

LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY

MINUTES—REGULAR BOARD OF DIRECTORS MEETING

9:30 a.m. Wednesday, November 13, 2013 at our Vado Office, 325 Holguin Rd, Vado NM

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

- I. **Call to Order, Roll Call to Establish Quorum** Sign-in sheet and agenda are attached. Directors present were Chairman Robert “Marty” Nieto (District 5), Secretary Santos Ruiz (District 2), Director Arturo Terrazas (District 1), Director Cali Tellez (District 3), Director Mike McMullen (District 6) and Director Furman Smith (District 7). Absent was Vice-Chairman John Holguin (District 4). Staff members present were General Manager Martin Lopez, Finance Manager Kathi Jackson, Operations Manager, Mike Lopez, Projects Manager Karen Nichols and Adm Asst. Joan Ferguson. With a quorum established the meeting was called to order by Mr. Nieto at 9:30 am.
- II. **Pledge of Allegiance** {0:50}
- III. **Approval of Agenda** Mr. Smith moved to approve the agenda. Mr. Telles seconded the motion and it carried 6–0. {1:08}
- IV. **Approval of Minutes, 10/16/2013 Regular Meeting** Mr. Martin Lopez noted that in X.F he had asked if the Board would approve an end-of-the-year potluck and pay for the entrée. Mr. Furman moved that the minutes of 10/16/2013 be approved with the addition of “and pay for the entrée” in X.F. Mr. Smith seconded the motion and it carried 6–0. {6:05}
- V. **Guest Presentation—None** {6:20}
- VI. **Public Input—15 minutes total allotted for this item, 3 minutes time limit per person** None {6:25}
- VII. **Managers’ Reports**
 - A. **General Manager** Mr. Martin Lopez submitted a written report and discussed it with the Board.
 - Mr. Telles asked about the NMDOT Vado Interchange construction project. Mr. Martin Lopez explained that the project closes on Nov 15 and will be an MNDOT project, exclusively. The Authority will find out on Friday how much it will cost to relocate its water lines. The biggest problem will be issues with traffic and traffic flow to businesses while the bridges and interchanges are rebuilt. Additionally, the dairies will be without water when the Authority’s water lines are being relocated.
 - Mr. Nieto asked about the loss of the Vado water rights. The Office of the State Engineer finally recognized that the five original systems had been permitted 1,907.602 acre feet. Eighty-seven (87.88) acre feet were taken away from the Vado system because they did not pay the \$25 administrative fee. The result was a net gain of 78 acre feet, leaving the Authority having to purchase 22 acre feet of water rather than 300. Currently an acre foot of water is \$4,800.00. Page two of the General Manager’s report shows the Authority’s permitted consumptive use at 1,684.153 acre feet per year but historically has only used 1,662.063 (beneficial use) acre feet per year which leaves the Authority buying 22 acre feet. The third column is what the Authority is permitted to pump which is 1,907.602 acre feet per year. If the Authority can document the amount of water it discharges into the Doña Ana County wastewater treatment facility it will receive a flow credit that will allow it to pump more rather than having to buy water.
 - Mr. Telles asked about the Snow Road Estates transfer. What is being transferred to LRG is a fire flow system that is designed for 55 homes. If the development grows beyond the current design of 55 homes, LRG will be responsible for the upgrades. Mr. McMullen asked about fees to be paid per home per a lawsuit to offset the impact on the Brazito system. The OM explained that the Authority’s lawyer had been through all the paperwork and LRG is recovering what is stipulated. Mr. McMullen said he would check the legal decision.

- Mr. Telles asked about the FEMA funds for the flood in Berino. Governor Martinez submitted the request to the Federal government who did not approve the request for funds. It is unclear why Doña Ana County did not receive federal emergency funds even though there was significant flooding in the area.
- The Colonias Board Meeting discussed issues of project oversight. For other sources of state funding, the NM Environment Dept. has had the responsibility of oversight. They make sure that the engineer is certified, the project is adequate for the community and that the procurement code has been followed. Because of budgetary issues, now the NMED is charging a fee for oversight. There are some Board members on the Colonias Board who believe that having the project engineer certify a project is adequate. The GM perceives a conflict of interest in paying a professional to oversee the project that they developed.
- There was also a short explanation about the new audit rules concerning the difference between a “significant” and a “material” finding and the increased responsibility in the fiscal agent role. {33:40}

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

- Mr. Smith asked when the Organ booster would be brought online. Still waiting on telemetry. Mr. Mike Lopez is hoping before December.
- Mr. Telles asked about the line breaks in the past month. Mr. Mike Lopez believes that they are due to temperature changes. Mr. Smith agreed that that was his experience.
- Mr. Telles asked OM to follow-up on the case of the drunken driver who destroyed a LRG fire hydrant as there is a possibility of restitution. {39:01}

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

- Mr. Nieto asked if the Berino/Mesquite project would have to be rebid. At this point the Authority’s lawyer is speaking to the Environment Dept’s lawyer about the engineer’s interpretation of the procurement code. Mr. Nieto also asked what the deadline on the Water Trust Board Funds was. There are three years to expend the funds and the possibility of a one-year extension. Mr. Martin Lopez said that if it was necessary they would re-bid the project and plan to have the project up and running by early spring.
- Mr. Terrazas asked against whom LRG is competing for CDBG funding. The Authority has to apply for CDBG funds through the County of Doña Ana. If the County has projects, they would have precedence but, if the county doesn’t qualify, the entities that are required to apply through them cannot apply. There has been some discussion about allowing LRG PWWA the ability to apply for funding independent of the County. Mr. Terrazas pointed out that the Authority’s statute makes it politically equivalent to the County.
- Mr. Smith asked about the final walk-through for the Organ system. It will be November 20 at 2:00 pm.
- Ms. Nichols reported to the Board her discussions with various political entities at the Infrastructure Finance Conference. There was also a short discussion about the new audit rules and how they are being refined concerning findings as well as limiting the departments that are able to contest projects because of findings. {54:52}

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

- Ms. Jackson noted that there had been a savings of \$28,000 in liability insurance. She noted that because LRG has a track record and because of new insurance options, insurance costs are coming down.
- During the last quarter, \$25,000 in repairs to Authority trucks had been completed.
- Mr. Smith asked about the repair of the Organ truck. It had been in good condition but needed \$3,300 in repairs.
- Mr. Nieto asked about the trash coupons. The Authority has bought \$6,000 worth of trash coupons. {1:03:00}

VIII. Unfinished Business

- A. Hiring Policy—for approval** Mr. Martin Lopez met with Mr. Telles and discussed his concerns and developed the current policy for approval. The most significant change was the last item stating that any deviation from the policy would require approval from the Board. Mr. Telles moved to approve the hiring policy. Mr. McMullen seconded the motion and it passed 6-0 with no further discussion. {1:05:00}
- B. End-of-Year Potluck** Mr. Telles asked if there was any incentive to attend the dinner or way to thank staff for a job well done. He suggested award certificates or gift certificates and asked if the line item in the budget (\$1,000) for Board uniforms could be used for the Christmas dinner instead. Ms. Jackson said she had found a statute in the State regulations that might prohibit giving a gift certificate or even bonuses. Mr. Martin Lopez asked the Board for \$500 to pay for the entrée. The Board decided to use the \$1,000 line item for catering for the party. Mr. Telles moved to allow \$1,000 for catering for the end-of-the-year party. Mr. McMullen seconded the motion and it carried 6-0. Mr. Terrazas asked if that dollar amount would be enough. Mr. Martin Lopez said that if there were any further developments, it could be revisited in December's meeting. {1:18:06}

IX. New Business

- A. Resolution No. FY2014-07 for CITF Loan/Grant 2766-CIF-Brazito Water Project—for adoption** This project is to upgrade water lines in Brazito. The original funding was only for construction. The scope has been changed to include design. The loan amount is \$58,150; the grant amount is \$523,354. Mr. McMullen moved to adopt Resolution No. FY2014-07 for CITF Loan/Grant 2766-CIF-Brazito Water Project. Mr. Smith seconded the motion and it passed 6-0 with no further discussion. {1:19:36}
- B. Industrial Pre-Treatment Policy—for approval** Mr. Mike Lopez explained that this policy stipulates what cannot be dumped into the Authority's sewer system and allows for a schedule of rates and fees. Ms. Nichols went on to explain that the Authority owns the collection system but discharges into the County treatment facility. The policy up for approval has the County's regulations attached because the Authority is responsible for what is being discharged into the treatment facility. Mr. Terrazas asked whether a business owner would get a permit from the County or from the Authority. Mr. Martin Lopez explained that there was a Memorandum of Understanding with the County and the Authority would be issuing permits. Also, he mentioned that the policy would apply to the East Mesa as well as the Lower Valley. Mr. Smith moved to approve the Industrial Pre-Treatment Policy. Mr. McMullen seconded the motion and it passed 6-0 with no further discussion. {1:25:40}
- C. Addendum to "Rates and Fees Schedule"—for approval** The fees associated with the Industrial Pre-Treatment Policy as well as a meter testing fee need to be included. Mr. Tellez moved to postpone the addendum until next month. Mr. Smith seconded the motion and it passed 6-0. {1:27:58}
- D. Set dates/times/locations for Public Rate Hearings** Public hearings for the rate increase were proposed for January 8, 2014 at 6:30 pm at the Vado Elementary School and January 9, 2014 at 6:30 at the Church on 2nd and B St in Organ. Olga Morales from RCAC will be presenting her rate study. Ms. Nichols mentioned that the last public rate hearings were posted, translated, moderated and documented by a third party. She asked if the Board would like to conduct these hearings in a similar manner. Mr. Terrazas moved to use a contractor to facilitate the presentation. Additionally they asked that the contract not exceed \$2,000. Mr. McMullen seconded the motion and it carried 6-0. {1:53:00}
- E. First aid course proposal** Mr. Telles would like first aid courses for LRGPWVA staff. Options discussed were for the Red Cross or the New Mexico Wastewater Association. Mr. Martin Lopez said that currently, Operations is verifying that there are first aid kits in the vehicles and that all the eye wash stations are operational and equipped. Mr. Smith asked if FEMA was still distributing first aid kits for vehicles. Mr. Tellez moved to have the GM arrange first aid courses. Mr. Smith seconded the motion and it passed 6-0. {1:59:55}

F. Other discussion and agenda items for next meeting, 9:30 a.m. 12/11/2013 at the Butterfield Park Office

- There is an RFP due November 14 for the Brazito project. Putting together selection committee
- There is an RFP due November for the water system purchase.
- End-of-the-Year party/dinner
- Addendum to rates and fees
- Tierra Driving School {2:05:28}

X. Adjourn Mr. Telles moved to adjourn the meeting, Mr. Smith seconded the motion. Mr. Ruiz was out of the room. The motion passed 5-0. The meeting was adjourned at 11:36 am.

LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY

Meeting Notice & DRAFT Agenda—REGULAR BOARD OF DIRECTORS MEETING

9:30 a.m. Wednesday, November 13, 2013 at our Vado Office, 325 Holguin Rd, Vado NM

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

- I. Call to Order, Roll Call to Establish Quorum
- II. Pledge of Allegiance
- III. Approval of Agenda
- IV. Approval of Minutes, 10/16/2013 Regular Meeting
- V. Guest Presentation—None
- VI. Public Input—15 minutes total allotted for this item, 3 minutes time limit per person
- VII. Managers' Reports
 - A. General Manager
 - B. Operations
 - C. Projects
 - D. Finance
- VIII. Unfinished Business
 - A. Hiring Policy—for approval
 - B. End-of-Year Potluck
- IX. New Business
 - A. Resolution No. FY2014-07 for CITF Loan/Grant 2766-CIF-Brazito Water Project—for adoption
 - B. Industrial Pre-Treatment Policy—for approval
 - C. Addendum to "Rates and Fees Schedule"—for approval
 - D. Set dates/times/locations for Public Rate Hearings
 - E. First aid course proposal
 - F. Other discussion and agenda items for next meeting, 9:30 a.m. 12/11/2013 at the Butterfield Park Office
- X. Adjourn

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

Si es un individuo con una incapacidad esta en necesidad de un lector, amplificador, lenguaje por senas, o cualquier otra forma de asistencia o servicio para atender o participar en las juntas, por favor llame a la oficina LRGPWWA, 575-233-5742, PO Box 2646, Anthony NM 88021 O 215 Bryant St., Mesquite NM una semana antes de la junta o en cuanto posible. Documentos públicos, incluyendo la agenda y minutos, están disponibles en varios formatos. Por favor opóngase en contacto con la oficina LRGPWWA si un resumen o otro tipo de forma accesible es necesario.



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

Date: Nov 13, 2013 Time: 9:30

Places: Vado

Event: Regular Board Mtg

Signature	Print Name, Title, Company or Agency Represented	Contact Information	Email Address
	LRGPWWA	MARTIN Lopez	mlopez@lrga.org
	LRGPWWA	575 636-3457	roberto.nieto@lrga.org
MIKE McMULLEN 	LRGPWWA	970-302-7852	
Carlos Tellez 	LRGPWWA	202-2240 233-4140	
Santos Ruiz 	JR	575 882 5937	
Art Terrazas 	Art Terrazas	915/231-0251	art Terrazas @gmail.com
	Karen Nichols, PM LRG PWWA	915-203 2057	Karen.nichols@lrga.org
Kathi Jackson 	Kathi Jackson Finance Manager LRGPWWA	640-4330	
Wintre Coy 	LRGPWWA	635-3921	mike.mpe@lrga.org
FORMAN SMITH 	"	382 5982	FORMAN

LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY

Minutes—REGULAR BOARD OF DIRECTORS MEETING

9:30 a.m. Wednesday, October 16, 2013 at our Vado Office, 325 Holguin Rd, Vado NM

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

- I. **Call to Order, Roll Call to Establish Quorum** Sign-in sheet and agenda are attached. Directors present were Chairman Robert “Marty” Nieto (District 5), Vice-Chairman John Holguin (District 4), Secretary Santos Ruiz (District 2), Director Arturo Terrazas (District 1), Director Cali Tellez (District 3), Director Mike McMullen (District 6) and Director Furman Smith (District 7). Staff members present were General Manager Martin Lopez, Finance Manager Kathi Jackson, Operations Manager, Mike Lopez, Projects Manager Karen Nichols, Customer Service Manager Christi Sanders and Adm Asst. Joan Ferguson. Also present were Ricardo Nevarez (El Bosque), Benito Treviño (El Bosque), Pablo Bermudez (El Bosque), Phyllis Smith (Organ) and Espy Holguin (HUD). With a quorum established the meeting was called to order by Mr. Nieto at 9:30 a.m.
- II. **Pledge of Allegiance** {:50}
- III. **Approval of Agenda** There were some last minute proposals to item IX.C— Proposed Vehicle Safety and Fleet Management Policy—and it was proposed that it be postponed until November’s meeting. Mr. McMullen moved to approve the agenda with item IX.C postponed. Mr. Smith seconded the motion and it passed with no further discussion 7–0. {1:47}
- IV. **Approval of Minutes, 9/18/2013 Regular Meeting** Mr. Smith moved to approve the minutes of 9/18/2013, Mr. McMullen seconded the motion and with no discussion the motion passed 7–0. {2:24}
- V. **Guest Presentation—None** {2:50}
- VI. **Public Input—15 minutes total allotted for this item, 3 minutes time limit per person** Señores Nevarez, Treviño and Bermudez were concerned with the inconvenience of the new office hours and the time of Board meetings (during working hours). They also questioned the posting of the agendas. Mr. Martin Lopez suggested a special meeting in the future to address the issues for the community. The bulk of the conversation was conducted in Spanish and translated by Mr. Martin Lopez. {28:48}
- VII. **Managers’ Reports**
 - A. **General Manager** Mr. Martin Lopez submitted a written report and discussed it with the Board.
 - Mr. Holguin asked about the Alto De Las Flores supplemental well. The supplemental well concerns the emergency interconnect that the Authority has with that system.
 - Mr. Terrazas asked for an explanation of the Snow Road Estates. Mr. Martin Lopez explained that it was a private development whose water system the Authority would take possession of. It consists of a 60,000 gallon tank and a pressure fire suppression system. It was originally an agreement between the developer and the Brazito Association. Mr. Tellez asked about the cost to the Authority. Mr. Martin Lopez said that the cost would be to insure the facilities. There are no out-of-pocket costs incurred by the Authority in this acquisition.
 - Mr. Nieto asked about the Rural Community Assistance Partnership board position that Mr. Lopez has been asked to fill. It would be a three-year term and the organization meets quarterly.
 - Concerning the flooding in the Berino office. The Authority carried no flood insurance on the Berino office because it was not in a flood plain. The GM will meet with FEMA later in the month to see if the Authority qualifies for assistance for governmental entities. Photos of the damage (attached) were passed around for Board members to see. Mr. Tellez asked if there had been any material or building damage. Mr. Martin Lopez said that they had no major damage but had to replace a \$60.00 surge protector. Flood insurance for that building will be around \$9.00/month. All Authority offices could be insured for \$900.00/year with a \$5,000.00 deductible.

- Mr. Holguin asked who would be able to attend the rate study workshop on Oct 21. Three members will not be able to attend so it was decided to reschedule. {40:30}
- B. Operations** Mr. Mike Lopez submitted a report and discussed it with the Board.
 - Mr. Terrazas had concerns about using gas chlorine instead of sodium hypochloride. Mr. Mike Lopez explained that by using gas chlorine the Authority is saving about \$8,000.00 per year simply because the gas is 100% available whereas the sodium hypochloride degrades quickly. The OM assured Mr. Terrazas that the proper safety systems are in place and that the operations crew has been properly trained. He also added that the other water systems in the county are using gas chlorine. Mr. Smith asked if the system in Organ will be switched to gas chlorine. Mr. Mike Lopez said that eventually, it will be. {44:30}
- C. Projects** Ms. Karen Nichols submitted a written report and discussed it with the Board.
 - Mr. Nieto asked about the status of the Berino/Mesquite-Del Cerro Water System Project. Because the lowest bid came in below budget, a Board committee and management removed components from the project. The State Environment Department interpreted this action as “negotiating with the contractor” and has sent a recommendation to the NM Finance Authority that the LRGPWWA re-bid. USDA-Rural Development is still reviewing the bid package and previously has not had a issues with the reduction in scope such as this. However, because of the Federal government’s shut down, the federal employees at Rural Development who would review the changes have been furloughed and so the project is on hold. The worst case scenario is having to re-bid the project. Mr. Tellez asked about pending reimbursements. There is around \$184,000 due to be reimbursed for this project. Additionally, there is a \$37,500 reimbursement for the Brazito Sewer PER which has been received as well as \$37,500 that is pending for another PER.
 - Ms. Nichols is expecting to be finished with the Organ Water and Sew Project by mid-November. At this point, telemetry (the implementation of SCADA) is waiting for El Paso Electric to move their equipment to the correct easement. Mr. Smith asked to participate in the completion walk-through (inspection) as well as the 11-month walk-through.
 - There are modifications in the Radio Read Meter Project budget on the last page of the report. Mr. Terrazas asked when this project is expected to be finished. It is anticipated that all 3,200 meters should be installed by mid-May. Operations has been installing the meters but have been slowed by issues on the Organ project. The funding agency (NMFA) this month required a five percent retainage of funds until the project is finalized. Originally the NMED-CPB recommended retaining the entire last draw of funds (approximately \$78,000) even though there is no requirement in the agreement that the project be finalized before funds are released. There are 1,900 meters yet to be installed and the ED is retaining \$29,750.00. That being said, the rate of installation will be increased. {52:54}
- D. Finance** Ms. Kathi Jackson submitted a draft report and discussed it with the Board.
 - Mr. Nieto asked who was doing the meter readings. Ms. Jackson said it was still in the Finance Department but the duty was being shared.
 - The Brazito and Organ audits are finishing up.
 - The Authority’s audit will begin on Monday, October 21.
 - A quarterly budget will be up for approval next month. {58:40}

VIII. Unfinished Business

- A. Hiring Policy** Mr. Tellez still has issues with the hiring policy and enumerated them in a hand-out which he distributed and is attached. Mr. Nieto pointed out that office staff from outside the area could be hired which would cause concern with members. Mr. Terrazas reiterated his stand that the Board becoming directly involved in hiring is a bad idea, first because of legal issues, second because of the appearance of partisanship. If it would make members of the Board more comfortable, he continued, perhaps a hiring committee could be developed that would offer recommendations to the GM on future management hires. The GM pointed out that the current draft had already been reviewed by legal counsel and any changes would have to go through the same process. Because the members need time to review Mr. Tellez’s recommendations, Mr. Holguin moved that the approval of the hiring policy be postponed until

November's regular meeting. Mr. Terrazas seconded the motion and it carried 7-0 with no further discussion. {1:11:22}

IX. New Business

- A. Extension of General Manager's employment contract—for approval** Contract is attached. Compensation has not changed. Mr. Holguin moved to approve the extension of General Manager's employment contract. Mr. Smith seconded the motion. The motion carried 7-0 with no further discussion. {1:13:05}
- B. Proposed Safety Policy—for adoption** Mr. Nieto asked if this policy had been reviewed by legal counsel. It had. Mr. Tellez asked where the policy originated. Ms. Sanders said she researched water utility safety policies on the internet. Mr. Tellez asked if she had used any OSHA policies. She said she had not. Mr. Smith was concerned about the section that counseled employees to not come to the aid of an injured person. Ms. Sanders explained that it was for the legal protection of the Authority. Mr. Smith thought that the Good Samaritan Laws would cover that. Mr. Tellez proposed first aid courses. Mr. Holguin moved to approve the safety policy and Mr. McMullen seconded the motion. Mr. Martin Lopez pointed out this this policy was only part of a larger component of Policy and Procedures being put together by the Finance Department. The motion carried 7-0. {1:19:31}
- C. Proposed Vehicle Safety & Fleet Management Policy—for adoption** Mr. Holguin moved to postpone the Vehicle and Fleet Management Policy until next month. Mr. Terrazas seconded the motion and it carried 7-0 with no discussion. {1:19:31}
- D. Motion to convene in Closed Session pursuant to NMSA 1978 Section 10-15-1(H)(2) for discussion of the hiring, promotion, demotion, dismissal, assignment or resignation of a public employee—ROLL CALL VOTE** Mr. Holguin made a motion to convene in closed session pursuant to NMSA 1978 10-15-1 H (2) Limited Personnel Matters. Mr. Smith seconded the motion. The motion was voted as a roll call: Mr. Terrazas, aye; Mr. Ruiz, aye; Mr. Tellez, aye; Mr. Holguin, aye; Mr. Nieto, aye; Mr. McMullen, aye. The aye's carried and the session was closed at 10:50 a.m.
- E. Motion to resume the Open Meeting** Mr. Terrazas made a motion to open the meeting, Mr. Smith seconded the motion and it carried 7-0. The meeting resumed at 11:23. {1:21:12}
- F. Action, if any, with regard to the matters discussed in Closed Session** The Board verbally directed the GM to respond to an inquiry. No official action taken by the Board. {1:28:50}

X. Other discussion and agenda items for next meeting, 9:30 a.m. 11/13/2013 at the Vado Office

- A.** Hiring Policy
- B.** Proposed Vehicle Safety and Fleet Management Policy
- C.** Wi-fi available at Desert Sands
- D.** A Special Meeting may be a possibility on October 21.
- E.** Work session to discuss amendments to the statutes that established the Authority, specifically the combine and comingle.
- F.** Mr. Martin Lopez asked the Board if they would agree to an end-of-the-year potluck and pay for the entrée. Everyone thought it would be a great idea.

- XI. Adjourn** Mr. McMullen moved that the meeting be adjourned, Mr. Terrazas seconded the motion and it carried 7-0. The meeting was adjourned at 11:23 a.m.

Date minutes approved: November 13, 2013

Roberto Nieto, Chairman (District 5)

John Holguin, Vice-Chairman (District 4)

Santos Ruiz, Secretary (District 2)

Arturo Terrazas, Director (District 1)

Carlos Tellez, Director (District 3)

Michael McMullen, Director (District 6)

Furman Smith, Director (District 7)

LRGPWWA
Manager's Report
November 13, 2013

- Transfer of Assets from Associations
 - Berino: BLM permit application fees still pending
 - Organ 2012 Audit on going
 - Brazito items 2012 Audit on going
- NMDOT Vado Interchange water line relocation project bids on November 15, 2013; Construction could begin February 2014
- East Mesa customer on same CUSI Billing Program
- NMOSE
 - Grievance for combine and commingle withdrawn
 - Flow Credit Plan withdrawn, had requested 600.5 Ac-ft/an, septic tank discharge not allowed
 - Vado rights lost 87.88 Ac-ft/an
 - Permitted Consumptive Use 1,684.153 Ac-ft/an
 - Historical Beneficial Use 1,662.063 Ac-ft/an
 - Permitted Division including Discharge Credit 1,907.602 Ac-ft/an, previous 1,828.614, (78.988 Ac-ft/an gain)
 - Possible Offset requirement 22.09 Ac-ft/an
 - Discharge Credit 223.449 Ac-ft/an
 - Will need to meter wastewater flow from DAC South Central Facility; meter and exclude Chamberino and San Miguel Flow
- Snow Road Estate
 - Transfer/ownership pending
- Switched General Insurance underwriter \$28,000 savings
- Berino Office Hours from 8 to 4 Monday, Wednesday, Friday
- Dona Ana County did not get disaster declaration from FEMA, thus emergency programs not available; County staff are working to revisit declaration.
- Colonias Board meeting in Ruidoso November 12 (verbal update)

Lower Rio Grande Public Water Works Permit Summary

	Permitted Consumptive Use (ac-ft/an)	Amount of Water Historically Put to Beneficial Use* (ac-ft/an)	Permitted Diversion, which Includes Discharge Credit (ac-ft/an)
File LRG-7644 La Mesa MDWCA			
Permit to Change Location of Well and Place and/or Purpose of Use LRG-667-B into LRG-7644	48.327		96.650
Permit to Change Location of Well and Place and/or Purpose of Use LRG-6527 into LRG-7644	25.300		25.300
Permit to Change Location of Well and Place and/or Purpose of Use LRG-4424-1 into LRG-7644	17.530		35.060
Permit to Change Location of Well and Place and/or Purpose of Use LRG-9860 into LRG-7644	8.685		17.370
Permit to Change Location of Well and Place and/or Purpose of Use LRG-3849-1 into LRG-7644	25.000		25.000
Permit to Change Location of Well and Place and/or Purpose of Use LRG-14252-1 into LRG-7644	4.450		8.900
Total	129.292	129.292	208.280
File LRG-3338 Mesquite MDWC & MSWA			
Permit to Drill Supplemental Well LRG-3338-S-2	503		503
Permit to Change Location of Well and Place and/or Purpose of Use LRG-4231-A into LRG-3338	80.633		161.266
Permit to Change Location of Well and Place and/or Purpose of Use LRG-7679 into LRG-3338	75		75
Permit to Change Location of Well and Place and/or Purpose of Use LRG-7672 into LRG-3338	8.5		8.5
Permit to Change Location of Well and Place and/or Purpose of Use LRG-667-A into LRG-3338	42.548		85.096
Permit to Change Location of Well and Place and/or Purpose of Use LRG-5473 into LRG-3338	9.7		19.4
Permit to Change Location of Well and Place and/or Purpose of Use LRG-4287 into LRG-3338	11.58		23.16
Total	730.961	730.961	875.422
File LRG-5037 Desert Sands MDWCA			
Permit to Drill Supplemental Well LRG-5037 POD3	340	317.91	340
File LRG-7595 Berino MDWC & MSWA			
Permit to Change Location of Well LRG-7595	483.9	483.9	483.9
	1684.153	1662.063	1907.602

*2012 data

Lower Rio Grande PWWA

Operators Report

November 13, 2013

System Problems and Repairs.

- Backflow inspections are current.(Mesquite District)
- Sewer tank inspections are current.(Mesquite District)
- My operators need to finish one route in Berino, after that we start in Mesquite.
- We had two large line breaks one behind Cervantes chili factory and one on Hwy 478.
- Two 2" line breaks on Lilly way Rd.
- My operators had 3 new service installs, the first on Hwy 228, one on Josefine St. and the last one on Opitz St.
- We had an old injector blew off at the booster station at well #6 it made a mess.
- Ohnies Acres booster station in complete.
- On Sunday October 27th around 4 am Dona Ana county dispatch called me and said that a drunk driver ran over one of our fire hydrants on East Harper in Brazito, I have the information and case number so that we can file a claim.
- The East Mesa operators had two small line breaks.

- Morrow construction Installed the last PRV, and a new tie-in at MacAuthur and Corona.
- The new booster station in Organ is tied in.
- On Sunday the 13th the entrance works at the organ wastewater plant was plugged up.

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

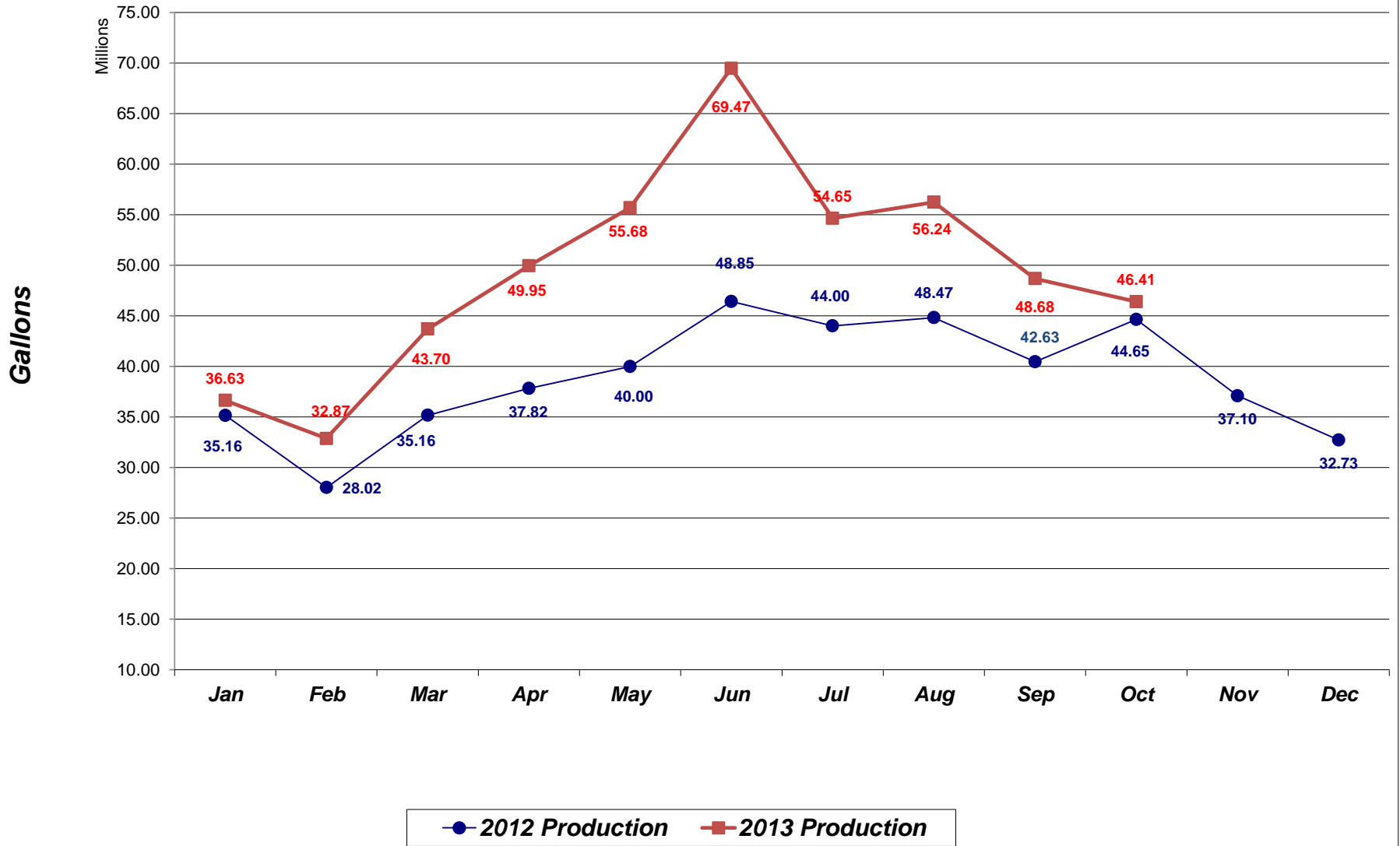
Mesquite district Wetlands: wetlands have been working fine.

Mesquite Sewer Report. Due December 10th

Chlorine: No problems.

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

Lower Rio Grande PWWA Water Production Report



**LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY
PROJECTS REPORT – 11/13/13 BOARD OF DIRECTORS MEETING**

Authority Construction Projects:

LRG: 11-02.1 -Mesquite Wastewater Project – Gannett Fleming– CONSTRUCTION Stage – Layne Southwest - RD \$7,262,081, CITF \$1,670,257: The contractor is moving forward with final inspections for the sewer main lines to enable them to complete service line connections and septic tank abandonment. Change Order No. 4 is being executed. With time the extension for Change Order No. 4 related to the additional work, the construction period ended on 10/14/13. The Engineer is quantifying the amount of additional inspection costs so that the Contractor can reimburse us for these costs for the time after 10/14/13 in lieu of liquidated damages.

LRG-11-02.2 - Authority/Brazito Sewer Project – Vencor – Pre-Design/Funding Application Stage – NMFA/SAP funded Planning, CITF/RD Applications pending: PER & EID are complete and approved, NMFA Planning Grant funds have been received. We are planning to reapply to CIFT for design funds.

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

LRG-11-04 – Berino/ Mesquite-Del Cerro Water System Project WTB #223 – Vencor – Bid Stage – RD - \$5,420,147/WTB - \$4,371,630: Engineer received NMDOT permit time extension for Permit #'s 1-12-23, 1-12-24 and 1-12-25 and Robert Garcia, USDA-RD Engineer, approve Amendment #2 to original ESA contract on 10/21/13. To date, we have not received concurrence from USDA RD regarding project submittal package provided in early September 2013.

LRG-11-05 – Surface Water Treatment Plant WTB #252– Bohannon Huston - Design stage - \$750,000 WTB – 10% Loan 10% Match - Contract has been approved by NMED-CPB. Subconsultant agreements have been established and are in place. Project Team has reinitiated work and began new data acquisition of information necessary to proceed on existing LRG permitted well locations, updated current consumption records, and service connection numbers.

LRG-12-03 – Authority-Alto de Las Flores Interconnect– Vencor – Complete - \$86,400 Old Colonias Initiative/DFA + G F & Alto contributions –Met the new NM DFA-LGD Director, Wayne Sowell, at the Infrastructure Conference and discussed our written request for change of scope to utilize the remaining funds for design for unserved areas where drought is impacting private wells. He asked if we had received a letter from Mr. Gleason concerning his reasons for denying our request, and I confirmed for him by email that we did not.

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

LRG-12-01 – Authority PER – Vencor – Planning Stage - CDBG Planning Grant \$50,000, NMFA Planning Grant \$37,500 & \$12,500 Local Match: 92% complete. Extension requested on 7/1 was approved with new deadline of 11/1/13. Vencor submitted revised PER to NMED-CPB on 9/25/13, Mr. Deal still has not reviewed. Submitted a new extension request on 10/8/13 and it was approved, but we have not yet received the amendment to the Grant Agreement.

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

Return Flow Credit Plan – CE&M – complete – needs update for new mergers – Pending Review: Drafted and submitted to Ms. Thacker at local NM-OSE 12/21/11. Withdrew application because existing water rights include return flows.

LRG-12-02 - Radio Read Meters – in-house/Rio Grande Pump & Supply – Installation Ongoing - 600,950 DWSRLF: : \$595,000 was approved at 50% subsidized + 25% grant = 75% grant, 25% loan at 0% plus fees approved by NMFA Board 4/27/12. All (7½ pallets) of the meters have been received, 7 funds requisitions have been submitted and 7 paid. 5% of the funding is withheld by NMFA until project completion.

LRG-13-02 – System-wide Information Technology Standardization - \$175,000 NM STB: Funds will be available sometime after 7/15/13. Executed grant agreement and access to online reporting have been received. Will begin working on this when the audit is done.

LRG-13-03 – Water System Purchase Project – for RFP – Planning Stage - \$37,500 NMFA Planning Grant – on DWSRLF Priority List: PTAB has reviewed the RFP and it will be advertised this month.

Individual MDWCA Projects:

LRG-12-04 - Organ Water & Sewer Project – Bohannon Huston – Construction Phase – Morrow - \$2,990,382 RD Colonias Grant, \$101,000 RD Loan: All main piping and tie ins to existing system have been complete. All services scheduled for replacement or upgrades have been installed with the exception of the 7 remaining services in Tierra Alta. The 8" tie in to the 65K gallon tank has been completed by D & R Tank, including disinfection and sampling and the system is back in service. The tie in across US 70 to the existing Tierra Alta transmission line is in process and will be complete by the end of the week. A startup of the new booster station is scheduled to begin 11/7/13 or early next week to pressure and flush the Tierra Alta transmission and distribution lines. Contractor is in the process of final roadwork in the Mountain View area and will continue final road improvements and paving over the next two weeks. All information concerning the improvements to the water and wastewater system have been sent to Timberline Electric to finalize a cost quote and schedule a time for them to come down and make the changes and adjustments to the SCADA system as needed. Final valves, meters and adjustments to the booster pump station and control panels are in process and are scheduled to be completed prior to SCADA final adjustments. We are anticipating a final walk through for substantial completion to take place within the next couple of weeks.

LRG-13-01 – Brazito Water System Improvements – Engineers Inc. – Design Phase - \$523,354 NM CITF Grant, \$58,150 Loan, \$58,150 Match Requirement: Resolution for scope change is on today's agenda RFP for Professional Services was reviewed by PTAB and advertised, deadline for proposals is 11/14/13.

Other projects:

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

Infrastructure Capital Improvements Plan 2015-2019: Final Plan was adopted by Resolution at the September and submitted by 9/30/13 to DFA. Received a confirmation email on 10/7/13 that it was received. No further questions, comments or suggestions from DFA.

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

Website and Email – Notices and Board Minutes pages are current. Revised & new policies have been posted on the Documents page. Updates to our site are ongoing. Working with Network Solutions to resolve email upgrade issues.

Funding Applications Pending:

- A **Project Interest Form** and supplemental documents were submitted to NMED for CWSRLF funding to decommission the wetlands in Mesquite on 5/7/13. This is a regulatory requirement/condition of the permit and must be done.
- **USDA-RD Water Rights Purchase Project:** \$1.5 million Application and PER were submitted to USDA-RD on 6/26/13, local office completed their review, state office reviewed and sent to DC. Federal shut-down has delayed that process.

2013 NM Infrastructure Conference Sessions attended by Projects Mgr. & Admin. Asst.:

General Notes: Gave a presentation on Wednesday afternoon on behalf of the LRGPWWA on “Reaping the Benefits of Regionalization”. Visited with Tom Blaine, Cabinet Secretary, NMED; Stephanie Stringer, Bureau Chief, NMED-Drinking Water Bureau; Jim Chaisson, Bureau Chief, NMED-Construction Programs Bureau; Saroj Baxter, Administrative Manager, NMED-CPB; Steven Deal, Project Engineer, NMED-CPB; Angela Quintana & Ryan Helton, Senior Program Administrators, NMFA Water Resources Program; Rick Martinez, Director of Business Development, NMFA; Wayne Sowell, Local Government Division Director, NM-DFA; Joleen Slown, Community Development Bureau Chief, NM-DFA-LGD and many exhibitors, including representative from many engineering firms.

Tuesday

8:30–11:00 am

Tour of Albuquerque Bernalillo County Wastewater Treatment Facility.

12–1pm

Lunch – Keynote Speaker, Richard Berry, Mayor of Albuquerque “Albuquerque’s Infrastructure Projects”

1:15–2:45pm

“Virtual Tour of a Water System” - Video tour of a typical water system—storage tanks, pipes, meter and wells. Help make better decision on infrastructure replacement and maintenance, help communicate with users, and provided a brief introduction to energy use and some new tools to understand and manage electricity.

3:00–5:00 pm

“Implementing Infrastructure Improvements with Energy and Operational Savings” Panelists: Boone Birdsell, Senior Sales Exec., Yearout Energy Services Co., Dennis Vigil, Program Manager JG Management Systems, Inc., & Robin Strauser, Deputy Director, Cooperative Educations Services. Panelists discussed asset management plans and financing infrastructure improvements, explored the benefits of monitoring and maintaining infrastructure, evaluating returns on investment and integrating long-term planning strategies that lead to energy performance contracting, integrating asset management into existing community planning activities, and addressed how communities can provide self-funded solutions to implement energy and operational improvements.

Wednesday

8:00–9:30 am

“What Can Alternative Delivery Do for You?” During the 2013 Legislature, Senate Bill 340 opened the door to NM municipalities and other agencies to use Alternative Delivery options for infrastructure projects. Alternative Delivery such as Design/Build is a great new tool to implement infrastructure projects. Provided an overview of design build options, contracting consideration and suggestion on when and when to use alternative delivery.

9:45–11:15 am

“Adaptive Management Strategies: Planning for Changing Environments” Panelists: Thadeus Lucero, Planning Director (MRCOG); Karen Armijo, Program Mgr., JG Management Systems, Inc.; Mike Hightower, Water for Energy Project Lead, Sandia National Labs; Jim Chaisson, Bureau Chief, NM Environment Dept. Construction Programs Bureau. Panelists discussed strategies for implementing adaptive management techniques to address evolving environmental conditions, reviewed techniques for addressing conflict concerning community values and proposed projects, adaptive management, community infrastructure planning and design, and resources to support planning and risk management.

11:30–1:30 am

Lunch Keynote Speaker: Cabinet Secretary, Jon Barela, MN Economic Development Dept., “Water and Transportation Infrastructure for Economic Growth”

1:45–3:15 pm

General Session “Safeguarding Public Money—Executive Order 2013-006”

Speakers: Thomas E. Clifford, PhD, Cabinet Secretary, NM Dept. of Finance & Administration; Sanjay Bhakta, CPA, ASD Director/CFO Dept. of Finance & Administration; Wayne Sowell, Local Gov’t Division Director, Dept of Finance & Administration; Debbie Romero, Capital Outlay Bureau Chief, NM Dept of Finance & Administration.

Executive Order 2013-006 established uniform funding criteria for grants of State capital outlay appropriations and certain management and oversight requirements applicable to all grantees. Provided an overview of the Executive Order, procedures, documents to implement the Order and examples of what State Agencies look for while reviewing audits. Outlined the funding criteria that grantees must meet to be eligible to receive a grant of a State capital appropriations.

3:30–5:00 am

“Reaping the Benefits of Regionalization” moderated by Tom Blaine, Cabinet Secretary, NM Environment Department

Speakers: Ramon Lucero, El Valle Water Alliance; Karen Nichols, LRGPWWA; John Stomp, Albuquerque Bernalillo County Water Utility Authority.

The three organizations use their common resources, facilities and needs to optimum advantage. They showed how each regional water system was strategically designed to create additional and dedicated revenue streams, operate the systems efficiently, manage water resources efficiently, keep in compliance with state and federal laws, improve customer service and satisfaction, attract and achieve economies of scale creating economic benefits for the regions they serve.

Thursday

8:00–11:00

Closing Session: “Drought and Wildfires: Tools for Mitigating Risk and Coping with the Aftermath”

Provided communities from the smallest to the largest with tools and ideas to support active preparation to mitigate risks and reduce losses associated with NM’s dry climate. A panel presented planning for drought, thinning forest resources to lower risk of destruction by wildfire, and finding help with disasters both during and afterward.

11:00–1:00 pm

Award Brunch

LRGPWWA
Balance Sheet
 As of September 30, 2013

Sep 30, 13

ASSETS	
Current Assets	
Checking/Savings	
Berino/Mesquite Water Project	172.14
Citizens Bank CD	11,389.86
Citizens Bank LRGPWWA	45,960.01
LowerRio2-Loan Reserve Acct	44,303.40
LRGPWWA DEBT SERVICE PAYOFF	75,289.82
LRGPWWA La Mesa Water Project	3,291.82
LRGPWWA Mesquite Sewer Project	237.92
LRGPWWA Reserve Account	126,275.64
Organ Water and Sewer Project	102.01
Total Checking/Savings	307,022.62
Accounts Receivable	
A/R-Contract Services	12,485.27
Total Accounts Receivable	12,485.27
Other Current Assets	
*Undeposited Funds	-6,538.32
A/R	
A/R-Water & Sewer Cycle 1	164,755.26
A/R Butterfield/Organ	11,320.20
A/R - Other	-321.10
Total A/R	175,754.36
Construction In Progress	
Alto de Las Flores Interconnect	1,290.75
Berino/Mesquite/DelCerro Water	1,677,119.85
Brazito Sewer Extension	102,878.15
Brazito Water Project	58,150.00
Brazito/Mesquite Interconnect	452,734.31
La Mesa Well Project	2,017,508.28
LRGPWWA PER	108,812.50
Mesquite Sewer Project	6,594,607.59
Organ Water & Sewer Improvement	2,699,528.97
Radio Read Meter Project	669,746.77
RCAC/Water Project	57,284.00
Surface Water Treatment Project	75,000.00
Total Construction In Progress	14,514,661.17
Inventory Asset	549.57
Petty Cash	1,446.09
Prepaid Rent-Tank Site Lease	7,261.83
Reimbursable Expenses Paid	241,326.59
Returned Checks	835.03
Undeposited Funds	200.00
Total Other Current Assets	14,935,496.32
Total Current Assets	15,255,004.21
Fixed Assets	
Accumulated Depreciation	-9,587,212.67
Building	
La Mesa Office Building	544,269.51
Building - Other	1,179,071.85
Total Building	1,723,341.36
Furniture and Equipment	401,859.34
Interconnects	
Alto de Las Flores Interconnect	64,991.02
Total Interconnects	64,991.02

LRGPWWA
Balance Sheet
 As of September 30, 2013

	Sep 30, 13
Land	354,685.49
Land Improvements	33,632.63
Machinery and Equipment	590,779.72
Vehicles	388,121.65
Water & Sewer System	22,767,155.80
Total Fixed Assets	16,737,354.34
Other Assets	
Water Rights	10,927,171.20
Total Other Assets	10,927,171.20
TOTAL ASSETS	42,919,529.75
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
A/P- Water/Sewer Phase I & II	103,394.61
A/P Operating	11,907.76
Total Accounts Payable	115,302.37
Credit Cards	
Capital One	-191.17
Capital One-La Mesa	-2,500.25
Chevron/Texaco	41.00
Total Credit Cards	-2,650.42
Other Current Liabilities	
*Direct Deposit Liabilities	-3,673.40
Customer Deposits	
Hydrant Meter Deposits	20,808.57
Renter Deposits	29,621.87
Customer Deposits - Other	-75.75
Total Customer Deposits	50,354.69
DAC Trash Coupons	-119,393.00
Direct Deposit Liabilities	22,969.25
Gross Receipts Tax	7,185.15
Payroll Liabilities	
Blue Cross Dental	-1,144.84
Disability Insurance (AFLAC)	-95.40
Federal	
Income Tax Withholding	51.00
Medicare	-3.15
Social Security	10.03
Unemployment	0.19
Total Federal	58.07
Lovelace Health Payable	-14,930.91
Plan F BCBS NM	369.68
Retirement	
401K 10% Annual Contribution	38,272.64
Retirement - Other	-187.50
Total Retirement	38,085.14
State	
Income Tax Withholding	2,190.75
Total State	2,190.75
Workers' Comp Fee Employee	6.60
Payroll Liabilities - Other	6,197.15
Total Payroll Liabilities	30,736.24

LRGPWWA
Balance Sheet
 As of September 30, 2013

	Sep 30, 13
Unclaimed Funds	152.20
Total Other Current Liabilities	-11,668.87
Total Current Liabilities	100,983.08
Long Term Liabilities	
N/P RCAC	57,284.00
NMFA Loans	
NMFA- DesertSands5	9,562.24
NMFA- LowerRio2 (Refinance)	748,378.68
NMFA- LowerRio3 (BerinoDelCerro)	415,819.00
NMFA-LowerRio4-Radio Read Meter	150,238.00
NMFA-LowerRio5 (Surface Water)	73,285.00
NMFA-LowerRio6 (Gravity Collect)	167,025.00
NMFA CIF (Brazito Main Lines)	58,150.00
Total NMFA Loans	1,622,457.92
USDA Loans	
USDA 91-07	72,628.99
USDA 91-09	36,467.87
USDA 91-12	4,622.06
USDA 91-14	209,721.99
USDA 91-15	168,910.82
USDA 91-02 (Butterfield Park)	211,085.47
USDA 91-04 (LaMesa Water Proj)	462,124.97
USDA 92-13 (Mesquite Sewer)	98,000.57
USDA 92-19 (Mesquite Sewer)	590,756.63
USDA 93-09 (Organ Water)	99,541.09
Total USDA Loans	1,953,860.46
WSC 85-03 R	26,749.88
Total Long Term Liabilities	3,660,352.26
Total Liabilities	3,761,335.34
Equity	
Contributed Equity	
Berino	5,297,573.57
Brazito Water	3,727,560.36
Butterfield Park	373,138.38
Desert Sands	3,771,443.30
La Mesa	2,305,222.27
LRG Mutual	2,955,146.36
Mesquite	6,859,946.38
Organ Water	2,522,527.73
Vado	617,278.68
Total Contributed Equity	28,429,837.03
Opening Balance Equity	500.00
Unrestricted Net Assets	9,568,434.95
Net Income	1,159,422.43
Total Equity	39,158,194.41
TOTAL LIABILITIES & EQUITY	42,919,529.75

LRGPWWA
Profit & Loss
 July through September 2013

	Jul - Sep 13	Apr - Jun 13
Ordinary Income/Expense		
Income		
Credit Card Fees	1,255.63	931.44
Interest	75.24	66.32
Non-Operating Revenue		
Copy/Fax	197.00	229.25
Other Income	20,250.82	5,883.35
Non-Operating Revenue - Other	460.61	0.00
Total Non-Operating Revenue	20,908.43	6,112.60
Operating Revenue		
Activation & Connection Fees	19,280.00	6,110.00
Contract Services	3,400.00	0.00
Impact Fees	4,693.76	4,480.00
Installation Fees	800.00	831.14
Membership Fees	1,300.00	1,945.00
Monthly Services	541,902.50	462,717.68
Monthly Services-Sewer	27,145.27	24,357.49
Other Income	122.00	1,003.34
Penalties-Sewer	839.37	745.64
Penalties-Water	14,055.45	15,918.55
Returned Check Fees	432.34	390.00
Tampering Fee/Line Breaks	2,009.74	0.00
Unclaimed Customer funds	0.00	107.68
Total Operating Revenue	615,980.43	518,606.52
Other Types of Income		
Miscellaneous Revenue	10,493.24	8,742.73
Total Other Types of Income	10,493.24	8,742.73
Total Income	648,712.97	534,459.61
Gross Profit	648,712.97	534,459.61
Expense		
Accounting, Auditing, Legal		
Accounting Fees	725.31	0.00
Audit	3,423.25	302.71
Bank Service Charges	1,293.92	738.32
Cash Short/Over	164.49	262.41
Dues and Subscriptions	0.00	1,750.00
Engineering Fees	1,073.47	169.39
Legal Fees	1,064.87	3,639.16
Legal Notices	859.69	0.00
Licenses & Fees	237.50	25.00
Meals	0.00	55.06
Permit Fees	410.00	25.00
Postage	4,165.33	2,030.32
Professional Fees-Other	0.00	1,169.50
Retirement Account Fees	0.00	187.50
Tank Site Lease	0.00	100.86
Training	120.00	120.00
Travel		
Lodging Per Diem	0.00	405.10
Meals Per Diem	0.00	139.00
Travel - Other	178.72	0.00
Total Travel	178.72	544.10
Total Accounting, Auditing, Legal	13,716.55	11,119.33
Debit Service		
Interest paid to NMED	214.80	305.25
Interest paid to NMFA	5,795.93	3,504.59
Interest paid to USDA	14,438.54	14,573.43
Total Debit Service	20,449.27	18,383.27

LRGPWWA
Profit & Loss
 July through September 2013

	Jul - Sep 13	Apr - Jun 13
Lab, Chemicals		
Chemicals	6,422.86	6,168.43
Laboratory Fees	401.49	968.05
Total Lab, Chemicals	6,824.35	7,136.48
Salaries		
401K 10% Company Contribution	2,388.40	-11,309.12
Accrued Leave	3,460.96	3,654.27
Administrative Labor	57,336.16	69,156.82
Clerical Labor	51,912.06	54,396.80
Employee Benefits-401K Contrib	5,460.34	6,603.73
HISC-Blue Medicare Rx.	312.90	131.70
Insurance-Dental	2,359.78	2,319.31
Insurance-Health	28,612.79	26,373.56
Merit	0.00	108.29
Mileage	272.80	0.00
Operations Labor	89,670.53	101,434.79
Payroll Taxes-Federal Unemploy	0.00	0.00
Payroll Taxes-Medicare	2,897.81	3,289.86
Payroll Taxes-Social Security	12,390.71	14,066.85
Payroll Taxes-State Unemploy	0.00	0.00
Payroll Taxes-Worker's Comp Fee	2,588.30	2,586.30
Salaries - Other	242.15	87.82
Total Salaries	259,905.69	272,900.98
Supplies		
Computer Maintenance	9,880.03	8,441.73
Equipment Rental	0.00	255.30
Fuel	23,942.24	20,832.93
Maint. & Repairs-Infrastructure	1,271.56	7,557.32
Maint. & Repairs-Office	1,493.43	113.34
Maintenance & Repairs-Other	24,515.53	0.00
Materials & Supplies	31,998.52	34,094.44
Office Supplies	1,810.67	3,283.76
Printing and Copying	382.95	141.00
Uniforms-Board Members	0.00	111.65
Uniforms-Employee	1,349.55	1,315.37
Total Supplies	96,644.48	76,146.84
Taxes, Liability, Insurance		
Cobra Fee	45.90	45.90
Government Penalties & Interest	74.70	633.81
Insurance-General Liability	7,121.00	18,950.00
Insurance-Vehicles	-242.00	0.00
Insurance-Vision	0.00	0.00
Property Taxes	0.00	609.56
Water Conservation Fee	5,410.88	4,480.00
Total Taxes, Liability, Insurance	12,410.48	24,719.27
Utilities		
Automobile Repairs & Maint.	25,012.47	2,194.56
Cell Phone	4,150.53	4,622.16
Electricity	81,641.35	64,370.36
Garbage Service	543.00	408.00
Internet Service - Butterfield	0.00	385.46
Locates	1,587.11	116.94
Natural Gas	344.36	477.14
Security/Alarm	0.00	658.28
Telephone	3,418.56	3,760.95
Total Utilities	116,697.38	76,993.85
Total Expense	526,648.20	487,400.02
Net Ordinary Income	122,064.77	47,059.59
Net Income	122,064.77	47,059.59

Lower Rio Grande Public Water Works Authority Recruitment & Hiring Policy

1. JOB DESCRIPTION

Job descriptions shall be developed prior to any recruitment.

2. RECRUITMENT AND POSTING PROCEDURE

Vacancies may be filled in-house from any department by internal posting of the job notice without public advertisement. Positions not filled in-house shall be advertised at least once in a local newspaper, on the LRGPWWA website, and on the New Mexico Workforce Solutions website or any other available source. The notice shall allow at least five (5) working days for receiving applications. Posting may occur simultaneously with advertising. The General Manager may set restrictions on filling vacant positions in consideration of budgetary and other restraints or requirements.

3. EXCEPTIONS TO POSTING

Posting may be waived in an emergent situation for temporary hires or when in the best interest of the LRGPWWA with approval of the General Manager and the Board of Directors.

4. REQUEST FOR VERTICAL TRANSFER

Any LRGPWWA employee who has completed the probationary period and who is not the subject of disciplinary action may apply for a position vacancy in any LRGPWWA department for which the employee is qualified. Final actions are the discretion of the department Manager and General Manager. Employees who transfer position may serve another probationary period.

5. PRE-SELECTION PROHIBITED

In-house and advertised positions shall not be promised to a person prior to recruitment and selection.

6. APPLICANT RESPONSIBILITY

A. SUBMISSION OF APPLICATIONS

Application for employment shall be accepted by designated LRGPWWA Human Resource staff member during normal business hours. Applicants shall be considered for the position for which they have applied and are qualified. Applications must be submitted on the employment application form provided by the LRGPWWA or other form authorized by the LRGPWWA, within the advertised time period. The applicants shall be

provided acknowledgement of submittal by the designated LRGPWWA Human Resource staff member.

B. PROOF OF QUALIFICATION

The applicant is responsible for furnishing proof of qualifications or possession of any license, certificate, or degree when these requirements are specified in the job description

C. IMMIGRATION ACT COMPLIANCE

The applicant is responsible for furnishing proof of identification and right to work in accordance with the Immigration Reform and Control Act 1986 and any amendments thereto.

7. SELECTION

Interviewing and hiring an applicant shall be made in accordance with the LRGPWWA Employee Policy Handbook and based on the following: job-related skills and competencies, educational background, related work-experience, personal interview performance and personal references. The designated LRGPWWA Human Resource staff member, the Department Manager and the General Manager or designee shall serve as an interview committee and shall oversee and conduct the interview process and maintain records of all interviews conducted by the LRGPWWA. The General Manager may reject applicants not meeting the minimum requirement, qualifications or selections not made in compliance with existing hiring practices and procedures.

A. EMPLOYMENT REFERENCE CHECKS

Personal references provided by the applicant may be contacted and interviewed. Prior employers shall also be contacted and interviewed.

B. CONDITIONAL OFFERS OF EMPLOYMENT

Background checks and drug screens shall be conducted and used as part of the hiring process.

C. INELIGIBILITY FOR HIRE AND REHIRE

Applicants shall be considered ineligible for hire or rehire by the LRGPWWA if the applicant has knowingly made any false statement or omission on the employment application; and not met the requirements of the position.

8. DEVIATIONS FROM POLICY

Any deviation from the above policy shall be approved by the Board of Directors.

LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY
RESOLUTION NO. FY2014-07

AUTHORIZING THE EXECUTION AND DELIVERY OF AN AMENDMENT TO A COLONIAS INFRASTRUCTURE PROJECT FUND LOAN/GRANT AGREEMENT DATED MAY 17, 2013 (THE "LOAN/GRANT AGREEMENT") BY AND AMONG BRAZITO MUTUAL DOMESTIC WATER CONSUMERS ASSOCIATION, ("BRAZITO") AND THE NEW MEXICO COLONIAS INFRASTRUCTURE BOARD AND THE NEW MEXICO FINANCE AUTHORITY AS LENDERS/GRANTORS; AUTHORIZING AN AMENDMENT TO THE LOAN/GRANT AGREEMENT TO REPLACE BRAZITO WITH THE LOWER RIO GRANDE PUBLIC WATER WORK AUTHORITY AS THE BORROWER/GRANTEE UNDER THE LOAN/GRANT AGREEMENT; AND TO EXPAND THE SCOPE OF THE PROJECT FINANCED BY THE LOAN/GRANT AGREEMENT TO INCLUDE DESIGN; APPROVING THE FORM AND TERMS OF AND OTHER DETAILS CONCERNING THE AMENDMENT TO THE LOAN/GRANT AGREEMENT; AMENDING RESOLUTION NO. 2013-02 TO CONFORM TO THE PROVISIONS OF THIS RESOLUTION; RATIFYING ACTIONS HERETOFORE TAKEN; REPEALING ALL ACTION INCONSISTENT WITH THIS RESOLUTION; AND AUTHORIZING THE TAKING OF OTHER ACTIONS IN CONNECTION WITH THE EXECUTION OF THE AMENDMENT TO THE LOAN/GRANT AGREEMENT.

WHEREAS, the Lower Rio Grande Public Water Works Authority (the "Borrower/Grantee") is a legally and regularly created, established, organized and existing public water works authority under the general laws of the State of New Mexico and more specifically, NMSA 1978, § 73-26-1 as amended (the "Authority Act"); and

WHEREAS, the Borrower/Grantee is composed of Brazito Mutual Domestic Water Consumers Association, Berino Mutual Domestic Water Consumers and Mutual Sewage Works Association, La Mesa Mutual Domestic Water Consumers Association, Mesquite Mutual Domestic Water Consumers and Mutual Sewage Works Association and Vado Mutual Domestic Water Consumers Association (collectively, the "Member Entities"); and

WHEREAS, Brazito was recently merged into the Borrower/Grantee; and

WHEREAS, in order to conclude the merger under the Authority Act, the Borrower/Grantee must assume all assets and liabilities of each of the Member Entities; and

WHEREAS, the Governing Body adopted Resolution No. 2013-02 on April 10, 2013 (the "Original Resolution") authorizing Brazito to execute a Loan/Grant Agreement to accept a grant in the amount of five hundred twenty-three thousand three hundred fifty-four dollars (\$523,354) and enter into a loan in the amount of fifty-eight thousand one hundred fifty dollars (\$58,150) from the New Mexico Colonias infrastructure Board (the "CIB") and the New Mexico Finance

Authority (the "Finance Authority") (collectively, the "Lenders/Grantors") and for the Project defined in the Original Resolution (the "Original Project"); and

WHEREAS, on May 17, 2013, Brazito and the Lenders/Grantors entered into a \$581,504 Loan/Grant Agreement (the "Loan/Grant Agreement") pursuant to NMSA 1978, §§ 3-29-1 through 3-29-21, as amended. The payment of principal and interest on the Loan proceeds is payable from the Pledged Revenues described in the Original Resolution as amended by this Resolution; and

WHEREAS, the Governing Body has determined that it is in the best interests of the Borrower/Grantee and the residents it serves that the Loan/Grant Agreement be amended to provide that the Borrower/Grantee shall replace Brazito as the borrower/grantee and that Original Project be amended to include design (the "Amended Project"); and

WHEREAS, on September 11, 2013, the CIB approved the request of the Borrower/Grantee to amend the Loan/Grant Agreement to revise the Original Project to authorize the Loan/Grant proceeds to be used for the Amended Project and to replace Brazito with the Borrower/Grantee; and

WHEREAS, the Finance Authority, pursuant to Section 11.4 of the Loan/Grant agreement proposes to consent to the amendment of the Loan/Grant Agreement solely for the purpose replacing Brazito with the Borrower/Grantee and changing the scope of Project as set forth herein; and

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

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

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

WHEREAS, the Governing Body intends that all other provisions of the Loan/Grant Agreement remain effective.

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

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

“Loan/Grant Agreement Amendment” means the Amendment to the Loan/Grant Agreement authorized by this Resolution, which Amendment shall be dated as of December 20, 2013.

“Resolution” means this Resolution adopted by the Governing Body on November 13, 2013 approving the Loan/Grant Agreement Amendment.

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

Section 3. Loan/Grant Agreement Amendment - 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, protecting the general welfare and prosperity of the citizens of the Borrower/Grantee, it is hereby declared necessary that the Borrower/Grantee, pursuant to the Act, enter into the Loan/Grant Agreement Amendment, and the execution and delivery of the Loan/Grant Agreement Amendment is hereby authorized.

B. Detail. The Loan/Grant Agreement Amendment shall be in the form presented to the Governing Body at the meeting of the Governing Body at which this Resolution was adopted. The Loan/Grant Agreement Amendment shall provide in substance that (a) the Borrower/Grantee shall replace Brazito as the borrower/grantee under the Loan/Grant Agreement and assume all responsibilities and liabilities of the borrower/grantee under the Loan/Grant Agreement; and (b) all other provisions of the Loan/Grant Agreement shall remain effective and binding upon the Borrower/Grantee.

Section 4. Approval of Loan/Grant Agreement Amendment. The form of the Loan/Grant Agreement Amendment as presented at the meeting of the Governing Body at which this Resolution was adopted is hereby approved. Authorized Officers are hereby authorized to execute, acknowledge and deliver the Loan/Grant Agreement Amendment with such changes, insertions and omissions as may be approved by such Authorized Officers, and the Secretary is hereby authorized to affix the seal of the Borrower/Grantee on the Loan/Grant Agreement Amendment and attest the same, and the execution of the Loan/Grant Agreement Amendment by Authorized Officers shall be conclusive evidence of such approval. Authorized Officers are further authorized to execute such other documents as may be required by the Lenders/Grantors and other closing certificates.

Section 5. Authorization of the Amendment and the Amended Project; Amendment of Original Resolution. The redefinition of the Original Project and the use of Loan/Grant

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

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

Section 6. Findings. The Borrower/Grantee hereby declares that it has considered all relevant information and data and hereby makes the following findings:

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

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

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

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

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

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

Section 6. Resolution Irrepealable. After the Loan/Grant Agreement Amendment has been executed and delivered, this Resolution shall be and remain irrepealable until the Loan/Grant shall be fully paid, canceled and discharged, as provided in the Loan/Grant Agreement.

Section 7. 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 after any of the remaining provisions of this Resolution.

Section 8. 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 9. Effective Date. Upon due adoption of this Resolution, it shall be recorded in the book of the Borrower/Grantee kept for that purpose, authenticated by the signatures of the Chairman and Secretary of the Borrower/Grantee, and this Resolution shall be in full force and effect thereafter, in accordance with law; provided, however, that if recording is not required for the effectiveness of this Resolution, this Resolution shall be effective upon adoption of this Resolution by the Governing Body.

Section 10. General Summary for Publication. Pursuant to the general laws of the State, the title and a general summary of the subject matter contained in this Resolution shall be published in substantially the following form:

(Form of Summary of Resolution for Publication)

Lower Rio Grande Public Water Works Authority
Notice of Adoption of Resolution No. FY2014-07

Notice is hereby given of the title and of a general summary of the subject matter contained in a Resolution duly adopted and approved by the Governing Body of the Lower Rio Grande Public Water Works Authority, New Mexico (the "Authority"), on November 13, 2013. A complete copy of the Resolution is available for public inspection during the normal and regular business hours of the Authority at 325 Holguin, Vado, New Mexico.

The title of the Resolution is:

LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY
RESOLUTION NO. FY2014-07

AUTHORIZING THE EXECUTION AND DELIVERY OF AN AMENDMENT TO A COLONIAS INFRASTRUCTURE PROJECT FUND LOAN/GRANT AGREEMENT DATED MAY 17, 2013 (THE "LOAN/GRANT AGREEMENT") BY AND AMONG BRAZITO MUTUAL DOMESTIC WATER CONSUMERS ASSOCIATION, ("BRAZITO") AND THE NEW MEXICO COLONIAS INFRASTRUCTURE BOARD AND THE NEW MEXICO FINANCE AUTHORITY AS LENDERS/GRANTORS; AUTHORIZING AN AMENDMENT TO THE LOAN/GRANT AGREEMENT TO REPLACE BRAZITO WITH THE LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY AS THE BORROWER/GRANTEE UNDER THE LOAN/GRANT AGREEMENT; AND TO EXPAND THE SCOPE OF THE PROJECT FINANCED BY THE LOAN/GRANT AGREEMENT TO INCLUDE DESIGN; APPROVING THE FORM AND TERMS OF AND OTHER DETAILS CONCERNING THE AMENDMENT TO THE

LOAN/GRANT AGREEMENT; AMENDING RESOLUTION NO. 2013-02 TO CONFORM TO THE PROVISIONS OF THIS RESOLUTION; RATIFYING ACTIONS HERETOFORE TAKEN; REPEALING ALL ACTION INCONSISTENT WITH THIS RESOLUTION; AND AUTHORIZING THE TAKING OF OTHER ACTIONS IN CONNECTION WITH THE EXECUTION OF THE AMENDMENT TO THE LOAN/GRANT AGREEMENT.

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

(End of Form of Summary for Publication)

PASSED, APPROVED AND ADOPTED THIS 13TH DAY OF NOVEMBER, 2013.

LOWER RIO GRANDE PUBLIC
WATER WORKS AUTHORITY

By _____
Roberto Nieto, Chairman

ATTEST

By _____
Santos Ruiz, Secretary

Governing Body Member Mr. Mike McMullen then moved adoption of the foregoing Resolution, duly seconded by Governing Body Member Mr. Furman Smith.

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

Those Voting Aye:

Mr. Roberto Nieto, Chair

Mr. Santos Ruiz, Secretary

Mr. Arturo Terrazas, Board Member

Mr. Carlos Tellez, Board Member

Mr. Michael McMullen, Board Member

Mr. Furman Smith, Board Member

Those Voting Nay: none

Those Absent: Mr. John Holguin

Six (6) Members of the Governing Body having voted in favor of the motion, the Chairman declared the motion carried and the adopted, whereupon the Chairman and Secretary signed the upon the records of the minutes of the Governing Body.

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

LOWER RIO GRANDE PUBLIC
WATER WORKS AUTHORITY

By _____
Roberto Nieto, Chairman

[SEAL]

ATTEST

By _____
Santos Ruiz, Secretary

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

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

1. The foregoing pages are a true, perfect, and complete copy of the record of the proceedings of the Board of Directors of the Borrower/Grantee (the “Governing Body”), had and taken at a duly called regular meeting held at 325 Holguin Road, Vado New Mexico 88072, on November 13, 2013 at the hour of 9:30 a.m., insofar as the same relate to the adoption of No. FY2014-07 and the execution and delivery of the proposed Loan/Grant Agreement Amendment, a copy of which is set forth in the official records of the proceedings of the Governing Body kept in my office. None of the action taken has been rescinded, repealed, or modified.

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

3. Notice of the meeting was given in compliance with the permitted methods of giving notice of meetings of the Governing Body as required by the State Open Meetings Act, NMSA 1978, § 10-15-1, as amended, including the Borrower/grantee/Grantee's open meetings standards in effect on the date of the meeting.

IN WITNESS WHEREOF, I have hereunto set my hand this 20th day of December, 2013.

LOWER RIO GRANDE PUBLIC
WATER WORKS AUTHORITY

By _____
Santos Ruiz, Secretary

EXHIBIT “A”

Meeting Agenda
of the November 13, 2013
Board of Directors Meeting
(See attached)

AMENDMENT

to

\$581,504

**COLONIAS INFRASTRUCTURE PROJECT FUND
LOAN/GRANT AGREEMENT**

Dated

May 17, 2013

By and Among the

**COLONIAS INFRASTRUCTURE BOARD
and the
NEW MEXICO FINANCE AUTHORITY,
as Lenders/Grantors,
and the**

**BRAZITO MUTUAL DOMESTIC WATER CONSUMERS ASSOCIATION
Dona Ana County, New Mexico
as Borrower/Grantee.**

Finance Authority Loan/Grant No. 2791-CIF

**Date of Amendment:
December 20, 2013**

AMENDMENT TO LOAN/GRANT AGREEMENT

THIS AMENDMENT TO LOAN/GRANT AGREEMENT (the “Loan/Grant Agreement Amendment”), dated December 20, 2013, is made and entered into by and among the **COLONIAS INFRASTRUCTURE BOARD** (the “CIB”) and the **NEW MEXICO FINANCE AUTHORITY** (the “Finance Authority”), (collectively the “Lenders/Grantors”) and the **LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY** (the “Borrower/Grantee”), a public water works authority duly organized and existing under the laws of the State of New Mexico, as substitute borrower for **BRAZITO MUTUAL DOMESTIC WATER CONSUMERS ASSOCIATION, DONA ANA COUNTY, NEW MEXICO** (“Brazito”).

WITNESSETH:

WHEREAS, on May 17, 2013, Brazito and the Finance Authority entered into a \$581,504 Loan/Grant Agreement (the “Loan/Grant Agreement”) pursuant to NMSA 1978, §§ 6-30-1 through 6-30-8 and NMSA 1978, §§ 3-29-1 through 3-29-21, as amended, which Loan/Grant Agreement is payable from the net revenues of the Brazito mutual domestic water consumers association (the “Pledged Revenues”) and funded the construction of new water mains and fire hydrants and upgrades to pipes and other repairs for Brazito (the “Original Project”); and

WHEREAS, in 2009, the Borrower/Grantee was created pursuant to NMSA 1978 §§ 73-26-1, as amended (the “Authority Act”); and

WHEREAS, the Borrower/Grantee is composed of Brazito, Berino Mutual Domestic Water Consumers and Mutual Sewage Works Association, La Mesa Mutual Domestic Water Consumers Association, Mesquite Mutual Domestic Water Consumers and Mutual Sewage Works Association and Vado Mutual Domestic Water Consumers Association (the “Member Entities”); and

WHEREAS, Brazito was recently merged into the Borrower/Grantee; and

WHEREAS, in order to conclude the merger under the Authority Act, the Borrower/Grantee has assumed all assets and liabilities of each of the Member Entities and Brazito; and

WHEREAS, the Governing Body has determined that it is in the best interests of the Borrower/Grantee and the residents it serves that the Loan/Grant Agreement be amended to provide that the Borrower/Grantee shall replace Brazito as the borrower/grantee; and

WHEREAS, the Borrower/Grantee has requested that the Lenders/Grantors authorize the use of the Loan/Grant Amount for an amended project as described herein (the “Amended Project”); and

WHEREAS, the CIB on September 11, 2013 authorized the use of the Loan/Grant Amount for the Amended Project; and

WHEREAS, the Borrower/Grantee has adopted a Resolution on November 13, 2013 which authorizes an amendment to the Loan/Grant Agreement to provide that the Loan/Grant Agreement be amended to have the Borrower/Grantee replace Brazito as the borrower/grantee and add design as part of the Project; and

WHEREAS, the Governing Body intends that all other provisions of the Loan/Grant Agreement remain effective.

NOW, THEREFORE, for and in consideration of the premises and the mutual promises and covenants herein contained, the parties hereto agree as follows:

ARTICLE I DEFINITIONS

Terms defined in the foregoing Recitals to this Loan/Grant Agreement Amendment or as defined in the Loan/Grant Agreement shall have the same meaning when used herein.

"Amendment Closing Date" means December 20, 2013.

ARTICLE II AMENDMENTS TO LOAN/GRANT AGREEMENT

Section 2.1. Amendment of Loan/Grant Agreement. The parties agree that the Loan/Grant Agreement shall be, and upon execution of this Amendment is, amended as follows:

(a) Completion of Project; Compliance with Laws. Section 2.1(f) of the Loan/Grant Agreement is amended to read:

Completion of Project; Compliance with Laws. The Project will consist of phase one design and construction to replace main waterlines where water remains stagnant increasing the risk of water contamination. The Project is more particularly described in the Term Sheet. The Project will be completed, operated and maintained so as to comply with all applicable laws, ordinances, resolutions and regulations relating to the acquisition, operation, maintenance and completion of the Project and to the use of the Loan/Grant proceeds.

(b) Project Description: The Project Description in the Term Sheet (Exhibit "A" of the Loan/Grant Agreement) is amended to read:

The Project is phase one design and construction to replace main waterlines where water remains stagnant increasing the risk of water contamination. The Project includes new water mains, fire hydrants as well as upgrades to pipes and other repairs necessary for the sustainability of the system. The Project may be further described in the Application and in the final plans and specifications for the Project approved by the Colonias Infrastructure Board and the Finance Authority as provided by this Agreement.

However, in the event of any inconsistency, the description of the Project as stated in this Term Sheet shall control.

Section 2.2. Amendment of Borrower/Grantee. The Borrower/Grantee shall replace Brazito as the borrower/grantee under the Loan/Grant Agreement effective on the Amendment Closing Date. The address for notices to the Borrower/Grantee shall be: Lower Rio Grande Public Water Works Authority, P.O. Box 2646, Anthony, New Mexico 88021, or 325 Holguin Road, Vado, New Mexico 88072, Attention: General Manager.

Section 2.3. All Other Provisions of Loan/Grant Agreement Remain Effective. Except as amended by this Loan/Grant Agreement Amendment, the Loan/Grant Agreement shall remain effective in its entirety.

[Signature pages follow]

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Colonias Infrastructure Board, on behalf of itself, has executed this Amendment, which was approved by the Colonias Infrastructure Board on September 11, 2013, and the Finance Authority, on behalf of itself, has consented to this Amendment, effective December 20, 2013, each in their respective corporate names with their corporate seals affixed hereto and attested by their duly authorized officers; and the Borrower/Grantee has caused this Agreement to be executed and attested by duly authorized officers thereof. All of the above are effective as of the date first above written.

LENDERS/GRANTORS:

NEW MEXICO FINANCE AUTHORITY

By _____
Chief Executive Officer or Designee

ATTEST:

By _____

COLONIAS INFRASTRUCTURE BOARD

By _____
Chairperson or Vice-Chairperson

Prepared for Execution by Officers of the
New Mexico Finance Authority and the
Colonias Infrastructure Board:

VIRTUE NAJJAR & BROWN, PC
As Loan/Grant Counsel

By _____
Richard L. C. Virtue

Approved for Execution by Officers of the
New Mexico Finance Authority and the
Colonias Infrastructure Board:

By _____
Daniel C. Opperman
Finance Authority General Counsel

LOWER RIO GRANDE PUBLIC
WATER WORKS AUTHORITY

By _____
Roberto Nieto, Chairman

ATTEST

By _____
Santos Ruiz, Secretary

\$581,504

LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY NEW MEXICO
COLONIAS INFRASTRUCTURE PROJECT FUND LOAN/GRANT

STATE OF NEW MEXICO)
) ss.) GENERAL AND
) NO LITIGATION
COUNTY OF DONA ANA) CERTIFICATE

IT IS HEREBY CERTIFIED by the undersigned, the duly elected and chosen, Chairman, Secretary, General Manager, Finance Manager and Attorney for the Lower Rio Grande Public Water Works Authority (the "Borrower/Grantee") in the County of Dona Ana, State of New Mexico (the "State") (provided, that the Attorney for the Governmental Unit is certifying only as to Paragraphs 1, 2, 5, 6, 7, 8, 9, 10, 11, 13, 16, 17, 18, 20, 21, 22 and 24 hereof):

Capitalized terms used in this Certificate have the same meaning as defined in the Governmental Unit Resolution No. FY2014-07 adopted November 13, 2013 (the "Resolution") unless otherwise defined in this Certificate or the context requires otherwise.

1. The Borrower/Grantee is a political subdivision of the State and is duly organized and validly existing under and pursuant to the laws of the State, its full name being "Lower Rio Grande Public Water Works Authority."

2. The Borrower/Grantee was created in the year 2009 by NMSA 1978, §§ 73-26-1, as amended.

3. From at least May 17, 2013, except as noted below, to and including the date of this Certificate, the following were and now are the duly chosen, qualified and acting officers of the Governmental Unit:

Board of Directors:

Chairman: Roberto M. Nieto
Vice Chairman: John Holguin
Secretary: Santos Ruiz
Members: Arturo Terrazas, Carlos Tellez, Michael McMullen & Furman Smith

Finance Manager: Kathi Jackson

General Manager: Martin G. Lopez

Attorney: Joshua L. Smith, Esq.

4. The population of the Governmental Unit is less than seventy-five percent (75%) English speaking and is less than seventy-five percent (75%) Spanish speaking.

5. There is no reason within our knowledge, after due inquiry with respect thereto, why the Governmental Unit may not enter into the Loan Grant Agreement Amendment (the "Loan/Grant Agreement Amendment") with the New Mexico Finance Authority (the "Finance Authority), as authorized by the Resolution.

6. The Governmental Unit has duly authorized the execution, delivery and performance of its obligations under the Loan/Grant Agreement Amendment. The Loan/Grant Agreement Amendment has been duly authorized, executed and delivered by the Governmental Unit.

7. The Resolution has been duly signed and adopted in accordance with all applicable laws and has not been repealed, rescinded, revoked, modified, amended or supplemented in any manner except as set forth in the Resolution. The Resolution constitutes valid and sufficient legal authority for the Governmental Unit to carry out and enforce the provisions of the Loan/Grant Agreement Amendment. No referendum petition has been filed with respect to the Resolution under the provisions of the laws, bylaws or regulations of the Governmental Unit or the State.

8. No event will result from the execution and delivery of the Loan/Grant Agreement Amendment that constitutes a default or an event of default under the Loan/Grant Agreement Amendment or the Resolution, and no event of default and no default under the Loan/Grant Agreement Amendment or the Resolution has occurred and is continuing on the date of this Certificate.

9. The Governmental Unit has duly authorized and approved the consummation by it of all transactions and has complied with all requirements and satisfied all conditions, which are required by the Loan/Grant Agreement Amendment to have been authorized, approved, performed or consummated by the Governmental Unit at or prior to the date of this Certificate. The Governmental Unit has full legal right, power and authority to carry out and consummate the transactions contemplated by the Resolution and the Loan/Grant Agreement Amendment.

10. A. All approvals, consents and orders of any governmental authority having jurisdiction in the matter which would constitute a condition precedent to the enforceability of the Loan/Grant Agreement Amendment or to any of the actions required to be taken by the Resolution or the Loan/Grant Agreement Amendment on or prior to the date of this Certificate have been obtained and are in full force and effect; and

B. All approvals, consents and orders of any governmental authority having jurisdiction in the matter which would constitute a condition precedent to the financing of the Amended Project have been obtained and are in full force and effect.

11. To the best of the Governmental Unit's knowledge, none of the following does or will conflict with, or constitute a breach by the Governmental Unit of, or default by the Governmental Unit under any law, court decree or order, governmental regulation, rule or order, resolution, agreement, indenture, mortgage or other instrument to which the Governmental Unit is subject or by which it is bound:

- A. the Governmental Unit's adoption of the Resolution; or
- B. any action contemplated by or pursuant to the Resolution or the Loan/Grant Agreement.

12. No material adverse change has occurred, nor has any development occurred involving a prospective material and adverse change in, or affecting the affairs, business, financial condition, results of operations, prospects, or properties of the Governmental Unit or the Pledged Revenues since the date of the Resolution.

13. To the best of our knowledge and belief: after due inquiry with respect thereto, none of the events of default referred to in Article X of the Loan/Grant Agreement Amendment has occurred.

14. Subsequent to the adoption of the Resolution, the Governmental Unit has not pledged or otherwise encumbered the Pledged Revenues. On the date of this Certificate there are no other outstanding obligations with a lien or encumbrance against the Pledged Revenues senior to or on a parity with the lien of the Loan/Grant Agreement, except as set forth in the Term Sheet attached as Exhibit "A" to the Loan/Grant Agreement

15. The Loan/Grant Agreement Amendment prohibits the Governmental Unit from issuing any bonds or other obligations with a lien on Pledged Revenues senior to the lien thereon of the Loan/Grant Agreement Amendment on the Pledged Revenues. The Loan/Grant Agreement permits the Governmental Unit to issue additional bonds or other obligations with a lien on Pledged Revenues on a parity with or subordinate to the lien of the Loan/Grant Agreement Amendment on the Pledged Revenues, upon satisfaction of the conditions set forth in the Loan/Grant Agreement

16. There is no threatened action, suit, proceeding, inquiry or investigation against the Governmental Unit, at law or in equity, by or before any court, public board or body, nor to the Governmental Unit's knowledge is there any basis therefor, affecting the existence of the Governmental Unit or the titles of its officials to their respective offices, or seeking to prohibit, restrain or enjoin the pledge of revenues or assets of the Governmental Unit pledged or to be pledged to pay the principal, premium, if any, and interest on the Loan/Grant Agreement, or in any way materially adversely affecting or questioning: (a) the territorial jurisdiction of the Governmental Unit; (b) the use of the proceeds of the Loan/Grant Agreement Amendment for the Amended Project and to pay certain costs of the Finance Authority associated with the administration of its public projects revolving fund Loan/Grant program; (c) the validity or enforceability of the Loan/Grant Agreement or the Loan/Grant Agreement Amendment or any proceedings of the Governmental Unit taken with respect to the Loan/Grant Agreement Amendment or the Resolution; (d) the execution and delivery of the Loan/Grant Agreement; or (e) the power of the Governmental Unit to carry out the transactions contemplated by the Loan/Grant Agreement Amendment or the Resolution.

17. The Governmental Unit has complied with all the covenants and satisfied all the conditions on its part to be performed or satisfied at or prior to the date hereof: and the

representations and warranties of the Governmental Unit contained in the Loan/Grant Agreement Amendment and in the Resolution are true and correct as of the date hereof.

18. The Governmental Unit is not in default, and has not been in default within the ten (10) years immediately preceding the date of this Certificate, in the payment of principal of, premium, if any, or interest on any bonds, notes or other obligations which it has issued, assumed or guaranteed as to payment of principal, premium, if any, or interest except that no representation is made with respect to industrial revenue bonds or conduit bonds payable solely from installment sale or lease payments, Loan/Grant repayments or other amounts received by the Governmental Unit from private entities.

19. To the best of our knowledge and belief after due inquiry, neither the Chairman, Secretary, Finance Manager, General Manager, any member of the Governing Body, nor any other officer, director, employee or other agent of the Governmental Unit is interested (except in the performance of his or her official rights, privileges, powers and duties), directly or indirectly, in the profits of any contract, or job for work, or services to be performed and appertaining to the Amended Project.

20. Regular meetings of the Governing Body have been held at the Borrower/Grantee's offices at 325 Holguin Road, Vado, New Mexico, the principal meeting place of the Governing Body.

21. The Governing Body has no rules of procedure which would invalidate or make ineffective the Resolution or other action taken by the Governing Body in connection with the Loan/Grant Agreement. Open Meetings Act Resolution No. 2013-12, as adopted and approved by the Governing Body on May 15, 2013, establishes notice standards as required by NMSA 1978, §§ 10-15-1 through 10-15-4 as amended. Open Meetings Act Resolution No. 2013-12 has not been amended or repealed. All action of the Governing Body with respect to the Loan/Grant Agreement Amendment and the Resolution was taken at meetings held in compliance with Open Meetings Act Resolution No. 2013-12.

22. *The Las Cruces Sun News* is a legal newspaper which is of general circulation in the service area of the Governmental Unit.

23. The Chairman and Secretary, on the date of the signing of the Loan/Grant and on the date of this Certificate, are the duly chosen, qualified and acting officers of the Governmental Unit authorized to execute such agreements.

24. This Certificate is for the benefit of the Finance Authority.

25. This Certificate may be executed in counterparts.

[Signature page follows]

WITNESS our hands this 20th Day of December, 2013.

LOWER RIO GRANDE PUBLIC
WATER WORKS AUTHORITY

By _____
Roberto Nieto, Chairman

By _____
Santos Ruiz, Secretary

By _____
Kathi Jackson, Finance Manager

By: _____
Martin G. Lopez, General Manager

APPROVED:

Paragraphs 1, 2, 3, 5, 6, 7, 8, 9, 10, 11, 13, 16, 17, 18, 20, 21, 22, and 25 are approved
and confirmed

Joshua L. Smith, Attorney
for the Lower Rio Grande
Public Water Works Authority

Lower Rio Grande Public Water Works Authority

Industrial Pretreatment Policy

A. AUTHORITY

Lower Rio Grande Public Water Works Authority (LRGPWWA) is a political subdivision of the State of New Mexico, established under House Bill 185 NMSA 1978 73-26-1 as a Special District and an independent body. Further, LRGPWWA owns and operates a wastewater collection system in its Southern service area, discharging to the Doña Ana County South Central Wastewater Treatment Facility under contract with Doña Ana County. Further, LRGPWWA owns and operates a wastewater collection and treatment facility in its East Mesa service area. This policy is established by the LRGPWWA Board of Directors and applies to all customers receiving wastewater services from LRGPWWA. Discharge from the LRGPWWA Southern service area is subject to the terms of Doña Ana County Wastewater Systems Ordinance, Chapter 3.19-40 through 3.19-43 (attached) which the Board of Directors hereby adopts and makes applicable to its East Mesa service area as well.

B. PURPOSE AND INTENT

The purpose of this Policy is to establish limitations and prohibitions on the quantity and quality of wastewater which may be discharged into the LRGPWWA collection system and establish a system of escalating enforcement responses to all identified instances of noncompliance with the Policy and Wastewater Discharge Permits issued by the LRGPWWA. Pretreatment of some wastewater discharges will be required to achieve compliance with this Policy. All users are required to reduce, eliminate, or otherwise prevent polluting substances from entering their wastewater stream by source reduction or waste minimization. The specific limitations set forth in the attached Doña Ana County Waste Water Systems Ordinance are necessary to enable the LRGPWWA to meet requirements contained in its permits and its agreement with Doña Ana County, to protect the public health and the environment, and to provide efficient wastewater treatment and protect the health and safety of wastewater personnel. The intent of this Policy is:

1. Industrial Users and Food Service Establishments, ~~and Hauled Waste~~ permit holders should be aware of the requirements of the Policy and their discharge permits;
2. Industrial Users should be in control of their processes at all times; therefore, it is reasonable to assume that results of periodic monitoring and inspections can be considered indicative of routine operations;
3. Since it is not practical for the LRGPWWA to monitor all Users on a daily basis, Industrial Users should have on-going self-monitoring programs to assure that process performance is in compliance with their discharge permits and the Policy at all times; and

4. A process that is routinely in compliance should be, barring major equipment failure, easily and quickly returned to compliance when an instance of noncompliance occurs.

The further intent is to encourage complete and consistent compliance with the Policy and discharge permits. Self-monitoring is not required (although it is encouraged so the User can maintain control of the pretreatment process and discharge).

Another intent is to encourage rapid and effective return to compliance when noncompliance or deficiencies occur. There are costs to the User for a violation. These can be minimized by quickly identifying and permanently correcting the cause of the noncompliance.

The Policy defines the range of appropriate enforcement actions based upon the nature and severity of the violation and other relevant factors. Selection of a response will take into consideration:

- Good faith of the User
- Compliance history of the User
- Previous success of enforcement actions taken against the particular User (e.g., if notice of violations (NOV) have not previously succeeded in returning the User to compliance, an administrative order is the more appropriate response)
- Violation's effect on the receiving waters
- Violation's effect on the Publicly Owned Treatment Works (POTW) and NPDES Permit
- Violation's effect on the Collection System
- Violation's effect on LRPWWA employee health and safety

C. DETERMINING COMPLIANCE AND NONCOMPLIANCE

Procedures used to determine compliance and noncompliance are based upon criteria described in Doña Ana County Ordinance §319-41, Rule 22 (attached). Every instance of noncompliance will be investigated.

D. INVESTIGATION OF INSTANCES OF NONCOMPLIANCE

Procedures used to investigate instances of noncompliance are described in Doña Ana County Waste Water Systems Ordinance §319-41, Rule 22 (attached). Every instance of noncompliance will be evaluated by the LRGPWWA to determine if it constitutes a violation of the Policy and/or the User's Wastewater Discharge Permit.

E. DISCHARGE VIOLATIONS

1. Permitted Discharges

a. Routine Water Authority Monitoring

The Policy is based upon the concept that the most accurate representation of the discharge of a User can be obtained by continuously monitoring over

several days during a work-week. Therefore, whenever possible, routine LRGPWWA monitoring will consist of four (4) consecutive days of appropriate monitoring during a work-week. Batch volumes collected over time will be sampled with a single sample considered as a composite sample

b. Violations Detected During Routine Water Authority Monitoring

1) General

Generally within five (5) days of becoming aware of a violation, the LRGPWWA will issue a written Notice of Violation (NOV) describing the violation and the actions required of the User as a result of the violation. The NOV will require the User to submit, within fifteen (15) days of receipt of the notice, a compliance schedule detailing the cause of the violation, what corrective action has been or will be taken to correct the problem and the date the discharge has returned or will return to compliance.

If the time frame in the compliance schedule does not appear to be reasonable, the LRGPWWA Operations Manager will set an acceptable return to compliance date.

If the return to compliance date identified by the User is more than thirty (30) days after the date the OM becomes aware of the violation, the LRGPWWA will schedule the collection of interim discharge samples for the pollutant(s) in violation every 30 days until the return to compliance date. This does not preclude the OM from monitoring on a more frequent basis.

When a return to compliance date has been established, the LRGPWWA will schedule return to compliance monitoring for the pollutant(s) in violation. Return to compliance monitoring will consist of four (4) consecutive days of monitoring or any other period determined by the OM to be representative to document a return to compliance.

If return to compliance monitoring demonstrate that the discharge is in compliance, the OM will notify the Industrial User, in writing, that the compliance schedule has been met and that the NOV is closed.

2) pH

a. Continuous Discharges

If a violation for pH should occur, the User must report it within 24 hours and submit a written report within five (5) days to LRGPWWA OM. In addition, because continuous

monitoring is already in place there is no need to require additional monitoring. Therefore, when the NOV is issued by the OM after receipt of the written notification from the User of the violation, it will note the violation without requiring any further response from the User.

Responses to significant excursions will be determined on an individual basis much like a spill or accidental discharge of any other pollutant.

b. Batch Discharges

Any pH excursion detected in batch discharges must be corrected at the time detected. The pH must be adjusted to bring it within the required range before the batch is discharged. If the batch is discharged and the pH is outside the acceptable range, LRGPWWA will issue an NOV for such violations with the same requirements as for other discharge violations.

c. Single vs. Multiple Violations

1) General

Discharge violations are individual instances of noncompliance with any of the "daily maximum allowable discharge limits" specified in the User's permit. Each pollutant will be considered separately for purposes of determining violations. For example, exceeding the limits for three (3) pollutants in a single composite sample will be considered three (3) violations. For categorical industries, violations of every one (1) day, four (4) day, or monthly pollutant limit in the discharge permit will each be considered separate violations for purposes of this Policy.

2) pH

a. Continuous Discharges

For permittees required to continuously monitor for pH, pH violations are defined as any individual excursion exceeding 60 minutes in duration or multiple excursions which total duration exceeds 7 hours and 26 minutes in any calendar month.

Individual grab sample pH measurements from continuous discharges will be used to determine the pH at the point in time that they are collected. This information will be used to advise Users of potential problems with their discharge and may be used to determine the need to require continuous pH monitoring by the User.

d. Recovery of Costs and Administrative Assessments

1) General

The LRGPWWA will bill Users to recover actual expenses incurred by the LRGPWWA as a result of discharge violations. In addition, Administrative Assessments may be imposed for violations in proportion to the magnitude and duration of the violations as listed in the "Schedule of Rates and Fees."

The User is required to reimburse the LRGPWWA for all costs associated with sample collection and analysis required as a result of a discharge violation. The costs may include the scheduling, manpower, materials, collection and analysis of each interim sample and each of the return to compliance samples.

2) pH

Administrative Assessments will be imposed for pH violations to recover costs of damages or repairs to the Publicly Owned Treatment Works.

e. Violations Detected During Return to Compliance Monitoring

If any of the samples collected to verify return to compliance is in violation of a limit, the Authority Operations Manager will notify the User, in writing, and direct the User to attend a conciliation meeting to develop a new compliance schedule to bring the discharge back into compliance. The compliance schedule will establish the individual tasks required to achieve compliance and the date each should be accomplished (milestones). In addition, an interim monitoring schedule will be developed for the pollutant(s) in violation, typically on a weekly basis. The User will be required to reimburse the Water Authority for this expense as described above. This does not preclude the LRGPWWA from monitoring on a more frequent basis at the LRGPWWA's expense.

At the end of the compliance schedule, the OM will schedule return to compliance monitoring for the pollutant(s) in violation.

If the return to compliance monitoring indicates the discharge of the pollutant(s) in violation remained below the limits for all samples collected, the OM will notify the User, in writing, that the compliance schedule has been met and that the NOV is closed.

If any of the samples collected are in violation of a limit, an administrative order may be issued. Concurrent with the issuance of the administrative

order, the OM may require collection and analysis of additional interim samples. The User may be required to reimburse the LRGPWWA for all costs as described earlier.

f. Chronic Violations—Long Term Noncompliance

Long term noncompliance on a pollutant by pollutant basis will be determined at the end of each quarter based upon the criteria in 40 CFR 403.8 (f) (2) (vii). The number of violations for each pollutant occurring in the six (6)-month period preceding the end of the quarter will be determined and divided by the total number of sample results for each pollutant analyzed for any purpose, routine, compliance, etc., during the same time period. These will be calculated on the appropriate one (1) day, four (4) day and/or monthly average basis. The resulting percentage will be compared against the limits shown below. If the percentage of violations equals or exceeds the limits shown below, the discharge will be classified as in significant noncompliance (SNC). Public notification of this fact is required and will be done on an annual basis through publication in the newspaper.

Magnitude of Violation	% of Sample Results in Violation in a 6 Month Period
100% < Result ≤ 120% of Limit	66%
120% < Result	33%

F. USER ADMINISTRATIVE VIOLATIONS

1. Late or Incomplete Reports

Failure to submit a required report or submittal of incomplete reports (missing information, improper signatures, etc.) by the due date are considered violations. This includes, but is not limited to, routine reports described in the Reporting Requirements Section of the Wastewater Discharge Permit, reports required by the Standard Conditions of the permit, reports required in the special provisions (endorsements) of the permit and special reports such as compliance schedules required as the result of permit violations or deficiency notices.

If a complete report is received within five (5) days after the due date, the LRGPWWA will consider the report late/without penalty and no further action will be required by the Permittee. Administrative Assessments may be imposed for failing to submit complete reports within thirty (30) days after the due date. The assessment will be \$200 for the first violation and \$400 for any subsequent violations during the pretreatment year.

Failure to submit reports required in compliance schedules within thirty (30) days of the due date will be considered significant noncompliance and will require public notification as described earlier.

2. Failure to Report Accidental or Sludge Discharges

In the event of by-pass, upset, accidental discharge, spill or sludge load which may endanger health, the environment or the POTW, the User shall:

- a. Immediately notify the LRGPWWA Operations Manager via telephone 575-233-5742, xt 112 or 575-635-3921 (Monday–Friday, 8:00–5:00 pm) or the after-hours emergency phone 575-621-6777 (all other hours).
- b. Submit a written notification within five (5) days to the OM. Failure to do so is a violation. Such violations will be evaluated individually to determine the appropriate response which may include administrative orders, civil action, criminal investigation, revocation of the discharge permit or immediate termination of service.

3. Falsification of Reports

Falsifying information on reports may result in civil or criminal investigation and possible revocation of the discharge permit or immediate termination of service.

4. Failure to Meet Compliance Schedule Milestones

Failure to meet a compliance schedule milestone without sufficient cause is a violation. If a task is accomplished less than thirty (30) days after an intermediate milestone, it will be considered late/without penalty. The Pretreatment Program will issue an NOV but no further action will be required by the User.

If a task is accomplished more than thirty (30) days after an intermediate milestone, the LRGPWWA OM may direct the User to attend a conciliation meeting to determine if an administrative order should be issued to assure compliance with the final milestone.

Failure to meet the final milestone on schedule will be evaluated on an individual basis to determine the effect of the delay and the appropriate response which may include an administrative order or suspension of the discharge permit.

5. Deficiencies

Deficiencies are conditions or operational procedures normally noted during inspections that could result in violations if not corrected within a reasonable period of time.

For any deficiencies noted during an inspection, the LRGPWWA OM will notify the User in writing. The User will be given fifteen (15) days from the receipt of the Deficiency Notice to submit a compliance schedule detailing how and when the deficiency(s) will be corrected.

Failure to submit the required compliance schedule with adequate corrective actions will initiate standard NOV enforcement response activities, including but not limited to, repeat inspections/monitorings, conciliation meetings, reimbursement charges, administrative orders and/or other actions deemed appropriate by the Industrial Pretreatment Engineer. The provisions of paragraph 4 above "Failure to Meet Compliance Schedule Milestones" shall apply to Deficiency Notices.

6. Inadequate Recordkeeping

Inadequate recordkeeping, i.e., incomplete or missing files and manifests, discovered during Pretreatment inspections will be considered unsatisfactory. Unsatisfactory recordkeeping may result in a Deficiency Notice.

G. SPILLS

Spills will be evaluated individually to determine an enforcement response appropriate to the cause and effect of the discharge. Administrative orders or routine NOV notification, if applicable, will normally be issued for spills that cause no significant harm. Spills that may present an imminent or substantial endangerment to the health and welfare of persons, to the environment or which may cause interference with the Publicly Owned Treatment Works may result in civil action to recover damages. A second occurrence during a pretreatment year may result in an escalated enforcement response and possible termination of water and/or sewer service.

H. ILLEGAL DISCHARGE

Illegal discharges as defined in the Policy are violations. Illegal discharges will be evaluated on a case-by-case basis to determine an enforcement response.

I. UNPERMITTED DISCHARGE

If required by the Policy or federal regulations to be permitted, discharge of industrial wastewater without a permit is illegal. When the LRGPWWA OM becomes aware of a discharge that may require a permit but has never been permitted, the OM will notify the industry in writing and require the industry to submit an application for a permit within fifteen (15) working days of receipt of the notice.

The OM may initiate wastewater sample collection immediately to determine the compliance status of any discharge. The OM will notify the User of any monitoring results for consideration of appropriate pretreatment requirements. The LRGPWWA reserves the right to issue NOVs, Administrative Assessments or any other enforcement actions or discharge requirements for any violations detected in the time frame up to and including the completion date of pretreatment facilities according to an approved compliance schedule as part of a permit application.

If a completed application for a permit is not submitted within fifteen (15) working days of receipt of the notice, the OM will issue a second written notice stating that the application must be submitted within five (5) working days or a formal NOV and associated enforcement activities including potential suspension of water and/or sewer service will be initiated.

J. NON-PERMITTED DISCHARGE

Discharge of industrial wastewater after the expiration date of a discharge permit without a time extension granted by the LRGPWWA OM is a violation. If this is caused by failure to apply for renewal of a discharge permit within the prescribed time period before the expiration of the permit, the OM will issue a NOV and grant a time extension to the existing permit that will keep the provisions of that permit in effect until issuance of a new permit. The Pretreatment Program will make every effort to issue reminders to existing permittees six (6) months before the expiration of a permit. However, failure to do so will not relieve the Permittee of the responsibility to apply for renewal. Failure to apply for renewal after receipt of an NOV or reminder may be cause for terminating service until issuance of a new permit.

K. FATS, OILS, AND GREASE VIOLATIONS

Failure by a Food Service Establishment (FSE) to install an adequately sized Grease Removal System (GRS) is considered a violation. After becoming aware of a violation, the LRGPWWA OM will issue a written NOV describing the violation and the actions required of the FSE as a result of the violation. The NOV will require the FSE to submit, within fifteen (15) days of receipt of the notice, a compliance schedule with the date the FSE will have a GRS installed, or proof that a GRS has been installed. Typically, compliance must be achieved within one (1) year of the date of the initial NOV. Failure to install a GRS within the date specified in the compliance schedule is a violation and will incur an administrative assessment in the amount listed in the "Schedule of Rates and Fees."

If there is no reply to the initial NOV it is a reporting violation and, a second NOV will be sent, with identical requirements. An Administrative Assessment will be applied to the FSE's water bill each month until a compliance schedule is submitted. If there is no reply to the second NOV, a third NOV will be sent, with identical requirements. If there is no reply to the third NOV, water service may be terminated.

Failure by a FSE to maintain a GRS is a violation. After becoming aware of a violation, the Industrial Pretreatment Engineer will issue a written NOV describing the violation and the actions required of the FSE as a result of the violation. The NOV will require the FSE to submit, within fifteen (15) days of receipt of the notice, a compliance schedule with the date the FSE will have the GRS repaired, or proof that a GRS has been repaired. Typically, compliance must be achieved within ninety (90) days of the date of the initial NOV. Failure to repair a GRS within the date specified in the compliance schedule is a violation and will

incur an administrative assessment in the amount listed in the “Schedule of Rates and Fees.”

Grease Removal Systems must be cleaned at least once every six months or whenever the combined thickness of the floating greases and settled solids is equal to, or greater than, 25 percent of the total liquid depth in the GRS. Failure to clean the GRS at least every six months or when required by the 25 percent rule is a violation. After becoming aware of a violation, the OM will issue a written NOV describing the violation and the actions required of the FSE as a result of the violation. The NOV will require the FSE to submit, within fifteen (15) days of receipt of the notice, manifests or other proof that the GRS has been cleaned. Failure to pump out a GRS within fifteen (15) days is a violation and will incur an administrative assessment in the amount listed in the “Schedule of Rates and Fees.”

L. HAULED WASTEWATER VIOLATIONS

Hauled wastewater is prohibited

M. DENTAL VIOLATIONS

Failure by a non-exempt dental office to install a Mercury amalgam separator is a violation. After becoming aware of a violation, the LRGPWWA OM will issue a written NOV describing the violation and the actions required of the dental office as a result of the violation. The NOV will require the dental office to submit, within fifteen (15) days of receipt of the notice, a compliance schedule with the date the dental office will have a Mercury amalgam separator installed, or proof that a Mercury amalgam separator has been installed. Typically, compliance must be achieved within one (1) year of the date of the initial NOV. Failure to install an amalgam separator within the date specified in the compliance schedule is a violation and will incur an administrative assessment in the amount listed in.

If there is no reply to the initial NOV, it is a reporting violation and a second NOV will be sent, with identical requirements. An Administrative Assessment will be applied to the dental office's water bill each month until a compliance schedule is submitted. If there is no reply to the second NOV, a third NOV will be sent, with identical requirements. If there is no reply to the third NOV, water service may be terminated.

Failure by a non-exempt dental office to maintain a Mercury amalgam separator is a violation. After becoming aware of a violation, the OM will issue a written NOV describing the violation and the actions required of the dental office as a result of the violation. The NOV will require the dental office to submit, within thirty (30) days of receipt of the notice, manifests proving that the dental has disposed of its Mercury amalgam separator waste. Failure to properly dispose of amalgam waste within thirty (30) days will incur an administrative assessment in the amount listed in the “Schedule of Rates and Fees.”

If there is no reply to the initial NOV, a second NOV will be sent, with identical requirements. An Administrative Assessment will be applied to the dental office's water bill

each month until a compliance schedule is submitted, or proof of waste disposal is provided. If there is no reply to the second NOV, a third NOV will be sent, with identical requirements. If there is no reply to the third NOV, water service may be terminated.

DRAFT

Doña Ana County

Chapter 319. Wastewater Systems

Article II. Rules and Regulations

§ 319-40. Rule 21: Limitations and Restrictions of Use

- A. If an existing customer is planning further development, which will use unusually large quantities of water, the County shall be consulted in advance for its approval of such additional service and for the terms and advice as to conditions under which the wastewater will be collected from the premises of the customer.
- B. The County reserves the right to limit the size of service connections and to prohibit the customer's flow of excessive quantities of wastewater that exceed or strain the capacity of the County's facilities. Noncompliance of this rule by a customer shall constitute grounds for discontinuing service in accordance with Rule No. 12, Discontinuance and Denial of Restoration of Service.
- C. The County reserves the right to impose restrictions or limitations on wastewater services should an outside governing or regulatory body impose similar restrictions on the County.

§ 319-41. Rule 22: General Prohibitions and Limitations on Discharge

The purpose of this rule is to establish limitations and prohibitions on the quantity and quality of wastewater which may be lawfully discharged into the County system. Pretreatment of some wastewater discharges will be required to achieve compliance with this chapter. All users are required to reduce, eliminate, or otherwise prevent polluting substances from entering their wastewater stream by source reduction or waste minimization. The specific limitations set forth herein are necessary to enable the County to meet requirements contained in its permits, to protect the public health and the environment, and to provide efficient wastewater treatment and protect the health and safety of wastewater personnel. The County shall periodically review said limitations to ensure that they are sufficient to meet the goals of this chapter. The County shall recommend changes or modifications as necessary.

A. Prohibited pollutants.

- 1) Specific prohibitions. No user shall introduce into the County system any of the following pollutants which acting alone or in conjunction with other substances present in the wastewater could interfere with the operation of the County system:
 - a) Pollutants which could create a fire or explosive hazard in the County system, including, but not limited to, wastewater streams with a closed-cup flashpoint of less than 140° F. (60° C.) using the test methods specified in 40 CFR 261.21.

- b) Pollutants which could cause corrosive structural damage to the County system, but in no case, discharges with a pH lower than 5.0 or higher than 11.5.
- c) Solid or viscous pollutants in amounts which could cause obstruction to the flow in the wastewater lines, or other interference with the operation of or which could cause damage to the County system, including grease, wax or other materials which tend to coat and clog a sewer line or other appurtenances thereto.
- d) Any pollutant which could cause interference in the County system or individual unit operations, including oxygen demanding pollutants (BOD, COD and the like), released in a discharge at a flow rate and/or pollutant concentration which could cause interference in the County system or individual unit operation.
- e) Any persistent pesticides or herbicides, such as dieldrin, aldrin, chlordane, endrin, heptachlor, toxaphene, lindane, dioxin, benzene hexachloride (BHC), and polychlorinated biphenyls (PCBs) or other toxic refractory organic chemicals.
- f) Heat in amounts which will inhibit biological activity in the County system resulting in interference, but in no case heat in such quantities that the temperature at the treatment works influent exceeds 40° C. (104° F). Unless a higher temperature is allowed in the user's wastewater discharge permit, no user shall discharge, into any public wastewater system or other appurtenance of the County system, wastewater with a temperature exceeding 60° C. (140° F.).
- g) Petroleum oil, nonbiodegradable cutting oil, or products of mineral oil origin, in amounts that will cause interference or pass through; and in no case greater than 100 mg/l.
- h) Pollutants which result in the presence of toxic gases, vapors, or fumes within the County system in a quantity that may cause acute worker health and safety problems as determined by the County.
- i) Trucked or hauled pollutants, except at discharge points designated by the County.
- j) Noxious or malodorous liquids, gases, solids, or other wastewater which, either singly or by interaction with other wastes, is sufficient to create a public nuisance or a hazard to life, or to prevent entry into the wastewater system for maintenance or repair; or pollution of receiving waters.
- k) Wastewater which imparts color which cannot be removed by the treatment process, such as, but not limited to, dye wastes and vegetable tanning solutions, which subsequently imparts color to the treatment plant's effluent, thereby violating the County's permits.
- l) Stormwater, surface water, groundwater, artesian well water, roof runoff, subsurface drainage, swimming pool drainage, condensate, deionized water, noncontact cooling water, and unpolluted wastewater, unless specifically authorized by the County.

- m) Sludges, screenings, or other residues from the pretreatment of industrial wastes.
 - n) Medical wastes, except as specifically authorized by the County in a wastewater discharge permit.
 - o) Wastewater causing, alone or in conjunction with other sources, the treatment plant's effluent to fail a toxicity test.
 - p) Detergents, surface-active agents, or other substances which may cause excessive foaming in the County system.
 - q) Fats, oils, or greases of animal or vegetable origin in concentrations greater than 300 mg/l.
 - r) Wastewater containing any radioactive wastes or isotopes of such half-life or concentration as may exceed limit established by the County in compliance with applicable state or federal regulations.
 - s) A sludge discharge having a flow rate or containing pollutant concentration that will cause inhibition, pass-through, or sludge contamination of the County system, including, but not limited to, the specific prohibitions defined in 40 CFR 403.5(b) to 403.12(f).
 - t) Unusual concentrations of inert suspended solids (such as, but not limited to, fuller's earth, lime slurries, and lime residues) or dissolved solids (such as, but not limited to, sodium chloride and sodium sulfate).
 - u) Any pollutant which would result in a violation of any statute, rule, regulation or ordinance of any public agency, including discharges prohibited by the EPA.
- 2) For those situations in which a County system is connected to a municipal system, water and sanitation district, or other system not owned by the County, the user must comply with the applicable municipal codes, ordinances and regulations of that municipality, the water and sanitation district or other system regarding prohibited discharges, industrial liquid waste, and wastewater pretreatment.

B. Wastewater evaluation.

- 1) The wastewater of a user shall be evaluated upon the following criteria:
 - a) Whether the wastewater contains any element or compound which is not adequately removed by the treatment process and which is considered to be an environmental hazard by the County.
 - b) Whether the wastewater causes a discoloration, foam, floating oil or grease, or any other condition in the quality of the County treatment systems effluent such that receiving water quality requirements established by law cannot be met.
 - c) Whether the wastewater causes conditions at or near the County system which violate any statute, rule, or regulation of any public agency of the state or the United States.
 - d) Whether the wastewater contains any element or compound known to act as a lacrimator, known to cause nausea, or known to cause severe odors constituting a public nuisance.

- e) Whether the wastewater causes interference with the effluent or any other product of the treatment process such as residues, sludges or scums, rendering them unsuitable for reclamation or reuse.
 - f) Whether the wastewater has constituents and concentrations in excess of those listed herein.
 - g) Whether the wastewater has a higher than normal COD (500 mg/l), BOD (250 mg/l), and/or TSS (300 mg/l) and will be subject to an extra-strength surcharge.
- 2) The County shall establish reasonable limitations or prohibitions in the wastewater discharge permit of any user that discharges wastewater violating any of the above criteria as shall be reasonably necessary to achieve the purpose and policy of this chapter.
- C. National Categorical Pretreatment Standards. Certain users are now or hereafter may become subject to National Categorical Pretreatment Standards promulgated by the EPA specifying quantities or concentrations of pollutants or pollutant properties which may be discharged into the County system. All users subject to a National Categorical Pretreatment Standard shall comply with all requirements of such standard, and shall also comply with any limitations contained in this chapter. Where duplication of the same pollutant exists, the limitations which are more stringent shall prevail. Compliance with National Categorical Pretreatment Standards for existing sources subject to such standards or for existing sources which hereafter become subject to such standards shall be within three years following promulgation of the standards unless a shorter compliance time is specified in the standards. Compliance with National Categorical Pretreatment Standards for new sources shall be required upon promulgation of the standard. Except where expressly authorized by an applicable National Categorical Pretreatment Standard, no user shall increase the use of process water or in any way attempt to dilute a discharge as a partial or complete substitution for adequate treatment to achieve compliance with such standard.
- D. Prohibitions of drainage or groundwaters.
- 1) Stormwater, groundwater, rainwater, street drainage, rooftop drainage, basement drainage, subsurface drainage or yard drainage shall not be discharged to the County system unless a storm sewer or other reasonable alternative for removal of the drainage does not exist, and then only when the discharge is approved by the County.
 - 2) Clean-up waters from groundwater remediation sites or other nonstandard industrial permitted sources will normally not be accepted into the County system. Exceptions will be considered on a case-by-case basis where a reasonable alternative for discharge does not exist, and then only when the discharge is approved by the County.
 - 3) Any entity requesting a discharge of remediation water or any other nonstandard industrial permitted discharge shall prepare a detailed proposal describing the proposed discharge's characteristics, including, but not limited to, toxicity, biotreatability, analysis of alternatives, hazardous nature, quantity, duration, pass-through potential, County system biological inhibition potential and any other factors deemed appropriate by the County.

- 4) The County reserves the right, if the discharge is approved, to impose monitoring and analysis requirements on the entity making the discharge request, which can include testing the discharge waters and the County system influent, effluent and sludge. The County reserves the right to deny any discharge request or to deny the continuation of a discharge previously approved if, in the judgment of the County, the continuance of the discharge is not desirable.
- E. Septic tank or chemical toilet discharges. No user owning vacuum or cesspool-type pumping trucks or other liquid waste transport trucks shall discharge such waste into the County system without prior approval from the County.
- F. Other holding tank waste. No user shall discharge any other holding tank or trap waste, including grit, grease, or hauled industrial wastes, into the County system without prior approval from the County.
- G. Limitations on pollutant concentration. Based on the development of technically based local discharge limitations, and latest revisions, no user shall discharge wastewater into the wastewater system in excess of the concentration as set forth by the County's permit requirements for discharge or 40 CFR 403.
- H. Pretreatment of wastewater.
 - 1) Pretreatment required. A user generating wastewater containing waste prohibited from discharge to the County system by this section and who desires to discharge the same to the County system shall pretreat or otherwise dispose of the prohibited waste so as to make the wastewater discharged to the County system conform to the discharge standards, limits, requirements, and conditions established in this chapter.
 - 2) Pretreatment facilities. The user shall provide wastewater pretreatment as necessary to comply with this chapter and shall achieve compliance with all categorical pretreatment standards, local limits, and the prohibitions set out in this chapter as specified by the EPA, the state, local limits, or the County, whichever is more stringent. Any facilities necessary for compliance shall be provided, operated, and maintained at the user's expense. Detailed plans describing such facilities and operating procedures shall be prepared by an engineer and submitted to the County for review, and shall be acceptable to the County before such facilities are constructed. The review of such plans and operating procedures shall in no way relieve the user from the responsibility of modifying such facilities as necessary to produce a discharge acceptable to the County under the provisions of this chapter.
 - 3) Additional pretreatment measures.
 - a) The County may require users to restrict discharge during peak flow periods, designate that certain wastewater be discharged only into specific locations, relocate and/or consolidate points of discharge, separate wastewater streams from industrial wastewater streams, and impose such other conditions as may be necessary to protect the County system and determine the user's compliance with the requirements of this chapter.
 - b) The County may require any user discharging into the County system to install and maintain, on their own property and at their own

expense, a suitable storage and flow-control facility to ensure equalization of flow. A wastewater discharge permit, as described in Rule 24, may be issued solely for flow equalization.

- c) Users with the potential to discharge flammable substances may be required to install and maintain an approved combustible gas detection meter.
- I. Oil and grease discharge limitations. The County shall monitor wastewater discharge permit holders, automotive shops, vehicle fueling stations, septic tank pumpers, commercial food processors, oil tank firms and transporters, and others as appropriate. Existing sources must maintain their traps and separation-treatment systems to ensure that grease and oil do not enter the County system. Dischargers shall be subject to monitoring, inspection, reporting and other requirements as determined by the County in its discretion. These dischargers may not be required by the County to apply for wastewater discharge permits unless the County determines in its discretion that they are a significant source of prohibited pollutants, toxic pollutants in toxic amounts, extra-strength discharges, or are otherwise controlled by federal regulations. Dischargers not in compliance shall also be subject to operation and maintenance costs necessitated by the oil and grease problem until the problem is corrected.
- J. Surcharges.
 - 1) A surcharge will be assessed against any user who discharges wastewater which is of greater strength than normal, or of greater strength than allowed by permit, if applicable. Normal untreated wastewater is defined as:
 - a) Chemical oxygen demand (COD) less than or equal to 500 mg/l; or
 - b) Biochemical oxygen demand (BOD) less than or equal to 250 mg/l; and
 - c) Total suspended solids (TSS) less than or equal to 300 mg/l.
 - 2) Users with discharge exceeding the parameters defined above for normal untreated wastewater may be assessed a monthly surcharge, which shall be computed as provided for in Rate Schedule 3. *Editor's Note: See Art. III, § 319-48.*
- K. Pretreatment charges. The County may adopt reasonable charges for reimbursement of costs of setting up and operating the County pretreatment program, which may include:
 - 1) Charges for the wastewater discharge permit process as described in Rule 24. *Editor's Note: See § 319-43.*
 - 2) Charges for monitoring, inspection, and surveillance, including costs of sampling and analysis of user's discharge and reviewing monitoring reports submitted by users.
 - 3) Charges for reviewing and responding to accidental discharge procedures and construction.
 - 4) Other charges as the County may deem necessary to carry out the requirements contained in this chapter. These charges relate solely to the matters covered by this chapter and are separate from all other charges, fines, and penalties chargeable by the County.

§ 319-42. Rule 23: Traps.

- A. Grease, oil and sand traps shall be provided and properly maintained by the user when, in the opinion of the County, they are necessary for the proper handling of liquid wastes containing grease in excessive amounts, or any flammable wastes, sand, or other harmful ingredients, except that such traps shall not be required for private living quarters or dwelling units. Grease and oil traps shall be installed in all new service stations, garages, restaurants, and other new facilities wherein heavy discharge of grease and oil is to be expected. The user shall clean and maintain traps for proper functioning.
- B. Manufactured traps acceptable to the County and properly sized may be used in lieu of on-site construction. Where possible, the trap shall be installed outside the building.
- C. The County Utilities Department has design specifications for approved traps available for its customers.

§ 319-42. Rule 24: Wastewater Discharge Permits.

- A. Applicability. Any user who meets any of the following criteria shall be required to have a wastewater discharge permit:
 - 1) Users who are subject to or who become subject to a Categorical Pretreatment Standard as that term is defined in 40 CFR 403.3(j), whether or not the user discharges directly into the County system or by way of an intermediate system;
 - 2) Process wastewater flow greater than 25,000 gallons per day; or
 - 3) Those engaging in activity which:
 - a) Results in effluent exceeding or with high potential to exceed the specific maximum concentration of parameters specified in the County systems' discharge permits; and
 - b) In the judgment of the County, is on a site whose use is in an industrial class or category which may supply an appreciable contribution of pollutants to the County system.
- B. For purposes of this rule, when the context so indicates, the phrase "pretreatment standard" shall include either a National Categorical Pretreatment Standard or a pretreatment standard imposed as a result of the user's discharging any pollutant regulated by this chapter. For purposes of this rule, the term "pollutant" shall include any pollutant identified in a National Categorical Pretreatment Standard or any pollutant identified in the County system's discharge permits.
- C. Any users who are subject to or become subject to pretreatment requirements as defined in 40 CFR 403.3(j) must comply not only with the requirements of this chapter but also requirements of the NMED, EPA or as described in 40 CFR 403.
Editor's Note: Amended at time of adoption of Code (see Ch. 1, General Provisions, Art. I).
- D. Application for wastewater discharge permit. Subject users shall obtain applications from the County. Variances shall not be granted except as allowed by the EPA under 40 CFR 403.13 for categorical industries, and provided such variances allowed by the EPA do not exceed the discharge limits established by this chapter.

The user shall submit to the County revised plans whenever alterations or additions to the user's premises affect points of discharge to the County system. All applications shall conform to requirements set forth in 40 CFR 403.12, to include the following information:

- 1) The name and address of the user. If the user is a partnership or proprietorship, the names of all partners or proprietors must be submitted to the County along with the name of the authorized representative.
 - 2) The location of such user.
 - 3) Description of activities, facilities, and plant processes on the premises, including a list of all raw materials and chemicals used or stored at the facility which are, or could accidentally or intentionally be, discharged to the County system.
 - 4) The average and maximum flow of the discharge from such user to the County system, in gallons per day.
 - 5) A site plan with sufficient detail to show all connections with County water and wastewater lines and the applicant's proposed location of a manhole or sanitary cleanout. Detailed plumbing plans shall be maintained on the user's premises and made available for inspection upon request.
 - 6) The nature and concentration of pollutants in the discharge from each regulated process from such user and identification of any applicable pretreatment standards and requirements. The concentration shall be reported as a maximum or average level as provided for in the applicable pretreatment standard. If an equivalent concentration limit has been calculated in accordance with any pretreatment standard, this adjusted concentration limit shall also be submitted to the County for approval.
 - 7) A statement, approved by an authorized representative of the user and certified by an engineer, indicating whether pretreatment standards are being met on a consistent basis and, if not, whether additional operation and maintenance procedures or additional pretreatment is required for the user to meet the pretreatment standards and requirements.
 - 8) If additional pretreatment or operation and maintenance procedures will be required to meet the pretreatment standards, then the applicant shall provide a schedule by which the user will provide such additional pretreatment.
- E. Incomplete applications. The County will act only on complete applications. Users who have filed incomplete applications will be notified by the County of the nature of the deficiency and will be given 30 days to correct the deficiency. If the deficiency is not corrected within 30 days, the County may deny the application for a wastewater discharge permit and notify the applicant in writing of such action.
- F. Evaluation of applications.
- 1) Within 45 days of receipt of complete applications, including revisions to previously approved applications, the County shall review and evaluate the applications and may propose such other special wastewater discharge permit conditions deemed advisable. All wastewater discharge permits shall be expressly subject to all the provisions of this chapter and all other applicable ordinances, laws, or regulations.

- 2) The County may also propose that the wastewater discharge permit be subject to one or more permit conditions in regard to any of the following:
 - a) Pretreatment requirements.
 - b) The average and maximum wastewater constituents and characteristics.
 - c) Limits on rate and time of discharge or requirements for flow regulations and equalization.
 - d) Requirements for installation of manhole(s), sanitary cleanout(s), and appurtenance(s).
 - e) Specifications for monitoring programs, which may include sampling locations, frequency and method of sampling, types and standards for tests and reporting schedule.
 - f) Requirements for submission of technical reports or discharge reports.
 - g) Requirements for maintaining records relating to wastewater discharge.
 - h) A reasonable schedule in compliance with this chapter, not to extend beyond or such earlier date as may be required by other applicable law or regulation, whichever is sooner, to ensure the user's compliance with pretreatment requirements or improved methods of operation and maintenance.
 - i) Requirements for the installation of facilities to prevent and control accidental discharge or "spills" at the user's premises.
 - j) Other special conditions deemed appropriate by the County to ensure compliance with this chapter.
 - 3) The County may deny any application for a discharge permit.
- G. Notification of proposed permit conditions; right to object.
- 1) Upon completion of evaluation, the County shall prepare and transmit a discharge permit and notify the applicant of any permit conditions which the County proposes.
 - 2) The applicant shall have 30 days from the date of issue of the wastewater discharge permit to file written objections with the County to any permit conditions that are more stringent than pretreatment standards or limitations in this chapter or are otherwise not listed in either. The County shall initiate a response (verbal or written) within 30 days following receipt of the applicant's written objections, and attempt to resolve disputed issues concerning permit conditions.
 - 3) If the applicant files no written objection to the permit it shall remain in effect. If a subsequent agreement is reached concerning changes in permit conditions, the County shall modify the wastewater discharge permit for the applicant with such conditions incorporated. In the event objections are filed by the applicant and there is no mutually accepted resolution of such objections, the County shall issue a final determination on the requirements of the wastewater discharge permit.
- H. Monitoring and reporting requirements.
- 1) Monitoring and reporting submitted under this section shall be in accordance with 40 CFR 403.12.
 - 2) Notice of violation; repeat sampling and reporting. If sampling performed by a user indicates a violation, the user must notify the County within 24 hours of

becoming aware of the violation. The user shall also repeat the sampling and analysis and submit the results of the repeat analysis to the County within 30 days.

- 3) Analytical requirements. Test procedures for measurements of pollutant amounts, characteristics or properties in effluent limitations guidelines and standards of performance and pretreatment standards must be employed as stated in 40 CFR Part 136 unless specifically noted. For other sampling or analytical techniques not included in 40 CFR Part 136, sampling and analyses must be performed in accordance with procedures approved by the EPA.
 - 4) The reports required shall contain the results of sampling and analysis of the discharge, including the nature and concentration of the flow, or production and mass limits, where required, of pollutants contained therein which are limited by the applicable pretreatment standards. The frequency of monitoring shall be prescribed in the applicable pretreatment standard. All analyses shall be performed in accordance with procedures established by the EPA under the provisions of Section 304(h) of the Act [33 U.S.C. 1314(h)] and contained in 40 CFR Part 136 and amendments thereto or with any other test procedures approved by the EPA or the County. Sampling shall be performed in accordance with the techniques approved by the EPA, or the County. If a user monitors any pollutant more frequently than required by the County, the results of this monitoring shall be included in the report.
- I. Notification of the discharge of hazardous waste. Any user who commences the discharge of hazardous waste shall notify the County, the EPA Regional Waste Management Division Director, and state hazardous waste authorities, in writing, of any discharge into the County system of a substance which, if otherwise disposed of, would be a hazardous waste under 40 CFR Part 261. Such notification must include the name of the hazardous waste as set forth in 40 CFR Part 261, the EPA hazardous waste number, and the type of discharge (continuous, batch, or other). All notifications must take place no later than 180 days after the discharge commences. Any notifications under this subsection need be submitted only once for each hazardous waste discharged. The notification requirement in this section does not apply to pollutants already reported by users subject to categorical or ordinance pretreatment standards under any self-monitoring requirements.
 - J. Maintenance of records.
 - 1) Any user subject to the reporting requirements established in this section shall maintain records of all information resulting from any monitoring activities required by this section. Such records shall include:
 - a) The date, exact place, method, and time of sampling and the names of the persons taking the samples;
 - b) The dates analyses were performed;
 - c) Who performed the analyses;
 - d) The analytical techniques/methods used; and
 - e) The results of such analyses.
 - 2) Any user subject to the reporting requirement established shall be required to retain for a minimum of three years any records of monitoring activities and

results and shall make such records available for inspection and copying by the County, New Mexico Environment Department, or the EPA. This period of retention shall be extended during the course of any unresolved litigation regarding the user or when requested by the County, New Mexico Environment Department, or the EPA.

- K. Duration of wastewater discharge permit. Wastewater discharge permits shall be issued for a maximum period of five years. Notwithstanding the foregoing, users becoming subject to a National Categorical Pretreatment Standard shall apply for new permits on the effective date of such National Categorical Pretreatment Standard. The County shall notify in writing any user whom it has cause to believe is subject to a National Categorical Pretreatment Standard of the promulgation of such federal regulations; provided that any failure of the County in this regard shall not relieve the user of the duty of complying with such National Categorical Pretreatment Standard. A user must apply in writing for a renewal of the wastewater discharge permit within not more than 90 days and not less than 30 days prior to expiration of the current permit. Limitations or conditions of a wastewater discharge permit are subject to modification or change as such changes may become necessary due to changes in applicable standard(s), in the County's permit, in other applicable law or regulation, or for other just cause. Should such changes be necessary, a new permit will be issued which shall supersede the previous permit and be subject to the same thirty-day opportunity for comment. Any change or new condition in a permit shall include a schedule for compliance. The user may appeal the decision of the County in regard to any changed permit conditions as provided in this chapter.
- L. Reports of changed conditions. Each user must notify the County of any planned significant changes to the user's operations or system which might alter the nature, quality, or volume of its wastewater at least 45 days before the change.
- 1) The County may require the user to submit such information as may be deemed necessary to evaluate the changed condition, including the submission of a wastewater discharge permit application.
 - 2) The County may issue a wastewater discharge permit or modify an existing wastewater discharge permit in response to changed conditions or anticipated changed conditions.
 - 3) For purposes of this requirement, significant changes include, but are not limited to, flow increases of 20% or greater, and the discharge of any previously unreported pollutants.
- M. Modifications. The County may modify a wastewater discharge permit for good cause, including, but not limited to, the following reasons:
- 1) To incorporate any new or revised federal, state, or local pretreatment standards or requirements;
 - 2) To address significant alterations or additions to the user's operation, processes or wastewater volume or character since the time of wastewater discharge permit issuance;
 - 3) A change in the County system that requires either a temporary or permanent reduction or elimination of the authorized discharge;
 - 4) Information indicating that the permitted discharge poses a threat to operation and maintenance personnel, or the receiving waters;

- 5) Violation of any terms or conditions of the wastewater discharge permit;
 - 6) Misrepresentations or failure to fully disclose all relevant facts in the wastewater discharge permit application or in the required reporting; and
 - 7) To reflect a transfer of the facility ownership or operation to a new owner or operator.
- N. Transfer of permit. Wastewater discharge permits may be transferred to a new owner or operator only if the permittee gives at least 90 days' advance notice to the County, and the County approves the wastewater discharge permit transfer.
- 1) The notice to the County must include a written certification by the new owner or operator which:
 - a) States that the new owner and/or operator have no immediate intent to change the facility's operations and processes;
 - b) Identifies the specific date on which the transfer is to occur; and
 - c) Acknowledges full responsibility for complying with the existing wastewater discharge permit.
 - 2) Failure to provide advance notice of a transfer renders the wastewater discharge permit void as of the date of facility transfer.
- O. Revocation of permit. Any permit issued under the provisions of this chapter is subject to being suspended or revoked in whole or in part by the County during its term for cause, including, but not limited to, the following:
- 1) Violation of any terms or conditions of the wastewater discharge permit or other applicable law or regulation;
 - 2) Obtaining of a permit by misrepresentation or failure to disclose fully all relevant facts;
 - 3) A change in any condition that requires either a temporary or permanent reduction or elimination of the permitted discharge;
 - 4) Failing to meet new National Categorical Pretreatment Standards; or
 - 5) Violation of any provision of this chapter.
- P. Any violation of the terms and conditions of a wastewater discharge permit shall be deemed a violation of this chapter and subjects the wastewater discharge permittee to the sanctions set out in § 319-15 of this chapter. Obtaining a wastewater discharge permit does not relieve a permittee of its obligation to comply with all federal and state pretreatment standards or requirements or with any other requirements of federal, state, and local law.