

**LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY
MINUTES**

REGULAR BOARD OF DIRECTORS MEETING

10:00 a.m. Wednesday, January 19, 2011 at the Vado Office, 325 Holguin Road

- I. Sign in, establish quorum, call to order:** Sign-in sheet and agenda are attached. Present were President Robert Nieto, Director Rosaura Pargas, Director Jim Pugh. Vice-President John Holguin and Secretary Santos Ruiz were absent. Staff present were General Manager Martin Lopez, Operations Manager Mike Lopez, Finance Manager Kathi Jackson, and Projects Manager Karen Nichols. Also present was engineer Karen Perez (CE&M). With a quorum established, Mr. Nieto called the meeting to order at 10:08 a.m.
- II. Approval of agenda:** Mr. Pugh made a motion to approve the agenda, Ms. Pargas seconded, and motion carried on a vote of 3-0. {0:39}
- III. Approval of Minutes of 1/5/11:** Ms. Pargas noted a correction to Item IV. B line 4 add “z” to Lope, and item IX. 5th sentence add “with” between “trouble” and “their”. Ms. Pargas made a motion to approve the 1/5/11 Minutes (attached) as corrected, Mr. Pugh seconded, and it carried on a vote of 3-0. {3:38}
- IV. General Manager’s action items & reports (Operations & Projects Report on 1st Wed. Agenda)**
- A. Management Report:** Mr. Lopez reviewed his written report (attached) with the Directors. He noted that the USDA-RD funded Mesquite Phase I-II Water Project is near final completion, Mr. Deal at NMED-CPB has decided he wants to review three years of documentation that his predecessor did not want to see because it was not related to state funding, and assembling all the records has taken a great deal of his time. He reported that he and the Operations & Projects Managers worked with Mr. Vasquez (Vencor Engineering) to develop the scope for Interconnect PER Phase I which will run pipeline down Stern from Berino to O’Hara down to 460, Hwy. 478 to Venadito to the new Desert Sands well and also connect the new pipeline installed with the Castillo Road Project to the Mesquite end of the LRGMDWA Phase I Interconnect Project. He mention that Colonias Day is February 9th, we will be heading up on the 8th, and he needs to know who wants to go in order to arrange rooms and transportation. He said the we ordered staff logo shirts and budgeted enough for board as well. The Operations Manager got quotes for logos for vehicles, and we will begin getting them done soon. Mr. Pugh asked if we are going to put up some posters about the county solid waste coupons being available in our offices. Mr. Lopez replied that the county has some, and Ms. Perez said that she can contact Jesse Williams to have it put on the county website. Ms. Nichols said she can put it on ours as well. Mr. Lopez said that the coupons will be made available at the Berino Mesquite & La Mesa Offices, and we need to sort out the procedure for tracking funds, so the Finance Manager will follow up w/county. Mr. Pugh asked when service is expected to begin for the new customers on Castillo Road. Mr. Lopez replied it would be around February 19th because we need to flush, pressure and bac-t test the lines. 14:27
- B. Financial Report –** Ms. Jackson handed out her written report (attached) and reviewed with the Directors. Mr. Nieto asked if we have any funds still coming in from the old rates? The General Manager replied that some of the aged receivables are at old rates,

but bills as of December 1st are at the new rates. Ms. Jackson noted that the delinquency policies are coming together, and said she will get the aged A/R report to Ms. Nichols to post. Mr. Pugh suggested that, at some point, we ought to have a destitute program. Mr. Lopez noted that most customers don't let us know until the bill is due. Ms. Nichols explained that there are other programs available through faith-based groups and Community Action Agency, but we are subject to the anti-donation clause in the state constitution. Ms. Jackson noted that the General Manager let her upgrade Quickbooks so it can be used on three different computers, and that has been extremely helpful. Also, she thought there was a lost deposit, but it turned out to be a bank data entry error. It was the impetus to get the task of putting a deposit handling policy into place done. She also noted that her employment agency contract is up at the end of week, and she will be joining the staff. She also discussed the trouble she has been having with NM Taxation & Revenue Department trying to get set up to issue the correct type of Non-Taxable Certificates online. {41:27}

- C. **NM Legislature Report:** Ms. Nichols reviewed her written report (attached) with the directors. She clarified that the bills included in the report are of interest because they could potential affect us in the areas of funding or regulation. {53:52}

- V. Guest Presentations – Jerry Paz, Vice-President of Molzen Corbin Associates, introduced Bob Robeda, Chief Administrative Officer from their Albuquerque office, and there was a brief discussion of the two projects they are working on for the Authority in La Mesa. {56:15}

- VI. Public Input – 15 minutes total allotted for this item, 3 minute time limit per person, may be continued after Item VIII by board action: NONE

- VII. Unfinished Business:
 - A. **Desert Sands arsenic treatment plant retrofit for Well #3 – estimates from Highland/AdEdge for approval:** Ms. Nichols and Mr. Lopez discussed the proposal (attached) and the project. Ms. Nichols said that the engineer is requesting a more detailed cost breakdown from the contractor, and that she and the engineer are reviewing available funding. She requested board authorization to move forward with the project if available funding is adequate and the Operations Manager and General Manager concur. Mr. Pugh made a motion to approve the proposal contingent on funding availability and management approval of the more detailed quote. Ms. Pargas seconded, and it carried on a vote of 3-0. {1:03:00}

- VIII. New Business:
 - A. **Resolution FY2011-01-Amended – select new delegate to SCCOG (current delegate is no longer a Director)** – Mr. Lopez discuss the Resolution and noted that Tiffany Romero-Vega was delegate as a board member, but is now an employee. There was some discussion, Mr. Nieto said that he preferred to remain the Alternate and Mr. Pugh agreed to become the Delegate. Ms. Pargas made a motion to adopt Resolution FY20011-01-Amended 1/19/11 naming Mr. Pugh as the Authority Delegate and retaining Mr. Nieto as the Alternate. Mr. Nieto seconded, and it carried on a vote of 3-0. {1:07:05}

- B. Adjourn for Lower Rio Grande MDWA Board Meeting to accept CE&M PER:** Mr. Lopez discussed the reason for the this item, the fact that the LRGMDWA received the funding and contracted for this PER which is now in the name of the Authority, so the LRGMDWA Board needs to accept it as a deliverable. There was some discussion, but on three LRGMDWA directors were present, not a quorum. Mr. Lopez recommended allowing Ms. Perez to go ahead with the presentation and consider granting approval for sending it to NMED-CPB for review.
- C. Reconvene and consider CE&M PER for approval –** Ms. Perez passed out an excerpt from the report on Alternatives Considered (attached) and reviewed it with the Board. She said that the PER will go to BECC, NMED-Water Quality Bureau, Drinking Water Bureau and Construction Programs Bureau, and USDA-Rural Development. Mr. Pugh asked why not just do what DS is doing to treat for arsenic. Mr. Lopez explained that the approach here is to tap in to surface water for water rights issues. Sometimes farmers do not use all their rights, and idea is to be able to lease water rights to use what they are not using. Ms. Perez said that ground water is ‘use it or lose it’, and we cannot be in a position to not be maximizing use of our ground water rights, so rather than acquiring farms to obtain water rights, we plan to lease rather than buy. Mr. Lopez said this ties into the Water Rights Acquisition Policy, the very first policy adopted by the Authority Board. Mr. Pugh asked if, since the river water is so dirty, isn’t it too expensive to treat. Ms. Perez said that is why we are including infiltration gallery and pre-sedimentation in the design. Mr. Pugh asked why we would pay EBID for water that is allocated by the NM-OSE. Ms. Perez replied that we will be paying exactly as if we are a farmer. She also noted that the plant will produce 1 mgd and said she has not costed in the relocation of the Vado booster yet to let us run system by gravity. Martin Lopez asked Ms. Perez to discuss rates, and she discussed the issue she found with the rate calculations in the spreadsheet from RCAC and the projected rates she included in the PER. Mr. Pugh asked what costs were factored in, and Ms. Perez explained that she took the original budget and added debt service and operation & maintenance costs. Mr. Pugh made a motion to approve the PER contingent on LRGMDWA acceptance, Ms. Pargas seconded, and it carried on a vote of 3-0. {1:45:49}
- IX. Other discussion and agenda items for next meeting:** The next meeting will be 2/2/11 at 4:00 p.m., agenda to include the Proposed policy re: Director’s Per Diem, reimbursable expenses & use of Authority Vehicles, and Resolution to apply for CDBG Funding & Fair Housing Resolution.
- X. Adjourn – Ms. Pargas made a motion to adjourn, Mr. Pugh seconded, and it carried on a vote of 3-0. Mr. Nieto declared the meeting adjourned at 11:56 a.m.

Date Minutes Approved: _____

Chairman, Roberto M. Nieto

Vice- Chairman, John Holguin

Secretary, Santos Ruiz

Director, Rosaura Pargas

Director, Jim Pugh

Lower Rio Grande Public Waterworks Authority Sign In Sheet

Date: 11/9/11

Time: 10 AM

Place: Valle Office

Meeting Type: Reg. Inv

Name, Title - Print	Company or Agency Represented	Mailing Address	Telephone	Email
<u>James Pineda</u>	<u>LEGADSA</u>	<u>3100 W. ...</u>	<u>575</u>	<u>jpineda@legadsa.com</u>
<u>Robert ...</u>	<u>LEGADSA</u>	<u>325 ...</u>	<u>621-9699</u>	
<u>Karen Nichols</u>	<u>LRGPNWA</u>	<u>325 Hobson Rd Valle NM 87072</u>	<u>915 203-2057</u>	<u>Karen.Nichols@ legauthority.org</u>
<u>MATTHEW G. LEPORET</u>	<u>LRG PNWA</u>	<u>325 Hobson Rd 0406 Valle NM 87072</u>	<u>575 571-3625</u>	<u>m.leporet@ legauthority.org</u>
<u>Michael Lopez</u>	<u>LRG PNWA</u>	<u>325 Hobson Rd Valle, NM 87072</u>	<u>635-3921</u>	<u>mike.lopez@legauthority.org</u>
<u>Bethi Jackson Finance Manager</u>	<u>LRG-PNWA</u>	<u>PO Box 2044 Anthony NM 88021</u>	<u>233-3547</u>	<u>bethi.jackson@legauthority.org</u>
<u>Tiffany Romero wife</u>	<u>LRG PNWA</u>	<u>PO. Box 98 Valle NM 87072</u>	<u>233 11751</u>	<u>tiffany.romero@legauthority.org</u>
<u>Resource Pages</u>	<u>LRG PNWA</u>			
<u>Karen Perez</u>	<u>CE ER</u>	<u>P.O. Box 3130 Valle 88003</u>	<u>312-2298</u>	<u>kperez@demm.com</u>
<u>Abriel Gutierrez</u>	<u>LRG PNWA</u>	<u>P.O. Box 7147 Anthony, New Mexico 88003</u>	<u>575-998-1971</u>	<u>agutierrez@legadsa.com</u>
<u>Terry Part Bob Roberson</u>	<u>No/Don-Carbon</u>	<u>1155 Commerce Dr. A.C. NM. 87011</u>	<u>575-522-0049</u>	<u>tpart@mol3carbon.com</u>

LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY
MEETING NOTICE & AGENDA
REGULAR BOARD OF DIRECTORS MEETING
10:00 a.m. Wednesday, January 19, 2011 at the Vado Office, 325 Holguin Road

- I. Sign in, establish quorum, call to order
- II. Approval of agenda
- III. Approval of Minutes of 1/5/11
- IV. General Manager's action items & reports (Operations & Projects Report on 1st Wed. Agenda)
 - A. Management Report
 - B. Financial Report
 - C. NM Legislature Report
- V. Guest Presentations –
- VI. Public Input – 15 minutes total allotted for this item, 3 minute time limit per person, may be continued after Item VIII by board action:
- VII. Unfinished Business:
 - A. Desert Sands arsenic treatment plant retrofit for Well #3 – estimates from Highland/AdEdge for approval
- VIII. New Business:
 - A. Resolution FY2011-01-Amended – select new delegate to SCCOG (current delegate is no longer a Director)
 - B. Adjourn for Lower Rio Grande MDWA Board Meeting to accept CE&M PER**
 - C. Reconvene and consider CE&M PER for approval**
- IX. Other discussion and agenda items for next meeting – Next meeting 2/2/11 at 4:00 p.m., PER for Surface Water Plant, Proposed policy re: Director's Per Diem, reimbursable expenses & use of Authority Vehicles
- 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 LRG PWWA office at 575-233-3947, 325 Holguin Rd, Vado NM 88072 at least one week prior to the meeting or as soon as possible. Public documents, including the agenda and minutes, can be provided in various accessible formats. Please contact the 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 lame ha la oficina LRG PWWA office at 575-233-3947, 325 Holguin Rd, Vado NM 88072 una semana antes de la junta o en cuanto posible. Documentos públicos, incluyendo la agenda y minutos, están disponibles en varios formatos. Por favor opóngase en contacto con la oficina LRGPWWA si un resumen o otro tipo de forma accesible es necesario

LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY

MINUTES

NOTE: Minutes are a DRAFT until approved and signed by the Board
REGULAR BOARD OF DIRECTORS MEETING

4:00 p.m. Wednesday, January 5, 2011 at the Vado Office, 325 Holguin Road

- I. **Sign in, establish quorum, call to order:** Present were Chairman Robert Nieto (Mesquite), Vice-chair John Holguin (Vado), Director Rosaura Pargas (Desert Sands), and Director Jim Pugh (La Mesa). Secretary Santos Ruis arrived at 4:07 p.m. Also present were General Manager Martin Lopez, Finance Manager Kathi Jackson, Operations Manager Mike Lopez, Projects Manager Karen Nichols, and Jose Villalobos from La Union MDWCA. With a quorum established, Mr. Nieto called the meeting to order at 4:02 p.m.
- II. **Approval of agenda:** Ms. Nichols noted that she left item VIII. B on the agenda in case it was ready for Board approval, but it is not. Mr. Pugh made a motion to approve the Agenda with VIII. B postponed, Ms. Pargas seconded, and it carried on a vote of 4-0.
- III. **Approval of Minutes of 12/15/10 (attached):** Mr. Pugh made a motion to approve the minutes as presented, Mr. Holguin seconded, and it carried on a vote of 4-0. {1:56}
- IV. **General Manager's action items & reports (Finance Report on 3rd Wed. Agenda)**
 - A. **Management Report:** The written report is attached, and Mr. Lopez discussed it with the Board. Mr. Pugh asked about when we can be able to collect consolidated data. Mr. Lopez replied that we need to get our intranet set up, and the first step is the antenna on the elevated tank that is not installed yet, although the contract with Southwestern Wireless is in place. There was some discussion, and Mr. Lopez made the clarification that the problem is not in accounting, it is disparate billing systems. {19:04} At this point (4:07 p.m.), Mr. Ruiz arrived.
 - B. **Operations Report:** The written report is attached, and Mike Lopez reviewed it with the Board. Mr Pugh asked if it make sense for us to learn how to maintain our own SCADA systems. Martin Lopez explained that the software is proprietary, and we will be looking at other units in the future. Mr. Pugh asked about the people who needed water service in Berino, and Martin Lopez explained there are some difficult issues with easements and rights-of-way, so this might need to be part of a funded project.
 - C. **Projects Report:** The written report is attached, and Ms. Nichols discussed it with the board. 54:53
- V. **Guest Presentations:** None
- VI. **Public Input – 15 minutes total allotted for this item, 3 minute time limit per person, may be continued after Item VIII by board action:** None
- VII. **Unfinished Business:**

- A. **Mesquite-Brazito Wastewater Project: Concurrence with Mesquite Board of Director's selection of Vencor Engineering (September 15, 2010):** Mr. Lopez discussed this item with the board, noting that the Mesquite Board issued the RFP and selected Vencor Engineering for this project, but did not enter into a contract because the Authority will be assuming the project. After some further discussion, Mr. Holguin made a motion to concur with Mesquite's selection of Vencor Engineering, Mr. Pugh seconded, and the motion carried on a vote of 5-0. {58:52}

VIII. New Business:

- A. **Management and O&M Contract w/La Union MDWCA:** The General Manager introduced Jose Villalobos, President of La Union MDWCA and discussed the proposed contract. Mr. Villalobos discussed their request for assistance, their arsenic problem and the potential Cielo Dorado interconnect. Mr. Pugh asked about scope of work, and Mr. Lopez discussed the attached letter and scope of work. Mr. Holguin made a motion to approve the contract, Ms. Pargas seconded, and it carried on a vote of 5-0. {1:06:30}
- B. **Desert Sands arsenic treatment plant retrofit for Well #3 – estimates from Highland/AdEdge for approval:** Postponed
- C. **Resolution #2011-05 Authorizing Grantee Representative and Signatory Authority for Grant #08-3099-STB La Mesa Building Project:** Mr. Lopez noted that he had listed Mr. Nieto as Executive Officer, himself as Authorizing Grantee Representative, and Mr. Holguin as Signatory Authority. Mr. Holguin made a motion to authorize, Ms. Pargas seconded, and it carried on a vote of 5-0.
- D. **Resolution #2011-06 Authorizing Grantee Representative and Signatory Authority for Grant #09-3356-GF Berino Water System Improvement Project:** Mr. Holguin made a motion to authorize Mr. Nieto as Executive Officer, Mr. Lopez as Authorizing Grantee Representative, and himself as Signatory Authority, Mr. Ruiz seconded, and it carried on a vote of 5-0.
- E. **Resolution #2011-07 Authorizing Grantee Representative and Signatory Authority for Grant #08-3845-GF Mesquite/Brazito Wastewater Project:** Mr. Holguin made a motion to authorize Mr. Nieto as Executive Officer, Mr. Lopez as Authorizing Grantee Representative, and himself as Signatory Authority, Mr. Pugh seconded, and it carried on a vote of 5-0. {1:12:23}

- IX. **Other discussion and agenda items for next meeting:** – Next meeting will be on 1/19/11 at 10:00 a.m. Agenda items to include Directors' reimbursable expenses, Per Diem, Use of Authority vehicles, PER for Surface Water Plant, Desert Sands Well #3 arsenic retrofit quote. Mr. Pugh asked if we are having trouble getting financial data from La Mesa, will they have trouble their audit, and Ms. Jackson replied that is likely. Mr. Lopez and Mr. Nieto will be meeting with the La Mesa board tomorrow. Mr. Lopez passed out the first Executive Order from new governor establishing a ninety day review period for all new state rules and regulations, and there was some discussion. He said that he would be assigning Ms. Nichols to monitor the legislative session, and trips to Santa Fe will be likely. He also mention the meeting with State Senators tomorrow at the Mesquite Fire Station.

- X. **Adjourn:** Mr. Holguin made a motion to adjourn, Mr. Pugh seconded, and it carried on a vote of 5-0. Mr. Nieto declared the meeting adjourned at 5:21 p.m.

Date Minutes Approved: _____

Chairman, Roberto M. Nieto

Vice- Chairman, John Holguin

Secretary, Santos Ruiz

Director, Rosaura Pargas

Director, Jim Pugh

**LRG PWWA
Manager's Report
January 19, 2011**

Tasks

- Mesquite Water Project (Phase 1 & 2): NMED CPB requested all files as per directions from NMFA; NMED CPB previous Program Manager did not want documentation unless it involved state funds-5 years of invoices, payments, contract, disbursements from USDA RD (Loans/Grants); NMFA; Legislative Funds; General Funds; BECC; Private Contributions; GISD funds
- Transfer of Assets (bank funds) from Associations
 - Construction accounts transferred to Authority from La Mesa, Mesquite and Berino SAPs approved by NMED
- Transfer long and short term debt
 - NMFA: loan information provided from USDA RD and NMED RIP for refinance
 - Vado's USDA RD loan paid off \$3,131.13
- Project Funding Applications
 - Project Scope for new project-Interconnection Phase I
 - LRGMDWA
 - La Mesa Building (Bid award)
 - Castillo Road-Bridge hanging
- Solid Waste
 - Approval from DAC received-will begin selling soon, need to establish procedure

**Aged Accounts Receivable
As of 10/31/2010**

	Mesquite	Berino	Desert Sands	Vado	La Mesa	Total
Beginning A/R	\$ 30,318.90	\$ 46,872.45	\$ 48,857.19	\$ -	\$ 37,875.00	\$ 163,923.54
Billed in October	\$ 84,122.67	\$ 31,300.67	\$ 22,864.83	\$ 4,549.71	\$ 13,836.43	\$ 156,674.31
Payments Recvd	\$ 80,578.75	\$ 26,345.19	\$ 29,188.11	\$ 3,634.51	\$ 16,251.02	\$ 155,997.58
End A/R	\$ 33,862.82	\$ 51,827.93	\$ 42,533.91	\$ 915.20	\$ 35,460.41	\$ 164,600.27

**Aged Accounts Receivable
As of 11/30/10**

	Mesquite	Berino	Desert Sands	Vado	La Mesa	Total
Beginning A/R	\$ 33,862.82	\$ 51,827.93	\$ 42,533.91	\$ 915.20	\$ 35,460.41	\$ 164,600.27
Billed in October	\$ 75,579.53	\$ 30,781.64	\$ 23,363.31	\$ 5,903.79	\$ 17,931.98	\$ 153,560.25
Payments Recvd	\$ 80,117.07	\$ 30,664.74	\$ 36,567.89	\$ 4,036.40	\$ 17,931.98	\$ 169,318.08
End A/R	\$ 29,325.28	\$ 51,944.83	\$ 29,329.33	\$ 2,782.59	\$ 35,460.41	\$ 148,842.44

Notes:

Desert Sands applied \$15,150 in security deposits to customer accounts.
None of the other MDWC had security deposits when we merged. Management decided to refund the deposits by applying them to customers accounts.

La Mesa and Vado A/R totals are estimates, there are no reports available to reconcile to.

LRGPWWA
Profit & Loss
November 2010

	Nov 10
Ordinary Income/Expense	
Income	
Interest	0.04
Non-Operating Revenue	
Copy/Fax	95.10
Other Income	1,000.00
	1,095.10
Total Non-Operating Revenue	1,095.10
Operating Revenue	
Activation & Connection Fees	115.00
Installation Fees	500.00
Monthly Services	135,719.91
Monthly Services-Sewer	5,650.54
Penalties-Sewer	298.50
Penalties-Water	4,082.67
	146,366.62
Total Operating Revenue	146,366.62
Total Income	147,461.76
Gross Profit	147,461.76
Expense	
Accounting, Auditing, Legal	
Accounting Fees	1,702.81
Bank Service Charges	100.75
Cash Short/Over	16.00
Dues and Subscriptions	750.00
Government Penalties & Interest	66.29
Interest paid to NMED	331.31
Legal Notices	572.40
Licenses & Fees	275.92
Loan Interest	2,335.13
Meals	158.70
Permit Fees	39.00
Postage-Billing	332.00
Postage-Other	233.65
Reconciliation Discrepancies	-12.22
Training	1,266.00
Travel	
Lodging Per Diem	67.00
Meals Per Diem	18.42
Travel - Other	85.64
	171.06
Total Travel	171.06
Total Accounting, Auditing, Legal	8,338.80
Salaries	
Accrued Leave	1,633.88
Administrative Labor	8,757.14
Clerical Labor	7,341.80
Operations Labor	10,934.84
	28,667.66
Total Salaries	28,667.66
Supplies	
Cell Phone	580.81
Computer Maintenance	1,022.71
Internet	140.75
Kitchen & Cleaning Supplies	51.83
Materials & Supplies	8,730.16
Office Supplies	689.34
Printing and Copying	321.07
Telephone	823.66
Tool, Furniture	776.47
Supplies - Other	477.03
	13,613.83
Total Supplies	13,613.83

LRGPWWA
Profit & Loss
November 2010

	Nov 10
Taxes, Liability, Insurance	
GRT	-2,550.22
Insurance-Health	6,823.21
Insurance-Life,Disability	816.90
Insurance - Liability, D and O	22,043.00
Payroll Taxes-Federal Unemploym	198.41
Payroll Taxes-Medicare	359.59
Payroll Taxes-Social Security	1,537.53
Payroll Taxes-State Unemploymen	347.19
Payroll Taxes-Worker's Comp Fee	2,316.60
State Taxes	0.00
Water Conservation Fee	968.63
Total Taxes, Liability, Insurance	32,860.84
Utilities	
Automobile Repairs & Maint.	572.99
Electricity-Office	419.61
Electricity-Operations	2,218.13
Equipment Rental	0.00
Fuel	4,379.30
Garbage Service	141.30
Maintenance & Repairs-Other	922.52
Security/Alarm	219.43
Total Utilities	8,873.28
Total Expense	92,354.41
Net Ordinary Income	55,107.35
Other Income/Expense	
Other Expense	
Ask My Accountant	54.72
Total Other Expense	54.72
Net Other Income	-54.72
Net Income	55,052.63

LRGPWWA
Balance Sheet
As of November 30, 2010

	Nov 30, 10
ASSETS	
Current Assets	
Checking/Savings	
Citizens Bank LRGPWWA	525,443.81
Total Checking/Savings	525,443.81
Other Current Assets	
A/R-Other	-7,535.04
A/R-Water & Sewer	148,842.44
Employee Advances	-348.00
Inventory Asset	25,646.39
Petty Cash	432.00
Returned Checks	572.89
Total Other Current Assets	167,610.68
Total Current Assets	693,054.49
Fixed Assets	
Accumulated Depreciation	-4,442,020.70
Building	655,419.36
Constr in Prog-Water System DS	1,868,697.26
Furniture and Equipment	547,313.10
Land	101,869.38
Land Improvements	13,187.60
Software	19,988.36
Vehicles	152,740.00
Water & Sewer System	11,765,287.89
Total Fixed Assets	10,682,482.25
Other Assets	
Water Rights	3,066,390.40
Total Other Assets	3,066,390.40
TOTAL ASSETS	14,441,927.14
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
A/P Operating	17,069.38
Total Accounts Payable	17,069.38
Credit Cards	
Capital One	2,142.87
Capital One-La Mesa	539.46
Eagle Grocery & Hardware	861.23
Wells Fargo Visa	
Martin G. Lopez	671.46
Roberto M Nieto	1,016.35
Total Wells Fargo Visa	1,687.81
Total Credit Cards	5,231.37
Other Current Liabilities	
Customer Deposits	
Hydrant Meter Deposits	19,105.00
Renter Deposits	27,447.68
Customer Deposits - Other	-15,150.00
Total Customer Deposits	31,402.68
Gross Receipts Tax	4,106.69
Payroll Liabilities	
Federal	
Income Tax Withholding	4,820.06
Medicare	719.18
Unemployment	198.41

LRGPWWA
Balance Sheet
 As of November 30, 2010

	Nov 30, 10
Total Federal	5,737.65
Garnishments	126.92
Payroll Liabilities - Other	1,024.01
Total Payroll Liabilities	6,888.58
Total Other Current Liabilities	42,397.95
Total Current Liabilities	64,698.70
Long Term Liabilities	
Berkadia Commercial Loan	31,255.50
NMED RIP Loan 90-08R Berino	26,531.97
NMFA 2003-08 Desert Sands	19,183.61
NMFA Trucks Desert Sands	54,715.00
RIP 2003-08	19,183.61
RIP 88-12R La Mesa	84,487.46
USDA-RD 01-01 (LaMesa)	91,224.52
USDA-RD 91-02 (Berino)	27,601.16
USDA-RD 91-02 (Vado)	3,259.98
USDA-RD 91-06 (Berino)	12,401.06
USDA-RD 91-06 (Mesquite)	301,561.09
USDA-RD 91-07 (Desert Sands)	47,434.22
USDA-RD 91-09 (Desert Sands)	13,794.30
USDA-RD 91-16 (Mesquite)	298,594.37
Total Long Term Liabilities	1,031,227.85
Total Liabilities	1,095,926.55
Equity	
Contributed Equity	
Berino	2,473,943.75
Desert Sands	4,096,799.51
La Mesa	397,237.48
Mesquite	5,883,592.93
Vado	200,582.38
Total Contributed Equity	13,052,156.05
Net Assets	
Board Designated Reserves	
Capital Investments	100,000.00
Total Board Designated Reserves	100,000.00
Total Net Assets	100,000.00
Opening Balance Equity	500.00
Temp. Restricted Net Assets	
NMED Sewer Reserve	8,000.00
Sanitary Projects Act Reserve	35,000.00
USDA/RD Loan Reserve	29,436.00
Total Temp. Restricted Net Assets	72,436.00
Net Income	120,908.54
Total Equity	13,346,000.59
TOTAL LIABILITIES & EQUITY	14,441,927.14

LRGPWWA Profit & Loss Budget vs. Actual October 2010

	Oct 10	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
Non-Operating Revenue	120.90			
Copy/Fax	204.89			
Other Income				
Total Non-Operating Revenue	325.79			
Operating Revenue	2,273.23			
Activation & Connection Fees	4,719.69			
Membership Fees	500.00			
Monthly Services	127,949.84			
Monthly Services-Sewer	7,259.69			
Other Income	282.27			
Penalties-Sewer	412.84			
Penalties-Water	6,227.58			
Returned Check Fees	170.00			
Total Operating Revenue	149,795.14			
Sewer Revenue	0.00	5,257.67	-5,257.67	0.0%
Water Revenue	0.00	104,900.33	-104,900.33	0.0%
Total Income	150,120.93	110,158.00	39,962.93	136.3%
Gross Profit	150,120.93	110,158.00	39,962.93	136.3%
Expense				
Accounting, Auditing, Legal				
Accounting Fees	4,336.86	17,989.58	-13,652.72	24.1%
Bad Debts	513.56			
Bank Service Charges	12.90			
Cash Short/Over	-47.01			
Dues and Subscriptions	72.65			
Engineering Fees	3,011.76			
Legal Fees	4,915.61			
Meals	371.30			
Permit Fees	121.00			
Postage-Billing	128.00			
Postage-Other	865.34			
Profit Fees-Interpreter	95.63			
Training	266.53			
Travel				
Lodging Per Diem	1,734.42			
Meals Per Diem	236.87			
Travel - Other	1,449.12			
Total Travel	3,420.41			

LRGPWWA Profit & Loss Budget vs. Actual October 2010

	Oct 10	Budget	\$ Over Budget	% of Budget
Total Accounting, Auditing, Legal	18,084.54	17,989.58	94.96	100.5%
Electricity	0.00	21,846.75	-21,846.75	0.0%
Lab Chemicals	0.00	2,079.33	-2,079.33	0.0%
Lab, Chemicals	1,716.99			
Chemicals	482.80			
Laboratory Fees				
Total Lab, Chemicals	2,199.79			
Salaries				
Administrative Labor	2,041.86			
Operations Labor	800.80			
Salaries - Other	0.00			
Total Salaries	2,842.66	61,243.00	-58,400.34	4.6%
Supplies				
Cell Phone	1,534.45			
Computer Maintenance	2,553.18			
Internet	85.21			
Kitchen & Cleaning Supplies	261.89			
Materials & Supplies	13,327.94			
Office Supplies	282.08			
Printing and Copying	36.58			
Telephone	759.29			
Supplies - Other	487.83			
Total Supplies	19,328.45	13,779.67	-13,291.84	3.5%
Taxes, Liability, Insurance				
GRT	-4,473.15			
Insurance-Health	3,468.37			
Insurance-Life Disability	2,314.26			
Insurance-Vehicles	255.00			
Insurance - Liability, D and O	1,143.82			
Payroll Taxes-Social Security	14.66			
Water Conservation Fee	1,290.45			
Total Taxes, Liability, Insurance	4,013.41	39,286.83	-35,272.42	10.2%
Utilities				
Automobile Repairs & Maint.	3,093.11			
Electricity-Office	836.57			
Electricity-Operations	7,222.55			
Fuel	2,166.58			
Garbage Service	17.00			
Maint. & Repairs-Office	1,720.40			
Natural Gas	50.18			
Wastewater	71.15			

LRGPWWA
Profit & Loss Budget vs. Actual
 October 2010

	Oct 10	Budget	\$ Over Budget	% of Budget
Total Utilities	15,177.54			
Total Expense	61,646.39	156,224.16	-94,577.77	39.5%
Net Ordinary Income	88,474.54	-46,066.16	134,540.70	-192.1%
Net Income	88,474.54	-46,066.16	134,540.70	-192.1%

LRGPWWA Profit & Loss Budget vs. Actual November 2010

	Nov 10	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
Interest	0.04			
Non-Operating Revenue	95.10			
Copy/Fax	1,000.00			
Other Income				
Total Non-Operating Revenue	1,095.10			
Operating Revenue	115.00			
Activation & Connection Fees	500.00			
Monthly Services	135,719.91			
Monthly Services-Sewer	5,650.54			
Penalties-Sewer	298.50			
Penalties-Water	4,082.67			
Total Operating Revenue	146,366.62			
Sewer Revenue	0.00	5,257.67	-5,257.67	0.0%
Water Revenue	0.00	104,900.33	-104,900.33	0.0%
Total Income	147,461.76	110,158.00	37,303.76	133.9%
Gross Profit	147,461.76	110,158.00	37,303.76	133.9%
Expense				
Accounting, Auditing, Legal	1,702.81	17,989.58	-16,286.77	9.5%
Bank Service Charges	100.75			
Cash Short/Over	16.00			
Dues and Subscriptions	750.00			
Government Penalties & Interest	66.29			
Interest paid to NIMED	331.31			
Legal Notices	572.40			
Licenses & Fees	275.92			
Loan Interest	2,335.13			
Meals	158.70			
Permit Fees	39.00			
Postage-Billing	332.00			
Postage-Other	233.65			
Reconciliation Discrepancies	-12.22			
Training	1,266.00			
Travel				
Lodging Per Diem	67.00			
Meals Per Diem	18.42			
Travel - Other	85.64			
Total Travel	171.06			

LRGPWWA Profit & Loss Budget vs. Actual November 2010

	Nov 10	Budget	\$ Over Budget	% of Budget
Total Accounting, Auditing, Legal	8,338.80	17,989.58	-9,650.78	46.4%
Electricity	0.00	21,846.75	-21,846.75	0.0%
Lab Chemicals	0.00	2,079.33	-2,079.33	0.0%
Salaries				
Accrued Leave	1,633.88			
Administrative Labor	8,757.14			
Clerical Labor	7,341.80			
Operations Labor	10,934.84			
Salaries - Other	0.00	61,243.00	-61,243.00	0.0%
Total Salaries	28,667.66	61,243.00	-32,575.34	46.8%
Supplies				
Cell Phone	580.81			
Computer Maintenance	1,022.71			
Internet	140.75			
Kitchen & Cleaning Supplies	51.83			
Materials & Supplies	8,730.16			
Office Supplies	689.34			
Printing and Copying	321.07			
Telephone	823.66			
Tool, Furniture	776.47			
Supplies - Other	477.03	13,779.67	-13,302.64	3.5%
Total Supplies	13,613.83	13,779.67	-166.84	98.8%
Taxes, Liability, Insurance				
GRT	-2,550.22			
Insurance-Health	6,823.21			
Insurance-Life, Disability	816.90			
Insurance - Liability, D and O	22,043.00	39,285.83	-17,242.83	56.1%
Payroll Taxes-Federal Unemploy	198.41			
Payroll Taxes-Medicare	359.59			
Payroll Taxes-Social Security	1,537.53			
Payroll Taxes-State Unemploymen	347.19			
Payroll Taxes-Worker's Comp Fee	2,316.60			
State Taxes	0.00			
Water Conservation Fee	968.63			
Total Taxes, Liability, Insurance	32,860.84	39,285.83	-6,424.99	83.6%
Utilities				
Automobile Repairs & Maint.	572.99			
Electricity-Office	419.61			
Electricity-Operations	2,218.13			
Equipment Rental	0.00			
Fuel	4,379.30			
Garbage Service	141.30			
Maintenance & Repairs-Other	922.52			

LRGPWWA
Profit & Loss Budget vs. Actual
 November 2010

	Nov 10	Budget	\$ Over Budget	% of Budget
Security/Alarm	219.43			
Total Utilities	8,873.28			
Total Expense	92,354.41	156,224.16	-63,869.75	59.1%
Net Ordinary Income	55,107.35	-46,066.16	101,173.51	-119.6%
Other Income/Expense				
Other Expense	54.72			
Ask My Accountant	54.72			
Total Other Expense	54.72			
Net Other Income	-54.72	0.00	-54.72	100.0%
Net Income	<u>55,052.63</u>	<u>-46,066.16</u>	<u>101,118.79</u>	<u>-119.5%</u>

**Lower Rio Grande Public Water Works Authority
Projects Manager's Report – 2011 NM Legislature
Updated 1/18/11**

SESSION DATES – 2011:

December 15, 2010 - January 14 Legislation may be pre-filed

January 18 - Opening day (noon)

February 9 – Colonias Day

February 17 - Deadline for introduction

March 19 - Session ends (noon)

April 8 - Legislation not acted upon by governor is pocket vetoed

June 17 - Effective date of legislation not a general appropriation bill or a bill carrying an emergency clause or other specified date

Actions Abbreviations:

* Emergency clause. (If a bill passes by less than the required 2/3 vote, this symbol is deleted.)

[30] Legislative day (as opposed to calendar day).

API. Action postponed indefinitely.

CC Conference committee. This entry follows when the Senate and House fail to agree on amendments to a bill.

CS Committee substitute. (This entry, following a DNP report, indicates the committee's substitute bill. Succeeding entries will record the action on the committee substitute.)

CS/H 18 Committee substitute for House Bill 18.

DNP nt adptd DO NOT PASS committee report NOT adopted.

DNP. DO NOT PASS committee report adopted.

DOA. Died on adjournment.

DP DO PASS committee report adopted.

DP/a DO PASS, as amended, committee report adopted.

FAILED/H (or/S) Failed passage in House (sometimes followed by announced vote - FAILED/H (22-48)).

FL/ Floor substitute. (A bill or committee substitute may be substituted on final passage by any legislator. Succeeding entries will record the action on the floor substitute.)

fl/a Floor amendment adopted. (fl/aaa - three floor amendments adopted.)

germane Bills which fall within the purview of a 30-day session.

h/fld encr House has failed to concur in Senate amendments on a House bill. The House then sends a message requesting the Senate to recede from its amendments.

HAFC Appropriations & Finance Committee

HAGC Agriculture & Water Resources Committee

HBIC Business & Industry Committee

HCPAC Consumer & Public Affairs Committee

HCW Committee of the Whole

HE&EC Enrolling & Engrossing Committee

HEC Education Committee

HENRC Energy & Natural Resources Committee

HHGAC Health & Government Affairs Committee

HJC Judiciary Committee

HLC Labor & Human Resources Committee

HPREF House Pre-file

HPSC Printing & Supplies Committee

HRC Rules & Order of Business Committee

HTPWC Transportation & Public Works Committee

HTRC Taxation & Revenue Committee

HVEC Voters & Elections Committee

m/rnsr adptd Motion to reconsider previous action adopted.

PASSED/S (or/H) Passed Senate (always followed by announced vote - PASSED/S (39-0)).

rld frm/h Bill recalled from the House for further consideration by the Senate.

s/cncrd Senate has concurred in House amendments on a Senate bill.

s/fld recede This procedure could follow if the Senate refuses to recede from its amendments.

SCC Committees' Committee

SCONC Conservation

SCORC Corporations & Transportation

SCS/H 18 Senate committee substitute for House Bill 18. (CS, preceded by the initial of the opposite house, indicates a substitute for a bill made by the other house. The listing, however, will continue under the original bill entry.)

SCW Committee of the Whole

SEC Education Committee

SFC Finance Committee

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

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

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

SIAC Indian & Cultural Affairs Committee

SJC Judiciary Committee

SPAC Public Affairs Committee

SPREF Senate Pre-file

SRC Rules Committee

tbld Tabled temporarily by motion.

TBLD INDEF. Tabled indefinitely.

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

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

w/o rec WITHOUT RECOMMENDATION committee report adopted.

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

2011 NM Legislature – Bills of interest:

* HB 13 - DRINKING WATER SYSTEM FINANCING Sponsor: Anna M. Crook
NOTES: NMFA Oversight Committee Endorsed, \$2 million appropriation from PPRF to
DWSRLF for matching funds for SDWA funds
Current Location: House Pre-file Actions: HPREF

HB 16 - WATER PROJECT FINANCING ELIGIBILITY Sponsor: Roberto "Bobby" J.
Gonzales
NOTES: NMFA Oversight Committee Endorsed, amends definitions in the Water Project
Finance Act to expand funding eligibility to regional entities created by statute or JPA
and water or natural gas associations under NMSA 1978 3-28-1.
Current Location: House Pre-file Actions: HPREF

HB 22 - REQUIRE REGULATORY IMPACT STATEMENTS Sponsor: Mary Helen Garcia
NOTES: No endorsement. Amends State Rules Act to require state agencies to issue Regulatory
Impact Statements including who would be affected, positive & negative impacts and
cost/benefits statement at the beginning of the rulemaking process w/\$10k appropriation
to implement
Current Location: House Pre-file Actions: HPREF

HB 31 - WATER TRUST FUND INVESTMENT STANDARD OF CARE Sponsor:
Larry A. Larrañaga
NOTES: This relates to a HJR that apparently hasn't been filed yet to propose a constitutional
amendment.
Current Location: House Pre-file Actions: HPREF

* HB 53 - NMFA PUBLIC PROJECT FUND PROJECTS Sponsor: Luciano "Lucky" Varela
NOTES: Endorsed by NMFA Oversight Committee. Authorizes NMFA to make loans to the
entities named – under \$1 million does not need legislative Authorization
Current Location: House Pre-file Actions: HPREF

HB 69 - LEGISLATIVE REVIEW ACT Sponsor: Jimmie C. Hall
NOTES: "Legislative Review Act" providing for Legislative review of administrative rules
adopted by state agencies, boards & commissions; providing procedures; authorizing
amendment or repeal of administrative rules.
Current Location: House Pre-file Actions: HPREF

SB 30 - RULEMAKING REQUIREMENTS Sponsor: Timothy M. Keller
NOTES: Economic & Rural Development Committee endorsement, increases public notice of
rulemaking by state agencies, requires an annual regulatory agenda. Seeks to add many
new requirements for rulemaking to the State Rules Act,
Current Location: Senate Pre-file Actions: SPREF

SB 42 - MUTUAL DOMESTICS IN WASTEWATER LOAN ACT Sponsor: Phil A. Griego

NOTES: No endorsements. Adds mutual domestics to the definition of "Local Authority" in the Wastewater Facility Construction Loan Act. We probably could argue that we would be eligible under "sanitation district, water and sanitation district or any similar district" -- or maybe we would want to ask for more specific inclusion.

Current Location: Senate Pre-file Actions: SPREF

SB 43 - MUTUAL DOMESTIC EMPLOYEES IN PERA Sponsor: Phil A. Griego

NOTES: No endorsements. Amends the Public Employees Retirement Act to include mutual domestics as eligible employers. We might be eligible as a special district, or might need to request specific inclusion.

Current Location: Senate Pre-file Actions: SPREF

SB 48 - CHANGE NMFA PUBLIC PROJECT FUND REQUIREMENTS Sponsor: Stephen H. Fischmann

NOTES: "For the NMFA Oversight Committee", temporarily removing prior legislative approval of projects & requiring quarterly reporting to the legislature & NMFA Oversight Committee

Current Location: Senate Pre-file Actions: SPREF

SB 52 - ELECTRONIC COPIES OF PUBLIC RECORDS Sponsor: Stephen H. Fischmann

NOTES: No endorsements. Would require delivery of public records in electronic format upon request if available in that format and delivery by email upon request of records that are available in electronic format, provides for fees based on actual cost & does not require creation of a record that is not already available in that format.

Current Location: Senate Pre-file Actions: SPREF

SB 73

LIABILITY FOR FRAUD AGAINST TAXPAYERS Sponsor: John C. Ryan

NOTES: No endorsements. Amends Tort Claims Act to prohibit governmental entities from providing a defense or paying a settlement or judgment when a public employee is sued by the state or under the Fraud Against Taxpayers Act.

Current Location: Senate Pre-file Actions: SPREF

SB 107 - UNIFORM PER DIEM & MILEAGE Sponsor: Tim Eichenberg

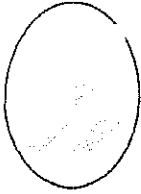
NOTES: Making the Per Diem & Mileage rate uniform for all public officers & employees; making other changes to the Per Diem & Mileage Act.

Current Location: Senate Pre-file Actions: SPREF

SB 111 - NO PUBLIC FUNDS TO INFLUENCE BALLOT MEASURES Sponsor: Mark Boitano

NOTES: Would prohibit any use of public funds by any state agency or political subdivision for advertising (including by mail and media) to influence the outcome of any question submitted to the voters.

Current Location: Senate Pre-file Actions: SPREF



HIGHLAND ENTERPRISES, INC.

General Contractors • Lic. No. 4460
Labor Registration No. 0971920090606
P.O. BOX 2409 Las Cruces, NM 88004
Phone (575) 524-3551 Fax (575) 526-0835
Email – hei@highlandnm.com

BUD HETTINGA, PRESIDENT

MARK HETTINGA, VICE PRESIDENT

Proposal No: Fourteen Date: 1/7/11
Project: Desert Sands MDWCA Water System Ph. II & III Location: Well No. 3: Anthony, NM
To: Matt Thompson, P.E. - Bohannon Huston, Inc. Ph: 532-8670 Fax: 532-8680

We propose to furnish material, labor and equipment to accomplish the following:

Proposal for Change Order Well No. 3 Arsenic Treatment Facility Retrofit

Exterior Site Work

- Mobilize to site
- Pothole and verify existing utilities
- Excavate for sludge bed and discharge pond
- Excess material to be spread on site
- Prepare sub-grade to accept sludge bed (native soil assumed to be acceptable)
- Form, install reinforcement, install water-stop, pour concrete, and strip forms at new sludge bed
- Modify existing 3" DI drain line with riser into sludge bed (to include insulation and flap valve)
- Install new 4" drain line from new sludge bed to existing pond including 4" plug valve, valve box, and conc. collar
- Backfill and compact native soil around sludge bed
- Install 12' double-leaf chainlink gate at SE corner of the site

Interior Process Piping

- Install 6" Dia. static mixer w/in pump house
- Install new ferric chloride pump, tank, and feed line to static mixer
- Modify existing arsenic skid to incorporate new PLC panel
- Install new actuating valves and check valves required for backwashing

Electrical Work

- Termination wiring for all actuated valves to new PLC panel
- Well integration wiring from well to new PLC panel
- Pre-test field wiring and PLC communication prior to start up
- Onsite support during startup operations

Startup

- Provide all labor, equipment, and materials required to install filtration media into Arsenic Skid Vessels
- Onsite support during startup operations in conjunction with AdEdge representative

For the Sum of \$ 98,020.00 (plus tax)

General Exclusions:

SWPPP (less than 1 acre of disturbance), N.M.G.R. Tax, utility relocation allowance, inspection testing allowance, removal of existing filtration media, existing piping repair, soil export, liquidated damages, and anything not specifically shown or called for in the plans.

Notes:

- An additional 45 calendar days from the date of acceptance will be required to complete the scope of work included w/in this proposal
- Proposal based on plan sheet 1 of 1 with engineer stamp dated January 4, 2011- Desert Sands MDWCA Well #3 Facility, correspondence with Eric Nicol (AdEdge Rep.) and Matt Thompson (Bohannon Huston design engineer), revised specification section 13530, and original specifications and contract documents for the Desert Sands MDWCA, Water System Improvements Phase II & III

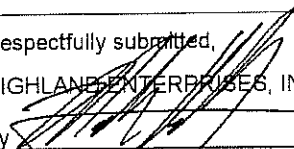
Terms:

Proposal valid for 30 days from date of proposal.

Accepted by Buyer
DATE _____

By _____
BUYER

By _____

Respectfully submitted,
HIGHLAND ENTERPRISES, INC.
By 
AGENT AND REPRESENTATIVE
Approved and contract entered into at Las Cruces, New Mexico

Date _____
HIGHLAND ENTERPRISES, INC.

By _____

Subject: FW: Desert Sands Funding
From: Matthew Thompson <mthompso@bhinc.com>
Date: Wed, 19 Jan 2011 07:38:17 -0700
To: Karen Nichols <karen.nichols@lrgauthority.org>

Fyi, he did respond to me yesterday I didn't see this earlier. This doesn't jive with my funding analysis for some reason. Do we have any outstanding bills on something else? Highland has been paid 100% already based on their final pay request to date.

I will go back and look again at my funding analysis and see why we show more in the range of only \$25K left.

From: Scott, George - Albuquerque, NM [mailto:George.Scott@nm.usda.gov]
Sent: Tuesday, January 18, 2011 8:42 AM
To: Matthew Thompson
Subject: FW: Desert Sands Funding

From: Beans, Sarah - Albuquerque, NM
Sent: Tuesday, January 18, 2011 8:41 AM
To: mthompso@bhinc.com
Cc: Scott, George - Albuquerque, NM; Contreras, Carlos - Albuquerque, NM
Subject: Desert Sands Funding

Mathew,

George asked me to respond to your inquiry about the funding leftover for Desert Sands. They have \$78,688.15 left. If you have any questions please feel free to call our office.

Thanks!

Sarah Beans | Loan Technician, Community Programs
Rural Development
U.S. Department of Agriculture
6200 Jefferson Street NE, Room 255 | Albuquerque, NM 87109
Phone: 505.761.4955 | Fax: 505.761.4976
www.rurdev.usda.gov

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"Estamos dedicados al futuro de las comunidades rurales"

Water diversion for the PWWA includes the amount of water pumped from the aquifer, which comprises water sold, lost and used for other non-revenue generating purposes. The Authority owns 1,917.12 acre-feet of water rights. Based on the projected population, the system can operate within its current groundwater right allocation until approximately 2020. The Authority would need to acquire 1,858.16 acre-feet of water rights to meet projected demands or develop an alternative water source. The Lower Rio Grande (LRG) Basin is currently under adjudication order to determine through legal action the status of all water rights. Return flow credits are being negotiated with Doña Ana County, who has constructed a wastewater collection system throughout the service area. Regardless of the outcome of the adjudication process, the Authority will have to acquire additional water rights within the next 20 years.

A second challenge is the ability to meet the requirements of the International Fire Code (IFC) in order to allow for development. Doña Ana County, under the IFC, requires that any new construction provide 1,000 gallons per minute of fire flow for residential and 2,000 gallons per minute for commercial connections. All of the member systems were originally built using Rural Development guidelines that met the National Fire Code of 500 gallons per minute. Thus, more than 50 percent of the distribution system is 6-inch diameter pipe. Only 10 percent of the existing system has the capacity to carry even the residential fire flow. This has severely limited the potential growth of the area and will continue to limit growth unless additional capacity is built into the distribution system.

V. ALTERNATIVES CONSIDERED

There are three proposed alternatives for improvements to the PWWA system. Necessary improvements include treatment to remove or reduce the levels of arsenic in the groundwater supply or to develop a secondary water source: the Rio Grande. These proposed improvements are required for the health and safety of the PWWA residents over the design period.

These alternatives are summarized as follows:

- No Action
- Treatment of groundwater to remove arsenic
- Treatment of surface water (Rio Grande)
- Combined treatment of groundwater and surface water

However, there were two discrete phases for alternative selection: site selection for centralized treatment of groundwater and/or surface water, and the development of a treatment option.

The criteria for the centralized treatment facility site study were similar to those used for siting a wastewater treatment plant, including:

- Adequate acreage to accommodate the proposed facilities
- Roadway and utility access
- Character of the surrounding area and subsequent public perception
- Land ownership

Central Site: This site was initially selected for its central location and the fact that it is between the East Side Canal and Highway 478 between Vado and Berino. It has potential for expansion and has a significant buffer from existing development. A disadvantage of this site was its limited access. Hydraulically, its central location lends itself to good water distribution with a minimum of power required to distribute water to both the south and north.

South Site: This site was also selected for its proximity to the East Side Canal and to Desert Sands and Berino, which were the two most critical entities requiring water treatment. However, this site was not selected because it was located west of the principal railroad. Water distribution from this site would be prohibitively expensive and it could not be developed in a timely manner due to the permits required from the railroad.

Vado Site: This site was selected for its proximity to the Three Saints Lateral and the Mesquite Drain, as well as its access to Vado Drive and both Interstate 10 and Highway 478. While it was located considerably north of both Berino and Desert Sands, it was fairly centrally located within the service area and had excellent accessibility to existing infrastructure: three storage tanks and two booster stations, and a 12-inch transmission line running east-west on Vado Drive, and north-south on Stern Drive to Berino. Most importantly, the Authority was able to negotiate the purchase of the property.

Table 19: Evaluation of Site Alternatives

Site Alternative

		Land Use	Ownership	Cost	Available Acreage	Elevation	Plant Operation	Proximity to Utilities	Constructability	Environmental Impact	Public Acceptance	Blending	Total Score	Ranking
Weighting Factor		4	5	2	3	6	10	3	7	1	9	10		
EBID Site	Score	3	2	5	2	4	4	4	2	5	8	2		4
	Wtd. Score	12	10	10	6	24	40	12	14	5	72	20	225	
Central Site	Score	3	2	2	9	6	8	6	8	5	8	6		2

The second cost would be the acquisition of groundwater rights. At a cost of approximately \$3,000 per acre-foot, the Authority would be required to purchase 1,858 acre-feet of water rights for a total of \$5,574,000 (40-Year Water Plan, 2010).

7. Advantages and Disadvantages

There are no advantages to this alternative. The disadvantages include excessive cost and legal action against the Authority and the continued health risk from consuming the untreated water.

B. Alternative 1 – Treatment of Groundwater

1. Description

Desert Sands has installed a coagulation/filtration system for the removal of arsenic in their drinking water. This alternative assumes that Berino would install a similar treatment system. The Authority has considered the permanent discontinuation of the use of Berino's well, and has, in fact, supplied water from Desert Sands and Mesquite to supplement and replace the Berino well for the past year. However, until the State Engineer has effectively approved the transfer of all water rights to the entire service area, Berino risks losing water rights through lack of beneficial use.

The April 2010 water quality reports for Well #3 indicate that the primary well water source, at .017 mg/L, is above the maximum contaminant levels (MCL) for arsenic. A water treatment facility placed at the Berino Water office site could be used as a stand-alone system. For the purpose of this analysis, Berino has considered the use of a similar system to that currently used by the Desert Sands MDWCA (now also part of the Lower Rio Grande PWWA). Since the operations staff has been combined under the Authority, it is logical to use similar treatment systems for familiarity, economy of scale in the acquisition of chemicals, and maintenance routine. Desert Sands has also carefully evaluated the local water quality and performed multiple pilot tests with varying technologies. It would be most cost-effective to capitalize on the experience garnered through their research.

To properly evaluate viable treatment alternates for co-contaminant removal, an initial review of available contaminant technologies is needed in order to look for common denominators. For communities with less than 1,000 connections, the most common arsenic removal technologies include the following:

- * Oxidation/Filtration (media types such as manganese green sand)
- * Adsorption (iron-based FeOOH media or other metal oxide media)
- * Anion Exchange
- * Coagulation/Filtration (often used with iron salts such as FeCl₃ or FeSO₄)

The AdEdge system used by Desert Sands is specifically designed to remove arsenic in groundwater supplies using a commercial oxidation/filtration process. A central component of the system is the manganese dioxide coated media. Sodium

Total Quantity:	144 cf/system
Empty Bed	
Contact Time:	3.7 minutes at max flow rate
Vessel Sizing:	66" diameter x 60" Side Shell
Vessel Area:	23.8 square feet (sf)
Filter Loading Rate:	6.3 gpm/sf at max flow rate
Max Pressure:	100 psi
Backwash Rate:	12 gpm/sf
Backwash Volume per Event:	Approximately 10,260 gallons (all vessels)

- e. It should be noted that the design for this system was developed by Vencor Engineering in the Preliminary Engineering Report dated December 2010. In that report, arsenic removal was not considered to be the recommended alternative for a solution to the water quality problems but rather recommended an alternative that included blending water from Mesquite. This Alternative was reconsidered in this report because in the context of the Authority as a whole, the ability to remove arsenic and put all water to beneficial use is paramount for the protection of the Authority's groundwater rights.

3. Environmental Impacts

There are no long-term known direct or indirect impacts to flood plains, wetlands, endangered species, historical and archaeological properties related to this alternative. The proposed treatment system will require a concrete-lined catch-basin for backwash water that will allow settling of media and solids removed in the backwash cycle. The solids will be disposed in the landfill on a monthly basis. Decant water will overflow to an unlined pond for infiltration. The backwash water may contain low concentrations of arsenic and iron although these contaminants should be removed with the solid waste in the normal operation of the system. This is not anticipated to impact the groundwater since the concentration will be significantly lower than the naturally occurring concentrations of both contaminants.

4. Land Requirements

The PWWA treatment system and pump station will be located within the existing well site located adjacent to the Berino Water Office. Any distribution lines would be located within existing County and NMDOT rights-of-way.

5. Construction Problems

There are no anticipated construction problems. The soils at the site are determined to be appropriate for the construction of the proposed system based on previous construction that has occurred at this site. Any new water line required will be installed within the highway and county rights-of-way; there are no known obstacles to the construction.

7. Advantages and Disadvantages

The advantage of this alternative is continuity of operation for the community of Berino and the ability to continue to put the groundwater associated with Well #3 to beneficial use. Treated water in this location increases PWWA ability to cover its service area effectively.

There are several disadvantages related to this option. The project treats a very small percentage of the total volume required by the Authority. Therefore, the return on the proposed investment is minimal. In order for the system to function, an additional storage tank and booster station will be required; without the treatment system, Berino can receive water from the adjacent systems. Finally, treatment of Berino's water adds to the expense for operation and maintenance of the PWWA water system which is then passed on to the consumers through increases in rates.

C. Alternative 2: Treatment of Surface Water (Rio Grande)

1. Description

According to the "New Mexico Lower Rio Grande Regional Water Plan" (August 2004), the primary source of surface-water flow within the service area is from the Rio Grande. Stream flows from external sources are limited to intermittent flows from arroyos during the summer months caused by infrequent storms. A smaller source of flows is from municipal and non-municipal wastewater treatment plant systems that contribute treated water to the river system.

The Rio Grande Project was constructed in the early 1900's and developed all of the remaining flows of the Rio Grande and its tributaries from Elephant Butte Reservoir to Fort Quitman, Texas. Within the service area, the Elephant Butte Irrigation District (EBID) administers the project. The estimated quantity of available water supply is a minimum of 790,000 acre-feet for about 25 percent of the time and a water supply of at least 600,000 acre-feet about 85 percent of the time (Doña Ana County Regional Water Plan, 1994).

The NMED Surface Water Bureau data indicates that NPDES permits have been issued to three treatment plants located upstream of the Authority's service area: Hatch, Las Cruces and the Doña Ana County South Central treatment plant located in Vado, which collects wastewater from a large part of the Authority's service area. The NPDES Permitted Discharge for these plants is 16.5 MGD which represents a substantial return flow to the Rio Grande.

Studies within the Authority's service area indicate a significant tie between the surface water system of the Rio Grande and groundwater supplies. Agriculture provides the major source of groundwater recharge. According to the NMOSE Technical Report 50 published in 1998, EBID has a total of 90,640 acres of land in Doña Ana and Sierra County with water rights. Sources of irrigation water are groundwater (17,040 acres

because it offsets potable water use for the same demands. The advantage to using reclaimed water on green spaces is that it is 100 percent recovery of the resource to replace potable water demands, and frees up the saved potable water for additional domestic use. There are no reuse initiatives within the proposed Authority service area that are typically “municipal” in nature – including parks and golf courses. However, the dairies have routinely land applied decant water from dairy waste from lined and permitted lagoon systems. This represents the largest source of recharge to groundwater within the Authority service area.

None of the existing reuse systems inject directly into the aquifers, however, as standards for reuse and reclaimed water become more stringent and the quality of the water increases, injection may become a more attractive method for disposal of excess reclaimed water and recharge for the aquifer.

The Authority has an agreement in place with Doña Ana County to receive return flow credit from the South Central WWTP in Vado. There is not currently a metering program in place that isolates the wastewater usage for the Authority members from the total contribution from the surrounding communities to the Plant. The County and the Authority have agreed to implement a metering program that will allow them to file a Return Flow Plan with the OSE for consideration of return flow credits.

The Lower Rio Grande PWWA has carefully analyzed the potential for obtaining other sources of water in the future. The Authority has obtained status as a Special Water Users Organization and is under negotiations with Doña Ana County to obtain and exploit return flow credits to supplement existing water rights. As a primarily agricultural area, the Authority is concerned with any potential plan that would impact the agricultural use of surface water or would require the retirement of agricultural land. This would have a direct economic impact to the members of the Authority.

The Authority is focused on the transfer of water under a short-term arrangement that would leave the water right associated with the transferred water appurtenant to the land from which it was transferred. Under the SWUA legislation, member municipalities may lease EBID water for municipal use in a surface water treatment plant. According to the proposed management from EBID, they may lease water rights from other water users in the District. The term of the lease can be from five to forty years; the price is negotiated between the SWUA and the individual leasing water to them. They may also purchase water on an annual basis from the District’s conservation pool. The SWUA status would allow the PWWA to use surface water during the irrigation season, thus reserving groundwater and the associated water rights for the remainder of the year.

In this Alternative, a surface water treatment plant would be sited on the five-acre property purchased in Vado in September of 2010. This plant would divert water from the Three Saints Lateral through an infiltration gallery to minimize sediment transport and treat the water to remove pathogens, turbidity, and secondary contaminants. The water quality of the river is included as Table 21. The site location, proposed system layout, and infiltration gallery designed are included in Appendix M.

6 µm	
7 µm	0.1 - 0.2
10 µm	0.3
12 µm	0.3

2. Design Criteria

The surface water treatment plant was evaluated to address two objectives: groundwater and surface water treatment. Knowing that the surface water is available primarily between the months of March and October, or six months of the year, it was important to invest in a treatment system that would be flexible enough to treat both groundwater and surface water. Two systems were evaluated that allowed this flexibility in treatment.

a) GE/ZENON PROPOSAL

(1) Groundwater Objectives:

- Arsenic removal
- Fluoride removal
- TOC removal
- TDS removal
- Turbidity removal

(2) Surface Water Objectives:

- Color removal
- Iron removal
- TSS removal
- TDS removal
- TOC removal
- Turbidity removal

(3) Process Approach:

- Influent screens: at pump intake and plant intake (6 mm and 1 mm)
- Coagulation/flocculation/sedimentation (for TSS removal from surface water)
- Oxidation/coagulation/flocculation (for Fe, As, F and turbidity)
- Ultrafiltration (for removal of all particulates and microbial contaminants)
- Disinfection

(4) Cost: (sized for two units of everything – 1 MGD)

Influent screens:	\$250,000
Coag/Floc/Sed Equipment	\$850,000
Ultrafiltration system with	\$1,400,000

any historic structure, such as the system of laterals and ditches surrounding the treatment plant. The lateral is owned by EBID and the gallery will be installed as part of the regular dredging and maintenance process during the off-irrigation season.

Groundwater quality will be protected since solids will be discharged during backwash to a settling basin and land-filled. Backwash water, after solids removal, may be discharged to an overflow pond and used for groundwater recharge. Most importantly, as discussed in previous sections, groundwater recharge is monitored by EBID and impact to the flow in the river is carefully offset and contained to the original service area where the water is diverted.

Preliminary flood mapping indicates that the site is located in part in a floodplain (Appendix D). During the subdivision process, the Authority worked extensively with the Doña Ana County Flood Commission to mitigate possible flooding of the site. At that time it was determined that the building pad could be elevated to protect the facility from flooding from any potential breach in the Three Saints Lateral; this would also preclude flooding from natural storm events since the Mesquite Drain protects the property on the east side. Finally, a DACFC project located on the east side of the Mesquite Drain diverts all stormwater into a pond with controlled release to the Drain.

4. Land Requirements

The PWWA purchased the five-acre surface water treatment plant site in Vado in September 2010. The site is outlined in the survey included as Appendix L. All required improvements will be located within this site and on property owned by the EBID. The 12-inch water transmission line is in place that will distribute water to the PWWA service area. It is also assumed that treated water may be stored in the existing Vado storage tanks and distributed using existing infrastructure.

5. Construction Problems

There are no anticipated construction problems. The soils at the site are appropriate for the construction of the proposed facility. Water line will be installed within the highway and County rights-of-way; there are no known obstacles to the construction.

6. Cost Estimates

a) Construction and Non-Construction

The total estimated project cost for Alternative 2 is \$377,488, including New Mexico Gross Receipts Tax and 20 percent contingencies. Table 22 outlines the itemized cost for this Alternative.

TABLE 22: ALTERNATIVE 2 – CONSTRUCTION AND NON-CONSTRUCTION COSTS

Item	Description	Unit	Quantity	Unit Price	Total
1	Water Treatment System	LS	1	\$1,219,000	\$1,219,000
2	Building, site, and yard piping	LS	1	\$550,000	\$ 550,000

and the local economy has suffered as has the groundwater quality. The formation of the SWUO has allowed the municipal and agricultural population to plan on a regional level to offset diversions from the central agricultural system and recharge groundwater in key locations throughout the valley.

A major disadvantage is the cost to treat and distribute the surface water, as well as the initial capital cost for the system. However, the experience of the individual members of the PWWA with keeping pace with regulatory requirements for groundwater treatment has been frustrating and costly. Desert Sands' experience has proven that it is not cost-effective to treat water without a substantial economy of scale – and that is for a single contaminant. As the water quality declines, the requirement for arsenic removal, and potentially fluoride and nitrate removal, would be prohibitively expensive. It is imperative that some flexibility in water source be built into the system so that water quality can be maintained.

An added disadvantage is that this Alternative does not address the issue of arsenic in Berino's groundwater. If surface water is treated exclusively, and no other improvements are made, Berino will have to discontinue use of their well. This jeopardizes their water rights and limits their flexibility in providing water to their residents. They are completely reliant, at this point, on Mesquite's water supply.

D. Alternative 3 – Combined Treatment of Groundwater and Surface Water

1. Description

Alternative 3 addresses the possibility of treating surface water and blending the resources of Mesquite and Berino to reduce the level of arsenic in Berino's well. This will allow Berino to put their water to beneficial use but will mitigate the arsenic levels. The surface water treatment plant criteria is identical to Alternative 2, but the groundwater blending will require some additional equipment for Berino including a blending valve, storage tank for the blended water, and a booster station to allow Berino to distribute water from the lower tank.

2. Design Criteria

The design criteria for the surface water treatment plant are identical to Alternative 2. The combined user population in 2010, according to the Vencor Engineering Preliminary Engineering Report (December 2010), is approximately 3,108 users. Using a user rate of about 70 gallons per person per day, average daily flow required is 217,560 gallons per day. Two-day storage required, therefore, is 435,120 gallons. Subtracting the available storage of 250,000 gallons, the total additional storage required would be 185,120 gallons. In order to blend the two sources, approximately 50% of the water distributed would have to be supplied from another, arsenic-free source.

Mesquite's water contains an average of .00503 mg/L of arsenic although the existing approved transfer of place of use requires distribution from Well #4, which has an

12-inch water transmission line is in place that will distribute water to the PWWA service area. It is also assumed that treated water may be stored in the existing Vado storage tanks and distributed using existing infrastructure.

Berino owns their current well site and the land area is sufficient for the proposed improvements. No additional land will be required.

5. Construction Problems

There are no anticipated construction problems. The soils at the site are appropriate for the construction of the proposed equipment.

6. Cost Estimates

a) Construction

The total estimated project cost for Alternative 3 is \$3,241,900, including New Mexico Gross Receipts Tax and 20 percent contingencies. Table 24 outlines the itemized cost for this Alternative.

TABLE 24: ALTERNATIVE 3 – CONSTRUCTION AND NON-CONSTRUCTION COSTS

Item	Description	Unit	Quantity	Unit Price	Total
1	Water Treatment System	LS	1	\$1,219,000	\$1,219,000
2	Building, site, and yard piping	LS	1	\$550,000	\$550,000
3	Infiltration Gallery	LS	1	\$65,000	\$65,000
4	200,000 Gallon Storage Tank	LS	1	\$375,000	\$375,000
5	Booster Station	LS	1	\$60,000	\$60,000
6	Contingencies (20 percent)				\$453,800
	Total Estimated Construction Alt 2				\$2,722,800
7	Additional Services*				\$ 50,000
8	Engineering Design (6.5%)				\$176,982
9	Construction Inspection (3.5%)				\$ 95,298
	NMGRT @ 6.375 percent				\$179,654
	NMGRT @ 7.5625 percent				\$17,166
	TOTAL PROJECT COST - ALT. 3				\$ 3,241,900

*Legal (2 percent), pilot testing, laboratory testing

b) Annual Operations and Maintenance Cost

As for Alternative 2, the annual operations and maintenance cost for this option, in addition to the existing operation and maintenance cost, includes additional salary for operations, at \$119,108 annually (Table 23). Operations

Addresses Arsenic Issue	5	1	5
Addresses Water Supply Issues	1	3	5
Protects Water Rights	3	1	5
Consistency of Water Quality	4	3	5
Operator Level Required	3	5	4
TOTAL	26	18	28

Matrix is a scale of 1 (lowest) to 5 (highest)

Based on economic and non-economic criteria, Alternative 3 is the recommended alternative.

VII. PROPOSED PROJECT (RECOMMENDED ALTERNATIVE)

Alternative 3 is the recommended alternative for the PWWA.

A. Project Design

1. Water Supply

The water supply will include both groundwater and surface water sources from the combined member systems of the Lower Rio Grande PWWA. Water from Berino's Well #3 will be blended with Mesquite's Well #4 through the Stern Drive interconnect project, which has been completed. Groundwater resources will be used during the six months that surface water is not available from the Rio Grande or in the event that agricultural use exceeds available water in the river. Surface water will be distributed through the existing water storage and supply system.

2. Treatment

As outlined in the detail in Alternative 2, the surface water will be treated by diverting water from the Three Saints Lateral through an infiltration gallery for pre-sedimentation, and through a coagulation/filtration system for the removal of turbidity and pathogens. The groundwater in Berino will be blended with the Mesquite groundwater to lower the level of arsenic.

3. Storage

This Alternative will require the construction of a 200,000-gallon storage tank to be located at the Berino well site. This storage tank will be used for blending Mesquite's and Berino's groundwater to mitigate the arsenic level.

4. Pumping Stations

A duplex pumping station will be required to distribute water from the Berino well site to the higher elevations of the Berino distribution system. This station includes a pressure tank, two 15-horsepower pumps, and a small utility building.

85	users @	30,001 - 50,000	gallons @	\$6,587.50	month =	\$79,050.00
992	users @	All over 50,001	gallons @	\$124,000.00	month =	\$1,488,000.00
Annual Revenue Generated from Per 1,000 gallons Sales:						\$1,856,145.00

Table 29: Commercial Use and Income Estimate Based on Minimum Bill

Minimum Bill	\$13.00	for	0	Gallons
Tier 1	0-20,000	gallons for	\$2.00 per	1,000 Gallons
Tier 2	20,001 - 50,000	gallons for	\$2.50 per	1,000 Gallons
All over	All over 50,0001	gallons for	\$3.50 per	1,000 Gallons
135	users @	0	gallons @	\$13.00 per user = \$1,755.00 Monthly
Annual Revenue Generated from Commercial Monthly Minimum Fee:				\$21,060.00 annually

Table 30: Commercial Use and Income Estimate Based on Usage Tiers

45	users @	0 - 20,000	gallons @	\$1,800.00	per month =	\$21,600.00
9	users @	20,001 - 50,000	gallons @	\$1,035.00	per month =	\$12,420.00
81	users @	All over 50,001	gallons @	\$23,490.00	per month =	\$281,880.00
Total Commercial Connections	135					

Annual Revenue Generated from Commercial Monthly Minimum Fee: \$315,900.00

3. Debt Repayments

PWWA has combined debt due to Rural Development for various water system projects dating back to 1976. In September of 2010, when this process was evaluated, the balance on this account was \$2,085,695 and annual payment on these loans was approximately \$111,246. If the project were to be funded on a 100 percent loan, at 4.5 percent for 40 years, the additional debt service would be \$176,360.

4. Reserves

a) Debt Service Reserve

References

Bulloch, H. Jr., et. al., *Soil Survey of Doña Ana County Area New Mexico*. National Cooperative Soil Survey. 1980.

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