by announced vote - PASSED/S (39-0)).
- rcl d frm/h Bill recalled from the House for further consideration by the Senate.
- s/cncrd Senate has concurred in House amendments on a Senate bill.
- s/fl d recede This procedure could follow if the Senate refuses to recede from its amendments.
- SCC Committees' Committee
- SCONC Conservation
- SCORC Corporations & Transportation
- SCS/H 18 Senate committee substitute for House Bill 18. (CS, preceded by the initial of the opposite house, indicates a substitute for a bill made by the other house. The listing, however, will continue under the original bill entry.)
- SCW Committee of the Whole

SEC Education

SFC Finance

SGND(C.A.2). Constitutional amendment and its number.

SGND(Mar.4)Ch.9. Signed by the Governor, date and chapter number.

SGND. Signed by one or both houses. (For legislation not requiring Governor's signature.)

SIAC Indian & Cultural Affairs

SJC Judiciary

SPAC Public Affairs

SPREF Senate Pre-file

SRC Rules

T On the Speaker's table by rule (temporary calendar). (This entry appears only on House action. By House Rule 11-20-1, legislation, except that on the Consent Calendar, is placed on the Speaker's table for one calendar day before being placed on the House Calendar for action by the House.)

tblD Tabled temporarily by motion.

TBLD INDEF. Tabled indefinitely.

VETO(Mar.7). Vetoed by the Governor and date.

w/drn Withdrawn from committee or daily calendar for subsequent action.

w/o rec WITHOUT RECOMMENDATION committee report adopted.

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HOUSE BILL 151

52ND LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2016

INTRODUCED BY

Bealquin Bill Gomez

AN ACT

RELATING TO SPECIAL DISTRICTS; AMENDING A SECTION OF THE NMSA 1978; PROVIDING THAT WATER RIGHTS MAY BE COMBINED OR COMMINGLED AMONG MERGING COMPONENTS OF THE LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY; PROVIDING FOR UTILITY CHARGES OF THE LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY AS A LIEN AGAINST PROPERTY SERVED.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

SECTION 1. Section 73-26-1 NMSA 1978 (being Laws 2009, Chapter 100, Section 1) is amended to read:

"73-26-1. LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY.--

A. The "Lower Rio Grande public water works authority" is created. The authority is a political subdivision of the state and shall be an independent public

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1 body. The authority is composed of Berino mutual domestic
2 water consumers and mutual sewage works association, Desert
3 Sands mutual domestic water consumers association, La Mesa
4 mutual domestic water consumers association, Mesquite mutual
5 domestic water consumers and mutual sewage works association
6 and Vado mutual domestic water consumers association, all
7 serving unincorporated communities within Dona Ana county. The
8 voting community membership of the five founding entities have
9 approved by resolution the development of the authority.

10 B. The authority may adopt rules and resolutions,
11 governance policies and procedures necessary to exercise the
12 powers conferred pursuant to this section.

13 C. All functions, appropriations, money, records
14 and equipment and all personal property and real property,
15 including water rights, easements, permits and infrastructure,
16 as well as all encumbrances, debts and liabilities pertaining
17 to or owned by the founding entities shall be transferred to
18 the authority.

19 D. The authority's service area shall consist of
20 the founding entities' existing place of use on file with and
21 approved by the state engineer and shall be filed in the public
22 records of Dona Ana county. An application shall be filed with
23 the state engineer to combine and commingle water rights and to
24 combine the existing entities' place of use into the
25 authority's service area. In the event that another entity

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1 elects to merge into the authority, [~~the merger shall include~~
2 ~~the combining and commingling of water rights with the~~
3 ~~authority, and]~~ the authority's service area shall be amended
4 to include that entity's place of use and shall be filed with
5 the state engineer. The authority's initial service area and
6 any subsequent amendments to its service area shall be
7 designated in a plat filed in the public records of Dona Ana
8 county. If the service area of the merging entity is
9 contiguous with the service area of the authority, the merger
10 shall include the combining and commingling of water rights
11 with the authority.

12 E. The authority may provide for water and
13 wastewater services, road improvements for the protection of
14 the authority's infrastructure or renewable energy projects
15 that are integral to the operation and maintenance of the
16 authority's facilities or any combination or parts thereof.

17 F. The authority shall exercise all powers allowed
18 pursuant to law, including:

19 (1) regulating, supervising and operating the
20 authority's facilities;

21 (2) establishing rates and imposing
22 assessments, fees and charges and taking action necessary for
23 the enforcement thereof;

24 (3) assessing a standby charge for the
25 privilege of connection into the authority's service at some

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1 date in the future if the property line is within three hundred
2 feet of the authority's service lines and the property line is
3 located within the boundaries of the authority. This section
4 applies to new connections after the enactment of this act;

5 (4) acquiring, from a willing seller only,
6 holding and using water rights in an amount necessary to meet
7 its reasonable needs not to exceed forty years pursuant to
8 Section 72-1-9 NMSA 1978;

9 (5) shutting off, after notice, unauthorized
10 connections, illegal connections or a connection for which
11 charges are delinquent in payment;

12 (6) entering into contracts for services with
13 private entities, the state, municipalities, counties and the
14 federal government and other public bodies to further its
15 public purposes;

16 (7) entering into joint powers agreements with
17 other governmental entities;

18 (8) acquiring and disposing of real property,
19 personal property and rights of way;

20 (9) condemning property pursuant to the
21 Eminent Domain Code as the last resort and only for the
22 purposes of construction, maintenance and operations of the
23 authority's infrastructure;

24 (10) hiring and retaining agents, employees
25 and consultants, as needed;

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1 (11) adopting and using a governmental seal;

2 (12) placing a lien on property for unpaid
3 assessments, charges and fees and enforcing the lien in a
4 manner pursuant to ~~[law]~~ this section;

5 (13) suing and being sued and being a party to
6 suits, actions and proceedings; and

7 (14) having and exercising all rights and
8 powers necessary, incidental to or implied from the specific
9 powers granted in this section.

10 G. As a political subdivision of the state and a
11 member-owned community water system, the authority shall be
12 subject to the:

13 (1) applicable rules and regulations of the
14 department of environment, and in its discretion the department
15 may:

16 (a) conduct periodic reviews of the
17 operation of the authority;

18 (b) require the authority to submit
19 information to the department;

20 (c) upon department of environment
21 discretion or upon a petition of twenty-five percent of the
22 members of the authority, conduct an investigation as it deems
23 necessary to ensure the authority's compliance with all
24 applicable statutes, rules, regulations and reporting
25 requirements; and

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1 (d) after a hearing, set and collect
2 rates and fees and use the same for the proper operation and
3 management of the authority;

4 (2) applicable rules and regulations of the
5 department of finance and administration, local government
6 division and budget and finance bureau;

7 (3) Open Meetings Act;

8 (4) Inspection of Public Records Act;

9 (5) Audit Act;

10 (6) Procurement Code;

11 (7) Governmental Conduct Act;

12 (8) special election procedures pursuant to
13 Chapter 1, Article 24 NMSA 1978;

14 (9) Chapter 72 NMSA 1978; and

15 (10) applicable rules and regulations of the
16 state engineer.

17 H. The authority is a political subdivision of the
18 state and a member-owned community water system and shall not
19 be subject to the jurisdiction of the public regulation
20 commission or the provisions of the Public Utility Act.

21 I. The authority may issue utility system revenue
22 bonds and obligations for acquiring real and personal property
23 needed for the utility system and for extending, enlarging,
24 renovating, repairing or otherwise improving its facilities.

25 The authority may issue revenue anticipation notes with

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1 maturities and terms to be approved by the board of directors
2 of the authority. The authority may pledge irrevocably net
3 revenues from the operation of the utility system for payment
4 of the principal, premiums and interest on the bonds. The
5 utility system revenue bonds:

6 (1) may have interest, appreciated principal
7 value or any part thereof payable at intervals or at maturity
8 as the authority determines;

9 (2) may be subject to prior redemption at the
10 authority's option at such time and upon such terms and
11 conditions, with or without the payment of a premium, as
12 determined by the authority;

13 (3) may mature at any time not exceeding forty
14 years after the date of issuance;

15 (4) may be serial in form and maturity, may
16 consist of one bond payable at one time or in installments or
17 may be in another form as determined by the authority;

18 (5) shall be sold for cash at, above or below
19 par and at a price that results in a net effective interest
20 rate that does not exceed the maximum permitted by the Public
21 Securities Act; and

22 (6) may be sold at a public or negotiated
23 sale.

24 J. The authority's board of directors may adopt a
25 resolution declaring the necessity for the issuance of utility

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1 system revenue bonds or other obligations and may authorize the
2 issuance of utility system revenue bonds or other obligations
3 by an affirmative vote of a majority of all members of the
4 authority's board of directors. Utility revenue bonds and the
5 resolution authorizing their issuance shall be subject to voter
6 approval with oversight from the department of finance and
7 administration and the New Mexico finance authority. The bonds
8 authorized by the authority and their income shall be exempt
9 from taxation by the state and its political subdivisions.

10 K. Except for the purpose of refunding previous
11 utility system revenue bond issues, the authority shall not
12 sell utility system revenue bonds payable from pledged revenues
13 after the expiration of three years from the date of the
14 resolution authorizing their issuance. Any period of time
15 during which a utility system revenue bond is in litigation
16 shall not count toward the determination of the expiration date
17 of that issue.

18 L. The authority shall be governed by a board of
19 directors. The directors of the initial board shall consist of
20 five directors representing each of the founding entities. The
21 directors of the initial board shall serve until their
22 successors are elected. After the terms of the initial
23 directors are completed, the succeeding board of directors
24 shall be elected by districts from a minimum of five and a
25 maximum of seven electoral districts. Each director, at the

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1 time of election, shall reside within the electoral district of
2 the authority from which that member is elected. The
3 boundaries and the number of electoral districts shall be
4 established by the initial board within two years of the
5 creation of the authority. The board may in its governance
6 document provide for redistricting upon any change in the
7 authority's boundary. The elected board of directors shall
8 serve staggered terms to be established in the governance
9 document developed by the initial board. Elections shall be
10 conducted in accordance with the special election procedures
11 pursuant to Chapter 1, Article 24 NMSA 1978 and may be
12 conducted by the Dona Ana county elections bureau.

13 M. If the authority places a lien on property for
14 nonpayment of money owed, the authority shall file in the
15 office of the county clerk a notice of lien, which shall
16 include:

17 (1) identification of the outstanding debt to
18 the authority;

19 (2) the fact that a lien is established;

20 (3) the general purpose of the lien;

21 (4) the name of the owner of the property
22 against which the lien is established as determined from the
23 records of the county assessor;

24 (5) a description of the property against
25 which the lien is established;

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- 1 (6) the amount of the lien; and
2 (7) if the lien is for more than one period of
3 time, the date for which the lien is established.

4 N. A lien for multiple charges or assessments on a
5 property owner may be included in the same notice of lien, and
6 it shall not be necessary to file separate liens against the
7 separate properties. The lien shall be attested in the name of
8 the authority. The principal amount of any lien imposed for a
9 charge or assessment shall bear interest at the rate of twelve
10 percent per year from the date of filing the notice of lien
11 unless otherwise provided by law.

12 O. After the filing of the notice of lien in the
13 office of the county clerk, the authority shall have a lien
14 upon the property described in the notice of lien. The filing
15 of the notice of lien shall be notice to all the world of the
16 existence of the lien and of the contents of the notice of
17 lien. No such lien shall affect the title or rights to or in
18 any real estate, of any purchaser, mortgagee in good faith or
19 judgment lien creditor, without knowledge of the existence of
20 such lien, unless the notice of lien is filed in accordance
21 with this section in the office of the county clerk of the
22 county in which the real estate is situated. All authority
23 liens shall be first and prior liens on the property subject
24 only to the lien of federal, state and county taxes. The
25 authority may release a lien against any specific property by:

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1 (1) entering and signing a receipt of payment
2 upon the notice of lien filed in the office of the county
3 clerk; or

4 (2) issuing a separate receipt that recites
5 that payment of the lien with any accrued interest and penalty
6 has been made.

7 P. The authority may, in a single suit, foreclose
8 the liens against all persons named in the notice of liens or
9 against the property if the owners are unknown. The complaint
10 filed shall:

11 (1) expressly name each defendant, if known;

12 (2) describe the property against which the
13 lien is established; and

14 (3) set forth the amount of the lien.

15 Q. The judgment or decree rendered in said cause
16 shall be several against the named defendants and against the
17 several properties for the amounts decreed to be due by each.

18 A lien against real estate may be foreclosed in the same manner
19 that mortgages or other liens against real estate are
20 foreclosed with like rights of redemption. In the foreclosure
21 of any lien created by the authority, reasonable attorney fees
22 may be taxed by the court as part of the costs in favor of the
23 prevailing party.

24 R. The authority shall prepare and sign a notice of
25 foreclosure, which shall also bear the signature and mailing

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1 address of an attorney representing the authority. The
2 proceeds of the sale of the property by the authority pursuant
3 to a foreclosure sale on a lien shall be applied as follows:

4 (1) first, to the payment of costs in giving
5 notice of the sale and of conducting the sale;

6 (2) second, to the indebtedness claimed under
7 the lien for federal, state, county and ad valorem taxes;

8 (3) third, to the indebtedness claimed under
9 the lien of the authority;

10 (4) fourth, to all other special assessments
11 having a lien on the property; and

12 (5) fifth, after all such costs, liens,
13 assessments and taxes are paid, to the former owner, mortgage
14 holder or parties having an interest in the tract or parcel,
15 upon such persons providing satisfactory proof to the court of
16 such interest and upon approval of the court.

17 ~~[M-]~~ S. As used in this section, "public water
18 works authority" means a utility organized as a political
19 subdivision of the state for the purposes of constructing
20 infrastructure and furnishing water and wastewater services for
21 domestic, commercial or industrial uses, road improvements for
22 the protection of the authority's infrastructure and renewable
23 energy projects; and entering into agreements with other
24 entities for the provision of other services, including but not
25 limited to water conservation and reclamation, source water

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1 protection, drainage, flood control, solid waste, planning and
2 zoning."

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Finance Managers Report

January 21, 2016

2nd Quarter Profit & Loss Statement

- Revenue for 2nd Quarter \$516,602
- Expenses for 2nd Quarter \$544,470
- Net Loss for 2nd Quarter \$27,868
- Net Profit Year to Date \$342,768

No out of the ordinary expenses to report

Actual revenue has exceeded the budgeted revenue

Actual expenses have been less than budgeted expenses

Audit

Did not go as well as expected. The auditors waited till the last minute to get their work done. Their delay caused problems with the Accounting system conversion. The audit was received by the OSA on time. They have reviewed it and returned it to the audit for some revisions. When it is released by the OSA we will be inviting the audit firm to present it to the board.

Tyler/Incode Conversion

We are still in the process of making the transition to the new accounting system.

We have continued to use Quick Books through the end of the calendar year to be able to have accurate quarterly reports. Tyler was unable to convert balances from Quick Books to Incode because of the differences in accounting methods. I am still working on tying the beginning balance in Tyler to the ending balance in Quick Books. Our Tyler project manager has handed us off to Transitional Services already even though I don't feel we are fully functional. I will continue to work with them to get us where we need to be and hopefully we can quit using Quick Books by the end of the next quarter.

Utility Billing conversion is underway and we should be sending out the first set of bills on the new system in March.

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

Schedule 1

Name LowerRioGrandePublicWaterWorksAuthority

Address PO Box 2646
Anthony, NM 88021

(i) OPERATING INCOME	PRIOR YEAR Actual (2)	ANNUAL BUDGET		For the 10-01-2015 Months Ended 12-31-2015		
		BEG 07-01-2015	END 06-30-2016 (3)	CURRENT YEAR		Actual YTD (Over) Under Budget Col. 3 - 5 = 6 (6)
		Actual Data		Current Quarter (4)	Year To Date (5)	
1. Water Revenue	1,962,958	2,246,000	563,860	1,341,988	904,012	
2. Sewer Revenue	135,000	135,000	36,491	77,630	57,370	
3. Interest	300	300	152	298	2	
4. _____					0	
5. Miscellaneous					0	
6. Less: Allowances and Deductions					0	
7. Total Operating Income (Add lines 1 through 6)	2,098,258	2,381,300	600,503	1,419,916	961,384	
OPERATING EXPENSES						
8. Salaries, Labor	1,224,949	1,301,077	300,137	561,522	739,555	
9. Accounting, Legal	95,925	90,925	33,392	69,606	21,319	
10. Taxes, Insurance	93,500	167,339	21,593	41,550	125,789	
11. Utilities	258,400	258,400	52,342	137,652	120,748	
12. Supplies	437,500	455,720	88,077	185,507	270,213	
13. Lab, Chem., Sewer	115,387	71,500	10,566	23,523	47,977	
14. Debt Service	356,942	356,942	38,364	76,779	280,163	
15. Interest					0	
16. Depreciation	760,000	984,485	269,311	538,604	445,881	
17. Total Operating Expense (Add Lines 8 through 16)	3,342,603	3,686,388	813,782	1,634,743	2,051,645	
18. NET OPERATING INCOME (LOSS) (Line 7 less 17)	-1,244,345	-1,305,088	-213,279	-214,827	-1,090,261	
NONOPERATING INCOME						
19. Water	312,958	313,103	3,925	18,991	294,112	
20. Sewer	5,000	7,500	0		7,500	
21. Total Nonoperating Income (Add 19 and 20)	317,958	320,603	3,925	18,991	301,612	
22. NET INCOME (LOSS) (Add lines 18 and 21)	-926,387	-984,485	-209,354	-195,836	-788,649	
23. Equity Beginning of Period					0	
24. _____					0	
25. _____					0	
26. Equity End of Period (Add lines 22 through 25)	-926,387	-984,485	-209,354	-195,836	-788,649	

Budget and Annual Report Approved by Governing Body

Quarterly Reports Certified Correct

Secretary

Date

Appropriate Official

Date

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0015 and 0572-0137. The time required to complete this information collection is estimated to average 2-12 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.

LRGPWWA Profit & Loss

October through December 2015

	Oct - Dec 15	Jul - Sep 15	Jul - Dec 15
Ordinary Income/Expense			
Income			
Credit Card Fees	3,244.37	3,675.98	6,920.35
Interest	152.10	146.14	298.24
Non-Operating Revenue			
Copy/Fax	130.25	-49.41	80.84
Other Income	2,697.07	14,761.16	17,458.23
Tower Rent	1,250.00	500.00	1,750.00
Total Non-Operating Revenue	4,077.32	15,211.75	19,289.07
Operating Revenue			
Activation & Connection Fees	5,430.00	8,386.79	13,816.79
Backflow Testing	100.00	500.00	600.00
Contract Services	9,186.80	4,490.46	13,677.26
Impact Fees	0.00	3,200.00	3,200.00
Installation Fees	2,286.48	7,459.80	9,746.28
Membership Fees	1,700.00	1,410.00	3,110.00
Monthly Services	516,602.20	716,477.64	1,233,079.84
Monthly Services-Sewer	35,345.08	39,879.67	75,224.75
Other Income	1,070.00	1,100.00	2,170.00
Penalties-Sewer	1,146.34	1,258.79	2,405.13
Penalties-Water	9,514.13	17,378.52	26,892.65
Returned Check Fees	610.00	315.00	925.00
Tampering Fee/Line Breaks	1,500.00	1,500.00	3,000.00
Total Operating Revenue	584,491.03	803,356.67	1,387,847.70
Professional Fees-Other	12,363.93	9,802.91	22,166.84
Total Income	604,328.75	832,193.45	1,436,522.20
Cost of Goods Sold			
Cost of Goods Sold	-100.00	-2,285.12	-2,385.12
Total COGS	-100.00	-2,285.12	-2,385.12
Gross Profit	604,428.75	834,478.57	1,438,907.32
Expense			
Accounting, Auditing, Legal			
Accounting Fees	0.00	17,779.89	17,779.89
Advertising	292.66	630.78	923.44
Audit	9,448.10	0.00	9,448.10
Bad Debts	0.00	-508.13	-508.13
Bank Service Charges	3,677.60	2,729.67	6,407.27
Cash Short/Over	7.32	20.81	28.13
Drug Testing	30.00	0.00	30.00
Dues and Subscriptions	50.00	1,230.12	1,280.12
Legal Fees	1,735.16	3,761.74	5,496.90
Licenses & Fees	2,241.00	95.00	2,336.00
Meals	492.36	282.52	774.88
Permit Fees	202.25	100.00	302.25
Postage	6,236.56	6,271.75	12,508.31
Reconciliation Discrepancies	0.00	-656.66	-656.66
Retirement Account Fees	412.50	1,506.25	1,918.75
Training	5,732.51	2,530.48	8,262.99
Travel			
Lodging Per Diem	2,259.23	0.00	2,259.23
Meals Per Diem	370.43	409.64	780.07
Mileage/Parking Per Diem	204.30	30.00	234.30
Total Travel	2,833.96	439.64	3,273.60
Total Accounting, Auditing, Legal	33,391.98	36,213.86	69,605.84
Debit Service			
Interest paid to NMFA	5,762.49	5,762.49	11,524.98
Interest paid to USDA	32,601.08	32,652.50	65,253.58
Total Debit Service	38,363.57	38,414.99	76,778.56
Depreciation Expense			
Sewer	66,444.00	66,444.00	132,888.00
Water	202,866.62	202,849.33	405,715.95
Total Depreciation Expense	269,310.62	269,293.33	538,603.95

LRGPWWA Profit & Loss

October through December 2015

	Oct - Dec 15	Jul - Sep 15	Jul - Dec 15
Salaries			
401K 10% Company Contribution	0.00	0.00	0.00
Accrued Leave	10,379.31	7,485.14	17,864.45
Administrative Labor	68,589.71	57,829.13	126,418.84
Clerical Labor	61,049.21	48,351.59	109,400.80
Employee Benefits-401K Contrib	8,143.03	6,891.96	15,034.99
HISC-Blue Medicare Rx.	0.00	260.70	260.70
Insurance-Dental	2,489.95	2,006.22	4,496.17
Insurance-Health	33,128.12	30,317.39	63,445.51
Insurance-Work Comp	4,487.00	3,518.00	8,005.00
Merit	2,923.64	0.00	2,923.64
Operations Labor	91,104.96	89,209.85	180,314.81
Payroll Taxes-Federal Unemploy	0.00	-4.70	-4.70
Payroll Taxes-Medicare	3,381.80	2,941.70	6,323.50
Payroll Taxes-Social Security	14,460.07	12,578.27	27,038.34
Payroll Taxes-State Unemploymen	0.00	0.00	0.00
Total Salaries	300,136.80	261,385.25	561,522.05
Sewer			
DAC Waste Water Flow Charge	6,514.93	9,508.83	16,023.76
Electricity-Sewer	1,502.04	3,002.40	4,504.44
Lab & Chemicals-Sewer	2,548.70	327.44	2,876.14
Supplies & Materials	0.00	119.10	119.10
Total Sewer	10,565.67	12,957.77	23,523.44
Supplies			
Automobile Repairs & Maint.			
LRG-02	0.00	657.82	657.82
LRG-03	42.54	42.00	84.54
LRG-04	3,493.80	0.00	3,493.80
LRG-06	145.15	719.08	864.23
LRG-08	100.05	0.00	100.05
LRG-09	0.00	66.00	66.00
LRG-10	1,128.60	49.28	1,177.88
LRG-11	44.27	2,254.04	2,298.31
LRG-14	361.10	670.03	1,031.13
LRG-18	19.81	0.00	19.81
LRG-20	261.26	143.05	404.31
LRG-21	90.74	1,449.49	1,540.23
LRG-22	85.00	0.00	85.00
LRG-23	696.35	1,352.20	2,048.55
LRG-26	0.00	41.49	41.49
Automobile Repairs & Maint. - Other	817.24	1,012.02	1,829.26
Total Automobile Repairs & Maint.	7,285.91	8,456.50	15,742.41
Computer Maintenance	10,201.31	10,984.40	21,185.71
Fuel	13,345.15	17,701.67	31,046.82
Lab, Chemicals-Water			
Chemicals	3,152.02	11,274.96	14,426.98
Laboratory Fees	361.84	600.22	962.06
Total Lab, Chemicals-Water	3,513.86	11,875.18	15,389.04
Locates	836.19	0.00	836.19
Maint. & Repairs-Infrastructure	6,911.30	3,779.61	10,690.91
Maint. & Repairs-Office	15,720.86	6,003.19	21,724.05
Maintenance & Repairs-Other	141.21	8,553.71	8,694.92
Materials & Supplies	19,954.29	20,905.86	40,860.15
Office Supplies	2,194.49	1,538.19	3,732.68
Printing and Copying	2,976.60	3,766.82	6,743.42
Tool, Furniture	246.25	1,414.00	1,660.25
Uniforms-Employee	4,749.67	2,451.13	7,200.80
Total Supplies	88,077.09	97,430.26	185,507.35
Taxes, Liability, Insurance			
Cobra Fee	865.00	0.00	865.00
Insurance-General Liability	9,736.00	13,207.00	22,943.00
Insurance-Vehicles	3,601.00	0.00	3,601.00
Insurance-Vision	643.94	590.87	1,234.81
Property Insurance	2,967.00	1,123.00	4,090.00
Water Conservation Fee	3,780.46	5,035.51	8,815.97
Total Taxes, Liability, Insurance	21,593.40	19,956.38	41,549.78

3:03 PM
01/15/16
Accrual Basis

LRGPWWA
Profit & Loss
October through December 2015

	Oct - Dec 15	Jul - Sep 15	Jul - Dec 15
Utilities			
Cell Phone	3,423.30	4,119.16	7,542.46
Electricity-Lighting	9,572.93	2,085.17	11,658.10
Electricity-Offices	1,975.33	5,148.60	7,123.93
Electricity-Wells	33,069.80	69,586.61	102,656.41
Garbage Service	417.58	424.00	841.58
Natural Gas	404.55	374.42	778.97
Security/Alarm	216.22	0.00	216.22
Telephone	2,987.90	3,307.25	6,295.15
Wastewater	274.60	264.60	539.20
Total Utilities	52,342.21	85,309.81	137,652.02
Total Expense	813,781.34	820,961.65	1,634,742.99
Net Ordinary Income	-209,352.59	13,516.92	-195,835.67
Net Income	-209,352.59	13,516.92	-195,835.67

**RECORD OF PROCEEDINGS RELATING TO THE ADOPTION OF
RESOLUTION NO. FY2016-09 OF THE BOARD OF DIRECTORS
OF THE LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY,
DONA ANA COUNTY, NEW MEXICO
JANUARY 20, 2016**

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, New Mexico (the “Governmental Unit”), met in a regular session in full conformity with the law and the rules and regulations of the Governing Body at 521 St. Valentine, Las Mesa, New Mexico, being the meeting place of the Governing Body for the meeting held on the 20th day of January, 2016, 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 was officially filed with the Secretary a copy of a proposed Resolution in final form, as follows:

LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY,
DONA ANA COUNTY, NEW MEXICO
RESOLUTION NO. FY2016-09

AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN AND SUBSIDY AGREEMENT (“LOAN AGREEMENT”) BY AND BETWEEN THE LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY, NEW MEXICO (THE “GOVERNMENTAL UNIT”) AND THE NEW MEXICO FINANCE AUTHORITY, EVIDENCING A SPECIAL LIMITED OBLIGATION OF THE GOVERNMENTAL UNIT TO PAY A PRINCIPAL AMOUNT OF NO MORE THAN TWO HUNDRED NINETY-NINE THOUSAND FOUR HUNDRED TWENTY-SEVEN DOLLARS (\$299,427), TOGETHER WITH INTEREST, EXPENSES, AND ADMINISTRATIVE FEES THEREON, AND TO ACCEPT A LOAN SUBSIDY OF NO MORE THAN EIGHT HUNDRED NINETY-EIGHT THOUSAND TWO HUNDRED EIGHTY-ONE DOLLARS (\$898,281), FOR THE PURPOSE OF FINANCING THE COSTS OF THE PURCHASE OF VALLE DEL RIO WATER SYSTEM WHICH INCLUDES REAL PROPERTY, THE WATER SYSTEM, WATER RIGHTS AND REPAIRS AND IMPROVEMENTS TO THE WATER SYSTEM, AND UPGRADES AND IMPROVEMENTS TO THE WATER SYSTEM. THE UPGRADES AND IMPROVEMENTS CONSIST OF REPLACEMENT OF WATERLINES, METERS, PUMPS AND A FIRE HYDRANT, REHABILITATION OF THE PRESSURE TANK AND STORAGE TANK AND THE ADDITION OF A BACKUP GENERATOR, SCADA SYSTEM, AND A NEW STORAGE TANK; PROVIDING FOR THE PAYMENT OF THE PRINCIPAL OF, ADMINISTRATIVE FEES AND INTEREST DUE UNDER THE LOAN AGREEMENT SOLELY FROM THE NET REVENUES OF THE WATER SYSTEM OF THE GOVERNMENTAL UNIT; SETTING AN INTEREST RATE FOR THE LOAN; APPROVING THE FORM OF AND OTHER DETAILS CONCERNING THE LOAN AGREEMENT; 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 LOAN AGREEMENT.

Capitalized terms used in the following recitals have the same meaning as defined in Section 1 of this Resolution, unless the context requires otherwise.

WHEREAS, the Governmental Unit is a legally and regularly created, established, organized and existing public water works authority under NMSA 1978, § 73-26-1, as amended and the general laws of the State; and

WHEREAS, the Governing Body has determined and hereby determines that the Project may be financed with amounts borrowed under the Loan Agreement and that it is in the best interest of the Governmental Unit and the public it serves that the Loan Agreement be executed

and delivered and that the financing of the construction of the Project take place by executing and delivering the Loan Agreement; and

WHEREAS, the Governing Body has determined that it may lawfully pledge the Pledged Revenues for the payment of amounts due under the Loan Agreement; and

WHEREAS, other than as described in Exhibit "A" to the Loan Agreement, the Pledged Revenues have not heretofore been pledged to secure the payment of any obligation which is currently outstanding; 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 Loan Agreement; and

WHEREAS, the Governing Body hereby determines that the Project to be financed by the Loan Agreement is to be used for governmental purposes of the Governmental Unit; and

WHEREAS, all required authorizations, consents and approvals in connection with (i) the use and pledge of the Pledged Revenues to the Finance Authority (or its assigns) for the payment of amounts due under the Loan Agreement, (ii) the use of the proceeds of the Loan Agreement to finance the Project, and (iii) the authorization, execution and delivery of the Loan Agreement, which are required to have been obtained by the date of the Resolution have been obtained or are reasonably expected to be obtained prior to the Closing Date.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY, DONA ANA COUNTY, NEW MEXICO:

Section 1. Definitions. Capitalized terms defined in this Section 1 shall, for all purposes, have the meaning herein specified, unless the context clearly requires otherwise (such meanings to be equally applicable to both the singular and the plural forms of the terms defined):

“Administrative Fee” or “Administrative Fee Component” means the 0.25% annual fee payable to the Finance Authority as 0.125% of the Loan Agreement Principal Amount then outstanding as a part of each Loan Agreement Payment for the costs of originating and servicing the Loan, as shown in the Final Loan Agreement Payment Schedule.

“Aggregate Disbursements” means, at any time after the Closing Date, the sum of all Disbursements.

“Aggregate Forgiven Disbursements” means the amount of Subsidy provided in the form of principal forgiveness, and shall at any time after the Closing Date be equal to the product of the Subsidy times the Aggregate Disbursements, up to the Maximum Forgiven Principal.

“Aggregate Repayable Disbursements” means, at any time after the Closing Date, the Aggregate Disbursements less the Aggregate Forgiven Disbursements.

“Approved Requisition” means a requisition in the form of Exhibit “C” to the Loan Agreement, together with supporting documentation submitted to and approved by the Finance Authority pursuant to Section 4.2 of the Loan Agreement.

“Authorized Officers” means the Chairman, the Finance Manager, the General Manager and Secretary of the Governmental Unit.

“Bonds” means drinking water state revolving loan fund revenue bonds, if any, issued hereafter by the Finance Authority and related to the Loan Agreement and the Loan Agreement Payments.

“Closing Date” means the date of execution, delivery and funding of the Loan Agreement authorized by this Resolution.

“Debt Service Account” means the debt service account established in the name of the Governmental Unit and administered by the Finance Authority to pay the Loan Agreement Payments under the Loan Agreement as the same become due.

“Disbursement” means an amount caused to be paid by the Finance Authority for an Approved Requisition for costs of the Project, including the Expense Fund Component.

“DWSRLF Act” means the general laws of the State, particularly the Drinking Water State Revolving Loan Fund Act, NMSA 1978, §§ 6-21A-1 through 6-21A-9, as amended; NMSA 1978, § 73-26-1, as amended; and enactments of the Governing Body relating to this Resolution including the Loan Agreement.

“Drinking Water State Revolving Loan Fund” means the drinking water state revolving loan fund established by the DWSRLF Act.

“Environmental Protection Agency” means the Environmental Protection Agency of the United States.

“Expense Fund” means the expense fund hereby created to be held and administered by the Finance Authority to pay Expenses.

“Expense Fund Component” means an amount equal to one percent (1%) of each Disbursement for the Project, minus any amount forgiven under the Loan Agreement, simultaneously withdrawn and deposited in the Expense Fund to pay Expenses.

“Expenses” means the Finance Authority’s costs of issuance of the Loan Agreement and the Bonds, if any, and periodic and regular fees and expenses incurred by the Finance Authority in administering the Loan Agreement, including legal fees.

“Final Requisition” means the final requisition of moneys to be submitted by the Governmental Unit, which shall be submitted by the Governmental Unit on or before the date provided for in Section 4.1(b) of the Loan Agreement.

“Final Loan Agreement Payment Schedule” means the schedule of Loan Agreement Payments due on the Loan Agreement following the Final Requisition, as determined on the basis of the Aggregate Repayable Disbursements.

“Finance Authority” means the New Mexico Finance Authority, created by the New Mexico Finance Authority Act, NMSA 1978, §§ 6-21-1 through 6-21-31, as amended.

“Fiscal Year” means the period commencing on July 1 of each calendar year and ending on the last day of June of the next succeeding calendar year, or any other twelve-month period which any appropriate authority may hereafter establish for the Governmental Unit as its fiscal year.

“Governing Body” means the duly organized Board of Directors of the Governmental Unit and any successor governing body of the Governmental Unit.

“Governmental Unit” means the Lower Rio Grande Public Water Works Authority, Dona Ana County, New Mexico.

“Gross Revenues” means all income and revenues directly or indirectly derived by the Governmental Unit from the operation and use of the System, or any part of the System, for any particular Fiscal Year period to which the term is applicable, and includes, without limitation, all revenues received by the Governmental Unit, or any municipal corporation or agency succeeding to the rights of the Governmental Unit, from the System and from the sale and use of water services or facilities, or any other service, commodity or facility or any combination thereof furnished by the System.

Gross Revenues do not include:

(a) Any money received as (i) grants or gifts from the United States of America, the State or other sources or (ii) the proceeds of any charge or tax intended as a replacement therefore or other capital contributions from any source which are restricted as to use;

(b) Gross receipts taxes, other taxes and/or fees collected by the Governmental Unit and remitted to other governmental agencies; and

(c) Condemnation proceeds or the proceeds of any insurance policy, except any insurance proceeds derived in respect of loss of use or business interruption.

“Herein”, “hereby”, “hereunder”, “hereof”, “hereinabove” and “hereafter” refer to this entire Resolution and not solely to the particular section or paragraph of this Resolution in which such word is used.

“Interest Component” means the portion of each Loan Agreement Payment paid as interest accruing on the Aggregate Repayable Disbursements then outstanding, calculated from the date of each Disbursement.

“Interest Rate” means the rate of interest on the Loan Agreement as shown on the Term Sheet.

“Loan” means the funds to be loaned to the Governmental Unit by the Finance Authority pursuant to the Loan Agreement, up to the Maximum Principal Amount.

“Loan Agreement” means the loan and subsidy agreement and any amendments or supplements thereto, including the exhibits attached to the loan agreement.

“Loan Agreement Payment” means, collectively, the Principal Component, the Interest Component, Expenses, and the Administrative Fee Component to be paid by the Governmental Unit as payment on the Aggregate Repayable Disbursements under the Loan Agreement, as shown on Exhibit “B” thereto.

“Loan Agreement Principal Amount” means, as of any date of calculation, the Aggregate Repayable Disbursements (including the Expense Fund Component), up to the Maximum Repayable Amount.

“Maximum Forgiven Principal” means the maximum amount of loan subsidy available in the form of principal forgiveness, which is equal to seventy-five percent (75%) of the Maximum Principal Amount. The Maximum Forgiven Principal is eight hundred ninety-eight thousand two hundred eighty-one dollars (\$898,281).

“Maximum Repayable Principal” means the maximum amount of Aggregate Repayable Disbursements repayable by the Governmental Unit pursuant to the Loan Agreement, and is equal to the Maximum Principal Amount less the Maximum Forgiven Principal. The Maximum Repayable Principal, is two hundred ninety-nine thousand four hundred twenty-seven dollars (\$299,427).

“Maximum Principal Amount” means one million one hundred ninety-seven thousand seven hundred eight dollars (\$1,197,708).

“Net Revenues” means the Gross Revenues of the System owned and operated by the Governmental Unit minus Operation and Maintenance Expenses of the System, indirect charges, amounts expended for capital replacements and repairs of the System, required set asides for debt and replacement requirements and any other payments from the gross revenues reasonably required for operation of the System.

“NMSA” means the New Mexico Statutes Annotated, 1978 Compilation, as amended and supplemented from time to time.

“Operation and Maintenance Expenses” means all reasonable and necessary current expenses of the System, for any particular Fiscal Year or period to which such term is applicable, paid or accrued, related to operating, maintaining and repairing the System, including, without limiting the generality of the foregoing:

(a) Legal and overhead expenses of the Governmental Unit directly related and reasonably allocable to the administration of the System;

(b) Insurance premiums for the System, including, without limitation, premiums for property insurance, public liability insurance and workmen's compensation insurance, whether or not self-funded;

(c) Premiums, expenses and other costs (other than required reimbursements of insurance proceeds and other amounts advanced to pay debt service requirements on System bonds) for credit facilities;

(d) Any expenses described in this definition other than expenses paid from the proceeds of System bonds;

(e) The costs of audits of the books and accounts of the System;

(f) Amounts required to be deposited in any rebate fund;

(g) Salaries, administrative expenses, labor costs, surety bonds and the cost of water, materials and supplies used for or in connection with the current operation of the System; and

(h) Any fees required to be paid under any operation, maintenance and/or management agreement with respect to the System.

Operation and Maintenance Expenses do not include any allowance for depreciation, payments in lieu of taxes, franchise fees payable or other transfers to the Governmental Unit's general fund, liabilities incurred by the Governmental Unit as a result of its negligence or other misconduct in the operation of the System, any charges for the accumulation of reserves for capital replacements or any Operation and Maintenance Expenses payable from moneys other than Gross Revenues.

"Parity Obligations" means any obligations of the Governmental Unit under the Loan Agreement and any other obligations now outstanding or hereafter issued or incurred, payable from or secured by a pledge of the Pledged Revenues and issued with a lien on the Pledged Revenues on a parity with the Loan Agreement, including any such obligations shown on the Term Sheet.

"Pledged Revenues" means the Net Revenues of the Governmental Unit pledged to payment of the Loan Agreement Payments pursuant to this Resolution and described in Exhibit "A" to the Loan Agreement.

"Project" means the project described in the Term Sheet.

"Resolution" means this Resolution No. FY2016-09 adopted by the Governing Body of the Governmental Unit on January 20, 2016, approving the Loan Agreement and pledging the

Pledged Revenues to the payment of the Loan Agreement Payments as shown on the Term Sheet and the Final Loan Agreement Payment Schedule, as supplemented from time to time in accordance with the provisions hereof.

“Senior Obligations” means any bonds or other obligations of the Governmental Unit now outstanding or hereafter issued or incurred, payable from or secured by a pledge of the Pledged Revenues and issued with a lien on the Pledged Revenues superior to the lien created by the Loan Agreement, including any such obligations shown on the Term Sheet.

“State” means the State of New Mexico.

“Subordinated Obligations” means any bonds or other obligations of the Governmental Unit now outstanding or hereafter issued or incurred with a lien on the Pledged Revenues subordinate to the lien created by the Loan Agreement and subordinate to any other outstanding Parity Obligations having a lien on the Pledged Revenues, including any such obligations shown on the Term Sheet.

“Subsidy” means the subsidy in the form of principal forgiveness for the Governmental Unit, to be applied proportionally at the time of each Disbursement to the Governmental Unit, being seventy-five percent (75%) of such Disbursement.

“System” means the public utility designated as the Governmental Unit’s water system, and all improvements or additions thereto, including additions and improvements to be acquired or constructed with the proceeds of the Loan Agreement.

“Term Sheet” means Exhibit “A” to the Loan Agreement.

“Unrequisitioned Principal Amount” means the amount, if any, by which the Maximum Principal Amount exceeds the Aggregate Disbursements at the time the Governmental Unit submits the certificate of completion required pursuant to Section 6.3 of the Loan Agreement.

Section 2. Ratification. All action heretofore taken (not inconsistent with the provisions of this Resolution) by the Governing Body and officers of the Governmental Unit directed toward the acquisition and completion of the Project, and the execution and delivery of the Loan Agreement shall be, and the same hereby is, ratified, approved and confirmed.

Section 3. Authorization of the Project and the Loan Agreement. The acquisition and completion of the Project and the method of financing the Project through execution and delivery of the Loan Agreement are hereby authorized and ordered. The Project is for the benefit and use of the Governmental Unit.

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

A. Moneys available and on hand for the Project from all sources other than the Loan Agreement are not sufficient to defray the cost of acquiring and constructing the Project.

B. The Pledged Revenues may lawfully be pledged to secure the payment of amounts due under the Loan Agreement.

C. It is economically feasible and prudent to defray, in whole or in part, the costs of the Project by the execution and delivery of the Loan Agreement.

D. The Project and the execution and delivery of the Loan Agreement in the Maximum Principal Amount pursuant to the DWSRLF Act to provide funds for the financing of the Project are necessary or advisable in the interest of the public health, safety, and welfare of the residents and the public served by the Governmental Unit.

E. The Governmental Unit will acquire and construct the Project, in whole or in part, with the net proceeds of the Loan.

F. Other than as described in Exhibit "A" to the Loan Agreement, the Governmental Unit does not have any outstanding obligations payable from Pledged Revenues which it has incurred or will incur prior to the initial execution and delivery of the Loan Agreement.

G. The net effective interest rate on the Maximum Repayable Amount does not exceed the current market rate, which is the maximum rate permitted by federal law.

Section 5. Loan Agreement - Authorization and Detail.

A. Authorization. This Resolution has been adopted by the affirmative vote of at least a majority of all of the members of the Governing Body. For the purpose of protecting the public health, conserving the property, and protecting the general welfare and prosperity of the public served by the Governmental Unit and acquiring and constructing the Project, it is hereby declared necessary that the Governmental Unit, pursuant to the DWSRLF Act, execute and deliver the Loan Agreement evidencing a special limited obligation of the Governmental Unit to pay a principal amount of two hundred ninety-nine thousand four hundred twenty-seven dollars (\$299,427) and interest thereon, and to accept a loan subsidy in the amount of eight hundred ninety-eight thousand two hundred eighty-one dollars (\$898,281) and the execution and delivery of the Loan Agreement is hereby authorized. The Governmental Unit shall use the proceeds of the Loan and Subsidy (i) to finance the acquisition and completion of the Project and (ii) to pay the Administrative Fee and Expenses of the Loan Agreement and the costs of issuance of the Bonds, if any. The Project will be owned by the Governmental Unit.

B. Detail. The Loan Agreement shall be in substantially the form of the Loan Agreement presented at the meeting of the Governing Body at which this Resolution was adopted. The Loan shall be in an amount not to exceed the Maximum Principal Amount of one

million one hundred ninety-seven thousand seven hundred eight dollars (\$1,197,708). The Loan Agreement Principal Amount shall be payable in installments of principal due on May 1 of the years designated in the Final Loan Agreement Payment Schedule and bear interest payable on May 1 and November 1 of each of the years designated in the final Loan Agreement Payment Schedule, at the rates designated in the Loan Agreement, including Exhibit "A" thereto, which rates include the Administrative Fee.

Section 6. Approval of Loan Agreement. The form of the Loan Agreement 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 Loan Agreement 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 Governmental Unit on the Loan Agreement and attest the same. The execution of the Loan Agreement by an Authorized Officer shall be conclusive evidence of such approval.

Section 7. Special Limited Obligation. The Loan Agreement shall be secured by the pledge of the Pledged Revenues as set forth in the Loan Agreement and shall be payable solely from the Pledged Revenues. The Loan Agreement, together with interest thereon and other obligations of the Governmental Unit thereunder, shall be a special, limited obligation of the Governmental Unit, payable solely from the Pledged Revenues as provided in this Resolution, and the Loan Agreement shall not constitute a general obligation of the Governmental Unit or the State, and the holders of the Loan Agreement may not look to any general or other fund of the Governmental Unit for payment of the obligations thereunder. Nothing contained in this Resolution nor in the Loan Agreement, nor any other instruments, shall be construed as obligating the Governmental Unit (except with respect to the application of the Pledged Revenues) or as imposing a pecuniary liability or a charge upon the general credit of the Governmental Unit or against its taxing power, nor shall a breach of any agreement contained in this Resolution, the Loan Agreement, or any other instrument impose any pecuniary liability upon the Governmental Unit or any charge upon its general credit or against its taxing power. The Loan Agreement shall never constitute an indebtedness of the Governmental Unit within the meaning of any State constitutional provision or statutory limitation and shall never constitute or give rise to a pecuniary liability of the Governmental Unit or a charge against its general credit or taxing power. Nothing herein shall prevent the Governmental Unit from applying other funds of the Governmental Unit legally available therefor to payments required by the Loan Agreement, in its sole and absolute discretion.

Section 8. Disposition of Proceeds; Completion of Acquisition and Completion of the Project.

A. Debt Service Account; Disbursements. The Governmental Unit hereby consents to creation of the Debt Service Account to be held and maintained by the Finance Authority as provided in the Loan Agreement.

The proceeds derived from the execution and delivery of the Loan Agreement shall be disbursed promptly upon receipt of an Approved Requisition (as defined in the Loan Agreement).

Until the acquisition and completion of the Project or the date of the Final Requisition, the money disbursed pursuant to the Loan Agreement shall be used and paid out solely for the purpose of acquiring and constructing the Project in compliance with applicable law and the provisions of the Loan Agreement.

B. Prompt Completion of the Project. The Governmental Unit will complete the Project with all due diligence.

C. Certification of Completion of the Project. Upon the acquisition and completion of the Project, the Governmental Unit shall execute and send to the Finance Authority a certificate stating that the completion of and payment for the Project has been completed.

D. Finance Authority Not Responsible for Application of Loan Proceeds. The Finance Authority shall in no manner be responsible for the application or disposal by the Governmental Unit or by its officers of the funds derived from the Loan Agreement or of any other funds herein designated.

Section 9. Deposit of Pledged Revenues; Distributions of the Pledged Revenues and Flow of Funds.

A. Deposit of Pledged Revenues. Pledged Revenues shall be paid directly by the Governmental Unit to the Finance Authority in an amount sufficient to pay principal, interest, Administrative Fees, Expenses and other amounts due under the Loan Agreement, as provided in Section 5.2 of the Loan Agreement.

B. Termination on Deposits to Maturity. No payment shall be made into the Debt Service Account if the amount in the Debt Service Account totals a sum at least equal to the entire aggregate amount of Loan Agreement Payments to become due as to principal, interest on, Administrative Fees and any other amounts due under the Loan Agreement, in which case moneys in such account in an amount at least equal to such principal, interest and Administrative Fee requirements shall be used solely to pay such obligations as the same become due, and any moneys in excess thereof in such accounts shall be transferred to the Governmental Unit and used as provided in Section 9.C of this Resolution.

C. Use of Surplus Revenues. After making all the payments required to be made by this Section and any payments required by outstanding Parity Obligations, any moneys remaining in the Debt Service Account shall be transferred to the Governmental Unit on a timely basis and applied to any other lawful purpose, including, but not limited to, the payment of any Parity Obligations or bonds or obligations subordinate and junior to the Loan Agreement, or purposes authorized by the Governmental Unit, the Constitution and laws of the State, as the Governmental Unit may from time to time determine.

Section 10. Lien on Pledged Revenues. Pursuant to the Loan Agreement, the Pledged Revenues are hereby authorized to be pledged, and are hereby pledged, and the Governmental

Unit grants a lien on the Pledged Revenues and security interest therein, for the payment of the principal, interest, Administrative Fees, and any other amounts due under the Loan Agreement, subject to the uses thereof permitted by and the priorities set forth in this Resolution. The Loan Agreement constitutes an irrevocable lien, but not necessarily an exclusive lien, on the Pledged Revenues as set forth herein and therein, and the Governmental Unit shall not create a lien on the Pledged Revenues superior to that of the Loan Agreement without the express approval of the Finance Authority.

Section 11. 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 Loan Agreement 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 Loan Agreement for the full, punctual and complete performance of all the terms, covenants and agreements contained in this Resolution and the Loan Agreement including, but not limited to, the execution and delivery of closing documents and reports in connection with the execution and delivery of the Loan Agreement, and the publication of the summary of this Resolution set out in Section 17 of this Resolution (with such changes, additions and deletions as may be necessary).

Section 12. Amendment of Resolution. Prior to the Closing Date, the provisions of this Resolution may be supplemented or amended by ordinance of the Governing Body with respect to any changes which are not inconsistent with the substantive provisions of this Resolution. After the Closing Date, this Resolution may be amended without receipt by the Governmental Unit of any additional consideration, but only with the prior written consent of the Finance Authority.

Section 13. Resolution Irrepealable. After the Closing Date, this Resolution shall be and remain irrepealable until all obligations due under the Loan Agreement shall be fully paid, canceled and discharged, as herein provided.

Section 14. 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 15. Repealer Clause. All 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 16. Effective Date. Upon due adoption of this Resolution, it shall be recorded in the book of the Governmental Unit kept for that purpose, authenticated by the signatures of the Chairman and Secretary, and the title and general summary of the subject matter contained in this Resolution (set out in Section 17 below) shall be published in a newspaper which is of

general circulation in the Governmental Unit, and the Resolution shall be in full force and effect thereafter, in accordance with law.

Section 17. 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:

[Remainder of page intentionally left blank.]

[Form of Summary of Resolution for Publication.]

Lower Rio Grande Public Water Works Authority, Dona Ana County, New Mexico
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. FY2016-09, duly adopted and approved by the Governing Body of the Lower Rio Grande Public Water Works Authority, New Mexico (the "Governmental Unit"), on January 20, 2016. Complete copies of the Resolution are available for public inspection during normal and regular business hours in the office of the Secretary, at 215 Bryant, Mesquite, New Mexico 88048.

The title of the Resolution is:

LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY,
DONA ANA COUNTY, NEW MEXICO
RESOLUTION NO. FY2016-09

AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN AND SUBSIDY AGREEMENT ("LOAN AGREEMENT") BY AND BETWEEN THE LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY, NEW MEXICO (THE "GOVERNMENTAL UNIT") AND THE NEW MEXICO FINANCE AUTHORITY, EVIDENCING A SPECIAL LIMITED OBLIGATION OF THE GOVERNMENTAL UNIT TO PAY A PRINCIPAL AMOUNT OF NO MORE THAN TWO HUNDRED NINETY-NINE THOUSAND FOUR HUNDRED TWENTY-SEVEN DOLLARS (\$299,427), TOGETHER WITH INTEREST, EXPENSES, AND ADMINISTRATIVE FEES THEREON, AND TO ACCEPT A LOAN SUBSIDY OF NO MORE THAN EIGHT HUNDRED NINETY-EIGHT THOUSAND TWO HUNDRED EIGHTY-ONE DOLLARS (\$898,281), FOR THE PURPOSE OF FINANCING THE COSTS OF THE PURCHASE OF VALLE DEL RIO WATER SYSTEM WHICH INCLUDES REAL PROPERTY, THE WATER SYSTEM, WATER RIGHTS AND REPAIRS AND IMPROVEMENTS TO THE WATER SYSTEM, AND UPGRADES AND IMPROVEMENTS TO THE WATER SYSTEM. THE UPGRADES AND IMPROVEMENTS CONSIST OF REPLACEMENT OF WATERLINES, METERS, PUMPS AND A FIRE HYDRANT, REHABILITATION OF THE PRESSURE TANK AND STORAGE TANK AND THE ADDITION OF A BACKUP GENERATOR, SCADA SYSTEM, AND A NEW STORAGE TANK; PROVIDING FOR THE PAYMENT OF THE PRINCIPAL OF, ADMINISTRATIVE FEES AND INTEREST DUE UNDER THE LOAN AGREEMENT SOLELY FROM THE NET REVENUES OF THE WATER SYSTEM OF THE GOVERNMENTAL UNIT; SETTING AN INTEREST RATE FOR THE LOAN; APPROVING THE FORM OF AND OTHER DETAILS CONCERNING THE LOAN AGREEMENT; 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 LOAN AGREEMENT.

The title sets forth a general summary of the subject matter contained in the Resolution.

This notice constitutes compliance with NMSA 1978, § 6-14-6.

[End of Form of Summary for Publication.]

Section 18. Execution of Agreements. The Lower Rio Grande Public Water Works Authority through its Governing Body agrees to authorize and execute all such agreements with the New Mexico Finance Authority as are necessary to consummate the Loan contemplated herein and consistent with the terms and conditions of the Loan Agreement and this Resolution.

PASSED, APPROVED AND ADOPTED THIS 20TH DAY OF JANUARY, 2016.

LOWER RIO GRANDE PUBLIC
WATER WORKS AUTHORITY,
DONA ANA COUNTY, NEW MEXICO

By _____
Roberto Nieto, Chairman

[SEAL]

ATTEST:

By _____
Alma Boothe, Secretary

[Remainder of page intentionally left blank.]

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

The motion to adopt said 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 said motion, the Chairman declared said motion carried and said Resolution adopted, whereupon the Chairman and the Secretary signed the Resolution upon the records of the minutes of the Governing Body.

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

LOWER RIO GRANDE PUBLIC
WATER WORKS AUTHORITY,
DONA ANA COUNTY, NEW MEXICO

By _____
Roberto Nieto, Chairman

[SEAL]

ATTEST:

By _____
Alma Boothe, Secretary

[Remainder of page intentionally left blank.]

EXHIBIT "A"

Notice of Meeting



www.lrgauthority.org

LOWER RIO GRANDE

Public Water Works Authority

Resolution #FY2016-10 2nd Quarter Budget Report for Fiscal Year 2016

Whereas, in order to comply with Sections 6-6-1 and 6-6-2 NMSA 1978 and to apply for CDBG funding, the Board of Directors wishes to adopt and pass a resolution to approve the FY2016 1st Quarter Budget Report on January 20, 2016.

Therefore, be it resolved, the Board of Directors adopts and passes this resolution to approve the FY2016 2nd Quarter Budget Report on January 20, 2016.

PASSED, APPROVED, AND ADOPTED: January 20, 2016.

Roberto M. Nieto, Chairman

Seal:

Alma Boothe, Secretary



Teak Ln

Capped Well Head

Teak Ln



Teak

Doña Ana County Parcel Map



Layer Visibility:

- Roads
- Buildings
- City Limits
- MLS Zones

Parcel ID: [03-15442](#)
 Map Code: [4-012-143-275-260](#)
 NAME: BRAZITO MUTUAL DOMESTIC
 NAME2: WATER CONSUMERS ASSOCIATION
 Mail Address: PO BOX 16165
 CITY: LAS CRUCES
 STATE: NM
 ZIP: 88004
 LOT: PT OF 75
 BLOCK: null
 Subdivision: BRAZITO TRACTS LOTS 4 & 5
 Condo Name: null
 Condo Unit: null
 Mobile Homes: 0
 Clerk Record: 8815927
 RTS: 2E 24S 25
 Property Address: null
 Acres: 0.05
 Assessed Land Value: \$200
 Assessed Bldg Value: \$0
 Total Assessed Value: \$200



Parcel ID	Map Code	Owner 1	Owner 2	Address	City	State	Zip	Lot	Block	Subdivision
03-15442	4-012-143-275-260	BRAZITO MUTUAL DOMESTIC	WATER CONSUMERS ASSOCIATION	PO BOX 16165	LAS CRUCES	NM	88004	PT OF 75		BRAZITO TRACTS LOTS 4 & 5







LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY
VALLE DEL RIO PROJECT RFP Committee Report
Tuesday, January 12, 2016, 1:30 pm at La Mesa Office

Lower Rio Grande PWWA Valle Del Rio Water System Improvements Project RFP Ratings

Offerors	Date Submitted	Time Submitted	7Copies	8.5x11" bound left side	* 10 Pg. Max.	** Format & Sequence	Campaign Disclosure	Non-Disclosure Request?	Sub-Cons. List	Required EPA form	Resident-Res. Vet. Bus. Cert.	Grand Total Score	Ranking
Souder, Miller & Assoc.	1/4/2016	10:55 AM	yes	yes	yes	yes	yes	no	no	yes	not allowed	170	#1
Ideals	1/4/2016	2:00 PM	yes	yes	yes	yes	yes	no	no	partial***	not allowed	0	Rejected
											not allowed		
											not allowed		
											not allowed		
											not allowed		

* 10 Pg. Max. does not incl. Covers, Cover Letter, Table of Contents, Preference Certifications or Campaign Disclosure Forms

**Format & Sequence:

1. Cover Letter
2. Response to Evaluation Criteria
3. Other supporting or resource material

No preferences allowed due to federal funds

***Committee may reject this proposal due to required form incomplete, unsigned

NOTE: Due to federal funds, Resident and Resident Veteran Preferences do not apply.

PROCESS: The RFP Committee individually read and scored each proposal and then discussed each of the rating criteria as a group. During the discussion, the committee members were able to make adjustments to their scores based on things coming up that they may not have previously considered. The scores for each of the criteria were then added and averaged, and the committee concurred with the final score for each of the criteria. Below are the committee scores awarded to each proposal and a summary of the discussion:

Committee decision regarding rejection of Ideals proposal:

Procurement Manager Karen Nichols informed the Committee that the proposal from Ideals was lacking page 2, including the signature, of the EPA form XP-215, and the Request for Proposals stated "The Offeror must make a good faith effort to solicit and hire Disadvantaged Business to meet the goals outlined in EPA XP-215. A good faith effort requires that the Offeror: 1) Complete the affirmative steps outlined in XP-215, 2) Submit XP-215 with the proposal, 3) Submit with the proposal proof that affirmative steps have been taken and this should include copies of advertisements and letters of solicitation. A Proposal that omits XP-215 or does not support that a good faith effort was made will be considered non-responsive and the Proposal rejected." She also stated that Mr. McCamley had emailed and telephoned her on behalf of Ideals to clarify that the form was required to be submitted with the proposal, and she had confirmed that it was required. Ms. Kahl at NMED-CPB advised that the Committee could decide to either reject the proposal or to evaluate contingent upon giving the firm a deadline to provide the missing page with signature. Committee members unanimously agreed to reject the Ideals proposal for failure to submit the required EPA form X-215.

The Committee members gave Souder, Miller & Associates the maximum score on each criteria because their proposal was well put together and met all the criteria set forth, and was the only proposal received that met all of the requirements of the RFP.

Planning & Design Phase #1 Scores – Specialized Design & Technical Competence - 30

P&D #2 Scores – Capacity & Capability - 25

P&D #3 Scores – Past Record of Performance - 30

P&D #4 Scores – Familiarity with the Contracting Agency - 10

P&D #5 Scores – Work to be Done in New Mexico - 0

P&D #6 Scores – Current Volume of Work with the Contracting Agency Not 75% Complete - 5

Construction Phase #1 – Specialized Construction Management Experience - 20

Construction #2 – Specialized Experience with Start Up Assistance - 15

Construction #3 – Capacity & Capability to Perform the Work Within Owner’s Timeframe - 15

Construction #4 – History of Past Performance - 10

Construction #5 – History of Claims - 10

RECOMMENDATION:


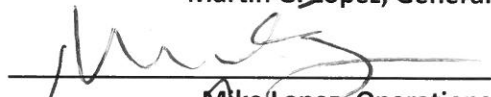
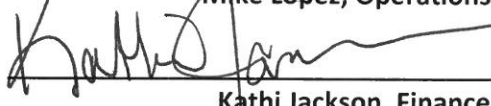
The Committee recommends that the Board of Directors select Souder, Miller & Associates for the Valle Del Rio Project

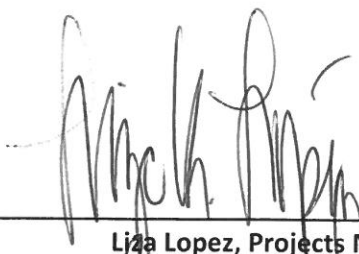
TOTAL SCORES:

Ranked: #1														
Consultant	Planning & Design Services							Construction Services					TOTAL	
Souder, Miller & Assoc.	Item 1 pts.30	Item 2 pts.25	Item 3 pts.30	Item 4 pts.10	Item 5 pts.0	Item 6 pts.5	Subtotal 100	Item 1 Pts.20	Item 2 Pts.15	Item 3 Pts.15	Item 4 Pts.10	Item 5 Pts.10	Subtotal 70	170 Possible
Average Score	30.0	25.0	30.0	10.0	0.0	5.0	100.0	20.0	15.0	15.0	10.0	10.0	70.0	170.0

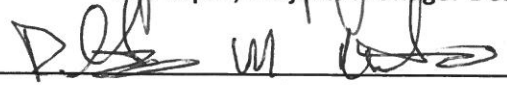
Ranked: Rejected														
Consultant	Planning & Design Services							Construction Services					TOTAL	
Ideals	Item 1 pts.30	Item 2 pts.25	Item 3 pts.30	Item 4 pts.10	Item 5 pts.0	Item 6 pts.5	Subtotal 100	Item 1 Pts.20	Item 2 Pts.15	Item 3 Pts.15	Item 4 Pts.10	Item 5 Pts.10	Subtotal 70	170 Possible
Average Score	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0


Karen Nichols, Projects Manager, Procurement Manager


Martin G. Lopez, General Manager

Mike Lopez, Operations Manager

Kathi Jackson, Finance Manager



Liza Lopez, Projects Manager Designee



Roberto Nieto, Board Chair



LOWER RIO GRANDE

Public Water Works Authority

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

MEMBER - CUSTOMER POLICIES

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

1. MEMBER APPLICATION FOR WATER/SEWER SERVICE.

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

B. Applicants must provide:

- i. Completed and signed MEMBER APPLICATION FOR WATER/SEWER SERVICE (Attachment #1)
- ii. Completed and signed WATER/SEWER USERS AGREEMENT for each connection to the Authority's water or sewer system (Attachment #32)
- iii. Copies of Applicants' photo identification, proof of property ownership, parcel ID number, map code and county designated street address for the property where the service connection will be located.
- iv. Payment of non-refundable Membership Fee, hookup fee, and all other applicable fees from the FEE SCHEDULE (Attachment #2) established by the Authority



LOWER RIO GRANDE

Public Water Works Authority

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

- v. If a mobile home is to be placed on the property, the Applicant must provide the Authority with a copy of an approved MHP (mobile home installation permit) from Dona Ana County's Mobile Home Section. This permit shall be for residency and not for storage purposes. For site built homes, a copy of the building permit shall be provided. For applicants who cannot provide proof of either of these county permits, a Conditional Service Connection may be approved, as long as the service is in compliance with USDA Rural Development regulations. Should the County subsequently take action subsequently to remove the structure from the Applicant's property; the property owner will not be reimbursed by the Authority for any fees or costs incurred as a Member, nor does the Authority assume any liability for providing service conditionally without proof or a permit from the County.
- vi. The Applicant shall check with the Lower Rio Grande PWWA regarding any outstanding account balances. Service will not be provided until all outstanding balances are paid in full. See Attachment #8 Real Estate Contract Policy.

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

D. Water/Sewer Services for Rental Property. Applications for renters' water/sewer service may be approved by the General Manager or Designee of the Authority, but only if the property owner's Membership is current and in good standing. The property owner shall be the Member and responsible for all bills incurred, but the Authority will send bills to renters if requested by the Member. However, landlords renting properties serviced by the Authority must



LOWER RIO GRANDE

Public Water Works Authority

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

have each renter come in and complete a Renter's Application for water/sewer service. Both the Member and the renter must sign the Application. All renters must first pay a Renter's Deposit before service is made available. The deposit shall be refunded when the renter leaves, provided that the renter submits a Renter's Exit Form, account balance and any pending charges are paid in full. Upon receiving Renter's Exit Form, the Authority will obtain a final meter reading, issue a prorated final bill, apply the Renter's Deposit to the account balance, and refund any credit balance to the Renter.

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

2. WATER/SEWER SERVICE.

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



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Member(s)/customer(s) are responsible for costs and fees associated with the additional facilities to include the maintenance, repair and replacement of the additional facility.

- D. Sale of service(s).** Water and wastewater service is for the sole use of the Member or customer, who applied for and was approved to receive service. Members or customers are prohibited from re-selling service(s) being provided by the Authority.
- E. Connection to Private System.** There shall be no physical connection between any private water system/well and the water system of the Authority and there shall be no physical connection between any private sewage disposal system and the sewer system of the Authority. A representative of the Authority shall have the right at all reasonable hours to enter upon Member's premises for the purpose of inspection and enforcement of this provision. Violation of this provision is cause for immediate disconnection of a member's water service. If a backflow prevention valve is installed, the Member will pay for all expenses incurred.
- F. Continuity of Service.** The Authority will make all reasonable efforts to supply continuous, uninterrupted service. However, it shall have the right to interrupt service for the purpose of making repairs, connections, extension, or for other necessary work. Efforts will be made to notify Members and customers who may be affected by such interruptions, but the Authority will not accept responsibility for losses, which might occur due to such necessary interruptions of service or shortage of water supply.
- G. Water Shortage.** In the event of a shortage of water, the Authority shall take appropriate measures, (such as restrictions to water use and acquisition of additional water) to meet the needs of the Authority.
- H. Rates and Fees.** The Authority ~~FEE SCHEDULE (Attachment #3) and RATE SCHEDULE (Attachment #4)~~ Schedule of Rates & Fees (Attachment #2) ~~are is~~ attached to and made a part of this Policy.
- I. Minimum Charge.**



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- i. Water/Sewer services shall be considered ready to use when the Authority maintains the water supply at normal pressure at the point of delivery in readiness for the Member's use, regardless of whether or not the Member makes use of it or when collection line is ready to convey sewage. Charges shall be made for services as of the date service is ready to use.
- ii. All Authority members/customers are subject to at least the minimum water/sewer charge as long as water/sewer service is connected and ready to use. Failure to pay for the minimum water service within the time provided herein and after due notification by the Authority shall be grounds for a penalty and/or disconnection of service.
- iii. An active Member may voluntarily activate or deactivate their water service for a fee. However, Activation or Deactivation of service is required unilaterally for both water and sewer and requires a signed statement by the member requesting the meter being activated or deactivated. During Deactivation the member will not be assess a minimum charge for deactivated service. Activation commences the initiation of billing for that service. **Any recorded water/sewer usage on a Deactivated service is a violation of this policy and is grounds for a penalty fee (See FEE SCHEDULE—Attachment #32) or disconnection of service at any facility in service for the Member.**

J. Legal/Illegal Water/Sewer Service Connection. Water/Sewer service shall consist of facilities to supply water at normal operating pressure of the system to one dwelling or commercial unit at the meter or sewer stub-out. Water/Sewer service is for the sole use of the member, his agent(s) or tenant(s) **at the location requested only**, and does not permit the transfer or cross-connection of water by any means to another dwelling or commercial unit. Multiple connections are prohibited by the Authority and are unfair to the Members of the Authority. A representative of the Authority shall have the right at all reasonable hours to enter upon a Member's premises for the purpose of inspection and enforcement of this provision. **A violation of this policy is grounds for a penalty (See FEE SCHEDULE—Attachment #32) or disconnection of service at any facility in**



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service for the Member. An **Additional Minimum Policy** has been adopted to address certain types of multiple connections for both water and sewer connections.

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3. METERING FACILITIES.

- A. Metering of Water Service.** Water service will be metered at each individual dwelling or place of business. Multiple dwellings **shall not** be connected to one service connection unless as outlined in the **Additional Minimum Policy**. Meter facilities shall be installed by the Authority.
- B. Metering Facilities/ Tampering.** Metering facilities shall be installed, owned and maintained by the Authority and shall be paid for by the Member. These shall consist of service clamp, corporation stop, service line, meter yoke, meter box, backflow device, and meter. Metering facilities are for the sole use of the Authority. **A violation of this policy is grounds for a penalty (See FEE SCHEDULE—Attachment #32) or disconnection of service at any facility in service for the Member. Tampering with meter facilities is a violation of Authority Policy and in some cases a violation of State and/or Federal law which may be reported to the appropriate law enforcement agency and prosecuted.**
- C. Location of Metering Facilities.** Metering facilities shall be located at the main line or at the member's property line. In special cases where this is not practical, the location shall be agreed upon jointly by the General Manager or Designee and the Member. Should the location be within the member's property, he/she shall grant the Authority an easement of right-of-way and the right of ingress and egress to said property for the purposes of servicing or removing the metering facilities.
- D. Meter Accuracy.** Water meters, where errors do not exceed two (2%) percent fast or slow, shall be considered as being within the allowable limits of accuracy for billing purposes.
- E. Meter Testing.** Meter testing requested by Members will be performed without cost to the Member, if the meter is found to be off in excess of two (2%) percent. Otherwise, the Member for whom the required testing was made will be charged for the cost of making the test.



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F. Meter Reading. Meters will be read by the Authority on a regular monthly schedule, and different areas of the system may be on different meter reading and billing cycles. If a meter cannot be read, the Authority will bill the Member for the average water used during the prior three months until such time as adjustments can be made for actual water used.

4. BILLING AND PAYMENT FOR WATER/SEWER SERVICE.

A. Dates:

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

Due date is twenty-five days after the billing date for the cycle. Cycle #1 bills are sent on the 1st of the month, and the due date is the 25th. Additional Cycles may be added as needed due to growth of the customer base.

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

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

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

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

C. Payment of Water/Sewer Service Bills. Bills for water/sewer service are due and payable at the location indicated on the bill or at the location determined by



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the Board of Directors. Payment of a bill is due on the **due date** and becomes **overdue at 3:00 p.m. on that date**. To be timely, payments must be received in the Authority's offices on or before **3:00 p.m. on the due date** to avoid overdue penalties. Payments made by check shall not be held. All checks received shall be deposited.

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

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

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

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

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



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

The delinquency fee is applied after the delinquency date has occurred and the disconnection list is generated, which is thirty (30) days after billing date and whether services have or have not been physically terminated through closing, locking or removing of water meter.

I. Delinquent Accounts. When an account balance reaches sixty (60) days, the customer will be required to pay a deposit ~~of one hundred dollars (\$100.00)~~ [\(See Schedule of Rates & Fees-Attachment #2\)](#) which will be refundable after the account balance has been kept current for a period of twelve (12) consecutive months.

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

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

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

i. A letter from a practitioner of the healing arts stating that discontinuance of service will endanger that person's life or health is filed with the Authority and



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such letter is updated and filed with the Authority every **ninety (90) days** thereafter and;

ii. _____ The Member/Customer enters into a Negotiated Payment Agreement with a monthly payment schedule for the delinquent amount.

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

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

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

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

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

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

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

ATTACHMENTS:

1. MEMBER APPLICATION FOR WATER/SEWER SERVICE



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



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SCHEDULE OF RATES & FEES

Water Rates

Adopted January 15, 2014
Implementation Date January 1, 2016 *

Residential Water Rates *

Minimum Bill		\$ 18.30	for			2,000	gallons
Tier 1	2,001–5,000	gallons	for	\$ 2.93	per	1,000	gallons
Tier 2	5,001–10,000	gallons	for	\$ 3.66	per	1,000	gallons
Tier 3	10,001–15,000	gallons	for	\$ 4.39	per	1,000	gallons
Tier 4	15,001–20,000	gallons	for	\$ 5.12	per	1,000	gallons
Tier 5	Over 20,000	gallons	for	\$ 5.86	per	1,000	gallons

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

Minimum Bill		\$ 29.28	for			2,000	gallons
Tier 1	2,001–5,000	gallons	for	\$ 2.93	per	1,000	gallons
Tier 2	5,001–10,000	gallons	for	\$ 3.66	per	1,000	gallons
Tier 3	10,001–15,000	gallons	for	\$ 4.39	per	1,000	gallons
Tier 4	15,001–20,000	gallons	for	\$ 5.12	per	1,000	gallons
Tier 5	Over 20,000	gallons	for	\$ 5.86	per	1,000	gallons

Commercial Water Rates *

Minimum Bill		\$ 46.85	for			2,000	gallons
Tier 1	2,001–5,000	gallons	for	\$ 4.39	per	1,000	gallons
Tier 2	5,001–20,000	gallons	for	\$ 5.12	per	1,000	gallons
All over	All over 20,000	gallons	for	\$ 5.86	per	1,000	gallons

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

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



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FOR BULK WATER RATE & FEES

See Bulk Water Agreement Form (Attachment 15)

Sewer Rates

Adopted January 15, 2014
Implementation Date March 1, 2014

Residential Sewer Rates (If **Sewer Water** Service is from LRGPWWA)

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

Commercial Sewer Rates (If **Sewer Water** Service is from LRGPWWA)

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

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

The following rates apply to those who receive only sewer service from the LRGPWWA:

Residential Sewer Only: \$22.50 per month flat fee

Commercial Sewer Only: \$24.00 per month flat fee



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Residential Connection Fees

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

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

Commercial and Industrial Connection Fees

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

Penalty & Other Fees

Delinquency fee:	\$20.00
<u>Delinquency deposit:</u>	<u>\$100.00</u>
Open or Close water service (When requested after normal business hours & in addition to Delinquency fee)	\$20.00
Meter Test Fee (Includes removal & reinstallation, transportation to & from test lab, and lab test fee)	\$50.00
Service Activation fee:	\$50.00



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Service Deactivation fee:	\$50.00
Renters Deposit (mandatory)	\$100.00
Cross Connection Policy Waiver Re-inspection Fee:	\$25.00
Backflow Prevention Assembly Annual Testing Fee:	\$75.00
Backflow Prevention Assembly Installation/Repair/Replacement Fee:	Cost of Labor + Materials
Fire-flow Testing Fee (per test)	\$200.00
Water/Sewer facility Tampering fee: (in addition to repair/replacement costs)	\$500.00
Insufficient Funds (Bounced Check): (after 3 times, customer is put on cash-only basis)	\$35.00
Late penalty on overdue accounts	15% of the overdue bill
Copy of Current Bill	\$2.00
Customer History	\$1.25 per page
Dona Ana County Service Letter	\$5.00
Copying per page	\$1.25 letter (8½ X11) \$1.40 legal (8½ X14) two-sided copies are charged as two pages
IPR Request Copies/per page (see Inspection of Public Records Policy)	\$1.00
Faxes (Local/Toll free) per page	\$2.00
Faxes (Long Distance) per page	\$3.00



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Convenience Fee for Payment by Credit Card \$3.00 minimum or 3% of transaction

BILLING, DUE DATES, DISCONNECTION SUMMARY

Billing Cycle #1 – All LRGPWWA customers

Billing date – 1st of the month

Due date – 25th of the month

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

Disconnection – 16TH of the next month

Additional Cycles may be added as needed due to growth of the customer base.

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

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

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

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

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

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