

LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY

Minutes—REGULAR BOARD OF DIRECTORS MEETING

9:30 a.m. Wednesday, August 19, 2015 at our Berino Office, 1150 Berino Rd., Berino NM

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

- I. **Call to Order, Roll Call to Establish Quorum** Sign-in sheet and agenda are attached. Directors present were Vice-Chairman John Holguin (District 4), Secretary Alma Boothe (District 2), Director Cali Tellez (District 3), Director Mike McMullen (District 6) and Director Furman Smith (District 7). Chairman Robert “Marty” Nieto (District 5) and Director Raymundo Sanchez (District 1) were absent. Staff members present were General Manager Martin Lopez, Finance Manager Kathi Jackson, Projects Manager Karen Nichols and Project Specialist Joan Ferguson. Operations Manager, Mike Lopez was absent. Also present were Joshua Smith, lawyer, Matt Dyer, PSC and Espy Holguin (HUD). With a quorum established the meeting was called to order by Mr. Nieto at 9:28 am. {0:40}
- II. **Pledge of Allegiance** {1:04}
- III. **Motion to approve the Agenda** Mr. McMullen made a motion to approve the agenda. Mr. Smith seconded the motion and it passed 5-0. {1:30}
- IV. **Motion to approve the minutes of August 19, 2015, Regular Board Meeting** Mr. McMullen made a motion to approve the minutes of July 15, 2015, Regular Board Meeting. Mr. Tellez seconded the motion and it passed 5-0. {3:15}
- V. **Guest Presentations—none** {3:44}
- VI. **Public Input—15 minutes total allotted for this item, 3 minutes per person—none**
- VII. **Managers’ Reports**
 - A. **General Manager** Mr. Martin Lopez prepared a report for the Board and stood for questions
 - Since his report was written, proposals for drug and alcohol testing have been received.
 - A group from EPA wants to tour the colonias in the area.
 - There has been a change on the Colonias Trust Fund Board. Orlando Jimenez is no longer on the board and Mary Jane Garcia has been appointed.{1:50}
 - B. **Projects** Ms. Karen Nichols prepared a report for the Board and stood for questions
 - On the Veteran’s Road project, Mr. Lechuga had emailed the Projects Manager and asked on the progress of the project. Ms. Nichols replied with a cc to Commissioner Garcia.
 - Mr. Jim Hill on Cline Road in Brazito contacted Ms. Nichols about extending water service. He plans on attending September’s meeting.
 - Mr. McMullen asked about some meters on Ysleta and Stone that hadn’t been connected. Mr. Martin Lopez said he would look into it.
 - Mr. McMullen asked about how a road in the Brazito project would be finished because residents were angry with the progress. The road will be restored to the condition it was in before the construction began.
 - Water audit project has begun. DBStevens is the engineering firm conducting the audit which will include a rate study. {11:53}
 - C. **Operations** Mr. Mike Lopez prepared a report for the Board but was not available so Mr. Martin Lopez stood for questions.
 - Repairs to wells (Arroyo and BP#2) and new pump control valves will cost around \$100,000. {15:05}
 - D. **Finance** Ms. Kathi Jackson prepared a report for the Board and stood for questions

- Current financial audit has begun, mostly via email
- Water audit is ongoing and Ms. Jackson is providing requested data
- New billing system installation is ongoing. Tyler will be in the offices for three weeks beginning August 31. The financial part will be “live” in November, the billing part, in February.
- Asset management training on the EPA CUPSS system will be Aug 27.
- There are sufficient funds to cover the repairs mentioned in the Operations report. The repair to the wells will be declared an emergency so that Operations can begin the work (rather than wait the three – or more – months that a bid process would take.)
- The last page of the finance report is the loan service table. Ms. Nichols asked how many loans had been paid off. Ms. Jackson did not have that figure.
- Mr. Holguin asked Ms. Nichols about the EPA group visiting the colonias (see GM’s report) and whether they would want to attend a board meeting. Ms. Nichols suggested an informal meeting since their visit would not likely be on a board meeting date.
- Mr. Tellez asked about the Bad Debts entry under Expense in the Profit and Loss statement. Ms. Jackson explained that that entry represented the accounts of members whose bills had not been paid in a year and had been written off. Leaving those debts on the books inflates receivables. {32:18}

VIII. Unfinished Business—none

IX. New Business

- A. Motion to adopt Resolution #FY2016-05 Approving Participation in the Program of South Central Council of Governments, Inc., for the Fiscal Year 2015-2016** Mr. Tellez made a motion to adopt Resolution #FY2016-05 approving participation in the program of South Central Council of Governments, Inc., for the Fiscal Year 2015-2016. Ms. Nichols pointed out that the motion should also include representatives. Mr. Tellez amended his motion to include Ms. Jackson as representative and Mr. Holguin as the alternate. Mr. McMullen seconded the amended motion and it passed 5–0. {33:37}
- B. Motion to approve RFP Committee recommendation of engineering firm for SCADA project** Ms. Nichols explained the new process for committee review of requests for proposals per NM State Procurement Department training. Mr. McMullen made a motion to approve RFP Committee recommendation of engineering firm of Molzen Corbin & Associates for the SCADA project. Mr. Tellez seconded the motion and it passed 5–0. {36:58}
- C. Motion to approve RFP Committee recommendation of engineering firm for Waterline Extension project** This is the Veteran’s Road project. (See letter in Projects report from Mr. Lechuga.) The firm that scored the highest had an 8% veteran’s preference. Before the veteran’s preference, they were ranked second. (Staff double checked and Vencor was ranked third.) The committee recommendation was Vencor Engineering. Mr. Matt Dyer from Parkhill, Smith, Cooper asked to be heard by the Board. He protested the committee recommendation, pointing out that he has worked diligently on several different proposals in an effort to partner with the Authority and has attended many board meetings to learn about issues and felt very strongly that PSC should be given a chance. The Board discussed the difficulties the committee had with this decision but decided that in the Authority’s best interest, given Vencor’s work load (they had to decline the Mesquite-Brazito sewer project) that PSC could probably finish this (urgent) project in a more timely manner. Mr. Tellez made a motion to award Parkhill Smith Cooper the Waterline Extension project. Mr. Smith seconded the motion and it passed 5–0. {1:00:44}
- D. Motion to approve Legal Services Agreement for Vehicle Purchase Project** The Legal Services Agreement in the board packet is the same as the agreement that was signed except the form number. Mr. Smith made a motion to approve Legal Services Agreement for the Vehicle Purchase Project. Mr. Tellez seconded the motion and it passed 5–0. {1:03:10}

- E. Motion to approve of termination of memberships for delinquent accounts** This is the annual list of members who have not paid their bills in the past twelve months. Everyone on the list has been notified of their status and have not responded. (See discussion of Bad Debts in Finance.) Mr. Tellez made a motion to approve of termination of memberships for delinquent accounts. Mr. McMullen seconded the motion and it passed 5–0. {1:06:07}
- F. Motion to authorize travel and attendance funds for Infrastructure Conference** Mr. Tellez made a motion to authorize travel and attendance funds for Infrastructure Finance Conference. Ms. Boothe seconded the motion and it passed 5–0. {1:07:27}
- G. Motion to authorize end-of-year function** Per Mr. Tellez’s recommendation, Mr. Martin Lopez is recommending a potluck during the day at one of the offices. Mr. Tellez made a motion to authorize end-of-year function. Mr. Smith seconded the motion and it passed 5–0. {1:08:157}
- H. Motion to authorize hiring to fill 2 vacant positions** An operator has been dismissed and needs to be replaced. Ms. Nichols’ assistant is leaving. Mr. Smith made a motion to authorize hiring to fill two vacant positions. Mr. Tellez seconded the motion and it passed 5–0. {1:09:30}
- I. Motion to approve amendment to Employee Policy Manual** The amendment strikes employee bonuses. Mr. Tellez made a motion to approve amendments to the Employee Policy Manual. Mr. Smith seconded the motion and it passed 5–0. {1:11:01}
- X. Motion to convene in closed session pursuant to NMSA 1978 10-15-1 H.7—threatened or pending litigation**
The Chair made a motion to convene in closed session pursuant to NMSA 1978 10-15-1 H.7—threatened or pending litigation. Mr. McMullen seconded the motion. The roll call vote was as follows: District #2 (Ms. Boothe) aye, #3 (Mr. Tellez) aye, #4 (Mr. Holguin) aye, #6 (Mr. McMullen) aye, #7 (Mr. Smith) aye. The motion passed 5–0 and the session closed at 10:55 am.
- A. Motion to reconvene in open session** Mr. Smith made a motion to reconvene in open session. Mr. McMullen seconded the motion and it passed 5–0. The meeting reconvened at 11:07am {1:30:25}
- B. Statement by the Chair that the matters discussed in the closed meeting were limited only to those specified in the motion for closure** Mr. Holguin stated that the matters discussed in the closed meeting were limited only to pending litigation. {1:30:25}
- C. Action, if any, related to threatened or pending litigation** Mr. Smith made a motion to authorized Mr. Martin Lopez and Mr. Josh Smith to negotiate a settlement with Moongate Water. {01:31:08}
- XI. Other discussion and agenda items for next meeting, 9:30 a.m., October 14, 2015 at the Vado Office**
- A.** Board training—OMA training, October 21 at the Farm and Ranch Museum. Board has been signed up for OMA training, October 21. Everyone should meet in the lobby so that they can sign the sign-in sheet together so their participation can be documented. {1:33:45}
- XII. Adjourn** Mr. Tellez made a motion to adjourn. Mr. McMullen seconded the motion and it passed 7–0. The meeting adjourned at 11:11 am.

Minutes approved September 16, 2015

ABSENT

Roberto Nieto, Chairman (District 5)

John Holguin, Vice-Chairman (District 4)

Alma Boothe, Secretary (District 2)

ABSENT

Raymundo Sanchez, Director (District 1)

Carlos Tellez, Director (District 3)

Michael McMullen, Director (District 6)

Furman Smith, Director (District 7)



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

Date: August 19, 2015 Time: 9:30

Places: Berino

Event: Regular Meeting

Signature	Print Name, Title, Company or Agency Represented	Contact Information	Email Address
<i>[Signature]</i>	MIKE MCINULTEN LRGPNWA	970-502-7852	
<i>[Signature]</i>	MARTIN G. LOPEZ LRGPNWA	575 571 3628	
<i>[Signature]</i>	Karen Nichols LRGPNWA	915 203 2057	Karen.Nichols@LRGPNWA.org
<i>[Signature]</i>	FURMAN SMITH LRG	382 5982	SAME
<i>[Signature]</i>	John Helgerson	695.9007	jhelgerson@rg.com
<i>[Signature]</i>	Alma Boothe	915 389-7670	
<i>[Signature]</i>	LRG	233-4140	
<i>[Signature]</i>	Attorney	528-0500	
<i>[Signature]</i>	Math Dyer, Principal, PE	523-0915	mdyer@team-ps.com
<i>[Signature]</i>	Kathi Jackson Finance Manager LRG-PNWA	640-4336	Kathi.Jackson@rgpnwa.org
<i>[Signature]</i>	Espy Helgen HUD	635-1289	
<i>[Signature]</i>	Joan Ferguson LRGPNWA	233-5978, 123	Joan.Ferguson@rgpnwa.org

LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY

Meeting Notice & Agenda—REGULAR BOARD OF DIRECTORS MEETING

9:30 a.m. Wednesday, August 19, 2015 at our Berino Office, 1150 Berino Rd, Berino NM

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

- I. Call to Order, Roll Call to Establish Quorum: District #1 (Mr. Sanchez)___, #2 (Ms. Boothe)___, #3 (Mr. Tellez)___, #4 (Mr. Holguin)___, #5 (Mr. Nieto)___, #6 (Mr. McMullen)___, #7 (Mr. Smith)___.
- II. Pledge of Allegiance
- III. Motion to approve the Agenda
- IV. Motion to approve the minutes of July 15, 2015, Regular Board Meeting
- V. Guest Presentations
- VI. Public Input—15 minutes total allotted for this item, 3 minutes per person
- VII. Managers' Reports
 - A. General Manager
 - B. Projects
 - C. Operations
 - D. Finance
- VIII. Unfinished Business
- IX. New Business
 - A. Motion to adopt Resolution #FY2016-05 Approving Participation in the Program of South Central Council of Governments, Inc., for the Fiscal Year 2015-2016
 - B. Motion to approve RFP Committee recommendation of engineering firm for SCADA project
 - C. Motion to approve RFP Committee recommendation of engineering firm for Waterline Extension project
 - D. Motion to approve Legal Services Agreement for Vehicle Purchase Project
 - E. Motion to approve of termination of memberships for delinquent accounts
 - F. Motion to authorize travel and attendance funds for Infrastructure Conference
 - G. Motion to authorize end-of-year function
 - H. Motion to authorize hiring to fill 2 vacant positions
 - I. Motion to approve amendment to Employee Policy Manual
- X. Motion to convene in closed session pursuant to NMSA 1978 10-15-1 H.7—threatened or pending litigation:
Roll Call Vote: District #1 (Mr. Sanchez)___, #2 (Ms. Boothe)___, #3 (Mr. Tellez)___, #4 (Mr. Holguin)___, #5 (Mr. Nieto)___, #6 (Mr. McMullen)___, #7 (Mr. Smith)___
 - A. Motion to reconvene in open session.
 - B. Statement by the Chair that the matters discussed in the closed meeting were limited only to those specified in the motion for closure
 - C. Action, if any, related to threatened or pending litigation
- XI. Other discussion and agenda items for next meeting, 9:30 a.m., September 16, 2015 at the Vado Office
 - A. Board training—OMA training, October 21. Board has been signed up for OMA training, October 21.
- XII. Adjourn

If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aide or service to attend or participate in the hearing or meeting, please contact the 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 señas, 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

Meeting Notice & Agenda—REGULAR BOARD OF DIRECTORS MEETING

9:30 a.m. Wednesday, July 15, 2015 at our Berino Office, 1150 Berino Rd, Berino NM

Please note that 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)(left early), Vice-Chairman John Holguin (District 4), Secretary Alma Boothe (District 2), Director Cali Tellez (District 3), Director Mike McMullen (District 6) and Director Furman Smith (District 7). Absent was Director Raymundo Sanchez (District 1). Staff members present were General Manager Martin Lopez, Finance Manager Kathi Jackson, Operations Manager Mike Lopez, Projects Manager Karen Nichols and Project Specialist Joan Ferguson. Also present were Joshua Smith, counsel; Espy Holguin (HUD), Dora Dorado and Evelyn Hernandez. With a quorum established, the meeting was called to order by Mr. Nieto at 9:30 a.m.
- II. **Motion to approve the Agenda** Mr. Holguin moved to approve the agenda. Mr. Tellez seconded the motion and it carried 6–0. After approving the minutes of June 10, 2015, Mr. Martin Lopez noticed that the agenda also read “special meeting” instead of “regular meeting.” Mr. Holguin moved to amend his initial motion to reflect the changes. Mr. Tellez seconded the amendment and it passed 6–0. {1:05}/{3:35}
- III. **Motion to approve the minutes of June 10, 2015, Regular Board Meeting** The minutes state that the meeting was a special meeting which is incorrect. Mr. Holguin made a motion to approve the minutes of June 10, 2015, as a (rescheduled) Regular Board Meeting. Mr. McMullen seconded the motion and it passed 7–0.
- IV. **Guest Presentations**—none
- V. **Public Input—15 minutes total allotted for this item, 3 minutes per person** Ms. Dora Dorado asked to be heard about her current water bill. It had gone from \$31 last month to \$101 in the current billing. She had spoken to others in the area and had heard the same problem and they were going to have a meeting at the Del Cerro Community Center on July 29 at 6:00pm. Mr. Nieto said that he would be there. Mr. Martin Lopez said that he would verify the computer programming as the rates had changed July 1. Additionally, he noted that June and July typically have higher water usages. He asked for a list of the people she had talked to so that he could research their bills. He also told Ms. Dorado that the best thing to do would be to talk to a customer service representative in the office where the issue can be resolved. {12:54}
- VI. **Managers’ Reports**
 - A. **General Manager** Mr. Martin Lopez prepared a report for the board and stood for questions
 - Mr. Martin addressed issues brought up by Mr. Tellez: CPR training and drug testing. There are CPR trainings on July 17 and August 14. So far, eight employees have signed up. Drug testing has not been implemented. There is an ongoing review of employee policies where drug testing is being addressed. Mr. Tellez is concerned about implications of not testing.
 - Mr. Furman Smith asked about the outsourcing of bill mailing. With the new billing software, the Authority will be able to have one billing cycle. The positive is that it would make some reports much easier. The down side would be printing, stuffing and mailing 5,000 bills (at least) all at once. Contracting the mailing out is being considered but has not yet been researched. (The new billing system will not be implemented until February.)
 - Mr. Nieto asked about the La Mesa office incident. An individual had ignored the movable partition. A new door similar to the one in Mesquite will be installed. {25:30}
 - B. **Operations** Mr. Mike Lopez prepared a report for the board and stood for questions
 - Mr. Holguin asked about the Miox system. It is a system where chlorine can be generated from rock salt.

- Mr. Furman Smith asked about problems in Mountain View. The El Centro well went down on Sunday night because of electrical problems. Because that well wasn't working, the water pressure went down in Mountain View. The SCADA system is not working properly and did not notify the operations manager. Part of the problem is that if the electricity fails the whole system needs to be manually reset.
- Mr. Tellez asked about water consumption. There is less water consumption this year than last. Reasons could be conservation, less construction use (sewer and road construction last year), newer radio-read meters, weather, etc...
- Mr. Nieto asked if the pump and motor at Well 8 had been replaced. Yes, they cost \$17,000. The well is now pumping 1600 gpm whereas in the old pump was 500–550 gpm. Replacing the pump and motor with a turbine is a possibility. {32:52}

C. Projects Ms. Nichols prepared a report for the board and stood for questions

- BECC has selected JB Stevens Engineering to do the water audit. The Water Conservation Plan has been removed from their plan due to cost issues. Should LRG choose to have them include the WCP, the cost would be \$10,000.
- Mr. Tellez asked what the EBID thought about LRG's surface water treatment plant. Part of the reason that the water treatment plant project switched to brackish water is that the area no longer has an adequate supply of surface water. Even the brackish water treatment is not appearing to be feasible and LRG is instead, considering larger wells. Mr. Tellez wasn't sure that the current EBID board was aware of the EBID's purchase of the small water treatment plant [which has been discussed in previous meetings.] Mr. Martin Lopez pointed out that if or when EBID would switch ownership of the small water treatment plant it would require NMED approval which would trigger LRG board and EBID board approvals. The Authority has worked with EBID closely in the past. {43:24}

D. Finance Ms. Jackson prepared a report for the board and stood for questions
There were no questions

VII. Unfinished Business

- A. Motion to approve Primary and Partial Project Services Engineering Agreements with Bohannon Huston, Inc. for the Mesquite-Brazito Sewer Project contingent upon funding agency approval** The primary agreement concerns Federal funds. The partial agreement concerns State funds (SAP and Colonias). These agreements replacing Vencor Engineering on the Mesquite-Brazito Sewer Project with Bohanna Huston, Inc. There will be a request for additional funds as Vencor did not budget for surveying. Mr. McMullen made a motion to approve Primary and Partial Project Services Engineering Agreements with Bohannon Huston, Inc. for Mesquite-Brazito Sewer Project contingent upon funding agency approval. Mr. McMullen seconded the motion and it passed 6–0.

VIII. New Business

A. Motion to adopt Resolution #FY2016-01 adopting Final Budget for Fiscal Year 2016

- 442-2
- 442-7

Mr. Tellez made a motion to adopt Resolution #FY2016-01 adopting Final Budget for Fiscal Year 2016. Mr. Holguin seconded the motion and it passed 6–0. Mr. Martin Lopez interjected that line item 8 (salaries and labor) included a 3% cost of living raise which does not include merit (Mr. Nieto). The motion passed 6–0. {54:15}

- B. Motion to adopt Resolution #FY2016-02 adopting 4th Quarter Budget Report for Fiscal Year 2015** Mr. Holguin made a motion to adopt Resolution #FY2016-02 adopting 4th Quarter Budget Report for Fiscal Year 2015. Mr. Tellez seconded the motion and it passed 6–0. {56:30}

- C. Motion to adopt Resolution #FY2016-03 adopting a Final Amended Budget for Fiscal Year 2015** Mr. Tellez made a motion to adopt Resolution #FY2016-03 adopting a Final Amended Budget for Fiscal Year 2015. Mr. Holguin seconded the motion and it passed 6–0. {58:00}
- D. Motion to authorize purchase of 1 one-ton pickup** There are funds left over from the Mesquite sewer project which will be used along with to purchase a trailer mounted vacator/jetter. The authorized pickup will be used to haul it. Mr. Holguin made a motion to authorize the purchase of a one-ton pickup. Mr. Tellez seconded the motion and it passed 6-0. {1:00:00}

Mr. Holguin left at this point (10:31 a.m.)

- E. Motion to approve partially paying for CUPSS Software training by RCAPS in partnership with RCAC, El Valle Alliance, and possibly SMA** RCAC has proposed software training of the CUPPS asset management program developed by the EPA. They are asking potential participants to pay for the trainer’s travel and board. Asset management is a way to track asset costs and performance in order to better maintain and budget for critical assets. Additionally, the asset management plan of an entity is given weight in how state and federal agencies allocate funds. Ms. Jackson pointed out that LRGWWA currently is valued at \$52–56 million. LRG is planning on sending 6–8 employees to this training. Ms. Boothe asked to attend as well. Ms. Boothe made a motion to approve partially paying for CUPPS software training by RCAPS. Mr. Tellez seconded the motion and it passed 5–0. {1:08:15}

- IX. Motion to convene in closed session pursuant to NMSA 1978 10-15-1 H.8—discussion of purchase, acquisition or disposal of real property and water rights.** Mr. Tellez made a motion to convene in closed session pursuant to NMSA 1978 10-15-1 H.8—discussion of purchase, acquisition or disposal of real property and water rights. Mr. Furman Smith seconded the motion. The roll call vote was as follows: #2 (Ms. Boothe) aye, #3 (Mr. Tellez) aye, # 5 (Mr. Nieto) aye, #6 (Mr. McMullen) aye, #7 (Mr. Smith) aye. The motion passed 5–0 and the meeting went into closed session at 10:40 a.m. {1:09:13}

- A. Motion to reconvene in open session** Mr. Tellez made a motion to reconvene in open session. Mr. Smith seconded the motion. The motion carried 5–0 and the meeting was reconvened at 11:20 a.m. {1:09:30}
- B. Statement by the Chair that the matters discussed in the closed meeting were limited only to those specified in the motion for closure** Mr. Nieto stated that the matters discussed in the closed meeting were limited to the discussion of purchase, acquisition or disposal of real property and water rights. {1:09:43}

- C. Actions related to purchase, acquisition or disposal of real property and water rights.**
- **Motion to adopt Resolution#FY2016-14 Authorizing and Approving Submission of a Completed Application for Financial Assistance and Project Approval to the New Mexico Finance Authority.**
 - **Motion to approve water system purchase agreement.**
- Mr. Tellez made a motion to adopt Resolution#FY2016-14 Authorizing and Approving Submission of a Completed Application for Financial Assistance and Project Approval to the New Mexico Finance Authority and to approve the water system purchase agreement. Mr. McMullen seconded the motion and it passed 5–0. {1:10:25}

- X. Other discussion and agenda items for next meeting, 9:30 a.m., August 19, 2015 at the Berino Office**
- A.** Board training—OMA training, October 21. Board has been signed up for OMA training, October 21.
 - B.** EDGE and Municipal League Trainings schedules pending
 - C.** El Paso Electric rate hike
 - D.** Water usage issues
 - E.** Vehicle purchases
 - F.** Closed session regarding pending litigation {1:17:13}

XI. **Adjourn** Mr. Tellez made a motion to adjourn. Ms. Boothe seconded the motion. The motion carried 5–0 and the meeting closed at 11:28 a.m.

Minutes approved August 19, 2015

Roberto Nieto, Chairman (District 5)

John Holguin, Vice-Chairman (District 4)

Alma Boothe, Secretary (District 2)

Absent

Raymundo Sanchez, Director (District 1)

Carlos Tellez, Director (District 3)

Michael McMullen, Director (District 6)

Furman Smith, Director (District 7)

LRGPWWA
Manager's Report
August 19, 2015

- Mesquite Wetlands Permit: Sludge/solids disposal plan has been submitted request permission to transport to HORVAC Environmental Facility without further treatment-response from NMED pending
- Waiting for the FEMA State Share for Berino office flooding
- CPR training (non-mandatory) for staff: 14 attended; 3 are already certified; 3 more opportunities in Fall as per DACC—will need to update Safety Policy, which limit medical assistance
- Due to new billing software timing requirements we will be moving to a one billing cycle by October. We will send several notice/newsletters to customers in Berino, Desert Sands and Vado routes. There will be a grace period through the end of December to allow customers to adapt
- RCAP EPA Asset Management Training will be Thursday, August 27th at the DACC Workforce Center partially sponsored by LRGPWWA
- I will be attending DeRISK Center Implementation Advisory Committee in Boulder, Colorado on August 31st and September 1
- I begin teaching for the Fall Semester at NMSU DACC Water technology Program on August 24th (Monday evenings)
- July 29th Presentation (Power Point) to Customers in the Del Cerro area

**LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY
PROJECTS REPORT – 8/19/15 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: We have completed the construction closeout and held the warranty inspection. Contingency funds will be to purchase equipment for the project. Shed has been delivered and set up at lift station, and tank, mixer and pump have been installed and tank stand modified to fit. These are for feeding odor control chemical into the system. We are developing bid documents for a trailer mounted vactor/jetter unit.

LRG-11-02.2 – Mesquite-Brazito Sewer Project – Bohannon Huston, Inc. – LOC Stage – NMFA PG/SAP funded Planning, \$30k 2014 SAP, \$540,608 2014 CITF (10% Loan), USDA-RD Loan \$357,000 @ 3.250%, Grant \$1,194,919, Colonias Grants of \$6,356,474 & \$119,407: Engineering Agreement was approved by NMED-CPB, but is still pending USDA-RD approval. We have resumed monthly conference calls with USDA-RD, and BHI participated this month.

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

LRG-11-04 – Berino/ Mesquite-Del Cerro Water System Project WTB #223 – Vencor – Construction Stage - Smithco – RD - \$5,420,147/WTB - \$4,371,630**Berino Area:** Berino Area: Contractor has installed approximately 2,000 LF of 12" PVC C900; 1,000 LF of 6" PVC C900 waterline to complete all of Berino Proper area and is in the process of pressure testing and taking Bac-T samples. Pending are 3 tie ins, 2 - 4" bores for the planned SCADA wiring and a 12" PRV in front of the Berino Office.

Del Cerro Area: Contractor has installed all 8" PVC C900 waterlines in the Del Cerro/Singh/La Fe areas and continues with installation of 6" PVC C900 waterlines. Contractor has installed approximately 3,200 LF of 8" PVC C900 waterlines in Ojito and La Fe. Contractor has also installed approximately 4,300 LF of 6" waterlines in the following streets: Ojito, Palmilla, Plaza, Calle de la Cruz and Flower. Installation on Flower Rd has been hindered due to recent rain flooding the area, but will be completed by the end of the week. Contractor has completed the I-beam bridge crossing at Mesquite Drain & Swannack Road. For the EBID crossing, Contractor installed almost 63' of an 18" I-beam, concrete abutments, 60 LF of 8" PVC C900, 70 LF of FL x PE - D.I. and 50 LF of D.I. The crossing has been pressure tested but is still lacking Bac-T results. Contractor is lacking the following streets in the Del Cerro/Singh/La Fe areas: Plaza, Lomas, Cristo and Flower. About 75% of the customers in Del Cerro/Singh/La Fe areas have been connected to the new BMDC waterline network.

Mesquite Area: Detail work by Contractor continues within the Mesquite service area. Most of the fire hydrants on NMDOT right-of-way, air release valves and PRV's requiring concrete collars have been completed. Mesquite service area is currently servicing its customers entirely through the use of the new BMDC waterline network.

Project Water Line Bores: To date, Contractor has installed 6 of the 8 project waterline horizontal bores, and pending bores are BNSF / Berino and EBID Joy Drive.

LRG-11-05 – Surface Water Treatment Plant WTB #252– Bohannon Huston - Design stage - \$750,000 WTB – 10% Loan 10% Match – : A progress meeting was completed on June 23rd to discuss the final draft report and discuss other operation concerns and the final direction of the report and its conclusions. CDM is compiling the overall operation of the various systems and what other treatment recommendations will be required if neither a surface water nor brackish water treatment facility is constructed. This involves adding specific operation of individual wells and water flow directions to determine whether decentralized treatment where required is most feasible. Other future operational considerations involve placing production in areas where treatment will not be required, and will allow greater operational flexibility. Met with engineer on 7/7/15 to discuss additional information on existing system components & operations to be added to PER addendum. Robert Fowlie met with Ms. Kahl at NMED-CPB to discuss conclusions. We will need to meet with Ms. Kahl and Ms. Quintana at NMFA to discuss a time-extension and potential scope change for the remaining funds. We expect to receive the final draft PER amendment this week.

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

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

LRG-13-02 – System-wide Information Technology Standardization - Software - \$175,000 NM STB: Telephone conferences with Tyler every two weeks are ongoing. Three requisitions have been submitted to NMED-CPB and paid. Pending Change Order will reduce the scope of the data conversion for the financial piece and add the online payment piece that was in the proposal but omitted from the contract.

LRG-15-01 – System-wide Information Technology Standardization - SCADA - \$130,000 NM STB: RFP Selection Committee Report and recommendation are on today's agenda.

LRG-13-03 – Water System Purchase Project – for RFP – Planning Stage - \$37,500 NMFA Planning Grant – on DWSRLF Priority List: DWSRLF funding application and Categorical Exclusion Checklist have been submitted to NMFA. It should go to their board for approval in September.

LRG-13-01 – Brazito Water System Improvements – Souder, Miller & Associates. – Construction Phase - Western Building & Development - \$523,354 NM CITF Grant, \$58,150 Loan, \$58,150 Match Requirement, 2014 CITF \$157,986 (10% loan): The contractor is near completion of the original construction project. Change Order #2 was fully executed on 8/11/15 adding 370' of 8" pipeline and a couple of service connection relocates. Substantial completion is set for 8/28/15 with final on 9/4/15. Another Change Order may be needed to adjust quantities and close out the project. Dona Ana County Engineering issued a Notice of Violation of the ROW Permit on 8/10. Issues have been addressed, and Mr. Molina will re-inspect on 8/17/15. We were contacted by Mr. Jim Hill regarding the possibility of extending water service to Cline Road. I've spoken with him on the phone a couple of times, and we might be able to amend the scope of the current project to use contingency funds toward some design. Mr. Hill may attend the September board meeting.

LRG-14-01 – Waterline Extension Project (incl. Veterans Road) – Design/Build - \$882,430 CITF incl. 10% Loan: RFP Selection Committee report & recommendation is on today's agenda.

Other projects:

Water Audit – BECC: Kick-off meeting with BECC & DB Stephens staff was held 8/6/15 from 10:00 to 4:30, and Operations staff continued to provide the consultants with a tour of our facilities on 8/7/15. I have provided the water loss spreadsheet I put together that Angie and Mike have been updating, along with some maps and a PER. Kathi and her staff have been providing data out of the billing system. DB Stephens has provided notes from the meeting and timeline for the project, and will be sending out a detailed task list.

USDA-RD Transfer & Assumption Application Packages: All three Letter of Conditions notebooks were submitted to USDA-RD on 5/27/15, final approval is still pending. RD now has an Office of General Counsel in Albuquerque, and the attorney there is currently reviewing these and has made some comments that were addressed by the local office.

Infrastructure Capital Improvements Plan 2017-2021: NM-DFA-LGD sent over some corrections (additional information), and Tiffany has updated the ICIP. Will post the corrected final document on the website once the updates are approved.

Documents Retention & Destruction – Sorting of old association documents for storage or destruction is ongoing, and staff is implementing approved retention/destruction schedules for LRGPWWA documents. Two more containers are ready to be sent out for shredding. Procedure for transfer of files to storage has been approved by management and is being implemented. Two bins were sent out for shredding in the last month.

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

Training –Joan and I attended CPR Training. Joan has been working with RCAC and Souder, Miller & Associates to organize a training on the US-EPA's CUPSS software for asset management by someone from RCAP Solutions out of Maine at the DACC Workforce Solutions Center for August 27th.

Lower Rio Grande Water Users Organization – Regional Water Plan Update is in process, we are participating.

US-EPA Regionalization Case Study – I received a draft and submitted edits on 2/2/15. Case study has not yet been published.

EBID Surface Water Plant: - Continuing to work with EBID on their response to NMED-DWB comments as they pertain to the LRGPWWA and to our Surface Water/Brackish Water Treatment Facility Project.

Lower Rio Grande PWWA

Operators Report

August 19, 2015

System Problems and Repairs.

- Backflow inspections are current.(Mesquite District)
- The wetlands project continues.
- We are going to rehab Well #6 in house.
- For the Month of June we have been issued 194 work orders.
- For the Month of July we have been issued 258 work orders.
- We have had 4 new service connections this past month.
- Arroyo well went down on the last week of July, Every thing in the hole is shot (needs to be replaced) we had to camera the hole and turns out most of the screens are plugged with Iron Bacteria, We will install upon my arrival.
- We received word from Franklin motor company that they were not able to replace motor for well #2 Butterfield Park. Due to the fact that not enough water was flowing over the motor to keep it cool.

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

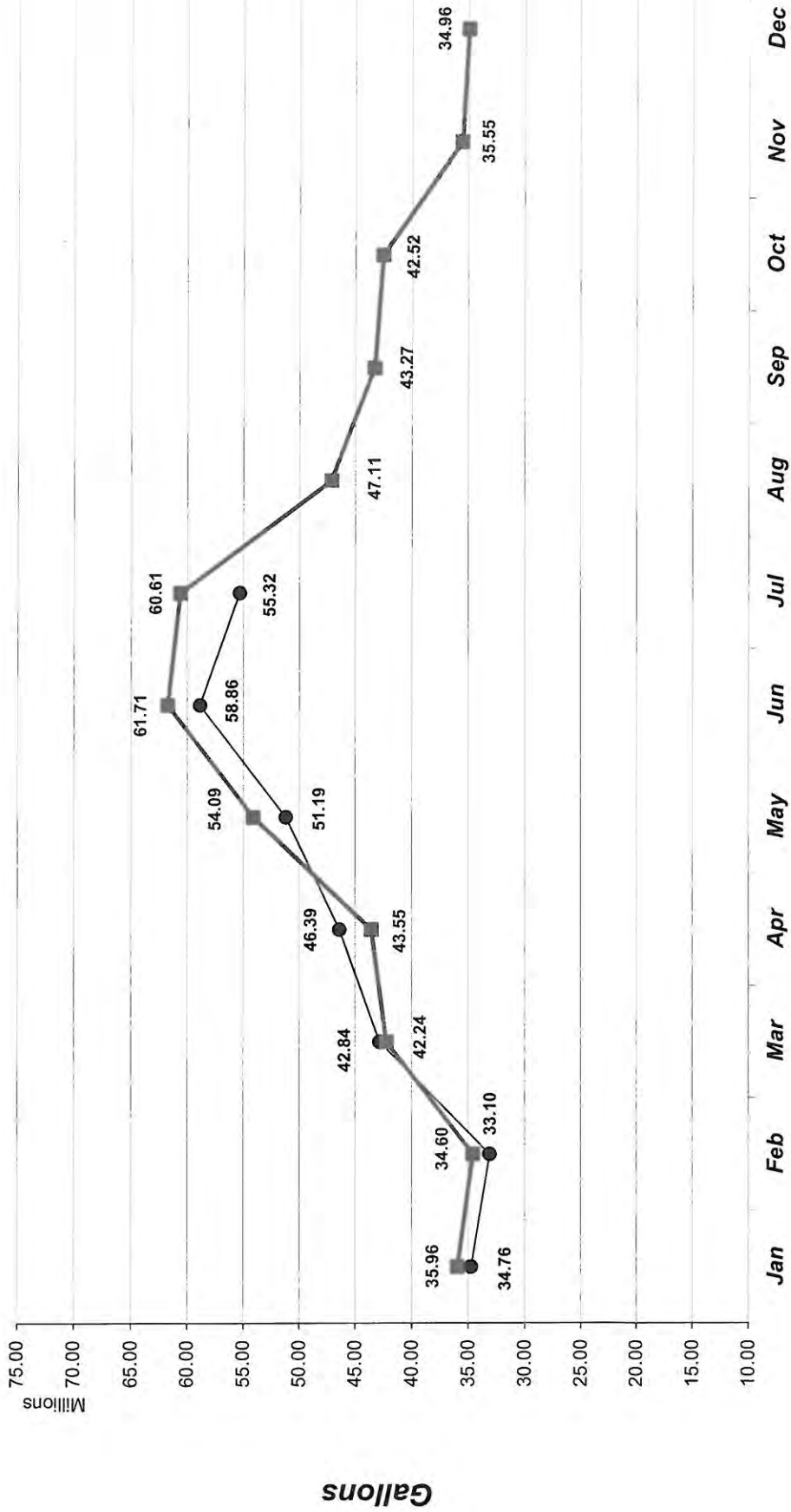
Mesquite district Wetlands: Demo continues.

Mesquite Sewer Report. Sent

Chlorine: No problems.

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

Lower Rio Grande PWWA Water Production Report



—●— 2015 Production —■— 2014 Production

LRGPWWA
Profit & Loss
 July 2015

	Jul 15	Jul 14
Ordinary Income/Expense		
Income		
Credit Card Fees	1,207.02	886.10
Interest	48.29	40.19
Non-Operating Revenue		
Copy/Fax	77.75	135.25
Other Income	10,814.77	302.50
Tower Rent	250.00	0.00
Total Non-Operating Revenue	11,142.52	437.75
Operating Revenue		
Activation & Connection Fees	2,606.79	2,450.00
Contract Services	2,879.35	2,700.96
Impact Fees	0.00	2,350.00
Installation Fees	2,223.25	1,812.12
Membership Fees	520.00	230.00
Monthly Services	258,771.70	217,058.01
Monthly Services-Sewer	14,357.53	14,523.38
Other Income	0.00	500.00
Penalties-Sewer	416.32	466.69
Penalties-Water	5,669.35	5,030.62
Returned Check Fees	0.00	265.00
Tampering Fee/Line Breaks	0.00	500.00
Total Operating Revenue	287,444.29	247,886.78
Professional Fees-Other	3,258.77	2,589.02
Total Income	303,100.89	251,839.84
Cost of Goods Sold		
Cost of Goods Sold	0.00	-471.51
Total COGS	0.00	-471.51
Gross Profit	303,100.89	252,311.35
Expense		
Accounting, Auditing, Legal		
Advertising	0.00	67.55
Bad Debts	0.00	-588.52
Bank Service Charges	0.00	703.89
Cash Short/Over	0.00	-14.23
Dues and Subscriptions	0.00	500.00
Legal Fees	414.88	0.00
Licenses & Fees	70.00	0.00
Meals	14.70	0.00
Postage	2,446.57	1,469.86
Project Development	0.00	1,866.95
Reconciliation Discrepancies	-1,914.46	60.00
Training	1,000.00	338.13
Accounting, Auditing, Legal - Other	861.43	0.00
Total Accounting, Auditing, Legal	2,893.12	4,403.63
Debit Service		
Interest paid to NMFA	1,920.83	3,934.46
Interest paid to USDA	10,890.49	11,241.75
Total Debit Service	12,811.32	15,176.21
Depreciation Expense		
Sewer	22,148.00	22,148.00
Water	67,620.17	53,600.45
Total Depreciation Expense	89,768.17	75,748.45

LRGPWWA
Profit & Loss
 July 2015

	Jul 15	Jul 14
Salaries		
401K 10% Company Contribution	0.00	0.00
Accrued Leave	3,806.08	3,950.63
Administrative Labor	19,212.24	20,121.12
Clerical Labor	15,518.18	12,694.51
Employee Benefits-401K Contrib	2,315.44	2,171.56
HISC-Blue Medicare Rx.	86.90	83.40
Insurance-Dental	448.82	727.13
Insurance-Health	9,762.06	9,374.34
Insurance-Life,Disability	0.00	859.50
Insurance-Work Comp	1,759.00	1,675.00
Operations Labor	30,101.57	28,040.65
Payroll Taxes-Medicare	995.28	668.25
Payroll Taxes-Social Security	4,255.54	2,857.35
Payroll Taxes-State Unemploymen	0.00	1,174.50
Salaries - Other	89.60	0.00
Total Salaries	88,350.71	84,397.94
Sewer		
DAC Waste Water Flow Charge	2,836.61	3,322.29
Electricity-Sewer	725.52	1,965.13
Lab & Chemicals-Sewer	327.44	1,919.39
Total Sewer	3,889.57	7,206.81
Supplies		
Automobile Repairs & Maint.		
LRG-02	462.53	46.78
LRG-03	42.00	0.00
LRG-05	0.00	92.54
LRG-06	8.00	38.00
LRG-09	24.00	13.24
LRG-10	0.00	498.33
LRG-11	931.87	810.36
LRG-14	0.00	35.00
LRG-20	0.00	458.16
LRG-21	42.00	104.59
LRG-23	1,227.56	0.00
Total Automobile Repairs & Maint.	2,737.96	2,097.00
Computer Maintenance	3,665.01	2,386.34
Fuel	6,193.19	7,119.53
Lab, Chemicals-Water		
Chemicals	716.67	2,524.79
Laboratory Fees	321.56	113.02
Total Lab, Chemicals-Water	1,038.23	2,637.81
Maint. & Repairs-Infrastructure	32,151.81	100.00
Maint. & Repairs-Office	1,364.86	349.97
Maintenance & Repairs-Other	215.88	1,021.20
Materials & Supplies	7,888.40	5,862.12
Office Supplies	431.54	2,004.15
Printing and Copying	864.40	817.69
Uniforms-Employee	585.93	532.96
Total Supplies	57,137.21	24,928.77
Taxes, Liability, Insurance		
Cobra Fee	0.00	15.30
Government Penalties & Interest	0.00	80.55
Insurance-General Liability	13,207.00	13,177.00
Insurance-Vision	200.35	0.00
Water Conservation Fee	1,765.91	1,851.33
Total Taxes, Liability, Insurance	15,173.26	15,124.18

12:02 PM

08/17/15

Accrual Basis

LRGPWWA
Profit & Loss
July 2015

	<u>Jul 15</u>	<u>Jul 14</u>
Utilities		
Cell Phone	1,462.63	1,295.56
Electricity-Lighting	518.36	736.55
Electricity-Offices	1,682.75	1,942.16
Electricity-Wells	26,821.27	22,097.72
Garbage Service	36.00	376.00
Natural Gas	120.54	174.63
Telephone	1,260.20	947.03
Wastewater	88.20	88.20
Total Utilities	<u>31,989.95</u>	<u>27,657.85</u>
Total Expense	<u>302,013.31</u>	<u>254,643.84</u>
Net Ordinary Income	<u>1,087.58</u>	<u>-2,332.49</u>
Net Income	<u><u>1,087.58</u></u>	<u><u>-2,332.49</u></u>

Description of Collateral	Original Balance	Date of Note	Current Balance	Term	Maturity Date	Interest Rate	Current Portion of Long Term Debt (Annual Principal Payment)		Annual Interest Payment	Total Annual Payment	Monthly Payment	Reserve Requirement
							Principal	Payment				
NMFA Loans												
NMFA-LowerRio2 (Refinance)	\$ 790,914.00	7/15/2011	\$ 709,578.33	30	7/15/2041	5.261%	\$ 16,878.00	\$ 36,825.00	\$ 53,703.00	\$ 4,475.25	\$ 42,514.92	
NMFA-LowerRio3 (Berriodo/Cerro)	\$ 437,163.00	1/20/2012	\$ 372,972.00	20	1/20/2032	0.000%	\$ 22,384.00	\$ -	\$ 22,384.00	\$ 1,865.33	\$ -	
NMFA-LowerRio4 (Radio Read Meters)	\$ 150,238.00	12/21/2012	\$ 140,085.71	22	12/21/2044	0.250%	\$ 7,960.00	\$ 371.88	\$ 8,331.88	\$ 694.32	\$ -	
NMFA-LowerRio5 (Surface Water)	\$ 75,000.00	12/21/2012	\$ 65,569.00	20	12/21/2042	0.250%	\$ 3,673.00	\$ 185.00	\$ 3,858.00	\$ 321.50	\$ -	
NMFA Lower Rio 6(Mesquite Sewer)	\$ 167,025.00	3/1/2013	\$ 150,321.00	20	3/1/2033	0.000%	\$ 8,352.00	\$ -	\$ 8,352.00	\$ 696.00	\$ -	
NMFA-Bratzio Water Project	\$ 58,150.00	12/20/2013	\$ 52,334.00	20	12/20/2033	0.000%	\$ 2,908.00	\$ -	\$ 2,908.00	\$ 242.33	\$ -	
NMFA-LowerRio5 Bratzio Water System Improvements	\$ 15,790.00	2/6/2015	\$ -	20	6/1/2034	0.000%	\$ 261.00	\$ -	\$ 261.00	\$ 21.75	\$ -	
NMFA-LowerRio10 Water Line Extension-Veterans Road	\$ 103,458.00	2/6/2015	\$ 101,747.00	20	6/1/2034	0.000%	\$ 1,711.00	\$ -	\$ 1,711.00	\$ 142.58	\$ -	
NMFA-Lower Rio 11 Bratzio Water Project	\$ 54,061.00	2/6/2015	\$ 53,167.00	20	6/1/2034	0.000%	\$ 894.00	\$ -	\$ 894.00	\$ 74.50	\$ -	
Total NMFA Loans	\$ 1,851,799.00		\$ 1,645,774.04				\$ 65,021.00	\$ 37,381.88	\$ 102,402.88	\$ 8,533.57	\$ 42,514.92	
USDA Loans												
USDA 91-02 (Berriodo/Cerro/Mesa Water)	\$ 2,304,000.00	6/11/2014	\$ 2,273,140.37	40	6/11/2054	3.375%	\$ 28,380.00	\$ 76,692.00	\$ 105,072.00	\$ 8,756.00	\$ 412,512.00	
USDA 91-07 (Bratzio Water)	\$ 80,000.00	9/8/2005	\$ 70,054.57	40	9/8/2045	4.125%	\$ 1,140.00	\$ 2,952.00	\$ 4,092.00	\$ 341.00	\$ -	
USDA 91-09 (Bratzio Water)	\$ 40,000.00	1/7/2006	\$ -	40	1/7/2046	4.250%	\$ -	\$ -	\$ -	\$ -	\$ -	
USDA 91-14 (Bratzio Water)	\$ 222,000.00	10/26/2009	\$ 202,883.46	40	10/26/2049	3.375%	\$ 3,127.00	\$ 7,001.00	\$ 10,128.00	\$ 844.00	\$ -	
USDA 91-15 (Bratzio Water)	\$ 172,000.00	5/22/2012	\$ 163,445.66	40	5/22/2052	2.750%	\$ 2,505.00	\$ 4,599.00	\$ 7,104.00	\$ 592.00	\$ -	
USDA 91-02 (Butterfield Park)	\$ 250,000.00	8/31/2000	\$ 203,188.70	40	8/31/2040	5.000%	\$ 4,336.00	\$ 10,472.00	\$ 14,808.00	\$ 1,234.00	\$ -	
USDA 91-04 (LaMesa Water Proj)	\$ 471,000.00	1/17/2003	\$ 448,882.02	40	1/17/2043	2.750%	\$ 6,874.00	\$ 12,578.00	\$ 19,452.00	\$ 1,621.00	\$ -	
USDA 93-09 (Organ Water)*	\$ 91,910.00	9/14/2012	\$ 87,853.28	40	10/14/2052	2.750%	\$ 947.31	\$ 2,927.47	\$ 3,874.78	\$ 322.90	\$ 16,704.00	
Total Water	\$ 3,635,910.00		\$ 3,449,458.09				\$ 47,309.31	\$ 117,221.47	\$ 164,530.78	\$ 13,710.90	\$ 429,216.00	
USDA 92-13 (Mesquite Sewer)	\$ 100,000.00	4/26/2012	\$ 95,532.72	40	4/26/2052	3.375%	\$ 1,280.00	\$ 3,280.00	\$ 4,560.00	\$ 380.00	\$ 18,240.00	
USDA 92-19 (Mesquite Sewer)	\$ 606,000.00	4/26/2012	\$ 570,816.90	40	4/26/2052	2.000%	\$ 10,645.00	\$ 11,702.00	\$ 22,347.00	\$ 1,862.25	\$ 88,176.00	
USDA 93-09 (Organ Sewer)*	\$ 9,090.00	9/14/2012	\$ 8,689.77	40	10/14/2052	2.750%	\$ 93.69	\$ 289.53	\$ 383.22	\$ 31.94	\$ 106,416.00	
Total Sewer	\$ 715,090.00		\$ 675,039.39				\$ 12,018.69	\$ 15,271.53	\$ 27,290.22	\$ 2,274.19	\$ 106,416.00	
USDA Total Loans	\$ 4,351,000.00		\$ 4,124,497.45				\$ 59,328.00	\$ 133,493.00	\$ 191,821.00	\$ 15,985.08	\$ 535,632.00	
Total Long Term Liabilities	\$ 6,375,504.00		\$ 5,770,271.49				\$ 123,349.00	\$ 169,874.88	\$ 294,223.88	\$ 24,518.66	\$ 578,146.92	

Total Debt Service
Total Debt Service Budget
Additional Debt Service Available

\$ 284,233.88 \$ 24,518.66
\$ 358,942.00 \$ 29,745.17
\$ 62,718.12 \$ 5,236.51



August 5, 2015

Lower Rio Grande Public Water Works Authority
PO Box 2646
Anthony

Related Parties, Fraud and Integrity and Ethical Values Questionnaire

In connection with the audit of Lower Rio Grande Public Water Works Authority's (the Public Water System) financial statements for the year ended June 30, 2015, please furnish answers to the following questions and return this questionnaire via email to beatmon@acgsw.com. The questionnaire is designed to obtain information about transactions between Lower Rio Grande Public Water Works Authority any related parties and to identify potential fraud issues.

This inquiry is considered confidential. Any information presented by you may be used to investigate issues, but no indication of who provided the information will be given to management or those charged with governance.

Related parties include members of the governing body; administrative officials; immediate families of administrative officials and members of the governing body; and affiliated governmental units included in the financial statements.

Fraud includes any intentional financial misstatement and misappropriation of assets. Such fraud items could include, but are not limited to;

- misuse of fuel cards for personal vehicles
- misuse of purchase cards
- time fraud (clocking in to work when not actually working)
- manipulation, falsification, or alteration of accounting records or supporting documents from which financial statements are prepared
- misrepresentation in, or intentional omission of events, transactions or other information that is significant to the financial statements
- intentional misapplication of accounting principles relating to amounts, classification, presentation or disclosure
- theft of assets, such as vehicles or inventory/supplies
- causing the entity to pay for goods not received

1. Have you or any related party of yours had any material interest in any of the following transactions since July 1, 2014 to which Lower Rio Grande Public Water Works Authority was, or is to be, a party?

- Sale, purchase, exchange, or leasing of property? _____ Yes _____ No
- Receiving or furnishing of goods, services, or facilities? _____ Yes _____ No
- Transfer or receipt of income or assets? _____ Yes _____ No
- Money owed to or owed from the Public Water System? _____ Yes _____ No

2. Do you have any concerns regarding the following areas (including opportunity for fraud):

- Accounting software inadequacies that could lead to incorrect data, be it due to management overrides or error? _____ Yes _____ No
- Actions by management or other employees that may indicate efforts to conceal inappropriate activities, such as becoming belligerent when questioned? _____ Yes _____ No
- Pressures from management for achieving goals or budgets at all costs that could lead to incentives to misstate results or to miscategorize expenses to meet budgets? _____ Yes _____ No
- Relationships with vendors or contractors that appears suspicious or inappropriate which may indicate favoritism or kickbacks? _____ Yes _____ No
- Are you aware of any personnel under financial stress or with grievances against the Public Water System that might heighten the risk of fraud? _____ Yes _____ No
- Has management or other employees been evasive or demonstrated undue agitation or a guilty attitude in response to routine inquiries? _____ Yes _____ No

Please use the space below to elaborate on any questions answered yes above.

3. Are you aware of any of the following:

- Actual fraud or suspicions of fraud affecting the entity? _____ Yes _____ No
- Allegations of fraud or suspected fraud affecting the entity? _____ Yes _____ No
- Open or pending legal matters that could have material negative financial effects on the Public Water System? _____ Yes _____ No
- Specific concerns about the risk of fraud related to specific locations, business segments, type of transactions, account or financial statement balances or categories, specific employees, compensation arrangements, or other matters? _____ Yes _____ No
- Disputes you are aware of within the Public Water System or indication of fraudulent activity regarding accounting or financial reporting issues, risk management issues, ethical issues, environmental concerns, or other matters that might have financial implications? _____ Yes _____ No

Please use the space below to elaborate on any questions answered yes above.

4. Control Environment

- Are you aware of a written Code of Conduct applicable to employees of the Public Water System? _____ Yes _____ No
- Are job responsibilities formally documented and reviewed annually by management or those charged with governance? _____ Yes _____ No
- Does the Public Water System compare its actual performance with its goals, such as budgets? _____ Yes _____ No
- Does the Public Water System have a functioning audit committee to review and assess the operations of the Public Water System? _____ Yes _____ No
- Are written policies and procedures for all major areas periodically reviewed and approved by management and readily available for use by all employees, such as a employee policy manual? _____ Yes _____ No
- Is there an organizational chart that clearly defines the lines of management authority and responsibility? _____ Yes _____ No
- Does management express the importance of internal controls, including division of responsibility? _____ Yes _____ No
- Does management periodically review internal controls to determine if it is operating as intended? _____ Yes _____ No
- Are responsibilities segregated so that no single employee controls all phases of a transaction, such as the process over payroll or disbursement of checks to pay vendors? _____ Yes _____ No
- Are sufficient training opportunities to improve competency and update employees on new policies and procedures available? _____ Yes _____ No

Please use the space below to elaborate on any questions answered no above.

5. Are there any transactions, locations, or other areas that you feel are more prone to risk or abuse for the Public Water System? Or areas that you feel may need more attention than others?

To: Accounting & Consulting Group, LLP

The answers to the foregoing questions are correctly stated to the best of my knowledge and belief.

Print Name: _____

Signature: _____

Date: _____

Title: _____



**APPROVING PARTICIPATION IN THE PROGRAM OF THE
SOUTH CENTRAL COUNCIL OF GOVERNMENTS, INC.
FOR FISCAL YEAR 2015-2016**

WHEREAS, the LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY (herein-after known as the "Member"), desires to be a participating member in the program and policy development for the South Central Council of governments, Inc. (hereinafter known as "SCCOG"); and

WHEREAS, it is necessary and desirable that an agreement setting forth the services to be performed by the SCCOG for the Member be entered into, wherewith the SCCOG is agreeing to furnish the following:

- A. Implement the work program as established by the SCCOG Board of Directors for the 2015-2016 Fiscal Year.
- B. Provide the Member, when requested, with technical, grant program planning, economic development, strategic overall planning and management assistance.
- C. Address problems, issues and opportunities of a regional nature which go beyond single municipal or county jurisdictional boundaries and serve as a liaison and advocate for local governments within the region at the state and federal levels.
- D. Provide information dissemination about statewide regional and community initiatives to foster greater coordination and efficiency of the programs.

WHEREAS, it is necessary to set forth the sum to be paid by the Member to the SCCOG as annual dues, thereby placing the Member with voting powers on the SCCOG Board of Directors, with an agreement to furnish the following:

- A. To participate, through their designated representatives or alternate, in the SCCOG's policy development process by attending meetings, helping formulate the annual work program, reviewing the SCCOG Goals and Objectives, and the District Comprehensive Economic Development Strategy (CEDS).
- B. To pay to the SCCOG the sum of \$500.00 annual membership dues as payment of the aforementioned services for the period beginning July 1, 2015 and ending June 30, 2016.
- C. The Member hereby appoints _____, as their designated representative and _____ as alternate.

NOW THEREFORE, BE IT RESOLVED THAT the Member and the SCCOG hereby mutually agree to the aforementioned provisions of this Resolution and Agreement.

DONE this 19th day of August, 2015 at Berino, New Mexico.

Attestation:

Member Government

Clerk, or other Authorized Official
Alma Boothe, Secretary

Signature of Authorized Official
Roberto Nieto, Board Chairman

Attest :

South Central Council of Governments, Inc.

Jay Armijo, Executive Director

Chairwoman, Nora Barraza



LOWER RIO GRANDE Public Water Works Authority

325 Holguin Road

Vado, New Mexico 88072

(575) 233-5742

www.LRGauthority.org

LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY SCADA RFP Committee Report Thursday, July 23, 2015 9:30 am at Berino Office

Offerors	Date Submitted	Time Submitted	7Copies	8.5x11" bound left side	* 10 Pg. Max.	** Format & Sequence	Campaign Disclosure	Non-Disclosure Request?	Sub-Cons. List	Res. Bus. Cert.	Res. Vet. Bus. Cert.	Grand Total Score	Ranking
Molzen Corbin	7/14/2015	3:11 PM	yes	yes	yes	yes	yes	no	no	yes	no	153	1
Bath Group	7/15/2015	2:20 PM	yes	yes	yes	yes	yes	no	no	yes	no	136	3
Bohannon Huston	7/15/2015	1:33 PM	yes	yes	yes	yes	yes	no	no	yes	no	152	2
Pennell Consulting	7/13/2015	11:22 AM	yes	yes	yes	yes	yes	no	no	no	no	99	4

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

**Format & Sequence:

1. Cover Letter

2. Response to Evaluation Criteris

3. Other supporting or resource material

Must provide

certificate, plus

certification for

Veteran Pref. %

NOTE: Bath Group provided a Resident Veteran Certification for the percentage qualification, but no Resident Veteran Certificate from NMTRD, and therefore does not qualify for the preference.

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

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

Molzen Corbin – 26.4

Bohannon Huston – 27.2

Bath Group – 22.6

Pennell Consulting – 19.4

BHI's proposal talked about integrating our existing components and gave more detail. Pennell discussed a lot of things that were irrelevant to our project, but did not address anything specific to our project.

P&D #2 Scores – Capacity & Capability

Molzen Corbin – 23.6	Bohannon Huston – 22.4
Bath Group – 22.4	Pennell Consulting – 17.6

Molzen, Bath and Bohannon are large firms with enough experienced employees to handle the job. Molzen proposal with regard to staffing demonstrated more relevant experience in water and wastewater SCADA systems, Pennell’s does not show experience in water & wastewater SCADA.

P&D #3 Scores – Past Record of Performance

Molzen Corbin - 23	Bohannon Huston – 21.2
Bath Group – 19.8	Pennell Consulting – 19.4

Molzen identified past projects and their approach, including working with client input, gave the most detail.

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

Molzen Corbin – 8.8	Bohannon Huston – 9.4
Bath Group – 6.4	Pennell Consulting – 3.8

The proposals illustrated the fact that Bohannon has the most extensive experience working with the LRG and its founding entities, closely followed by Molzen, Bath has limited experience as a sub-consultant, and Pennell demonstrates no experience working in the area.

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

Molzen Corbin – 4.4	Bohannon Huston – 4.8
Bath Group – 3.2	Pennell Consulting – 1.4

Scores were based on the clarity of the firms’ responses to this question.

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

Molzen Corbin - 5	Bohannon Huston - 4
Bath Group - 5	Pennell Consulting - 5

Construction Phase #1 – Specialized Construction Management Experience

Molzen Corbin – 12.8	Bohannon Huston – 13.6
Bath Group - 12	Pennell Consulting – 5.2

Bohannon gave a more detailed explanation of their management process. This item is not in Pennell’s table of contents and was not explained.

Construction #2 – Specialized Experience with Start Up Assistance

Molzen Corbin – 12.6	Bohannon Huston – 13.6
Bath Group – 12.4	Pennell Consulting – 5.2

Bohannon discussed demonstration and training, Molzen only discussed coordination, Bath mentioned periodic visits, and Pennell did not address start-up.

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

Molzen Corbin – 13.8
Bath Group – 11.8

Bohannan Huston - 13
Pennell Consulting – 8.6

Molzen identified more available staff. None of the firms identified a timeframe.

Construction #4 – History of Past Performance

Molzen Corbin – 13.6
Bath Group – 12.8

Bohannan Huston - 14
Pennell Consulting – 8.4

Bohannan and Molzen gave the information requested on bid versus final close-out contract amounts, Bohannan gave more data. Bath and Pennell did not provide all of the information requested.

Construction #5 – History of Claims

Molzen Corbin – 8.8
Bath Group – 7.4

Bohannan Huston – 9.2
Pennell Consulting – 4.8

Pennell did not identify if they had any claims. Bath had a claim with a \$25k settlement. Molzen had no design-related claims and provided their procedure to avoid claims. Bohannan did not identify any claims against them, broke down the liability the areas most vulnerable to claims, the process to safeguard against them and how to respond to claims.

RECOMMENDATION: Although the top two score are very close, the RFP Committee unanimously recommends to the Board of Directors that the top scoring firm, Molzen Corbin & Associates be selected for this project.


TOTAL SCORES:


Ranked: 1														
Consultant	Planning & Design Services						Construction Services					TOTAL		
	Item 1	Item 2	Item 3	Item 4	Item 5	Item 6	Subtotal	Item 1	Item 2	Item 3	Item 4	Item 5	Subtotal	170 Possible
Molzen Corbin	pts.30	pts.25	pts.25	pts.10	pts.5	pts.5	100	Pts.15	Pts.15	Pts.15	Pts.15	Pts.10	70	Possible
Average Score	26.4	23.6	23	8.8	4.4	5	91.2	12.8	12.6	13.8	13.4	8.8	61.4	152.6

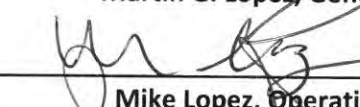
Ranked: 2														
Consultant	Planning & Design Services						Construction Services					TOTAL		
	Item 1	Item 2	Item 3	Item 4	Item 5	Item 6	Subtotal	Item 1	Item 2	Item 3	Item 4	Item 5	Subtotal	170 Possible
Bohannon	pts.30	pts.25	pts.25	pts.10	pts.5	pts.5	100	Pts.15	Pts.15	Pts.15	Pts.15	Pts.10	70	Possible
Average Score	27.2	22.4	21.2	9.4	4.8	4	89	13.6	13.6	13	14	9.2	63.4	152.4

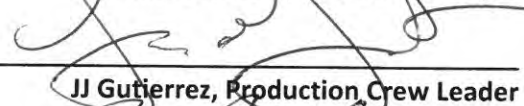
Ranked: 3														
Consultant	Planning & Design Services						Construction Services					TOTAL		
	Item 1	Item 2	Item 3	Item 4	Item 5	Item 6	Subtotal	Item 1	Item 2	Item 3	Item 4	Item 5	Subtotal	170 Possible
Bath	pts.30	pts.25	pts.25	pts.10	pts.5	pts.5	100	Pts.15	Pts.15	Pts.15	Pts.15	Pts.10	70	Possible
Average Score	22.6	22.4	19.8	6.4	3.2	5	79.4	12	12.4	11.8	12.8	7.4	56.4	135.8


Ranked: 4														
Consultant	Planning & Design Services						Construction Services					TOTAL		
	Item 1	Item 2	Item 3	Item 4	Item 5	Item 6	Subtotal	Item 1	Item 2	Item 3	Item 4	Item 5	Subtotal	170 Possible
Pennell	pts.30	pts.25	pts.25	pts.10	pts.5	pts.5	100	Pts.15	Pts.15	Pts.15	Pts.15	Pts.10	70	Possible
Average Score	19.4	17.6	19.4	3.8	1.4	5	66.6	5.2	5.2	8.6	8.4	4.8	32.2	98.8

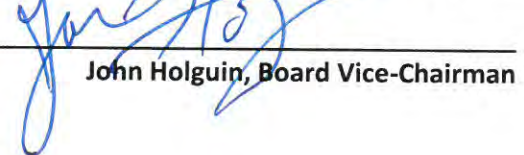

 Karen Nichols, Projects Manager, Procurement Manager


 Martin G. Lopez, General Manager


 Mike Lopez, Operations Manager


 JJ Gutierrez, Production Crew Leader


 Ramon Moralez, Distribution Crew Leader


 John Holguin, Board Vice-Chairman



LOWER RIO GRANDE Public Water Works Authority

325 Holguin Road

Vado, New Mexico 88072

(575) 233-5742

www.LRGauthority.org

LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY Waterline Extension Project RFP Committee Report Thursday, July 23, 2015 1:30 pm at Berino Office

Offerors	Date Submitted	Time Submitted	7Copies	8.5x11" bound left side	* 12 Pg. Max.	** Format & Sequence	Campaign Disclosure	Non-Disclosure Request?	Sub-Cons. List	Res. Bus. Cert.	Res. Vet. Bus. Cert.	Grand Total Score	Ranking
Wilson & Co.	7/15/2015	12:35 PM	yes	yes	yes	yes	yes	no	no	yes	no	141	5
Vencor	7/14/2015	4:18 PM	yes	yes	yes	yes	yes	no	no	yes	yes-8%	161	1
Parkhill, Smith, Cooper	7/15/2015	12:57 PM	yes	yes	yes	yes	yes	no	no	yes	no	153	2
Souder Miller	7/15/2015	11:15 AM	yes	yes	yes	yes	yes	no	no	yes	no	146	4
Molzen Corbin	7/14/2015	3:11 PM	yes	yes	yes	yes	yes	no	no	yes	no	149	3
Zia	7/15/2015	11:15 AM	yes	yes	yes	yes	yes	no	no	yes	no	133	7
Smith	7/15/2015	3:34 PM	yes	yes	yes	yes	yes	no	no	yes	no	136	6

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2. Response to Evaluation Criteris
3. Other supporting or resource material

Must provide certificate, plus certification for Veteran Pref. %

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

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

Wilson & Co. – 25.3

Souder Miller - 26

Zia – 23.3

Vencor - 26

Molzen Corbin – 26.5

Smith – 23.3

Parkhill, Smith, Cooper – 27.5

PSC, Souder Miller, Molzen and Vencor identified design and technical components necessary for this project and showed how they would provide and implement these elements. The lower ranked firms provided the information in a more general way, not specific this project.

P&D #2 Scores – Capacity & Capability

Wilson & Co. – 21.8	Souder Miller – 21.8	Zia – 19.8
Vencor – 21.3	Molzen Corbin – 22.5	Smith – 20.3
Parkhill, Smith, Cooper – 23.0		

PSC has a large staff, but identified the specific team for this project with brief but very relevant bios. Their presentation was well organized, relevant to the project, and easy to follow. Zia highlighted their experience with wastewater projects, not water.

P&D #3 Scores – Past Record of Performance

Wilson & Co. - 22.0	Souder Miller - 23.0	Zia - 21.0
Vencor - 21.5	Molzen Corbin - 22.5	Smith – 20.8
Parkhill, Smith, Cooper - 22.3		

Wilson and PSC identified a plan to accomplish the project, while the other firms identified actual past projects to demonstrate their record. Souder Miller used similar and nearby projects to demonstrate their performance record.

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

Wilson & Co. – 8.3	Souder Miller – 9.3	Zia – 8.3
Vencor – 9.8	Molzen Corbin – 8.3	Smith – 7.8
Parkhill, Smith, Cooper – 9.0		

The top ranked firms have interacted more with the LRGPWWA staff and their proposals demonstrate more familiarity with the area and LRGPWWA facilities.

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

Wilson & Co. – 5.0	Souder Miller – 5.0	Zia – 5.0
Vencor – 5.0	Molzen Corbin – 5.0	Smith – 5.0
Parkhill, Smith, Cooper – 5.0		

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

Wilson & Co. - 5.0	Parkhill, Smith, Cooper – 5.0	Molzen Corbin – 5.0	Zia – 5.0
Vencor – 5.0	Souder Miller – 5.0	Smith – 5.0	

Souder Miller and Vencor have current projects with the LRGPWWA that are in the construction phase, design is complete.

Construction #1 – Specialized Construction Management Experience

Wilson & Co. – 16.3	Souder Miller – 15.5	Zia – 17.0
Vencor – 17.5	Molzen Corbin – 16.0	Smith – 15.0
Parkhill, Smith, Cooper – 17.0		

Vencor identified in detail all of the elements of their process of construction management in clear and easy to read format. It was difficult to find this information in some of the other proposals.

Construction #2 – Specialized Experience with Start Up Assistance

Wilson & Co. – 11.8	Souder Miller – 11.8	Zia – 10.8
Vencor – 13.3	Molzen Corbin – 12.5	Smith – 12.0
Parkhill, Smith, Cooper – 12.8		

Vencor identified the elements of a water distribution system start-up. Smith identified the entire start-up process, but not specific to a water distribution system. The other proposals were less specific

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

Wilson & Co. – 11.5	Souder Miller – 12.0	Zia – 10.5
Vencor – 12.3	Molzen Corbin – 13.5	Smith – 11.5
Parkhill, Smith, Cooper – 13.5		

Molzen identified 9 construction observers and staff with water certifications. PSC identified 25 years and 140 miles of water line construction management experience. Zia’s proposal mostly documents wastewater experience. Other firms were less specific.

Construction #4 – History of Past Performance

Wilson & Co. – 7.5	Souder Miller – 8.8	Zia – 5.5
Vencor – 9.3	Molzen Corbin – 8.8	Smith – 7.5
Parkhill, Smith, Cooper – 8.3		

Zia’s history relates to wastewater, not water projects. Vencor listed three very similar projects that have been completed for the LRGPWWA.

Construction #5 – History of Claims

Wilson & Co. – 7.0	Souder Miller – 8.3	Smith – 7.8
Vencor – 8.0	Molzen Corbin – 8.8	
Parkhill, Smith, Cooper – 9.3	Zia – 7.3	

PSC’s proposal clearly explained their philosophy and gave the details of 3 relevant examples.

NOTE: JJ Gutierrez had to leave the meeting due to an issue at one of our wells, and he did not finish making notes on scoring, so his scores are not included in the averages. He did, however, participate in some of the discussion and the final decision regarding the recommendation to the Board.


RECOMMENDATION: The committee discussed possibly conducting interviews of the three top firms because before the Resident Veterans Preference was applied, the high scoring firm had the same score as the third ranked firm and the top three were very close. For a more complex project requiring specialized experience and expertise, that might be a desirable process but this is a fairly simple pipeline project, and interviews are not likely to develop new information that would significantly change the scoring.

The committee unanimously recommends that the Board of Directors select Vencor Engineering, LLC for the Waterline Extensions Project.

TOTAL SCORES:

Ranked: 1														
Consultant	Planning & Design Services							Construction Services						TOTAL
Vencor Engineering	Item 1 pts.30	Item 2 pts.25	Item 3 pts.25	Item 4 pts.10	Item 5 pts.5	Item 6 pts.5	Subtotal 100	Item 1 Pts.20	Item 2 Pts.15	Item 3 Pts.15	Item 4 Pts.10	Item 5 Pts.10	Subtotal 70	170 Possible
Average Score	25.3	21.8	22.0	8.3	5.0	5.0	87.3	16.3	11.8	11.5	7.5	7.0	54.0	141.3
Ranked: 2														
Consultant	Planning & Design Services							Construction Services						TOTAL
Parkhill, Smith, Cooper	Item 1 pts.30	Item 2 pts.25	Item 3 pts.25	Item 4 pts.10	Item 5 pts.5	Item 6 pts.5	Subtotal 100	Item 1 Pts.20	Item 2 Pts.15	Item 3 Pts.15	Item 4 Pts.10	Item 5 Pts.10	Subtotal 70	170 Possible
Average Score	27.5	23	22.25	9	5	5	91.75	17	12.75	13.5	8.25	9.25	60.75	152.5
Ranked: 3														
Consultant	Planning & Design Services							Construction Services						TOTAL
Molzen Corbin	Item 1 pts.30	Item 2 pts.25	Item 3 pts.25	Item 4 pts.10	Item 5 pts.5	Item 6 pts.5	Subtotal 100	Item 1 Pts.20	Item 2 Pts.15	Item 3 Pts.15	Item 4 Pts.10	Item 5 Pts.10	Subtotal 70	170 Possible
Average Score	26.5	22.5	22.5	8.25	5	5	89.75	16	12.5	13.5	8.75	8.75	59.5	149.25
Ranked: 4														
Consultant	Planning & Design Services							Construction Services						TOTAL
Souder Miller	Item 1 pts.30	Item 2 pts.25	Item 3 pts.25	Item 4 pts.10	Item 5 pts.5	Item 6 pts.5	Subtotal 100	Item 1 Pts.20	Item 2 Pts.15	Item 3 Pts.15	Item 4 Pts.10	Item 5 Pts.10	Subtotal 70	170 Possible
Average Score	26	21.75	23	9.25	5	5	90	15.5	11.75	12	8.75	8.25	56.25	146.25
Ranked: 5														
Consultant	Planning & Design Services							Construction Services						TOTAL
Smith	Item 1 pts.30	Item 2 pts.25	Item 3 pts.25	Item 4 pts.10	Item 5 pts.5	Item 6 pts.5	Subtotal 100	Item 1 Pts.20	Item 2 Pts.15	Item 3 Pts.15	Item 4 Pts.10	Item 5 Pts.10	Subtotal 70	170 Possible
Average Score	23.25	20.25	20.75	7.75	5	5	82	15.5	12	11.5	7.5	7.75	54.25	136.25
Ranked: 6														
Consultant	Planning & Design Services							Construction Services						TOTAL
Zia	Item 1 pts.30	Item 2 pts.25	Item 3 pts.25	Item 4 pts.10	Item 5 pts.5	Item 6 pts.5	Subtotal 100	Item 1 Pts.20	Item 2 Pts.15	Item 3 Pts.15	Item 4 Pts.10	Item 5 Pts.10	Subtotal 70	170 Possible
Average Score	23.25	19.75	21	8.25	5	5	82.25	17	10.75	10.5	5.5	7.25	51	133.25

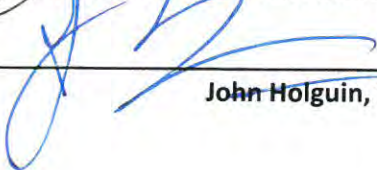

 Karen Nichols, Projects Manager, Procurement Manager


 Martin G. Lopez, General Manager


 Mike Lopez, Operations Manager


 JJ Gutierrez, Production Crew Leader


 Ramon Morales, Distribution Crew Leader


 John Holguin, Vice-Chairman

UNITED STATES DEPARTMENT OF AGRICULTURE
Rural Utilities Service

LEGAL SERVICES AGREEMENT

This agreement made this ____ day of August, 2015 between Lower Rio Grande Public Water Works Authority, hereinafter referred to as "Owners", and Joshua L. Smith, attorney at law, of Watson Law Office, LLC , hereafter referred to as "Attorney":

WHEREAS, Owners have formed a public water works authority located in Dona Ana County, New Mexico, a political subdivision formed under the provisions of the New Mexico Statutes Annotated§ 73-26-1 (1978); and

WHEREAS, the Attorney agrees to perform all legal services necessary to organize ~~and incorporate said~~ under the provisions of said statutes and to perform all other customary legal services necessary to the organization, financing, construction and initial operation of the Application for Federal Assistance- Purchase of Vehicles and Equipment Loan and Grant system;

WITNESSETH:

That for and in consideration of the mutual covenants and promises between the parties hereto, it is hereby agreed:

SECTION A - LEGAL SERVICES

That the Attorney will perform such services as are necessary to accomplish the above recited objectives including, but not limited to, the following:

1. Preparation and filing of petition for incorporation and supervision and assistance in the taking of such other actions as may be necessary or incidental to cause the Owners to become duly organized and incorporated and to be authorized to undertake the proposed system.
2. Furnish advice and assistance to the governing body of the duly formed Lower Rio Grande Public Water Works Authority connection with (a) the notice for the conduct of meetings; (b) the preparations of minutes of meetings; (c) the preparation and enactment of such resolutions as may be necessary in connection with the authorization, financing, and construction, and initial operation of the Application for Federal Assistance- Purchase of Vehicles and Equipment Loan and Grant system; (d) the preparation of such affidavits, publication notices, ballots, reports,

certifications, and other instruments and advice as may be needed in the conduct of such bond elections as may be necessary; (e) the preparation and completion of ~~such bonds or~~ other obligations as may be necessary to finance the system; (f) the completion and execution of documents for obtaining a loan made or insured or a grant made by the United States of America, acting through the Rural Utilities Service, U. S. Department of Agriculture; (g) entering into construction contracts; (h) preparation and adoption of By-Laws, Rules and Regulations, and rate schedules; (i) such other corporate action as may be necessary in connection with the financing, construction, and initial operation of Application for Federal Assistance- Purchase of Vehicles and Equipment Loan and Grant ~~system~~.

3. Review of construction contracts, bid-letting procedure, and surety and contractual bonds in connection therewith.
4. Preparation, negotiation, or review of contract with a city or other source of water supply when necessary.
5. Preparation, where necessary, and review of deeds, easements and other rights-of-way documents, and other instruments for sites for source of water supply, pumping stations, treatment plants, and other facilities necessary to the system and to provide continuous rights-of-way therefore; ~~rendering title opinions with reference thereto~~; and providing for the recordation thereof.
6. Obtain necessary permits and certifications from county and municipal bodies, from State regulatory agencies, and from other public or private sources with respect to the approval of the Application for Federal Assistance- Purchase of Vehicles and Equipment Loan and Grant ~~system~~, the construction and operation thereof, pipeline crossings, and the like.
7. Cooperate with the engineer employed by Owners in connection with preparation of tract sheets, easements, and other necessary title documents, construction contracts, water supply contracts, health permits, crossing permits, and other instruments.
8. When applicable, secure assistance of and cooperate with recognized bond counsel in the preparation of the documents necessary for the financing aspects of the Application for Federal Assistance- Purchase of Vehicles and Equipment Loan and Grant ~~system~~. The attorney shall pay all bond counsel in perfecting the financing aspects, e.g., assessment procedures and completion of documents. Where bond counsel is retained, the Attorney will not be responsible for the preparation and approval of those documents pertaining to the issuance of the Owner's obligations.

SECTION B - COMPENSATION

Owners will pay to the Attorney for professional services rendered in accordance herewith, fees as follows:

\$ 150.00 per hour and out of pocket expenses, the aggregate not to exceed 2% percent of the total actual cost of the project, plus gross receipts tax and fees required for recording of documents, acquisition of permits, etc..

Said fees to be payable on a monthly basis in itemized statements approved by the Owner and Rural Utilities Service.

SECTION C - OTHER PROVISIONS

1. That Lower Rio Grande Public Water Works Authority ~~upon organization and incorporation the association~~ shall by appropriate resolution adopt and ratify this Agreement, that the authority shall be substituted for the individual Owners as a party to this Agreement, and that the Owners as individuals shall thereupon be relieved of all personal liability existing or arising from this Agreement.
2. That ~~upon organization and incorporation~~ should the authority fail or refuse to adopt and ratify this Agreement by appropriate resolution within 30 days from the date of the commencement of its legal existence, this Agreement shall terminate and Owners shall be liable to the Attorney for payment of \$150.00, which sum represents payment in full ~~for the organization and incorporation of the association~~ and for all other legal services rendered to Owners under the terms of this Agreement to the date of said termination.

ATTORNEY: _____ DATE: _____
Joshua L. Smith

OWNERS: _____ DATE: _____
TITLE: Robert M. Nieto, Chairman, Lower Rio Grande PWWA

RURAL DEVELOPMENT: _____

TITLE: _____

DATE: _____

THE APPROVAL BY RURAL UTILITIES SERVICE OF THIS AGREEMENT SHALL IN NO WAY COMMIT THIS AGENCY TO RENDER FINANCIAL ASSISTANCE; HOWEVER, IF FINANCIAL ASSISTANCE IS PROVIDED, THE APPROVAL SHALL SIGNIFY THAT THE PROVISIONS OF THIS AGREEMENT ARE CONSISTENT WITH THE REQUIREMENTS OF RURAL DEVELOPMENT.

NOTE: Rural Utilities Service shall be construed to mean the United States Department of Agriculture, Rural Development.

oOo

Removal of meters due to no compliance on "Notice of Termination of Membership Lien Filing" mailed out 7/6/15

ACCT #	NAME	ADDRESS	BALANCE	METER #	NOTES
5515	Fran Hutson	9165 Berry Patch	738.97	10031221	Parcel # 03-14852
5534	Roberta James	4905 Balsam Rd	301.03	10031080	Parcel # 03-10399
5731	Margarita Terrazas	9769 Butterfield Blvd	565.20	10030972	Parcel # 03-20391
5769	Margarita & Patricio Prieto	9287 Butterfield Blvd	259.72	10031093	Parcel # 03-20690
5816	Jose A Saona	9320 Butterfield Blvd	639.18	10031267	Parcel # 03-15558
5072	Benjamin Madrid	9486 Dragonfly Ave	598.39	7921160	Parcel # 03-15244
5121	Ermelinda Perez	7030 Fox Rd #1	214.44	7920938	Parcel # 03-15169
	Gregory & Thomas Hargis &				
5151	Morrison & J Ramirez	9420 Hondo Rd	268.05	7921117	Parcel # 03-10500
5246	Martin Nabor; Frances Gutierrez	7290 Moongate	1036.34	7920983	Parcel # 03-10490
5359	Douglas Brown	15691 Organ Path Ln	903.49	7921139	Parcel # 03-11543
7239	Ariel Nevarez	645 O'Hara Road	\$276.01	9567155	Parcel # 18-14038
6886	Rosa Estela Ramirez	476 Hwy 192	\$585.64	No meter	Parcel # 17-18071
8870	Edward P Jr Grandgenett	1124 Joy	\$220.65	9697490	Acct has been written off Parcel # 17-04321
1751	Lupe Carbajal	36-1 Crazy Horse	\$449.65	7512213	Parcel # 17-10516
7292	Dale McCleary	1880-3 Hwy 478	\$611.36	9567302	Parcel # 17-10805
7293	Dale McCleary	1880-4 Hwy 478	\$340.49	9567392	Parcel # 17-10806
7143	Dale McCleary	1880 Hwy 478	\$330.73	9567010	Parcel # 17-10807
7144	Dale McCleary	1880-2 Hwy 478	\$248.98	9567389	Parcel # 17-10808
9511	Noemi Franco	115 Liberty	\$1,119.63	No meter	Parcel # 17-16531
B276	Adrian Avalos	1005 Las Mañanitas	\$580.29	9632235	Parcel # 03-09076

Sub Total 10288.24
 Acct 8870 Bal Written off 1/30/14 (\$220.65)
 Total 10067.59