

# LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY

## MINUTES - REGULAR BOARD OF DIRECTORS MEETING

9:00 a.m. Wednesday, September 21, 2011 at the Vado Office, 325 Holguin Road

{NOTE: Minutes are a DRAFT until approved and signed by the Board of Directors}

- I. **Sign in, establish quorum, call meeting to order:** Agenda and sign-in sheet are attached. Directors present were Chairman- Robert "Marty" Nieto, Vice-Chairman John Holguin, Secretary Santos Ruiz, and Director Blanca Martinez. Director Rosaura Pargas was absent. Staff members present were General Manager Martin Lopez, Finance Manager Kathi Jackson, Projects Manager Karen Nichols, Operations Manager Mike Lopez and Payroll Specialist Connie Garcilazo. Also present was Mr. Mitch Boyer of Vado. With quorum established Mr. Nieto called the meeting to order at 9:05 a.m. {24}
- II. **Approval of agenda:** Ms. Martinez made a motion to approve the agenda, Mr. Ruiz seconded and it carried on a vote of 4-0. {1:00}
- III. **Approval of Minutes of 8/23/11:** Mr. Ruiz made a motion to approve the minutes (attached), Ms. Matinez seconded and it carried on a vote of 4-0. {3:05}
- IV. **Guest Presentations:** NONE {3:12}
- V. **Public Input - 15 minutes total allotted for this item, 3 minute time limit per person, may be continued after Item VIII by board action:** Mr. Mitch Boyer presented comments about meeting notices, board elections and water disconnections to the board members and suggested instituting newsletter. {18:10}
- VI. **General Manager's Reports:**
  - A. **Management Report:** The General Manager's report was in the board packet (attached) and Mr. Martin Lopez reviewed with the Board. {23:32}
  - B. **Finance Report:** Ms. Jackson reviewed her financial report (attached) with the Board, and there were no questions. {24:27}
  - C. **Projects Report:** Ms. Karen Nichols written report was in the board packet (attached) and she reviewed with the board. She noted that the New Mexico Finance Authority Newsletter with the article about our refinancing loan is also included in the board packet. {30:37}
  - D. **Operations Report:** The Operations Report was in the board packet (attached) and Mr. Mike Lopez reviewed it with the Board of Directors. {32:21}
- VII. **Unfinished Business:**
  - A. **ICIP – Resolution 2012-4 - for adoption:** Mr. Lopez noted that Ms. Bloom from the South Central Council of Governments presented this plan (attached) at the August 17, 2011 Board Meeting. Mr. Holguin made a motion and Mr. Ruiz seconded to adopt ICIP- Resolution 2012-04 (attached). Motion carried on a vote of 4-0. {34:00}
  - B. **Sewer Agreement with Brazito - for adoption:** Mr. Holguin made a motion to adopt the proposed Sewer Agreement with Brazito (attached), and it was seconded by Mr. Ruiz. On a vote of 4-0, the motion carried. {46:10}
  - C. **Source Water Protection Plan – for adoption:** Mr. Lopez explained that all five individual associations had source water protection plans, and New Mexico Rural Water used those as a basis for the LRGPWVA plan (attached). They will correct a typo in the signature page, send us a better looking printed copy for signature, and provide a letter to Rural Development to

document this item for our Letter of Conditions notebook. Mr. Holguin made a motion to adopt the Source Water Protection Plan, Mr. Ruiz seconded motion and it carried on a vote of 4-0. {53:50}

**VIII. New Business:**

- A. Authorize RFP for engineering services for Surface Water Treatment Plant Project:** Mr. Lopez and Ms. Nichols discussed the project, noting that the firm which completed the PER and Environmental Documents no longer has an engineer on staff. NMED Construction Programs Bureau approved the PER and had some comments on the EID that need to be addressed, and we will work directly with the sub-consultant finish that document. There was a motion from Mr. Holguin to authorize staff to issue a Request For Proposals for engineering services for the Surface Water Treatment Plant Project. The motion was seconded by Mr. Ruiz and approved on a vote of 4-0. {57:45}
- B. Authorize RFP for general engineering services for small/in-house projects:** Ms. Nichols noted that this RFP will not result in an engineering agreement until projects come up, it is just to pre-select one or a few firms for small projects as needed. A motion was made by Mr. Holguin and seconded by Mr. Ruiz to authorize the RFP for general engineering services for small projects. Motion carried on a vote of 4-0. {59:30}
- C. Draft Policy for Providing Service Outside of Established Service Area – for adoption:** Mr. Lopez discussed this item and the next one and pointed out that they relate to the Sewer Agreement with Brazito adopted under item VII B. Mr. Ruiz made a motion to adopt the Draft Policy for Providing Service to Customers Outside of Lower Rio Grande PWWA Established Service Area (attached). The motion was seconded by Mr. Holguin and carried on a vote of 4-0. {1:01:40}
- D. Draft Customer Sewer Users Agreement – for adoption:** Mr. Holguin made a motion to adopt the Draft Customer Sewer Users Agreement (attached) and Mr. Ruiz seconded. The motion carried on a vote of 4-0. {1:03:40}
- E. Resolution No. 2012-5 Authorizing a Bridge Loan of \$400,000 from RCAC for Berino/Mesquite-Del Cerro Water System Improvements Project**  
A motion was made by Mr. Holguin to approve Resolution No. 2012-5 (attached) authorizing a bridge loan of \$400,000 from RCAC for Berino/Mesquite-Del Cerro Water System Improvements Project. Mr. Lopez explained that the money will be reimbursed by USDA. Motion seconded by Mr. Ruiz and carried on a vote of 4-0. {1:07:00}
- F. Requests for use of vacant lot on O’Hara Rd. – Raquel Molina & Cesar Arredondo:** There was some discussion, and no action was taken. {1:11:46}
- G. Proposed amendment to Member/Customer Policy re: cut off time of 3 pm instead of close of business day:** Ms. Jackson discussed the proposed amendment (attached) and explained that it will eliminate a lot of overtime. There was a great deal of discussion concerning the impact on customers with regard to late fees and disconnect penalties, and Ms. Jackson said she would be phasing in the change and not fully implementing it until January. Mr. Holguin made a motion to approve the proposed amendment to the Member/Customer Policy regarding changing the cut-off time for posting of payments to 3 pm instead of close of business day starting in January 2011. Mr. Ruiz seconded, and it carried on a vote of 4-0. {1:24:25}

Mr. Ruiz made a motion to take a 5 minute break, it was seconded by Ms .Martinez and carried on a vote of 4-0. {1:28:26}

Mr. Ruiz made a motion to come back into session, it was seconded by Ms .Martinez and carried on a vote of 4-0. {1:28:56}

**H. Closed Session:**

1. At 10:34 a.m. Ms. Martinez made a motion and Mr. Holguin seconded to convene in closed session pursuant to NMSA 1978 Section 10-15-1 (H)(2) for discussion regarding discussion of complaints against a public employee and Section 10-15-1 (H)(7) regarding threatened litigation. Mr. Nieto took a roll call for vote: Mr. Ruiz voted yes, Mr. Holguin votes yes, Ms. Martinez voted yes, and Mr. Nieto voted yes. Motion carried on a vote of 4-0 {1:29:43}
2. Mr. Holguin made a motion to resume the open meeting at 11:05 a.m. and Mr. Nieto stated that the matters discussed in the closed meeting were limited to those stated in the motion to close. Mr. Ruiz seconded motion and carried on a vote of 4-0. {1:30:30}

**IX. Other discussion and agenda items for next meeting on 10/19/11 at 9:00 a.m.:** Mr. Lopez said that he has a draft Election Policy from Olga Morales of Rural Community Assistance Corporation and that he will review and bring it to the board in October.

**X. Adjourn**

Mr. Holguin made a motion to adjourn the meeting at 11:11a.m., Ms. Martinez seconded and it carried on a vote of 4-0. {1:35:02}

Date Minutes approved:

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Directors Present:

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Chairman Roberto M. Nieto

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Vice- Chairman John Holguin

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Secretary Santos Ruiz

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ABSENT  
Director Rosaura Pargas

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Director Blanca Martinez

# Lower Rio Grande Public Waterworks Authority

## Sign In Sheet P.1

Date: 9/21/11

Time: 9am

Place: Vado Office

Meeting Type: Regular

Name, Title - Print Sign	Company or Agency Represented	Mailing Address	Telephone	Email
<u>Robert M. Wild</u>	<u>LRG BOD</u>	<u>325 Holguin Rd. Vado NM 88072</u>	<u>575 621-9697</u>	<u>rob.wild@lrqauthority.org</u>
<u>Blanca Martinez</u>	<u>La Mesa</u>	<u>1660 San Jose La Mesa NM 88044 PO Box 104 Pecos, NM</u>	<u>575 2334316</u>	<u>marties16@msn.com</u>
<u>Santos Ruiz</u>	<u>LDC BOD</u>	<u>325 Holguin Vado, NM</u>	<u>882 5930</u>	
<u>Johnny Holguin</u>	<u>LRG Vado</u>	<u>PO BOX 2646 Anthony NM</u>	<u>253-4959</u>	
<u>Connie Garcia-Lazo</u> <u>Chicago</u>	<u>LRG PWWA</u>	<u>PO BOX 2646 Anthony NM</u>	<u>882-3672</u>	<u>connie.garciniega@lrqauthority.org</u>
<u>Kathy Jackson Finance Manager</u> <u>Kathy Jackson</u>	<u>LRG PWWA</u>	<u>PO Box 2646 Anthony NM 88021</u>	<u>233-3947</u>	
<u>MIKE LOPEZ</u> <u>Mikel Lopez</u>	<u>LRG PWWA</u>	<u>P.O. Box 703 Mesilla Park NM</u>	<u>(575) 635-3921</u>	<u>mike.lopez@lrqauthority.org</u>
<u>Karen Nichols</u>	<u>LRG PWWA</u>	<u>325 Holguin Rd Box C Vado NM 88072</u>	<u>915 203 2057</u>	<u>Karen.Nichols@LRCAuthority.org</u>
<u>MARTIN LOPEZ</u>	<u>LRG PWWA</u>	<u>325 Holguin Rd Vado, NM</u>		
<u>Beverly Singler</u> <u>Beverly Singler</u>	<u>Attorney</u>	<u>PO Box 471 Mesilla Park NM 88047</u>	<u>650-1159</u>	<u>bjsin@spinn.net</u>
<u>Mitch Boyer</u>				

present, did not sign in

# LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY

## MEETING NOTICE & AGENDA - REGULAR BOARD OF DIRECTORS MEETING

9:00 a.m. Wednesday, September 21, 2011 at the Vado Office, 325 Holguin Road

Agendas are final 24 hours prior to the meeting and may be obtained at any LRGPWWA Office – call 575-233-3947 for information

- I. Sign in, establish quorum, call meeting to order
- II. Approval of agenda
- III. Approval of Minutes of 8/23/11
- IV. Guest Presentations – NONE
- V. Public Input - 15 minutes total allotted for this item, 3 minute time limit per person, may be continued after Item VIII by board action:
- VI. General Manager's Reports:
  - A. Management Report
  - B. Finance Report
  - C. Projects Report
  - D. Operations Report
- VII. Unfinished Business:
  - A. ICIP – Resolution 2012-4 - for adoption
  - B. Sewer Agreement with Brazito - for adoption
  - C. Source Water Protection Plan – for adoption
- VIII. New Business:
  - A. Authorize RFP for engineering services for Surface Water Treatment Plant Project
  - B. Authorize RFP for general engineering services for small/in-house projects
  - C. Draft Policy for Providing Service Outside of Established Service Area – for adoption
  - D. Draft Customer Sewer Users Agreement – for adoption
  - E. Resolution No. 2012-5 Authorizing a Bridge Loan of \$400,000 from RCAC for Berino/Mesquite-Del Cerro Water System Improvements Project
  - F. Requests for use of vacant lot on O'Hara Rd. – Raquel Molina & Cesar Arrendono
  - G. Proposed amendment to Member/Customer Policy re: cut off time of 3 pm instead of close of business day
  - H. Closed Session:
    1. Motion to convene in closed session pursuant to NMSA 1978 Section 10-15-1 (H)(2) for discussion regarding discussion of complaints against a public employee and Section 10-15-1 (H)(7) regarding threatened litigation – Roll Call Vote
    2. Motion to resume the open meeting and statement by the Chair that affirming that the matters discussed in the closed meeting were limited to those stated in the motion to close.
- IX. Other discussion and agenda items for next meeting on 10/19/11 at 9:00 a.m.
- 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 llame a 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.*

**LRG PWWA  
Manager's Report  
September 21, 2011**

- Transfer of Assets from Associations
  - BLM permits are being processed (Desert Sands has been transferred and now working on extension-fee paid)
  - Lack the USDA construction accounts for the Mesquite water project
- Combine & Commingle
  - Withdrew protest from Jornada Water in exchange for their protest withdraw of Combine & Commingle
- Working with Medius Inc. and Dona Ana MDWCA to try and change CDBG construction rules
- Desert Sands office will be closed from October 4th-17th
- Personnel
  - Meter readers from Workforce Solutions pending
- Meetings/Trainings:
  - Authority-Brazito sewer project meeting with Brazito MDWCA on September 26, 2011 at 6pm
  - Commissioner Garrett-Mesquite Fire Station at 6pm on September 27, 2011
  - WTB Board meeting in Santa Fe 9am September 28, 2011

- CDBG application training October 5-6, 2011
- RD (Berino-Del Cerro/Mesquite LOC project) meeting Oct. 11 at 1:30 pm, Mesquite office
- Infrastructure Finance Conference in Albuquerque October 25-27 Hard Rock Hotel & Casino

**LRGPWWA**  
**Profit & Loss**  
 August 2011

	Aug 11
<b>Ordinary Income/Expense</b>	
<b>Income</b>	
Grant Income	27,486.28
Interest	52.57
Meter Relocation	2,200.00
<b>Operating Revenue</b>	
Contract Services	3,919.44
Impact Fees	4,800.00
Installation Fees	9,112.85
Membership Fees	50.00
Monthly Services	135,343.57
Monthly Services-Sewer	6,928.44
Other Income	344.70
Penalties-Sewer	424.73
Penalties-Water	10,158.94
<b>Total Operating Revenue</b>	171,082.67
<b>Total Income</b>	200,821.52
<b>Cost of Goods Sold</b>	
Cost of Goods Sold	5,123.52
<b>Total COGS</b>	5,123.52
<b>Gross Profit</b>	195,698.00
<b>Expense</b>	
<b>Accounting, Auditing, Legal</b>	
Bank Service Charges	-30.80
Engineering Fees	1,452.09
Legal Fees	3,104.69
Legal Notices	569.22
Licenses & Fees	72.00
Permit Fees	744.00
Postage-Billing	1,013.04
Postage-Other	172.17
Training	150.00
Travel	
Lodging Per Diem	1,084.58
Meals Per Diem	161.56
<b>Total Travel</b>	1,246.14
<b>Total Accounting, Auditing, Legal</b>	8,492.55
<b>Lab, Chemicals</b>	
Chemicals	2,895.80
Laboratory Fees	94.54
<b>Total Lab, Chemicals</b>	2,990.34
<b>Salaries</b>	
Accrued Leave	1,217.87
Administrative Labor	17,462.31
Clerical Labor	10,678.31
Contract Labor	175.00
Operations Labor	21,679.31
Salaries - Other	48.75
<b>Total Salaries</b>	51,261.55



LRGPWWA  
Profit & Loss  
August 2011

	<u>Aug 11</u>
<b>Supplies</b>	
Cell Phone	137.38
Computer Maintenance	12,192.65
Materials & Supplies	15,274.80
Office Supplies	891.97
Printing and Copying	49.13
Telephone	826.32
Uniforms-Employee	1,658.68
Supplies - Other	212.25
<b>Total Supplies</b>	<u>31,243.18</u>
<b>Taxes, Liability, Insurance</b>	
401K 10% Company Contribution	4,556.70
Employee Benefits-401K Contrib	1,576.44
Insurance-Dental	491.91
Insurance-Health	5,294.56
Insurance-Vision	0.00
Insurance - Liability, D and O	1,033.00
Payroll Taxes-Federal Unemploy	2.69
Payroll Taxes-Medicare	762.91
Payroll Taxes-Social Security	3,263.81
Payroll Taxes-State Unemploymen	-1,235.91
Payroll Taxes-Worker's Comp Fee	1,075.30
State Taxes	0.00
Water Conservation Fee	1,506.36
<b>Total Taxes, Liability, Insurance</b>	<u>18,327.77</u>
<b>Utilities</b>	
Automobile Repairs & Maint.	1,719.81
Electricity-Operations	5,292.51
Fuel	9,108.11
Garbage Service	141.30
Maint. & Repairs-Infrastructure	3,636.42
Maint. & Repairs-Office	224.45
Maintenance & Repairs-Other	1,725.41
Natural Gas	48.93
Security/Alarm	29.95
Wastewater	66.15
<b>Total Utilities</b>	<u>21,993.04</u>
<b>Total Expense</b>	<u>134,308.43</u>
<b>Net Ordinary Income</b>	<u>61,389.57</u>
<b>Net Income</b>	<u><u>61,389.57</u></u>

**LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY  
9/21/11 BOARD OF DIRECTORS MEETING  
PROJECTS REPORT**

**Authority Construction Projects:**

**LRG-11-01 - La Mesa Water System Improvements – Molzen Corbin – final design/closing - RD:** ROW & easements are at 100%. Funding application and Letter of Conditions Notebook items have been redone in the name of the Authority, today's agenda includes a new public hearing and adoption of RD forms that are required. LOC Notebook were resubmitted for re-review by RD after the August board meeting, and we are hoping for a closing date that will allow us to get out to bid before the end of the year. Contract documents were submitted to DAC for review on 8/30/11.

**LRG: 11-02.1 - Mesquite Wastewater Project – Gannet Fleming– final RD review before closing:** Engineer expects 6 weeks from 7/22/11 for RD review, probably will be longer.

**LRG-11-02.2 - Authority/Brazito Sewer Project – Vencor – planning – CDBG/SAP:** Field data collection is complete, documents at 65% completion (PER, EID & sewer model) were submitted for review at NMED CPB, comments were received from Mr. Deal on 9/14/11 and are being incorporated. Agreement w/Brazito is on today's agenda.

**LRG-11-03 – Interconnect & Looping Project** – Stern Drive project is complete, Castillo Road project is pending resolution of the bridge crossing issues which were under review by the contractor's insurance company. We should have a response from the contractor by 9/21/11. The remainder of this project will include completion of the interconnection & looping between the Castillo Road project & Stern Drive project, between the south end of the Stern Drive project to pick up the Desert Sands tanks & wells and loop back around to lines to be installed with the Berino/Del Cerro project at Joy Dr./Hwy. 478, and will interconnect the Berino part of the system back to La Mesa on the west side. RIP Loan application Berino/Desert Sands loop is in preparation and has not yet been submitted.

**LRG-11-03.4 Mesquite/Brazito Water Emergency Water Interconnect & Supplemental Wells – prelim. Planning:** Vencor has a preliminary map, nothing to report yet.

**LRG-11-04 - Berino & Mesquite/Del Cerro combined Project – Letter of Conditions/final design & review of plans & specs – RD/WTB:** Water Trust Board Readiness to Proceed items were submitted on 9/14/11. NMFA holding the portion of the project for which reviews are incomplete, and final plans & specifications were submitted to NMED-CPB for review on 9/16/11 and to NMED-DWB on 9/19/11. We have been advised that RD is permitting us to use their funds as a match for the WTB funds, and we are making rapid progress on fulfilling the LOC. The first teleconference with RD was 9/13/11, next is 10/11/11 at 1:30. GM is still negotiating with one of the dairies for one of the two remaining easements needed. Soil samples have been taken for the BNSF crossing so engineer can finalize crossing design.

**LRG-11-05 – Surface Water Treatment Plant – Design phase** - PER (approved) & EID (conditionally approved 9/14/11) completed by CE&M, USDA-RD NOI published 7/9/11, public meeting 7/20/11. Authorization to RFP for engineering services is on this agenda. Have contacted Parametrix for a quote to update & finalize the EID.

**Authority PERs/EAs/40 Yr. Water Plan:**

**LRG-12-01 – Authority PER – prelim. planning:** CDBG Planning Grant Application submitted thru SCCOG 3/16/11, still no response, but we did respond to their request for more budget detail. Tiffany Bloom requested a status update on 9/16/11.

**Forty-Year Water Plan – CE&M – complete:** pending NM-OSE comments/approval. Followed up w/Cheryl Thacker, NM-OSE, she inquired w/Santa Fe office, still pending.

**Return Flow Credit Plan – CE&M – GF work in progress:** 60% complete, progress has been slow do to issues with our strap-on meter and with getting readings from wastewater plant and Chamberino. Need another month of readings to complete.

**Radio Read Meters – in-house – SRF Fund:** Rob Pine at NMED-DWB advised that our funding request for \$595,000 is approved: 25% subsidized + 25% grant = 50% grant, 50% loan at 0%. This will purchase 3400 meters at \$175 ea. On 8/31/11 Mr. Pine advised that he expected to be able to move forward with the formal application process in a couple of weeks after resolving procedural changes at NMFA & EPA, and that we are on the list, but he cannot yet assess our chances of receiving funding.

**Individual MDWCA Projects under construction:**

**Desert Sands Phase II-III Water System Improvements – Construction in progress:** Project is complete, final checks have been issued to contractor & engineer, construction bank account has been closed and balance transferred to the Authority.

**Mesquite Water Project – Gannett Fleming – Construction complete, pending close-out:** Engineer finally had a phone conversation with the contractor, and they are still waiting for the valves to do the work. JCH hopes to have the valves in this week, and Smithco plans to begin the work the week of 9/26 if that happens. Engineer has relayed the concerns regarding the schedule and hopes to finalize this project as soon as possible.

**LRG MDWA Projects:**

**Castillo Rd - La Mesa/Mesquite Interconnect – CE&M – construction incomplete:** Bridge report was provided to the contractor & engineering firm with a Cc: to the engineer who is no long with that firm. A letter was received from the contractor's insurance company informing us that a claim had been filed. Written response from contractor should be received by 9/21/11.

**La Mesa Building (jointly funded by La Mesa & LGRMDWA) – Molzin Corbin – under construction** - NMED - SAP08-3099, Colonias 09-3118: 5 pay requests have been submitted, first 4 have been paid. Utilities are in, concrete work & ponding is at 70%, stamped final drawings have been submitted by the manufacturer & approved by the structural engineer, we should have a target date for delivery & completion very soon. Existing storage building looks low and could be a drainage problem there. Sign has been changed from acrylic to painted metal.

**Other projects:**

**Website:** Board Minutes page is up to date, will be working with Mike to put up an Operations Page.

**ICIP** – Adoption of final draft is on today’s agenda

**EBID Surface Water Treatment Plant** – bid has been awarded to Siemens for traditional treatment package plant. Spoke with Dr. Cadena, will set up a meeting with him and Mr. Magallanes.

**NMFA Refinancing** – NMFA newsletter with our write-up is in the board packet.

# **Lower Rio Grande PWWA**

## **Operators Report**

**September 21, 2011**

### **System Problems and Repairs.**

- Backflow inspections are current.(Mesquite District)
- Sewer tank inspections are current.(Mesquite District) well
- No Major problems with the Lower Rio Grande system.
- 3 new services were installed in the mesquite district.
- 2 new service in the Berino district.
- Two new services in Desert Aire.
- We have had a few problems with the mesquite sewers.
- The Chlorine Gas unit in the La Mesa well will be complete Tuesday the 27<sup>th</sup>

**NMED:** Monthly Bac-T-Samples Have been taken for the Lower Rio Grande PWWA, La Union, and Desert Aire.

**Mesquite district Wetlands:** The sewer report is not due until November.

**Chlorine:** No problems with Chlorine this month.

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



# LOWER RIO GRANDE

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## Public Water Works Authority

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325 Holguin Road Box C

Vado, New Mexico 88072

(575) 571-3628

[www.LRGauthority.org](http://www.LRGauthority.org)

## Lower Rio Grande Public Water Works Authority

COUNTY OF DOÑA ANA

Resolution No. 2012-04

### A RESOLUTION

#### ADOPTING AN INFRASTRUCTURE CAPITAL IMPROVEMENT PLAN (ICIP)

- WHEREAS, the Lower Rio Grande Public Water Works Authority recognizes that the financing of public capital projects has become a major concern in New Mexico and nationally; and
- WHEREAS, in times of scarce resources, it is necessary to find new financing mechanisms and maximize the use of existing resources; and
- WHEREAS, systematic capital improvements planning is an effective tool for communities to define their development needs, establish priorities and pursue concrete actions and strategies to achieve necessary project development; and
- WHEREAS, this process contributes to local and regional efforts in project identification and selection in short and long range capital planning efforts.

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

1. The Lower Rio Grande Public Water Works Authority has adopted the attached Infrastructure Capital Improvement Plan, and
2. It is intended that the Plan be a working document and is the first of many steps toward improving rational, long-range capital planning and budgeting for New Mexico's infrastructure.

PASSED, APPROVED and ADOPTED by the governing body at its meeting of September 21, 2011.

9/21/11

Roberto Nieto, Chairman



**LOWER RIO GRANDE**  
**Public Water Works Authority**

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

[www.LRGauthority.org](http://www.LRGauthority.org)

{Seal:

Attest:

9/21/11

\_\_\_\_\_  
Santos Ruiz, Secretary

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# Infrastructure Capital Improvement Plan FY 2013-2017

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## ICIP for Lower Rio Grande Public Water Works Authority

**Contact:** Martin G. Lopez  
325 Holguin Road Box C  
Vado, NM 88072

**Telephone No.:** 575-571-3628

**COG District:** 7

**Fax:** 575-233-3961

**Entity Type:** SD

**Email Address:** martin.lopez@lrgauthority.  
org



## Project Priority Process/Capital Improvement Goals

### Project Priority Process

The Lower Rio Grande Public Water Works Authority represents the successful grassroots regionalization effort of five mutual domestic associations in southern Dona Ana County. The five mutual domestics that joined together in this effort are the Berino MDWC & MSWA, Desert Sands MDWCA, La Mesa MDWCA, Mesquite MDWC & MSWA, and Vado MDWCA. This regional effort currently serves a combined total of more than 600 wastewater and 3,600 residential water connections plus four schools, several dairies, and various small commercial enterprises in nine federally-designated Colonias, including Las Palmeras, Montana Vista, the Joy Drive Subdivision, Vado, Del Cerro, La Mesa, Berino, Mesquite, and Brazito (the Authority is working with the Brazito MDWCA and Dona Ana County on a regional sewer line extension project and with the Brazito MDWCA on an emergency water interconnect project.)

The five mutual domestics first formed the Lower Rio Grande Mutual Domestic Water Association (LRGMDWA) to act as their umbrella organization in 2006. Their grassroots regionalization effort continued and they secured the passage of New Mexico House Bill 185 of 2009 which created the Lower Rio Grande Public Water Works Authority (LRGPWWA). In October 2010 the process of merging began. By December 1, 2010 the LRGPWWA assumed all administrative and operational aspects of the five mutual domestics

### Capital Improvement Goals

The goals of the Lower Rio Grande Public Water Works Authority include:

- \*Developing a regional solution to water quality and availability issues by interconnecting and upgrading existing infrastructure.
- \*Developing additional water supplies and treatment options for short-term and long-term sustainability.
- \*Developing public and private partnerships to extend sewer service to unserved areas.

### Nature/Effect/Options/Recommendations of Trends

Residential, commercial, and industrial development of the communities served by the Lower Rio Grande Public Water Works Authority have been impeded by water quality and availability issues, including arsenic, nitrate, and fluoride contamination and poor fire flow. Additionally, there are 16 facilities, primarily dairies, in the process of submitting and implementing a plan to abate pollution of subsurface water in accordance with the requirements and provisions of 20.6.2.4000 through 20.6.2.4115 NMAC. It is the goal of the Lower Rio Grande PWWA to address these and other issues as much as possible to provide for the sustainable development of the communities served by the Authority.

# Infrastructure Capital Improvement Plan FY 2013-2017

## Lower Rio Grande Public Water Works Authority Project Summary

Rank	Project Title	Top 5 Rank	Category	Funding Sources	2013	2014	2015	2016	2017	Total
2013-01	Authority Brazito Water Interconnect	1	Water Supply	CDBG SGRANT SLOAN FGRANT FLOAN	500,000	0	0	0	0	500,000
2013-02	Authority Interconnect Looping Project	2	Water Supply	LGRANT SGRANT FGRANT CDBG SLOAN	2,000,000	1,000,000	1,000,000	1,000,000	0	5,000,000
2013-03	System-Wide Information Technology Standardization	3	Water Supply	CDBG SGRANT SLOAN FGRANT FLOAN	500,000	550,000	100,000	0	0	1,150,000
2013-04	Surface Water Treatment Plant	4	Water Supply	LGRANT SGRANT CDBG SLOAN FLOAN	100,000	6,100,000	0	0	0	6,200,000
2013-05	Distribution System Rehabilitation & Improvements	5	Water Supply	LGRANT SLOAN FGRANT CDBG SGRANT	220,000	2,596,000	0	0	0	2,816,000
2013-06	Authority Brazito Sewer Project Phases I and II		Wastewater	LGRANT SGRANT CDBG FLOAN SLOAN	400,000	3,300,000	0	3,300,000	0	7,000,000
2013-07	Light Equipment Purchase		Water Supply	LGRANT SGRANT FGRANT FLOAN SLOAN	70,000	70,000	70,000	70,000	70,000	350,000

## Infrastructure Capital Improvement Plan FY 2013-2017

2013-08	Heavy Equipment Purchase	Water Supply	LGRANT SGRANT FGRANT FLOAN SLOAN	171,000	171,000	171,000	171,000	171,000	855,000
2014-01	Vado Area Water System Improvements	Water Supply	CDBG SGRANT FGRANT SLOAN FLOAN	0	1,530,000	0	0	0	1,530,000
2015-01	Sewer Service Extension to Unserved Areas	Wastewater	CDBG FGRANT FLOAN LGRANT SGRANT	0	0	200,000	200,000	200,000	600,000
2015-02	Sewer Line for Dairies	Wastewater	LGRANT SGRANT CDBG FLOAN SLOAN	0	0	2,750,000	0	0	2,750,000
<b>Grand Total</b>					15,317,000		4,741,000		28,751,000
				3,961,000		4,291,000		441,000	

# Infrastructure Capital Improvement Plan FY 2013-2017

## ICIP Capital Project Description

**Project Title:** Authority Brazito Water Interconnect

**Description/Justification & Benefits:** This project will plan, design, and construct an emergency 12" piping interconnection along Hwy 478 to the Brazito MDWCA. This project will provide an emergency water supply for the Brazito MDWCA and the Lower Rio Grande Public Water Works Authority.

**Location:** Mesquite and Brazito

**Implementation Plan:** USDA has approved Brazito MDWCA's PER and Environmental Documents for this project, and the Brazito MDWCA has been funded for their half of the interconnect.

**Category:** Water Supply **COG District:** 7

**Potential Future Funding Sources:** CDBG SGRANT SLOAN FGRANT **Colonias?** Yes **House District:**  
FLOAN

52-Cervantes **Subcode:** **Project Ranking:** 2013-01 **Senate District:**  
38-Papen **Capital Outlay Rank:** 1 **County District:**  
08-Dona Ana

## Estimated Costs Not Yet Funded

	2013	2014	2015	2016	2017	TOTAL NOT YET FUNDED
<b>Land Acquisition</b>	0	0	0	0	0	0
<b>Planning/Design</b>	0	0	0	0	0	0
<b>Engineering/Architectural</b>	40,000	0	0	0	0	40,000
<b>Construction</b>	460,000	0	0	0	0	460,000
<b>Other</b>	0	0	0	0	0	0
<b>TOTAL NOT YET FUNDED</b>	500,000	0	0	0	0	500,000

**Has your local government/agency planned for operating expenses for the project when it is completed?**

Yes

<b>Opr Exp and Debt Srvc</b>	1,000	1,000	1,000	1,000	1,000	5,000
<b>Operating Revenues</b>	1,000	1,000	1,000	1,000	1,000	5,000

### Current Funding Status

	0
	0
	0
	0
	0
<b>Other</b>	0
<b>Matching Funds</b>	0
<b>Total Already Funded</b>	0
<b>Amount Not Yet Funded</b>	500,000
<b>Total Project Cost</b>	500,000

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# Infrastructure Capital Improvement Plan FY 2013-2017

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## Capital Outlay Project Information

**Criterion that best describes this project:**

Critical

**Explanation:**

This project will provide an emergency water supply for the Brazito MDWCA and the Lower Rio Grande Public Water Works Authority.

**Project Contact Person:**

Martin G. Lopez

**Phone Number:**

575-571-3628

**Address:**

325 Holguin Road Box C, Vado,  
NM 88072

**Email:**

martin.lopez@lrgauthority.org

**Phase Amount**

0

**Amount Requested:**

500,000

**Project Phase:**

Not Phased

**When can the project begin?**

Immediately

**The local government that will own and administer this project:**

LRGPWWA

**Has local government agreed to administer, maintain and operate the capital project?**

Yes

**Will funds be expended within four (4) years from time the funding is made available?**

Yes

**Legislators that will be affected by this request:**

Senator Mary Kay Papen

Senator Cynthia Nava

Rep. Mary Helen Garcia

Rep. Joseph Cervantes

# Infrastructure Capital Improvement Plan FY 2013-2017

## ICIP Capital Project Description

**Project Title:** Authority Interconnect Looping Project

**Description/Justification & Benefits:** This project will plan, design, and construct large-diameter piping interconnections to loop the entire regional system. There are four sections involved: The first section extends from Berino Road, continuing south on Stern Drive, west on Ohara Road, looping north up Hwy 460 to Stern Drive. The second section extends from 460 west on Lipps, down Venadito, south to Ohara Road, west to Hwy 478, and north to Joy Rd. The third section extends from the East Side Canal in Berino west on Berino Road to Hwy 28, north on Hwy 28 into La Mesa, along Castille Road to Archer Farms Rd. The fourth section extends from Smokey Rd on Hwy 192 to Well #6 at John Grisham in Mesquite.

This project will be constructed in phases. Large-diameter pipeline will be installed in sections and sub-sections as funding permits.

**Location:** LRGPWWA Service Area.

**Implementation Plan:** Planning and design are necessary for this project - 2013. Design memos will suffice for phases of this project. This project will also be included in the overarching system PER.

**Category:** Water Supply **COG District:** 7

**Potential Future Funding Sources:** LGRANT SGRANT FGRANT CDBG **Colonias?** Yes **House District:**

SLOAN **Project Ranking:** 2013-02 **Senate District:**

52-Cervantes **Subcode:** **Capital Outlay Rank:** 2 **County District:**

38-Papen

08-Dona Ana

### Estimated Costs Not Yet Funded

	2013	2014	2015	2016	2017	TOTAL NOT YET FUNDED
<b>Land Acquisition</b>	0	0	0	0	0	0
<b>Planning/Design</b>	50,000	0	0	0	0	50,000
<b>Engineering/Architectural</b>	177,000	90,000	90,000	90,000	0	447,000
<b>Construction</b>	1,773,000	910,000	910,000	910,000	0	4,503,000
<b>Other</b>	0	0	0	0	0	0
<b>TOTAL NOT YET FUNDED</b>	2,000,000	1,000,000	1,000,000	1,000,000	0	5,000,000

**Has your local government/agency planned for operating expenses for the project when it is completed?**

Yes

<b>Opr Exp and Debt Srvc</b>	0	5,000	5,000	5,000	5,000	20,000
<b>Operating Revenues</b>	0	5,000	5,000	5,000	5,000	20,000

### Current Funding Status

	0
	0
	0
	0
	0
<b>Other</b>	0

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## Infrastructure Capital Improvement Plan FY 2013-2017

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<b>Matching Funds</b>	0
<b>Total Already Funded</b>	0
<b>Amount Not Yet Funded</b>	5,000,000
<b>Total Project Cost</b>	5,000,000

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# Infrastructure Capital Improvement Plan FY 2013-2017

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## Capital Outlay Project Information

**Criterion that best describes this project:**

Critical

**Explanation:**

This project will extend the large-diameter piping interconnections of the Lower Rio Grande Public Water Works Authority and provide a model for regionalization of water systems across the state and throughout the desert Southwest. On a regional scale, the extension of system interconnection and looping will provide the infrastructure required to provide quality drinking water and sufficient fire flow protection to the area. This will enable the region to attract quality commercial and residential development and improve the opportunities for well-paying jobs and quality housing for residents.

**Project Contact Person:**

Martin G. Lopez

**Phone Number:**

575-571-3628

**Address:**

325 Holguin Road Box C, Vado,  
NM 88072

**Email:**

[martin.lopez@lrgauthority.org](mailto:martin.lopez@lrgauthority.org)

**Phase Amount**

500,000

**Amount Requested:**

500,000

**Project Phase:**

Phase I

**When can the project begin?**

Immediately

**The local government that will own and administer this project:**

LRGPWWA

**Has local government agreed to administer, maintain and operate the capital project?**

Yes

**Will funds be expended within four (4) years from time the funding is made available?**

Yes

**Legislators that will be affected by this request:**

Senator Mary Kay Papen

Senator Cynthia Nava

Rep. Mary Helen Garcia

Rep. Joseph Cervantes



# Infrastructure Capital Improvement Plan FY 2013-2017

## ICIP Capital Project Description

**Project Title:** System-Wide Information Technology Standardization

**Description/Justification & Benefits:** This project will plan, design, purchase, contract/install system-wide standardized information technology to include computer billing programs, SCADA system (for well/pump/tank control), security fences and cameras, radio-read water meters, and associated technology, equipment, licenses, and fixtures.

**Location:** LRGPWVA Service Area.

**Implementation Plan:** 2013 - Plan, design, construct, and install SCADA system (\$300,000) and security fences and cameras (\$150,000). 2014 - Install meters (\$550,000). 2015 - Purchase and install billing programs (\$100,000).

**Category:** Water Supply **COG District:** 7

**Potential Future Funding Sources:** CDBG SGRANT SLOAN FGRANT **Colonias?** Yes **House District:**  
FLOAN

52-Cervantes **Subcode:** **Project Ranking:** 2013-03 **Senate District:**  
38-Papen **Capital Outlay Rank:** 3 **County District:**  
08-Dona Ana

## Estimated Costs Not Yet Funded

	2013	2014	2015	2016	2017	TOTAL NOT YET FUNDED
<b>Land Acquisition</b>	0	0	0	0	0	0
<b>Planning/Design</b>	20,000	0	0	0	0	20,000
<b>Engineering/Architectural</b>	30,000	0	0	0	0	30,000
<b>Construction</b>	450,000	0	0	0	0	450,000
<b>Other</b>	0	550,000	100,000	0	0	650,000
<b>TOTAL NOT YET FUNDED</b>	500,000	550,000	100,000	0	0	1,150,000

**Has your local government/agency planned for operating expenses for the project when it is completed?**

Yes

<b>Opr Exp and Debt Srvc</b>	1,000	1,000	1,000	1,000	1,000	5,000
<b>Operating Revenues</b>	1,000	1,000	1,000	1,000	1,000	5,000

### Current Funding Status

	0
	0
	0
	0
	0
<b>Other</b>	0
<b>Matching Funds</b>	0
<b>Total Already Funded</b>	0
<b>Amount Not Yet Funded</b>	1,150,000
<b>Total Project Cost</b>	1,150,000

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# Infrastructure Capital Improvement Plan FY 2013-2017

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## Capital Outlay Project Information

**Criterion that best describes this project:**

Necessary

**Explanation:**

This project will plan, design, purchase, contract/install system-wide standardized information technology to include computer billing programs, SCADA system (for well/pump/tank control), security fences and cameras, radio-read water meters, and associated technology, equipment, licenses, and fixtures. This project will result in greater efficiency and security of operations which will keep rates low.

**Project Contact Person:**

Martin G. Lopez

**Phone Number:**

575-571-3628

**Address:**

325 Holguin Road Box C, Vado,  
NM 88072

**Email:**

martin.lopez@lrgauthority.org

**Phase Amount**

300,000

**Amount Requested:**

300,000

**Project Phase:**

Phase I

**When can the project begin?**

July 2012

**The local government that will own and administer this project:**

LRGPWWA

**Has local government agreed to administer, maintain and operate the capital project?**

Yes

**Will funds be expended within four (4) years from time the funding is made available?**

Yes

**Legislators that will be affected by this request:**

Senator Mary Kay Papen

Senator Cynthia Nava

Rep. Mary Helen Garcia

Rep. Joseph Cervantes

# Infrastructure Capital Improvement Plan FY 2013-2017

## ICIP Capital Project Description

**Project Title:** Surface Water Treatment Plant

**Description/Justification & Benefits:** A surface water treatment plant will provide an additional source of water for many uses to the communities served by the Lower Rio Grande Public Water Works Authority.

**Location:** LRGPWWA Service Area.

**Implementation Plan:** Amend the PER - 2013.  
Design and Construction - 2013-2014.

**Category:** Water Supply **COG District:** 7

**Potential Future Funding Sources:** LGRANT SGRANT CDBG SLOAN **Colonias?** Yes **House District:**  
FLOAN

52-Cervantes **Subcode:** **Project Ranking:** 2013-04

38-Papen **Capital Outlay Rank:** 4 **Senate District:**

08-Dona Ana **County District:**

## Estimated Costs Not Yet Funded

	2013	2014	2015	2016	2017	TOTAL NOT YET FUNDED
Land Acquisition	0	0	0	0	0	0
Planning/Design	30,000	0	0	0	0	30,000
Engineering/Architectural	70,000	100,000	0	0	0	170,000
Construction	0	6,000,000	0	0	0	6,000,000
Other	0	0	0	0	0	0
<b>TOTAL NOT YET FUNDED</b>	<b>100,000</b>	<b>6,100,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6,200,000</b>

**Has your local government/agency planned for operating expenses for the project when it is completed?**

Yes

Opr Exp and Debt Srvc	10,000	10,000	10,000	10,000	10,000	50,000
Operating Revenues	10,000	10,000	10,000	10,000	10,000	50,000

### Current Funding Status

Capital Outlay 2007	660,000
	0
	0
	0
	0
Other	0
Matching Funds	0
<b>Total Already Funded</b>	<b>660,000</b>
<b>Amount Not Yet Funded</b>	<b>6,200,000</b>
<b>Total Project Cost</b>	<b>6,860,000</b>

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# Infrastructure Capital Improvement Plan FY 2013-2017

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## Capital Outlay Project Information

**Criterion that best describes this project:**

Critical

**Explanation:**

Population growth in the region, as well as the groundwater contamination due to the dairies, arsenic, and other contaminants requires a new water source. A surface water treatment plant is necessary to provide an additional source of water for many uses.

**Project Contact Person:**

Martin G. Lopez

**Phone Number:**

575-571-3628

**Address:**

325 Holguin Road Box C, Vado,  
NM 88072

**Email:**

martin.lopez@lrgauthority.org

**Phase Amount**

100,000

**Amount Requested:**

6,200,000

**Project Phase:**

Phase I

**When can the project begin?**

Immediately

**The local government that will own and administer this project:**

LRGPWWA

**Has local government agreed to administer, maintain and operate the capital project?**

Yes

**Will funds be expended within four (4) years from time the funding is made available?**

Yes

**Legislators that will be affected by this request:**

Senator Mary Kay Papen

Senator Cynthia Nava

Rep. Mary Helen Garcia

Rep. Joseph Cervantes

# Infrastructure Capital Improvement Plan FY 2013-2017

## ICIP Capital Project Description

**Project Title:** Distribution System Rehabilitation & Improvements

**Description/Justification & Benefits:** This project will plan, design, and construct water distribution system rehabilitation and system-wide improvements. It will include pipeline connections, looping, line extensions, and improvements at the neighborhood level. It will include upgrades to small diameter lines to enable proper flow through the system, provide for future growth, and meet the requirements for fire protection. It will include purchasing and installing valves, hydrants, and equipment and appurtenances as designed and required by regulatory agencies. The PER and Environmental Documents for this project will be overarching and include the large-diameter piping interconnections including emergency interconnections, tanks, wells, booster stations, and related improvements.

**Location:** LRGPWWA Service Area.

**Implementation Plan:** PER and Environmental Documents - 2012-2013. Project Design and Construction - 2013-2014.

**Category:** Water Supply **COG District:** 7

**Potential Future Funding Sources:** LGRANT SLOAN FGRANT CDBG **Colonias?** Yes **House District:**  
SGRANT

52-Cervantes **Subcode:** **Project Ranking:** 2013-05 **Senate District:**  
31-Nava **Capital Outlay Rank:** 5 **County District:**  
08-Dona Ana

### Estimated Costs Not Yet Funded

	2013	2014	2015	2016	2017	TOTAL NOT YET FUNDED
<b>Land Acquisition</b>	0	0	0	0	0	0
<b>Planning/Design</b>	120,000	0	0	0	0	120,000
<b>Engineering/Architectural</b>	100,000	236,000	0	0	0	336,000
<b>Construction</b>	0	2,360,000	0	0	0	2,360,000
<b>Other</b>	0	0	0	0	0	0
<b>TOTAL NOT YET FUNDED</b>	220,000	2,596,000	0	0	0	2,816,000

**Has your local government/agency planned for operating expenses for the project when it is completed?**

Yes

<b>Opr Exp and Debt Srvc</b>	0	5,000	5,000	5,000	5,000	20,000
<b>Operating Revenues</b>	0	5,000	5,000	5,000	5,000	20,000

### Current Funding Status

	0
	0
	0
	0
	0
<b>Other</b>	0
<b>Matching Funds</b>	0
<b>Total Already Funded</b>	0

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## Infrastructure Capital Improvement Plan FY 2013-2017

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<b>Amount Not Yet Funded</b>	2,816,000
<b>Total Project Cost</b>	2,816,000

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# Infrastructure Capital Improvement Plan FY 2013-2017

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## Capital Outlay Project Information

**Criterion that best describes this project:**

Critical

**Explanation:**

This project will plan, design, and construct water distribution system rehabilitation and system-wide improvements at the neighborhood level. This will improve water pressure and fire flow protection for residents and businesses served by the Authority.

**Project Contact Person:**

Martin G. Lopez

**Phone Number:**

575-571-3628

**Address:**

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NM 88072

**Email:**

martin.lopez@lrgauthority.org

**Phase Amount**

100,000

**Amount Requested:**

100,000

**Project Phase:**

Phase I

**When can the project begin?**

Immediately

**The local government that will own and administer this project:**

LRGPWWA

**Has local government agreed to administer, maintain and operate the capital project?**

Yes

**Will funds be expended within four (4) years from time the funding is made available?**

Yes

**Legislators that will be affected by this request:**

Senator Mary Kay Papen

Senator Cynthia Nava

Rep. Mary Helen Garcia

Rep. Joseph Cervantes

# Infrastructure Capital Improvement Plan FY 2013-2017

## ICIP Capital Project Description

**Project Title:** Authority Brazito Sewer Project Phases I and II

**Description/Justification & Benefits:** This project will extend the sewer collection system from Mesquite to Brazito. This is a regional effort in partnership with the Brazito MDWCA and Dona Ana County to extend sewer service from Mesquite to Brazito. The Colonia Community of Brazito has over 500 dwellings, all of which are on individual septic tanks and leach fields. The tanks and fields are in close proximity to the system's drinking water wells and table, posing a serious threat of groundwater contamination. Dona Ana County has requested that the Authority's sewer lines be extended to Brazito to avoid leap-frogging the Authority's sewer service area and due to the Brazito MDWCA's unwillingness to commit to wastewater operation and maintenance. This project will also extend sewer service to two neighborhoods in Mesquite that do not currently have sewer service.

**Location:** Mesquite and Brazito

**Implementation Plan:** The PER is at 65% completion. Land acquisition for four 20'x20' lots for lift stations - 2013. Design - 2013. Construction - 2014 and 2016.

**Category:** Wastewater **COG District:** 7

**Potential Future Funding Sources:** LGRANT SGRANT CDBG FLOAN **Colonias?** Yes **House District:**  
SLOAN

52-Cervantes **Subcode:** **Project Ranking:** 2013-06 **Senate District:**  
38-Papen **Capital Outlay Rank:** () **County District:**  
08-Dona Ana

## Estimated Costs Not Yet Funded

	2013	2014	2015	2016	2017	TOTAL NOT YET FUNDED
Land Acquisition	200,000	0	0	0	0	200,000
Planning/Design	0	0	0	0	0	0
Engineering/Architectural	200,000	300,000	0	300,000	0	800,000
Construction	0	3,000,000	0	3,000,000	0	6,000,000
Other	0	0	0	0	0	0
<b>TOTAL NOT YET FUNDED</b>	<b>400,000</b>	<b>3,300,000</b>	<b>0</b>	<b>3,300,000</b>	<b>0</b>	<b>7,000,000</b>

### Has your local government/agency planned for operating expenses for the project when it is completed?

Yes User rates will cover the operating expenses and will require a rate increase once the project has been constructed. The initial study will not require operating expenses.

Opr Exp and Debt Srvc	0	17,000	18,000	18,000	21,000	74,000
Operating Revenues	0	20,000	22,000	22,000	25,000	89,000

### Current Funding Status

LGRANT	115,000
NMFA Planning Grant	37,500
	0
	0
	0
<b>Other</b>	<b>0</b>



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## Infrastructure Capital Improvement Plan FY 2013-2017

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<b>Matching Funds</b>	0
<b>Total Already Funded</b>	152,500
<b>Amount Not Yet Funded</b>	7,000,000
<b>Total Project Cost</b>	7,152,500

# Infrastructure Capital Improvement Plan FY 2013-2017

## ICIP Capital Project Description

**Project Title:** Light Equipment Purchase  
**Description/Justification & Benefits:** This project will involve replacing ten old pickup trucks with the following pickup trucks: three 1/2 ton pickup trucks, four 3/4 ton pickup trucks, and three 1 ton pickup trucks.  
**Location:** LRGPWWA Service Area.  
**Implementation Plan:** Vehicle procurement and purchase - 2013-2017.  
**Category:** Water Supply **COG District:** 7  
**Potential Future Funding Sources:** LGRANT SGRANT FGRANT **Colonias?** Yes **House District:**  
**Project Ranking:** 2013-07  
**Senate District:**  
**Capital Outlay Rank:** 0 **County District:**  
**Subcode:**  
 52-Cervantes  
 31-Nava  
 08-Dona Ana

## Estimated Costs Not Yet Funded

	2013	2014	2015	2016	2017	TOTAL NOT YET FUNDED
<b>Land Acquisition</b>	0	0	0	0	0	0
<b>Planning/Design</b>	0	0	0	0	0	0
<b>Engineering/Architectural</b>	0	0	0	0	0	0
<b>Construction</b>	0	0	0	0	0	0
<b>Other</b>	70,000	70,000	70,000	70,000	70,000	350,000
<b>TOTAL NOT YET FUNDED</b>	70,000	70,000	70,000	70,000	70,000	350,000

**Has your local government/agency planned for operating expenses for the project when it is completed?**

Yes

<b>Opr Exp and Debt Srvc</b>	13,000	15,000	16,000	17,000	18,000	79,000
<b>Operating Revenues</b>	13,000	15,000	16,000	17,000	18,000	79,000

### Current Funding Status

	0
	0
	0
	0
	0
<b>Other</b>	0
<b>Matching Funds</b>	0
<b>Total Already Funded</b>	0
<b>Amount Not Yet Funded</b>	350,000
<b>Total Project Cost</b>	350,000

# Infrastructure Capital Improvement Plan FY 2013-2017

## ICIP Capital Project Description

**Project Title:** Heavy Equipment Purchase

**Description/Justification & Benefits:** This project will involve the purchase of heavy equipment including a dually dump truck, a vactor truck, a front loader, one 1/2 ton truck with a crane, a grader, a water truck, a mini excavator and trailer, and a large backhoe with a trailer.

**Location:** LRGPWWA Service area.

**Implementation Plan:** Equipment procurement and purchase - 2013-2017.

**Category:** Water Supply **COG District:** 7

**Potential Future Funding Sources:** LGRANT SGRANT FGRANT **Colonias?** Yes **House District:**

FLOAN SLOAN

34-Garcia **Subcode:** **Project Ranking:** 2013-08 **Senate District:**

31-Nava **Capital Outlay Rank:** 0 **County District:**

08-Dona Ana

## Estimated Costs Not Yet Funded

	2013	2014	2015	2016	2017	TOTAL NOT YET FUNDED
<b>Land Acquisition</b>	0	0	0	0	0	0
<b>Planning/Design</b>	0	0	0	0	0	0
<b>Engineering/Architectural</b>	0	0	0	0	0	0
<b>Construction</b>	0	0	0	0	0	0
<b>Other</b>	171,000	171,000	171,000	171,000	171,000	855,000
<b>TOTAL NOT YET FUNDED</b>	171,000	171,000	171,000	171,000	171,000	855,000

**Has your local government/agency planned for operating expenses for the project when it is completed?**

Yes

<b>Opr Exp and Debt Srvc</b>	<b>14,000</b>	<b>15,000</b>	<b>16,000</b>	<b>17,000</b>	<b>18,000</b>	<b>80,000</b>
<b>Operating Revenues</b>	<b>14,000</b>	<b>15,000</b>	<b>16,000</b>	<b>17,000</b>	<b>18,000</b>	<b>80,000</b>

### Current Funding Status

	0
	0
	0
	0
	0
<b>Other</b>	0
<b>Matching Funds</b>	0
<b>Total Already Funded</b>	0
<b>Amount Not Yet Funded</b>	855,000
<b>Total Project Cost</b>	855,000

# Infrastructure Capital Improvement Plan FY 2013-2017

## ICIP Capital Project Description

**Project Title:** Vado Area Water System Improvements

**Description/Justification & Benefits:** This project will plan, design, and construct water system improvements in the community of Vado. Current substandard water distribution and service lines will be replaced. This project also involves the purchase and installation of appurenances and equipment including hydrants and valves.

**Location:** Vado

**Implementation Plan:** Project planning and design: 2013-2014.  
Project construction: 180 days in 2014/2015.

**Category:** Water Supply **COG District:** 7

**Potential Future Funding Sources:** CDBG SGRANT FGRANT SLOAN **Colonias?** Yes **House District:**  
FLOAN

52-Cervantes **Subcode:** **Project Ranking:** 2014-01  
38-Papen **Capital Outlay Rank:** () **Senate District:**  
08-Dona Ana **County District:**

## Estimated Costs Not Yet Funded

	2013	2014	2015	2016	2017	TOTAL NOT YET FUNDED
Land Acquisition	0	0	0	0	0	0
Planning/Design	0	100,000	0	0	0	100,000
Engineering/Architectural	0	130,000	0	0	0	130,000
Construction	0	1,300,000	0	0	0	1,300,000
Other	0	0	0	0	0	0
<b>TOTAL NOT YET FUNDED</b>	0	1,530,000	0	0	0	1,530,000

**Has your local government/agency planned for operating expenses for the project when it is completed?**

Yes

Opr Exp and Debt Srvc	0	1,000	1,000	1,000	1,000	4,000
Operating Revenues	0	1,000	1,000	1,000	1,000	4,000

### Current Funding Status

	0
	0
	0
	0
	0
<b>Other</b>	0
<b>Matching Funds</b>	0
<b>Total Already Funded</b>	0
<b>Amount Not Yet Funded</b>	1,530,000
<b>Total Project Cost</b>	1,530,000

# Infrastructure Capital Improvement Plan FY 2013-2017

## ICIP Capital Project Description

**Project Title:** Sewer Service Extension to Unserved Areas  
**Description/Justification & Benefits:** This project will plan, design, and construct sewer line extensions to currently unserved areas in partnership with Dona Ana County.  
**Location:** LRGPWWA Service Area.  
**Implementation Plan:** Design memorandums will be completed for sewer line extensions.  
**Category:** Wastewater **COG District:** 7  
**Potential Future Funding Sources:** CDBG FGRANT FLOAN LGRANT **Colonias?** Yes **House District:**  
SGRANT  
**52-Cervantes Subcode:** **Project Ranking:** 2015-01 **Senate District:**  
**38-Papen** **Capital Outlay Rank:** 0 **County District:**  
**08-Dona Ana**

## Estimated Costs Not Yet Funded

	2013	2014	2015	2016	2017	TOTAL NOT YET FUNDED
Land Acquisition	0	0	0	0	0	0
Planning/Design	0	0	10,000	10,000	10,000	30,000
Engineering/Architectural	0	0	17,000	17,000	17,000	51,000
Construction	0	0	173,000	173,000	173,000	519,000
Other	0	0	0	0	0	0
<b>TOTAL NOT YET FUNDED</b>	<b>0</b>	<b>0</b>	<b>200,000</b>	<b>200,000</b>	<b>200,000</b>	<b>600,000</b>

**Has your local government/agency planned for operating expenses for the project when it is completed?**

Yes

Opr Exp and Debt Srvc	0	0	5,000	7,000	9,000	21,000
Operating Revenues	0	0	5,000	7,000	9,000	21,000

### Current Funding Status

	0
	0
	0
	0
	0
	0
<b>Other</b>	0
<b>Matching Funds</b>	0
<b>Total Already Funded</b>	0
<b>Amount Not Yet Funded</b>	600,000
<b>Total Project Cost</b>	600,000

# Infrastructure Capital Improvement Plan FY 2013-2017

## ICIP Capital Project Description

**Project Title:** Sewer Line for Dairies

**Description/Justification & Benefits:** The concentration of dairies with waste lagoons in the service area of the Lower Rio Grande Public Water Works Authority poses serious groundwater contamination potential. A sewer line connecting the dairies with the Dona Ana County wastewater treatment facility and with the Lower Rio Grande Public Water Works Authority Regional Surface Water Treatment Plant will alleviate nitrate contamination in the groundwater as well as provide water for re-use.

**Location:** LRGPWVA Service Area.

**Implementation Plan:** A Preliminary Engineering Report and Environmental Study are the first steps in this project.

**Category:** Wastewater **COG District:** 7

**Potential Future Funding Sources:** LGRANT SGRANT CDBG FLOAN **Colonias?** Yes **House District:**

52-Cervantes **Subcode:** **Project Ranking:** 2015-02 **Senate District:**

38-Papen **Capital Outlay Rank:** () **County District:**

08-Dona Ana

## Estimated Costs Not Yet Funded

	2013	2014	2015	2016	2017	TOTAL NOT YET FUNDED
Land Acquisition	0	0	100,000	0	0	100,000
Planning/Design	0	0	50,000	0	0	50,000
Engineering/Architectural	0	0	100,000	0	0	100,000
Construction	0	0	2,500,000	0	0	2,500,000
Other	0	0	0	0	0	0
<b>TOTAL NOT YET FUNDED</b>	<b>0</b>	<b>0</b>	<b>2,750,000</b>	<b>0</b>	<b>0</b>	<b>2,750,000</b>

**Has your local government/agency planned for operating expenses for the project when it is completed?**

Yes

Opr Exp and Debt Srvc	0	0	10,000	10,000	12,000	32,000
Operating Revenues	0	0	12,000	12,000	14,000	38,000

### Current Funding Status

	0
	0
	0
	0
	0
<b>Other</b>	0
<b>Matching Funds</b>	0
<b>Total Already Funded</b>	0
<b>Amount Not Yet Funded</b>	2,750,000
<b>Total Project Cost</b>	2,750,000

**Agreement Between Lower Rio Grande Public Water Works Authority and Brazito Mutual Domestic Water Consumer Association Regarding Construction, Maintenance, and Operation and Ownership of a Waste Water Collection System within Brazito's Service Area**

THIS AGREEMENT is entered into on this \_\_\_\_ day of September, 2011, between **Brazito Mutual Domestic Water Consumers Association** (“Brazito”) and the **Lower Rio Grande Public Water Works Authority** (“Authority”):

**WHEREAS** Brazito is a statutorily created governmental entity, a political subdivision of the State of New Mexico created under the Sanitary Projects Act, and is a member-owned community water system that supplies water to lands within its service area within Doña Ana County;

**WHEREAS** the Authority is a community-based public entity, and subdivision of the State created under NMSA 1978, § 73-26-1 et seq. (2009) doing business as a regional utility in southern Doña Ana County, New Mexico.

**WHEREAS** the Brazito Board of Directors has adopted a resolution stating its intention not to provide wastewater collection services within its service area to its water customers and members; and

**WHEREAS** the Authority through its Board of Directors has adopted a resolution agreeing to extend its infrastructure to construct and provide wastewater collection services to Brazito's customer/members and other customers within

Brazito's service area, and to own, maintain, and operate said wastewater collection system within Brazito's service area; and

**WHEREAS** the Authority and Brazito desire and agree to cooperate to ensure that there is no duplication of effort in providing wastewater services to residents of Dona Ana County within Brazito's service area by entering into this agreement, under which Brazito's customer/members may become customers of the Authority for purposes of wastewater service:

**NOW THEREFORE** the parties, in consideration of the mutual covenants set forth below, agree to actively cooperate with each other in carrying out the construction, operation, and maintenance of a wastewater collection services within Brazito's service area as follows:

1. **Recitals.** The above recitals are hereby incorporated into this Agreement.
2. **Purpose.** The purpose of this Agreement is to allow the Authority to provide waste water collection services to Brazito's customer/members and other customers within Brazito's service area by obtaining funding and installing and managing wastewater infrastructure, and thereafter to own, manage, and operate wastewater infrastructure within Brazito's service area, a copy of which is attached hereto and incorporated by reference as Exhibit A.



3. **Responsibilities of Brazito.** In accordance with this Agreement Brazito is obligated to:

A. Provide the Authority with all the necessary easements and rights of way relating to any of its own property and assist the Authority in obtaining any other easements the Authority may need to acquire in order to construct the wastewater collection infrastructure within Brazito's service area;

B. Cooperate with the Authority in providing Brazito's customer/ members with information about the Authority's wastewater service which will become available within Brazito's service area;

C. The parties acknowledge and agree that Brazito will not be responsible for the contribution of any funds to the Authority to enable wastewater collection services to be provided within its service area;

D. Provide the Authority with monthly water use data relating to Brazito's customer/members needed by the Authority in order to bill Brazito's members who become customers of the Authority for purposes of receiving wastewater collection service from the Authority;

E. Cooperate and assist the Authority when feasible to sign up Brazito's customer/members as customers of the Authority as to wastewater collection service, necessary for the Authority to obtain State or Federal funding for said

Project. Brazito acknowledges and agrees that the Authority may take whatever actions are necessary to extend its service area to provide wastewater services to include customers within Brazito's water service area. Brazito further agrees that it will never take action in the future to provide wastewater services itself within its service area, nor enter into an agreement allowing any other entity to do so.

F. Provide the Authority with data from Brazito's customer/members water accounts as to their water usage on a monthly basis, which is necessary for the Authority to determine its charges for wastewater collection services. Brazito shall promptly notify the Authority of any illegal usage, delinquent accounts, and when Brazito's customer/member's water service is terminated, disconnected, or turned back on.

G. Disconnect a Brazito member/customer's water service upon being notified by the Authority that notice of disconnection of a delinquent wastewater account has been sent under the Authority's wastewater policy and the member/customer's account remains in arrears. The Authority shall provide Brazito with a copy of the notice of delinquent account sent to the member/customer and upon receipt, Brazito shall promptly disconnect the member/customer's water service without further notice. The water service

will remain disconnected until such time as the Authority notifies Brazito that the member/customer has paid the arrearages in full or made arrangements to pay the delinquent account and has paid any fees charged for the disconnect and reconnect under Brazito's disconnect policy relating to delinquent accounts.

4. **Responsibilities of the Authority**. In accordance with this Agreement, the Authority is obligated to:

A. Continue with efforts to obtain sufficient funding to study the feasibility of implementing a wastewater collection project within Brazito's service area;

B. Providing sufficient funds are obtained by the Authority for this Project, the Authority shall construct, maintain, and manage wastewater collection services by expanding its service area within Brazito's water service area, including performing necessary repairs and responding to customer's complaints. The parties agree that upon completion of construction, the Authority will own and operate said wastewater collection infrastructure. After said wastewater infrastructure is constructed and in operation, Brazito agrees it shall inform all new customers who request new water services from Brazito in the future, that they must also obtain wastewater services from the Authority, if available;

C. Acknowledges and agrees that the Authority will be solely responsible for repaying any construction debt and will take full responsibility for managing any funds its receives through grants and loan funding in order to implement wastewater collection services to any of its new customer members residing within Brazito's service area;

D. Notify Brazito under the Authority's wastewater disconnect policy that a member/customer's account is delinquent, notice of disconnect has been sent, the wastewater services account remains in arrears, and the member/customer's water service is to be disconnected. The Authority shall promptly notify Brazito when the member/customer's delinquent account has been paid in full or an agreement has been made with the Authority to pay the arrearages, and that the water service may be reconnected under Brazito's policies. It is agreed that Brazito may charge its member/customer a fee in its billing for the disconnect and reconnect under its policy and that no such fee(s) will be charged by the Authority in its billings.

**5. Fiscal Matters.** No funds shall pass from the Authority to Brazito, nor from Brazito to the Authority, under this Agreement. Each entity shall continue to maintain strict accountability for their own receipts and disbursements pursuant to their own governing laws and statutes and regulations.

6. **Representatives**. The Authority and Brazito agree they shall each designate representatives who will communicate with one another regarding wastewater infrastructure planning and construction so as to avoid duplication of efforts in providing said services to Brazito's customer/members.

7. **Right of Way/Easement Acquisition**. The parties will cooperate with one another in order to ensure that the Authority acquires all necessary utility easements or permits appropriate to its wastewater project. Brazito shall transfer or grant all relevant easements and rights-of-way to the Authority at no cost and at such time when the Authority obtains sufficient funding to construct the Project.

8. **Return Flow Credits**. The parties agree that Brazito shall be entitled to all return flow credits, if any, associated with water placed into the Authority's wastewater collection system from customers residing in Brazito's service area. The parties agree they will cooperate in negotiating said return flow credits with the Office of the State Engineer.

9. **Effective Date**. This Agreement shall become effective immediately upon the approval and signatures of the parties.

10. **Duty to Obtain Funds**. The Authority shall diligently seek funds for completion of wastewater infrastructure with Brazito's cooperation to extend

wastewater services to Brazito's customer/ members and other customers within Brazito's service area.

11. **Indemnification of Brazito.** The Authority agrees to defend, indemnify, and hold Brazito harmless from and against all claims, losses, fines, demands, judgments, damages, liabilities, lawsuits, expenses, costs, and attorney fees, brought because of any personal injury or property damage resulting from the negligence of the Authority under this Agreement.

12. **Employment Status.** The parties agree that this Agreement is not intended and in no way alters the employment status of Brazito's employees, nor the employment status of the Authority's employees who shall remain under the supervision of the Authority and who shall cover all employee benefits, including but not limited to wages, fringe benefits, and workers' compensation coverage relating to any wastewater facilities planned, installed, operated, and managed and owned by the Authority within Brazito's service area.

13. **Amendment.** This Agreement may be amended or modified only in writing and only upon receiving the approval of both parties.

14. The Parties agree that they shall each bear their own costs, attorney fees, and all other expenses incurred in the preparation of this Agreement. In the event one of the parties files a claim or takes legal action for an alleged breach by the

other party of the rights and duties set forth in this Agreement, the prevailing party shall be entitled to recover its expenses, including reasonable attorneys' fees and costs incurred therein, from the non-prevailing party.

15. **Agreement in Entirety**. This Agreement contains the entire understanding between the Parties with respect to the subject matter hereof, and supersedes all prior and contemporaneous negotiations, agreements and understandings, inducements or conditions, express or implied, oral or written, except as herein contained.

16. **Law**. The parties acknowledge and agree that this Agreement shall be governed by the laws of the State of New Mexico. Each person signing the Agreement and/or authorizing it to be signed on behalf of his/her respective party is not personally liable, either jointly or severally, for this Agreement under any circumstances.

17. **Severability**. If any part or application of this Agreement is held to be invalid, the remainder of the Agreement shall not be affected, nor its application to existing specific common projects previously identified by the parties entered into after the execution of this Agreement.

18. **No Third Party Beneficiary**. It is specifically agreed between the parties that this Agreement is not intended by the parties or by any provisions of the

Agreement to create in any member(s) of the public status as a third party beneficiary of the Agreement, or to authorize anyone not a party to the Agreement to maintain a suit(s) for wrongful death(s), injury(ies) to person(s), damage(s) to property(ies), or any other cause(s) of action whatsoever pursuant to the provisions of this Agreement.

**IN WITNESS THEREOF THE PARTIES HAVE EXECUTED THIS AGREEMENT THROUGH THEIR AUTHORIZED OFFICIALS ON THE DATE FIRST WRITTEN ABOVE.**

**Lower Rio Grande Public Water Works Authority**

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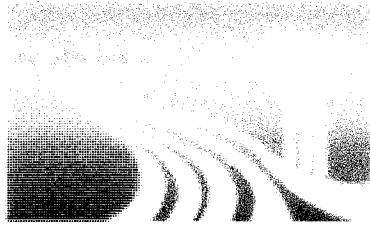
Roberto M. Nieto, Chairman

**Brazito Mutual Domestic Water Consumers Association**

---

Norman Saunders, President





Source Water Assessment and Protection Plan for the  
Lower Rio Grande Public Water Works Authority (WSS # NM3502407)

August 2011

Prepared by

Andrew Sweetman,  
Source Water Protection Specialist  
NM Rural Water Association  
3413 Carlisle Blvd. NE  
Albuquerque, NM 87110

Primary Contact  
Karen Nichols, Project Manager  
Lower Rio Grande Public Water Works Authority  
325 Holguin Road  
Vado, NM 88072

Review Annually and Update every Three Years

Date Reviewed	Reviewer	Changes or Comments

**Disclaimer:** New Mexico Rural Water Association or its' employees do not make any claims or guarantees as to the absolute accuracy or validity of the information. The Source Water Protection and Assessment Plan document has been prepared based on information obtained from other sources including work done by other agencies and consultants in the project area. The contents of the document are for information only.

The Lower Rio Grande Public Water Works Source Water Protection Plan Adopted by the Lower Rio Grande Public Water Works Association Source Water Protection Community Planning Team:

\_\_\_\_\_  
Martin Lopez, General Manager

\_\_\_\_\_  
Date

\_\_\_\_\_  
Karen Nichols, Project Manager

\_\_\_\_\_  
Date

\_\_\_\_\_  
JJ Gutierrez, Production Crew Leader

\_\_\_\_\_  
Date

\_\_\_\_\_  
Mike Lopez, Operations Manager

\_\_\_\_\_  
Date

\_\_\_\_\_  
Pete Gomez, Well Technician

\_\_\_\_\_  
Date

\_\_\_\_\_  
Gabrielle Guterrez, Field Crew Leader

\_\_\_\_\_  
Date

\_\_\_\_\_  
Ramon Morales, Field Crew Leader

\_\_\_\_\_  
Date

\_\_\_\_\_  
Ismael Acosta, Well Technician

\_\_\_\_\_  
Date

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Table 1. LRGPWWA Wellfield Information
Appendix A: Safe Drinking Water Act Amendments of 1996
Appendix B: LRGPWWA Source Water Protection Area Maps
Appendix C: Potential Sources of Contamination List
Appendix D. Source Water Protection Program Management Matrix

### *Acknowledgements*

This project has been funded with federal funds through a United States Congressional Appropriation to the National Rural Water Association and the New Mexico Rural Water Association. This program was administered in cooperation with the United States Environmental Protection Agency. The contents do not necessarily reflect the views and policies of Environmental Protection Agency or of National Rural Water Association, nor does the mention of trade names or commercial products constitute endorsement or recommendation for use.

## *Executive Summary*

Source water protection promotes the implementation of protective measures that will reduce the threat of contamination to community drinking water sources. The New Mexico Rural Water Association's Source Water Protection Program initiates a collaborative process among decision makers to identify water and wastewater issues, address those issues through action planning, and ultimately protect the water system and the community it serves. On March 16, 2009, the Legislature of the State of New Mexico enacted House Bill 185 and the Bill was signed by Governor Bill Richardson on April 6, 2009, thus, creating the Lower Rio Grande Public Water Works Authority (LRGPWWA). The formation of the LRGPWWA merged the assets and liabilities of the following water systems; Berino Mutual Domestic Water Consumers and Mutual Sewage Works Association, Desert Sands Mutual Domestic Water Consumers Association, La Mesa Mutual Domestic Water Consumers Association, Mesquite Mutual Domestic Water Consumers and Mutual Sewer Works Association and Vado Mutual Domestic Water Consumers Association.

Between 2002 and 2003 the New Mexico Environment Department Drinking Water Bureau (NMED-DWB) completed Source Water Assessments (SWA) for the individual water systems listed above quantifying risk of contamination to the system's drinking water sources. For the water sources inventoried, the NMED-DWB staff rated the cumulative source susceptibility to contamination as high (five sources) or moderately high (one source). According to the United States Environmental Protection Agency (USEPA) water systems with a moderate to high susceptibility rating should strongly consider implementing control measures that reduce the risk of potential contamination from sources closest to the ground water wells or surface water intakes.

In February of 2011, the New Mexico Rural Water Association (NMRWA) began facilitating planning sessions with the LRGPWWA to assess water and wastewater system issues and develop a Source Water Protection Plan (SWPP). The sessions assisted staff working directly with land use and water and wastewater issues to identify and prioritize water and waste water system issues, source water protection needs, and develop the framework for a SWPP.

This report, *Source Water Assessment and Protection Plan for the Lower Rio Grande Public Water Works Authority*, describes the public drinking water system, the boundaries of delineated source water protection areas, and the associated potential contaminant sources located within these boundaries. This report should be used as a planning tool, taken into account with local knowledge and concerns, to develop and implement appropriate protection measures for the drinking water sources identified herein. The results should not be used as an absolute measure of risk and they should not be used to undermine public confidence in the water system. Moreover, the purpose of this report is to explain how and why the participants of the source water protection planning process developed this plan, what steps this group is taking to improve and protect the drinking water sources and system, and to lay the foundation for broader planning initiatives that will improve and protect water and wastewater services and build capacity within the LRGPWWA.

## 1.0 Introduction

### 1.1 Source Water Protection Background

The Source Water Protection Program, authorized by the 1996 Amendments to the Safe Drinking Water Act (SDWA), outlines a comprehensive plan to achieve maximum public health protection. Section 1453 of the Act (Appendix A) specifies certain minimum components for a Source Water Assessment Program (SWAP) that includes: delineating source water assessment areas and inventorying potential sources of contamination. The term source water protection area is defined in the law as “the surface and subsurface area surrounding a water source, supplying a public water system, through which contaminants are reasonable likely to move toward and reach such water source”. The term source water refers to “untreated water from streams, rivers, lakes, or underground aquifers that are used to supply private wells and public drinking water”.

#### 1.1.1 State of New Mexico Statute 3-27-3, Potable; jurisdiction over water facilities and source.

The need and value of protecting the State of New Mexico’s water resources is evident in Article 27, Section 3-27-3 of the State of New Mexico Statutes. This statute states:

*For the purpose of acquiring, maintaining, contracting for, condemning or protecting its water facilities and water from pollution, the jurisdiction of the municipality extends within and without its boundary to:*

1. *all territory occupied by the water facilities;*
2. *all reservoirs, streams and other sources supplying the reservoirs and streams; and*
3. *five miles above the point from which the water is taken.*

*In exercising its jurisdiction to acquire, maintain, contract for or condemn, and protect the water facilities, the municipality shall not act so as to physically isolate and make nonviable any portion of the water facilities, within or without the municipality. The municipality may adopt any ordinance and regulation necessary to carry out the power conferred by this section.*

With respect to the above citation and land ownership issues aside, the LRGPWWA could draft comprehensive zoning regulations to include a provision to protect and preserve the quality of the localized water resources.

### **1.1.1 NMRWA Source Water Protection Program Overview**

The goal of NMRWA<sup>1</sup> SWPP is to protect drinking water resources through the implementation of a community-based source water protection plan. NMRWA assists in the development of this plan and achieves this goal by:

- Providing onsite technical assistance to water systems in the development and implementation of SWPP utilizing NMRWA's five-step program.
- Facilitating communication and collaboration among water system departments and communities and coordinating government agencies in the development and implementation of a SWPP.
- Providing outreach, educational materials and training to communities regarding source water protection issues.
- Providing rapid and responsive on-site technical assistance and training in source water protection to water systems.

Thus, by providing a comprehensive document of the potential threats to the public drinking water supplies and recommended measures that can be implemented to reduce those threats, this plan can help the jurisdictional entities identify recommended actions and preventive measures each entity can implement, facilitate, or support throughout their jurisdiction to protect public drinking water sources. This SWPP is designed to help reduce the potential threats to drinking water supplies within source water protection areas either through federal, state, or local regulatory or statutory controls and by using non-regulatory (voluntary) measures centered around an involved public. Moreover, source water protection planning has numerous benefits including:

- Increasing consumer confidence that their drinking water source will continue to be protected and reliable;
- Reducing the likelihood that contamination incidents will occur with costly and/or potentially harmful results;
- Relationships with regulatory agencies, employees and the public are often enhanced through source protection
- Source Protection Plan's provide strong support to requests for financial assistance

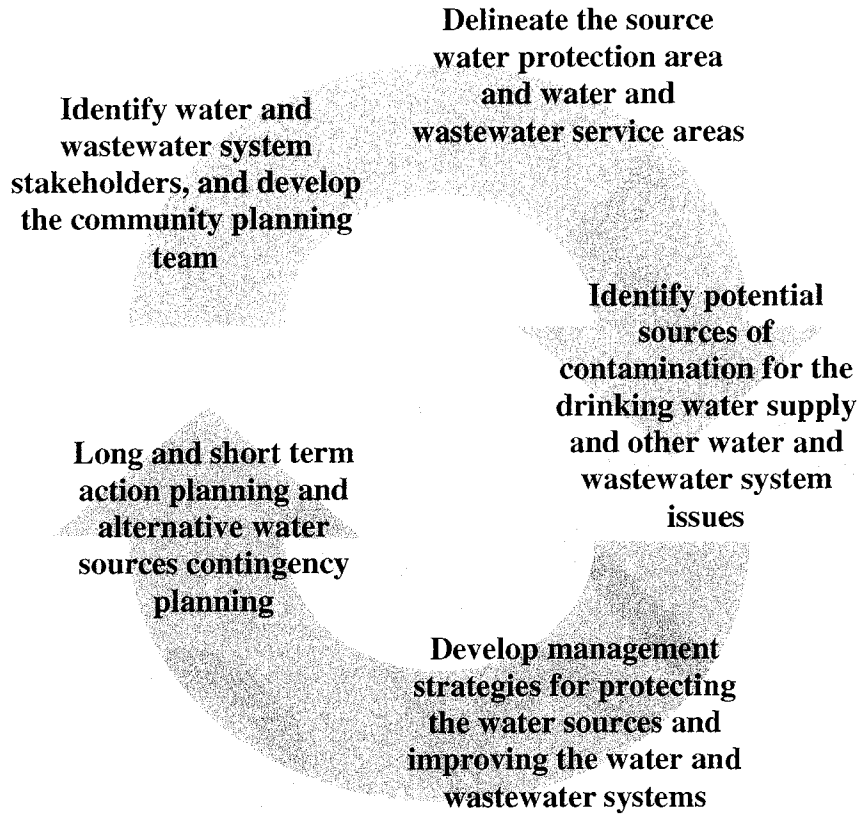
### **1.1.2 Source Water Protection Steps**

The SWPP follows the 5-step process established by the EPA and the National Rural Water Association (NRWA) under the Source Water Protection Program, however, each planning team determines where to start in the protection process and what issues are most important for protecting drinking water in their community. The five-step process

---

<sup>1</sup> NMRWA is a federally funded, non-profit organization that provides technical and planning assistance to rural water and wastewater systems throughout New Mexico. Most of NMRWA services are provided at no cost to public water systems.

is holistic in its approach and is part of a multi-barrier approach to protection drinking water supplies. The five-step process is as follows:



## 2.0 Facilitated Planning

The goal of facilitated planning in the SWPP is to provide a forum and guide for participants where they share their knowledge about the water system and water related issues, generate goals for improving the water system, and develop achievable work plans that protect drinking water resources. This process is driven by four important tenets:

- Those who run and utilize a water system have expert knowledge about how the system should be managed.
- Effective source water protection requires collaboration among managing agencies, water users and other stakeholders.
- Given the opportunity, stakeholders will cooperate to provide effective source water protection, management and planning.
- Source water protection plans are more likely to be implemented if they are developed by diverse group of water users who feel the plan represents their needs and goals.



Grounded in these beliefs, facilitated planning offers source water protection committees and planning teams the framework and guidance needed to create a practical and community-based source water protection plan.

### **3.0 Role of the Planning Team**

The purpose of the planning team is to meet and review the status of the drinking water and wastewater systems and drinking water protection issues within the Town land base. The team then identifies and ranks water and wastewater issues and potential contaminant sources that have potential to pollute source water within the source water protection area, they then decide on a strategy to protect the drinking water sources and improve the water and wastewater systems. The most important duty of the planning team is to carry out and implement this plan within the community to protect the community's drinking water. The NMRWA is available to provide continued support and technical assistance to the planning team regarding any of the Plan's components.

#### **3.1 *LRGPWWA Source Water Protection Community Planning Team***

The members of the Source Water Protection Community Planning Team include:

- Martin Lopez, General Manager
- Karen Nichols, Project Manager
- JJ Gutierrez, Production Crew Leader
- Mike Lopez, Operations Manager
- Pete Gomez, Well Technician
- Gabrielle Guitierrez, Field Crew Leader
- Ramon Morales, Field Crew Leader
- Ismael Acosta, Well Technician
- Andrew Sweetman, New Mexico Rural Water Association

### **4.0 Water System Information**

#### **4.1 *Existing Sources of Water***

The LRGPWWA obtains its water supply solely from groundwater. The water is pumped mainly out of wells located in four separate well fields corresponding to four of the five the individual water systems prior to the merger to form the LRGPWWA. LRGPWWA Wellfield information is presented as Table 1.

#### **4.1.1 Water Distribution, Storage and Treatment**

The LRGPWWA pumps the water from the individual wells into raw water tanks at each well field. Raw water treatment includes chlorination, arsenic removal and iron and manganese sequestering prior to it being boosted into the LRGPWWA water system. The LRGPWWA water system consists of various piping, 6 booster pump stations, 10 pressure zones, and 11 storage tanks (two more to be added within one year) with a combined storage capacity of 2,470,00 gallons (total storage with additional tanks will be 2,820,000 gallons).

#### **4.1.2 Water Rights and Water Demand**

LRGPWWA currently owns the rights to 1,917.12 acre-feet of water per year, or .625 billion gallons. The average water supply per day for all consumers of the LRGPWWA water supply is approximately 1.1 million gallons daily.

### **5.0 Watershed and Aquifer Description**

The LRGPWWA service area is within the Mesilla Basin. A great deal of research has been done in the Mesilla Basin regarding the geology and hydrogeologic characteristics; the following sections contain summaries and quotes of portions of reports written about this basin.

#### **5.1 *The Watershed***

The Mesilla Basin occupies the central portion of Dona Ana County, covering approximately 1,110 square miles. It is bounded to the southwest by the East and West Potrillo Mountains, to the northwest by the Robledo Mountains, to the northeast and east by the Dona Ana and Organ Mountains, and to the southeast by the Franklin Mountains and Hueco Bolson. The Rio Grande flows through the Mesilla Basin, forming a floodplain 60 miles long and several hundred feet to 5 miles wide.

#### **5.2 *Water Bearing Units***

The principal aquifer that supplies the LRGPWWA is the unconsolidated basin-fill of the Santa Fe Group and the alluvium deposited in the channel and floodplain of the Rio Grande. In these places, these two units have different abilities to transmit water based on the size and sorting of the material. The water bearing units of the Santa Fe Group are subdivided based on the different ways the sediments were deposited, and distinguish between units with different aquifer characteristics. These different groups are; post-Santa Fe Valley-fill deposits, Upper Santa Fe unit, Middle Santa Fe unit, and Lower Santa Fe unit.

The valley-fill deposits include the river channel and floodplain deposits (up to 100 feet thick) that form what has been referred to as the “shallow aquifer”. Hill slope materials at the edges of the basin have progressively buried the floodplain and channel deposits; as a result, the highly transmissive, water-bearing river deposits now extend hundreds of feet beneath the hill slopes.

The Upper Santa Fe unit can be as much as 750 feet thick and consists of interbedded coarse to medium grained alluvial fan and ancestral Rio Grande deposits in the north. These grade into finer grained lake and playa deposits to the south. The Middle Santa Fe unit is as much as 1,500 feet thick and consists of a number of different facies, including alluvial, eolian, playa-lake, basin floor, and alluvial fan. The Lower Santa Fe unit may be as thick as 1,000 feet and also consists of numerous kinds of sediments, including dunes, lake bed, alluvial, basin-floor, sandstones, and mudstones.

### **5.2.1 Aquifer Characteristics**

As mentioned previously, the main aquifers of the Mesilla Basin consist of the Rio Grande deposits and Santa Fe group basin-fill. In general, the alluvium makes a fairly transmissive aquifer with high hydraulic conductivity (100 - 340 ft/day) and specific capacity (10 - 217 gpm/ft). Many of the wells drilled into the alluvium are actually completed in both the alluvium and upper part of the Santa Fe Group deposits, where the two are hydraulically connected and fairly similar in character.

The main aquifer of the Santa Fe Group consists of the upper 1,500 feet of the saturated zone and the hydraulic conductivity decrease with depth. Median hydraulic conductivities for the Upper, Middle, and Lower Santa Fe units are 25, 13-14, and 11-14 feet per day respectively. Overall the average hydraulic conductivity reported in the Santa Fe Group deposits was 21 ft/day in 1990. Studies have noted that the presence of many thin, horizontal clay layers impede the vertical movement of water within this formation. Pump tests performed in the early 1990's in the La Union and Anthony area indicated transmissivity values of 9,360 ft<sup>2</sup>/day and 5,350 ft<sup>2</sup>/day, respectively.

Water levels in the Mesilla Basin range from only 10 to 25 feet below ground level (bgl) in the Rio Grande floodplain to 300 or more feet bgl in the western and east-central part of the basin. Ground water flow in the Mesilla Basin is, in general, to the southeast, parallel to the trend of the Rio Grande with ground water flowing from higher elevation to lower elevations.

### **5.3 Aquifer Sensitivity**

Aquifers are susceptible to contamination from various types of surface and shallow subsurface pollution sources depending on factors such as depth to water, soil type, and the character of the vadose zone sediments. An aquifer sensitivity model constructed for the Mesilla Valley Basin in 1998 indicated that the Rio Grande alluvial fill deposits are very susceptible to pollution and water in the deeper Santa Fe deposits may be less likely

to face contamination because the water table can be hundreds of feet below the surface. The presence of interfingering, horizontal clay layers are very effective in retarding downward flow of pollution from the surface.

## **6.0 Source Water Assessment and Protection Area Delineation**

The NMED-DWB completed a SWA for the water systems merged to form the LRGPWWA between 2002 and 2003. The SWA is similar to the SWPP steps outlined in section 1.1.2. However, the SWA does not include the formation of a community planning team, efforts to protect the delineated source water protection areas and lacks contingency planning recommendations. This assessment should be used as a basis for determining appropriate new protection measures or re-evaluating existing protection efforts.

### ***6.1 Source water assessment and potential sources of contamination***

A potential source of contamination in a facility or activity that stores, uses, or produces, as a product or by-product, regulated contaminants by the SDWA. There must also be a potential for release of contaminants at a levels that could pose a concern relative to drinking water sources. It is important to understand that a release may never occur from a potential contamination source if best management practices are being used. Many potential sources of contamination are regulated at the federal or state level, or both to reduce the risk of release.

When the business facility or other property is identified as a potential contaminant source, this should not be interpreted to mean that it is in violation of any local, state, or federal environmental law or regulation. What it does mean is that the potential for contamination exists due to the nature of the business, industry or operation. Many owners of such facilities may not even be aware that they are located near a public water supply. Identifying those activities that may pose a threat to ground water quality provides local officials with an understanding of the potential for contamination and it provides basic information that can be useful for designing different controls and determining the areas in which they should be applied.

### ***6.2 NMED-DWB potential sources of contamination inventory***

The NMED-DWB's fixed radius method was used to delineate the LRGPWWA water sources. The method utilizes a 1,000 foot radius as the delineated source area or capture zone, which is further subdivided into three zones. Zone A represents a radius that is from 0 to 200 feet from the source water, Zone B is 200 to 500 feet from the source water and Zone C is between 500 and 1000 feet from the source water.

Appendix C presents a comprehensive PSOC list and can be cross referenced with the NMED-DWB SWA to determine the contaminants of concern identified with a particular land use. Moreover, Appendix D presents SDWA regulated contaminants, maximum contaminant levels, land use codes, and health effects.

The NMED-DWB inventoried the actual and potential sources of contamination (PSOC) identified within zones A through C. It should be noted that the following information on contaminant sources, and any other contaminant source information contained in this Source Water Protection Plan, is limited to that available from public records and LRGPWWA local knowledge. Other “potential contamination sites” or threats to the water supply may exist in the SWA area that are not identified in this plan. The following PCOC were identified for the LRGPWWA wellfields with the map code noted in brackets;

### **Former Desert Sands water system**

#### ***Desert Sands Well #2 (LRGPWWA Well #1)***

##### Zone A (0-200 feet)

- Sewer lines [MSL]

##### Zone B (200-500 feet)

- Major transportation corridor [IUR]
- Livestock production, dairies [ADF]

##### Zone C (500-100 feet)

- Water supply wells [MPW]
- Sewage treatment plant [MST]
- Single family residences, unsewered [RSF]
- Public utilities [IPU]
- Major transportation corridor [IUR]

#### ***Desert Sands Well #3 (LRGPWWA Well #2)***

##### Zone A (0-200 feet)

- No PSOC

##### Zone B (200-500 feet)

- Single family residences, unsewered [RSF]
- Water supply wells [MPW]

##### Zone C (500-1000 feet)

- Confined animal feeding operations [AFL]
- Single family residences, unsewered [RSF]

## **Former La Mesa water system**

### ***La Mesa #2 (LRGPWWA Well #4)***

Zone A (0-200 feet)

- No PSOC

Zone B (200-500 feet)

- No PSOC

Zone C (500-1000 feet)

- Polluted surface water source [MPW]

### ***La Mesa #1 (LRGPWWA Well #5)***

Zone A (0-200 feet)

- Farming-irrigated cropland [AFI]
- Single family residence, unsewered [RSF]
- Highway [MHM]

Zone B (200-500 feet)

- Farming-irrigated cropland [AFI]
- Drainage ditch, canal [ADC]
- Single family residence, unsewered [RSF]
- Highway [MHM]

Zone C (500-1000 feet)

- Farming-irrigated cropland [AFI]
- Drainage ditch, canal [ADC]
- Single family residence, unsewered [RFI]

## **Former Mesquite water system**

### ***Mesquite Well #5 (LRGPWWA Well #6)***

Zone A (0-200 feet)

- Farming, non-irrigated crops [AFI]
- Commercial septic tank [CST]
- Single family residence, unsewered [RSF]
- Major road

Zone B (200-500 feet)

- Farming, non-irrigated crops [AFI]
- Farm machinery storage and maintenance [AFM]

- Farming, irrigated cropland [AFI]
- Commercial septic tank [CST]
- Single family residence, unsewered [RSF]
- Drainage canal
- Major road

Zone C (500-100 feet)

- Single family residence, unsewered [RSF]
- Drainage canal
- Major road
- Railroad
- Chemical Production Plant

***Mesquite #3 (LRGPWWA Well #7)***

Zone A (0-200 feet)

- Farming-irrigated cropland [AFI]
- Single family residence, unsewered [RSF]
- Drainage canal
- Major road

Zone B (200-500 feet)

- Farming-irrigated cropland [AFI]
- Single family residence, unsewered [RSF]
- Drainage canal
- Major road

Zone C (500-1000 feet)

- Farming-irrigated cropland [AFI]
- Commercial septic tank [CST]
- Historic gasoline service station [CHG]
- Single family residence, unsewered [RSF]
- Drainage canal
- Major road

***Mesquite #4 (LRGPWWA Well #8)***

Zone A (0-200 feet)

- Farming-irrigated cropland [AFI]
- Drainage canal

Zone B (200-500 feet)

- Farming-irrigated cropland [AFI]
- Single family residence, unsewered [RSF]

- Drainage canal

Zone C (500-1000 feet)

- Farming-irrigated cropland [AFI]
- Single family residence, unsewered [RSF]
- Drainage canal

### **Former Berino water system**

#### ***Berino #3 (LRGPWWA Well #11)***

Zone A (0-200 feet)

- Major transportation corridor [IUR]
- Sewer lines [MSL]

Zone B (200-500 feet)

- Cemeteries [CCE]

Zone C (500-100 feet)

- Single family residence, unsewered [RSF]

## **7.0 NMRWA/Town Source Water Delineation and Protection**

The source water protection area defines the watershed region where the LRGPWWA has chosen to implement its source water protection measures. During a series of field visits in the summer of 2011, NMRWA and LRGPWWA personnel ground-truthed and mapped the SWA originally delineated by the NMED-DWB. Updated source water protection maps were the result of these efforts and are the basis for this source water protection plan. The source water protection maps are included as Appendix B.

The source water protection community planning team recognizes that the same PSOCs identified in the SWA, essentially land use threats, mostly still occur within the delineated source water protection areas (with the exception single family septic systems) and will adopt management strategies for these source water threats. Furthermore, it is recognized that a refined PSOC inventory will be conducted every three years within the source water protection area and any newly discovered PSOC will be added to this plan.

## **8.0 Source Water Protection Area Management**

A review of PSOC was completed in order to identify areas where corrective and preventative measures in the source water protection area are necessary. The review included information compiled from a variety of sources including: NMED-DWB source



water assessment reports, a review of LRGPWWA documents, and a windshield survey of the watershed.

Many of the identified PSOC threaten not only the environmental health of the watershed but also the drinking water supplied by the LRGPWWA. Under extreme circumstances, degradation of the LRGPWWA source water could force the Authority to change to another drinking water source. New sources of water are costly to develop and come with no guarantee that water quantity and quality will meet the service area's needs.

The LRGPWWA and the communities served recognize that the SDWA grants no statutory authority to the NMED-DWB or to any other state or federal agency to force the adoption or implementation of source water protection measures. This authority rests solely with local communities and governments.

The NMED-DWB PSOC presented in Section 6.2 and PSOC identified in the ground-truthing efforts have been included in broader categories in the following section.

## **9.0 Identified Threats**

### ***9.1 Land use threats***

Below is a review of land use threats identified within the source water protection areas.

#### **Roads and local highways**

Roads allow for the movement of people, goods, and services important to our daily lives. However, road surfaces accumulate pollutants deposited from vehicles during travel. Typical pollutants associated with roads are: nutrients, metals, oils and grease, salts, and volatile organic compounds. Road drainage systems also collect contaminants from atmospheric deposition, soil erosion, street dirt and litter, leaf litter and animal waste. Many of the substances that accumulate on roadways are toxic and have negative health effects on humans and the environment. When a storm event happens, these pollutants are washed from the road surface, especially paved, impervious roads, into nearby surface waters, or infiltrate ground water. Potential spills of hazardous materials and fuels during transport or vehicular accidents also represent a risk to water quality. Additionally, dirt roads in the source water protection area also pose challenges to water quality.

#### **Livestock production, dairies and confined animal feeding operations**

Based on the average herd size of New Mexico dairies, most of our dairies are classified as CAFOs. CAFO is an abbreviation for Concentrated Animal Feeding Operation. CAFOs are a subgroup of Animal Feeding Operations (AFO) that meet federal criteria primarily based upon the number of animals confined. A dairy is classified as a CAFO if it has 700 or more milking cows. An AFO is a lot or facility where animals have been,

are, or will be stabled or confined and fed or maintained for a total of at least 45 days in any 12-month period, and the animal confinement area does not sustain crops, vegetation, forage growth, or post-harvest residues in the normal growing season. It is not necessary that the same animals are fed or maintained on the lot for the 45-day period, nor do the 45 days need to be consecutive. There are two different permits that may be required for your dairy. These two permits are the federal National Pollutant Discharge Elimination System permit (NPDES/CAFO permit) and the State of New Mexico Ground Water Discharge Permit. Unfortunately, New Mexico currently only has regulatory authority from the EPA over groundwater quality. Therefore, the federal EPA maintains regulatory authority over surface water quality. Although these two permits have similarities, they are not the same, and compliance with your Ground Water Discharge Permit does not ensure compliance with your NPDES/CAFO permit (if you have one).

CAFOs generate manure, litter, process wastewater, and storm water runoff from manured areas, which can contain high levels of pollutants. Improper maintenance by CAFO operators may result in the release of these pollutants through spills, overflows, or runoff into local streams, rivers, and lakes. CAFO waste contain high levels of ammonia, bacteria, biochemical oxygen demand, nitrate, phosphorus and other salt compounds

### **Sewage treatment plants**

Sanitary sewer overflows (SSOs) are discharges of untreated sewage from municipal sanitary sewer systems as a result of broken pipes, equipment failure, or system overload. Combined sewer overflows (CSOs) are discharges of untreated sewage and storm water from municipal sewer systems or treatment plants when the volume of wastewater exceeds the system's capacity due to periods of heavy rainfall or snow melt. The untreated sewage can be discharged directly into basements, streets, parks, and surface waters including streams, lakes, rivers, or estuaries.

SSOs and CSOs can carry bacteria, viruses, protozoa, helminths (intestinal worms), and inhaled molds and fungi directly into source water, and can cause diseases that range in severity from mild gastroenteritis to life-threatening ailments such as cholera, dysentery, infectious hepatitis, and severe gastroenteritis. People can be exposed to the contaminant from sewage in drinking water sources, and through direct contact in areas of high public access such as basements, lawns or streets, or water used for recreation.

### **Farm machinery storage and maintenance**

Farm maintenance areas are those sites where pesticides are mixed and loaded into application equipment; tractors and other pieces of farm equipment are serviced; or pesticides, fuel, fertilizer, and cleaning solvents are stored. These are the areas of the farm where accidental pollution of soil, surface water, or ground water is most likely to occur.

Contamination can occur when pesticides, lubricants, solvents, or other chemicals are spilled, rinse water from container or equipment cleaning is dumped on the ground or discharged into surface water, or improperly cleaned containers are stockpiled or buried.

Proper management of farm maintenance areas is an important part of responsible chemical and pesticide use. Proper handling and disposal practices at these sites can help avoid serious environmental problems, protect the local water supply, reduce exposure of the owner to legal liability for contamination and cleanup (including penalties and fines), and foster a good public image for agriculture. Certain kinds of management practices, implemented at these farm maintenance areas, can prevent the contamination of soil, surface water, and ground water by the materials stored and handled at these sites

### **Chemical production plant (Helena Chemical Co)**

Local water resources may become contaminated by pesticides or herbicides (chemical) at any point in the life cycle of the product: its manufacture, distribution in commerce, storage, use on the land or in industrial settings and disposal. Typically, contamination can occur from accidental spills and leaks of chemical at manufacturing facilities and at other establishments where bulk chemicals are stored and handled, such as agricultural chemical dealerships and commercial applicator facilities. Contamination may also result from small but frequent spills at mixing and loading areas on the farm field, and from improper disposal of small quantities of leftover pesticides and their containers.

## **9.2 Non-Point Sources of Contamination**

Non-point sources of contamination come from various sources. Contamination is transported by rainfall or snowmelt moving along as surface runoff or groundwater flow. As the runoff travels it comes in contact with man-made and natural contaminants which are then deposited into rivers, streams, lakes and groundwater. The USEPA provides the following examples of non-point sources of contamination: Excess fertilizers, herbicides, and insecticides from agricultural lands and residential areas oil, grease, and toxic chemicals from urban runoff and energy production. Sediment from improperly managed construction sites, crop and forest lands, and eroding stream banks Salt from irrigation practices and acid drainage from abandoned mines. Bacteria and nutrients from livestock, pet wastes, and faulty septic systems

Non-point source impacts are a concern to water quality within the region. Uncontrolled stormwater runoff from municipal areas, commercial and industrial sites and agricultural farmlands and dairies can result in significant volumes of contaminants entering the surface water system. In addition, there are numerous permits for non-point source dischargers within LRGPWWA watershed. These generally fall into the following categories:

- private and commercial septic systems
- land application to crops from dairies, food processing facilities and other agricultural related operations
- evaporation lagoons for agricultural, commercial and industrial operations
- discharges from small domestic wastewater systems to leach fields, evaporation lagoons or land application

While the majority of these discharges are to the ground water, they provide an indication of the type of activities that can impact surface waters throughout the watershed and also can result in significant short-term impacts to the surface-water system in the event of a failure of the treatment and/or disposal system/process.

### **Septic Systems**

Improperly maintained or poorly constructed septic systems are a potential source of ground water contaminants including but not limited to coliform bacteria, nitrates, and household hazardous waste. Ground water contamination from septic tanks can cause waterborne disease outbreaks and other serious health effects. Bacteria and viruses present in the effluent can cause gastrointestinal illness, cholera, hepatitis A, blue baby syndrome and typhoid if consumed.

Inadequate operation and maintenance of septic systems can cause them to fail even if they have been properly installed. In addition, septic systems located in flood plains are prone to malfunction because of high water tables and periodic flooding. Septic tank owners should continuously monitor the operation of their septic system. Septic tanks should be pumped and inspected periodically. Water conservation can also prevent the septic system from filling up fast and causing the leach field to fail. The state of New Mexico requires that individuals obtain a septic tank permit from the NMED before they install septic systems. NMED has also set some regulations setbacks for the siting of septic systems. Septic tanks must be at least 100 feet from a community wellhead and the leach field must be at least 200 feet from the wellhead.

### **Agricultural Areas**

Evapotranspiration (ET) is a process in which water enters the atmosphere either by direct evaporation or by transpiration from living plants. Minerals left behind in the soil following ET water losses can increase the TDS of shallow ground water and form alkali deposits. In the Rio Grande Valley, for example, irrigation canals have diverted river water for hundreds of years. Percolating irrigation water has caused the shallow water table in many valley areas to rise and be more vulnerable to ET. This problem can be remedied by the construction of drains to lower the water table, as was done in Albuquerque in the 1930s. Irrigation water can also provide a pathway of cross-contamination between septic tanks or other sources of contamination and shallow drinking water supply wells. Dairies that land-apply their effluent can be a significant source of ground water contamination by nitrate, chloride, and TDS. Nitrate levels up to 180 mg/L as N have been reported as a result of land application of dairy effluent. Another concern with agriculture is the application of agricultural chemicals. NMED and the U.S Geological Survey have conducted various sampling projects for pesticides in ground water. Trace concentrations (low  $\mu\text{g/l}$  or less) of arsenal, atrazine, bromacil, carbaryl, carbofuran, dacthal, disulfoton, DDE, DDT, heptachlor, lindane, metolachlor, napropamide, prometon, and propazine have been detected in ground water at various locations in the state. Carbon tetrachloride, a former grain fumigant, has been detected at

levels up to 500 µg/l. Additionally, agricultural fertilizers have contaminated ground water with nitrate at several locations.

Excess fertilizer use and poor application methods can cause these chemicals to move into the ground and surface waters. The two main components of fertilizer that are of greatest concern to source water quality are nitrogen and phosphorus. The Planning Team recommends that landowners help prevent the source waters from contamination by: using only the types and amounts of nutrients necessary to produce the crop, apply nutrients at the proper times and with proper methods, implement additional farming practices to reduce nutrient losses, and follow proper procedures for fertilizer storage and handling.

Livestock grazing occurs within the private and public lands within the watershed. Livestock traffic in or near riparian areas increase soil erosion and encourage direct deposit of wastes into the water. Free livestock access to streams and riparian areas can be a major source of pathogens to surface water (*E. coli* and *cryptosporidium*). In warm weather, livestock may spend much of their time in and around streams for cooling and for drinking water, leading to direct introduction of feces into the water. The Planning Team recommends future assessment of landowners' farming and ranching practices followed-up with public education to encourage water quality stewardship.

### **9.3 Other Concerns**

#### **9.3.1 Domestic Wells**

Contamination of the aquifer is possible by way of domestic wells. If a domestic well and its surroundings are not properly maintained, contaminants can travel down the well casing or annular space and potentially into the aquifer. The same situations are true about wells that are not properly abandoned. Another way that contamination can occur is through cross connections with the system. In this case, a community member may be simultaneously connected to the community water system and a domestic well. This situation could cause the water to backflow into one of the wells and into the aquifer.

#### **9.3.2 Household Hazardous Waste**

Residential dwellings pose potential pollution risks due to the storage, use and disposal of potentially-polluting substances. Possible sources of ground water pollution from households include leaking heating oil storage tanks, leaking automotive fluids, and improper use or disposal of hazardous household products such as lawn and garden products and animal feeding areas.

The BMPs related to this PSOC include avoiding excess use of chemicals, following label directions on proper use, storage and disposal. Chemical waste should never be disposed in sinks, toilets, drains, or other routes leading to public sewer systems and

wells. The Town should develop and maintain public information and/or education programs that identify the primary hazardous household chemicals of concern, their proper use, storage and handling methods, and less hazardous alternatives. The emphasis will be on education to encourage: 1) pollution prevention by reducing or eliminating the use of hazardous household materials, and 2) separation and appropriate disposal of common household products with potentially hazardous ingredients from other household wastes.

## **9.4 Management Options**

LRGPWWA reviewed and discussed several possible source water management approaches that could be implemented within its source water protection areas. These management approaches may help reduce the risks of PSOC. The purpose of voluntarily implementing source water management approaches is to apply an additional level of protection to the drinking water supply by taking preventative measures at the local level to protect the source water. LRGPPWA recommends the following source water management tools to be implemented;

- Involvement in a source water protection committee formation and implementation process.
- Proactively participate in the county planning groups and revise/adopt technical specifications that are “source water friendly”
- Work with other entities, i.e., schools, committees, etc. to educate them on the importance of source water protection and their important role in.
- Involve local agencies (law enforcement, fire, medical, transportation, etc.) in the emergency planning processes to increase available assistance during an emergency.
- Ensure that alternate raw water supplies are always available.

Moreover, the following specific management options were discussed and could be implemented at the discretion of the LRGPPWA.

### **9.4.1 Land use management**

Zoning regulation is a tool that allows communities to define and direct future land use by determining what land uses are acceptable in a given area. Without a zoning ordinance, the LRGPPWA has minimal oversight regarding future development and its subsequent land use. The lack of zoning is considered a potential contaminant source because any land use is acceptable in any given area, even those that are disruptive or potentially harmful.

Besides allowing potentially contaminating land uses, unregulated development of the source water protection area could lead to its eventual “over development” Increased development also means increase in impervious cover throughout the source water



# LOWER RIO GRANDE

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## Public Water Works Authority

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325 Holguin Road Box C

Vado, New Mexico 88072

(575) 571-3628

[www.LRGauthority.org](http://www.LRGauthority.org)

### **Policy for Extending Services Outside of Established Service Area**

The Lower Rio Grande Public Water Works Authority may provide water and wastewater service outside of its established service area under the following criteria:

Customers are defined as property-owners who shall be responsible for all charges associated with their water/sewer accounts.

Water service may be provided to Customers outside of the Authority's established Service Area upon submission of application, Water Users Agreement, and payment of applicable fees. Such Customers will not be eligible for Membership in the Authority until or unless the Authority's established Service Area includes their property.

Sewer service may be provided to Customers outside of the Authority's established Service Area upon submission of application, Sewer Users Agreement, and payment of applicable fees. Such Customers will not be eligible for Membership in the Authority solely based on sewer service.

Sewer Customers under this Policy are categorized as follows:

1. Customers who have a Water Provider which has entered into an agreement with the Authority for disconnection of water service.
2. Customers who have a Water Provider which has NOT entered into an agreement with the Authority for disconnection of water service.
3. Customers who have domestic wells as their sole water supply.

Sewer Customers in Category 1 will be required to pay a Customer Deposit and all applicable fees for service. Customers in Categories 2 and 3 will be required to pay a Customer Deposit, establish an escrow account as a guarantee of payment, pay all applicable fees for service and are subject to a flat fee rate.



# LOWER RIO GRANDE

## Public Water Works Authority

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

### CUSTOMER SEWER USERS AGREEMENT

This agreement entered into between the Lower Rio Grande Public Water Works Authority, a member-owned community water system and Special District of the State of New Mexico, hereinafter called the "Authority," and

\_\_\_\_\_, who is (are) the owner(s) of the property identified below and not member(s) of the Authority, hereinafter called "Customer" for sewer service 1. Outside of the Authority Service Area, but within the water service area of

\_\_\_\_\_; or  
Name, Address & Phone number of Water Provider

Water Provider has Disconnect Agreement w/LRGPWWA?  
Yes  (Category 1 Sewer Customer) No  (Category 2 Sewer Customer)

2. Users of a domestic well only.  (Category 3 Sewer Customers)

#### WITNESSETH

Whereas, the Customer desires to utilize the central sewer system operated by the Authority and to enter into a sewer users agreement as required by the Policy of the Authority.

NOW THEREFORE, in consideration of the mutual covenants, promises, and agreements herein contained, it is hereby understood and agreed by the parties hereto as follows:

The Authority shall furnish, subject to the limitation set out in its Governance Document, Member-Customer Policy and Policy for Service Outside of Authority Service Area now in force or as hereafter amended, central sewer service in connection with Customer's occupancy of the following described property:

1. Commonly known as: \_\_\_\_\_
2. Legal property address : \_\_\_\_\_
3. Legally described as : \_\_\_\_\_





# LOWER RIO GRANDE

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## Public Water Works Authority

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

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4. Proof of Ownership attached: \_\_\_\_\_

The Authority shall install at the Authority's expense a sewer service line which shall begin at the sewer main line and extend to the property line. The service line shall connect with the sewer main line of the Authority at the nearest place of desired use by the Customer, provided the Authority has determined in advance that the system has sufficient capacity to provide sewer service at that point.

The Customer hereby authorizes the Water Provider to disconnect his/her water service upon the request of the Authority for non-payment of sewer charges under the Authority's Member-Customer Policy and in accordance with the written agreement between the Authority and the Customer's Water Provider. If the Customer obtains water from a private well or the Customer's Water Provider has not entered into a written agreement with the Authority for the disconnection of water service for non-payment of Authority sewer charges, a Deposit and Escrow Account are required under the Authority's Policy for Extending Services Outside of Established Service Area. The Customer will forfeit the sum of the Deposit after his/her account is delinquent for two months. The Customer will forfeit the sum of the Escrow Account after his/her account is delinquent for six months.

The Customer agrees to grant to the Authority, its successors and assigns, a perpetual easement in, over, under and upon the above-described land, with the right to erect, construct, install, and lay, and thereafter use, operate, inspect, repair, maintain, replace, and remove sewer pipelines and appurtenant facilities, together with the right to utilize adjoining lands belonging to the Customer for the purpose of ingress to and egress from the above-described lands.

The Customer shall install and maintain at the Customer's expense a service line which shall begin at the property line and extend to the dwelling or place of use. The service line shall connect to the Authority's sewer service line from the main collection line to the property line.

The Customer also agrees to be fully responsible for the service line from the property line to the home.

The Customer agrees to comply with and be bound by the Governance Document and Policies of the Authority, now in force, or as hereafter duly and legally supplemented, amended, or changed. The Customer also agrees to pay for sewer service at such rates, time, and place as shall be determined by



# LOWER RIO GRANDE

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## Public Water Works Authority

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325 Holguin Road

Vado, New Mexico 88072

(575) 571-3628

the Authority, and agrees to the imposition of such penalties for noncompliance as are now set out in the Authority's Governance Document and Policies, or which may be hereafter adopted and imposed by the Authority.

The Customer agrees to pay a deposit and establish an escrow account as required by Authority Policy. In the event service to the Customer is terminated, either voluntarily by the Customer, or by the Authority for cause, the deposit and escrow account shall be held and applied by the Authority to any unpaid balance then owing on the Customer's account. Should the account be fully paid at the time of termination of service to the Customer, the deposit shall be refunded by the Authority within a reasonable time thereafter and the escrow account shall be released to the Customer.

The Authority shall have final authority in any question of location of any service line connection to its main sewer collection line; and may shut off water service to a Customer who allows a connection or extension to be made of the customer's service line for the purpose of supplying sewer service to another user. In the event it is not possible to disconnect water service, the Authority shall install a sewer connection and charge the Customer's account.

The Customer agrees to disconnect from the present septic system prior to connecting to and switching to the Authority's sewer system and shall eliminate the existing septic system in accordance with state health laws.

The Customer shall connect the sewer service line to the Authority's sewer service line and shall commence to utilize the system on the date the service is made available to the Customer by the Authority. Sewer charges to the Customer shall commence on the date service is made available, regardless of whether the Customer connects to the system.

In the event the Customer shall breach this contract by refusing or failing, without just cause, to connect and maintain a service line to the Authority's collection system as set forth above, the Customer agrees to pay the Authority a lump sum of Three Hundred Dollars (\$300.00) as liquidated damages.

It is expressly understood and agreed by the parties hereto that the said amount is agreed upon as liquidated damages in that a breach by the Customer in either of the respects set forth above would be difficult, if not impossible, to prove the amount of such damages. The parties hereto have computed, estimated, and agreed upon said sum in an attempt to make a reasonable forecast of probable actual loss because of the difficulty of estimating with exactness the resulting damages.



# LOWER RIO GRANDE Public Water Works Authority

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The failure of a customer to pay sewer charges duly imposed shall result in the automatic imposition of the following penalties:

1. Nonpayment within ten days from the due date will be subject to a penalty of fifteen percent (15%) of the delinquent account.
2. Nonpayment within thirty (30) days from the due date will result in the water being shut off from the Category 1 Sewer Customer's property by the Water Provider at the request of the Authority. In the case of Category 2 & 3 Sewer Customers, nonpayment within sixty (60) days from the due date will result in forfeiture of the Deposit and nonpayment within one-hundred and eighty (180) days from the due date will result in forfeiture of the Escrow Account.
3. In the event it becomes necessary for the Authority to request that the Water Provider shut off the water from a Category 1 Sewer Customer's property, a fee set by the Water Provider in its rate schedule will be charged for a reconnection of the service. In the case of Category 2 & 3 Sewer Customers, in the event of forfeiture of a Deposit and Escrow Account for nonpayment, the Authority shall pursue all available legal remedies for collection of all charges owed including the filing of a lien against the property.

IN WITNESS WHEREOF, we have executed this agreement this \_\_\_\_\_ day of

\_\_\_\_\_, \_\_\_\_\_.

SEAL

\_\_\_\_\_  
President, Lower Rio Grande Public Water Works Authority

ATTEST:

\_\_\_\_\_  
Secretary, Lower Rio Grande Public Water Works Authority



# LOWER RIO GRANDE

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## Public Water Works Authority

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CUSTOMER

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CUSTOMER

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CUSTOMER

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CUSTOMER

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# LOWER RIO GRANDE

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## Public Water Works Authority

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325 Holguin Road Box C

Vado, New Mexico 88072

(575) 571-3628

[www.LRGauthority.org](http://www.LRGauthority.org)

### **Board of Directors of Lower Rio Grande Public Water Works Authority Resolution Number 2012-5**

**Authorizing submission of a loan application to Rural Community Assistance Corporation in the amount of \$400,000 for the Berino/Mesquite-Del Cerro Water System Improvements Project**

*The Governing Board of Directors of the Lower Rio Grande Public Water Works Authority hereby authorizes the submission of a loan application, the incurring of an indebtedness, the execution of a loan agreement and any amendments thereto, a promissory note and any other documents necessary to secure a loan from Rural Community Assistance Corporation.*

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#### **Whereas**

A. The Lower Rio Grande Public Water Works Authority (hereinafter referred to as "Authority") is an independent public body, a political sub-division of the State of New Mexico and a member-owned community water system established under the laws of the State of New Mexico NMSA 1978 73-26-1 and empowered to own property, borrow money and give security for loans.

B. Rural Community Assistance Corporation (hereinafter referred to as "RCAC") is authorized to make loans for housing, environmental infrastructure and community facilities for low-income people.

C. The Authority wishes to obtain from RCAC a loan for the development of a water system improvement project (hereinafter referred to as "Project") on the property located at Berino, Mesquite and Del Cerro, New Mexico.

#### **It is now resolved that**

1. The Authority shall submit to RCAC an application for a loan for the Project to be developed in the County of Doña Ana in the State of New Mexico.
2. If the loan is approved, the Authority is hereby authorized to incur indebtedness in an amount not to exceed the amount approved by RCAC and to enter into a loan



# LOWER RIO GRANDE

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## Public Water Works Authority

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agreement with RCAC for the purposes set forth in the loan application and approved by RCAC. It also may give a promissory note and execute security and other instruments required by RCAC to evidence and secure the indebtedness.

3. The Authority is further authorized to request amendments, including increases in the loan amount up to amounts approved by RCAC, and to execute any and all documents required by RCAC to evidence and secure these amendments.
4. The Authority authorizes Roberto Nieto, Board Chairman, to execute in the name of the Authority, the loan application and the loan agreement, promissory note, security and other instruments, and any and all documentation for the disbursement of funds required by RCAC to make and secure the loan and any amendments thereto.
5. The Authority authorizes Martin G. Lopez, General Manager, to execute in the name of the Authority, only that documentation required by RCAC for the disbursement of funds during the term of the loan.

Passed and adopted this 21<sup>st</sup> day of September 2011 by the following vote:

Ayes: \_\_\_\_\_ Nays: \_\_\_\_\_ Abstain: \_\_\_\_\_ Absent: \_\_\_\_\_

*The undersigned Santos Ruiz, Secretary of the Authority heretofore named, does hereby attest and certify that the foregoing is a true and full copy of a Resolution of the Governing Board of Directors of the Lower Rio Grande Public Water Works Authority adopted at a duly convened meeting on the date mentioned above, and that said Resolution has not been altered, amended or repealed.*

September 21, 2011

\_\_\_\_\_  
Santos Ruiz, Secretary



# LOWER RIO GRANDE

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## Public Water Works Authority

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

**Bill Date** Cycle #1 bills are sent on the 1<sup>st</sup> of the month. Cycle #2 bills are sent on the 15<sup>th</sup> of the month. Additional Cycles may be added as the needed due to growth of the customer base.

**Due date** is twenty-five days after the billing date for the cycle. Cycle #1 bills are sent on the 1<sup>st</sup> of the month, and the due date is the 25<sup>th</sup>. Cycle #2 bills are sent on the 15<sup>th</sup> with a due date of the 10<sup>th</sup> of the following month.

3:00 p.m.

**Overdue date** is ~~the end of the business~~ on the due date.

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

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

**C. Payment of Water/Sewer Service Bills.** Bills for water/sewer service are due and payable at the location indicated on the bill or at the location determined by the Board of Directors. Payment of a bill is due on the **due date** and becomes **overdue at close of business on that date**. Payments received via mail must be **post-marked on or before the due date**. To be timely, payments may also be deposited into the night drop box at the Authority's offices on or before **close of business on the due date** to avoid overdue penalties.

3:00 p.m.

3:00 p.m.

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

**E. Delinquent Accounts/Notification & Disconnection of Service.** Accounts become delinquent and subject to disconnection of water service thirty (30) days after the billing date. **Delinquent notice is outlined in the printed bill, no further notice will be provided.** Payment to the account which does not pay the

# LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY

## MINUTES - SPECIAL BOARD OF DIRECTORS MEETING

9:00 a.m. Tuesday, August 23, 2011 at the Vado Office, 325 Holguin Road

Agendas are final 24 hours prior to the meeting and may be obtained at any LRGPWVA Office – call 575-233-3947 for information

- I. **Sign in, establish quorum, call meeting to order:** Directors present were Blanca Martinez, Santos Ruiz, and Mr. Nieto. Directors absent were Rosaura Pargas and John Holguin. Staff members present were General Manager Martin Lopez and Projects Manager Karen Nichols. With a quorum established, Chairman Roberto Nieto called the meeting to order at 9:00 a.m.
- II. **Approval of agenda:** Mr. Ruiz made a motion to approve the Agenda with the title changed to Special Meeting. Ms. Martinez seconded, and it carried on a vote of 3-0.
- III. **Approval of Minutes of 8/17/11:** Mr. Ruiz made a motion to approve the minutes with the addition to V.A “and the Interconnect-Looping Project in the first paragraph on page 2 after “Berino/Del Cerro water system improvements”. Ms. Martinez seconded, and it carried on a vote of 3-0.
- IV. **Adjourn:** Mr. Ruiz made a motion to adjourn the meeting, Ms. Martinez seconded, and it carried on a vote of 3-0. Mr. Nieto declared the meeting adjourned at 9:02 a.m.

Date Minutes approved:

\_\_\_\_\_

Directors Present:

\_\_\_\_\_  
Chairman Roberto M. Nieto

\_\_\_\_\_  
ABSENT  
Vice- Chairman John Holguin

\_\_\_\_\_  
Secretary Santos Ruiz

\_\_\_\_\_  
ABSENT  
Director Rosaura Pargas

\_\_\_\_\_  
Director Blanca Martinez



# FINANCING SOLUTIONS

Quarterly updates from the New Mexico Finance Authority

## Cobre Consolidated School District *School Improvement Projects*

### CHALLENGE

Cobre Consolidated School District, located in southwestern New Mexico, serves many small communities including Bayard, Hurley, Fierro, Vanadium, Arenas Valley, Fort Bayard, Mimbres, San Juan, San Lorenzo and Santa Clara. Structural issues across the district, if left unattended, would become a threat to student and community safety. Several renovations and improvements were needed.

### SOLUTION

In February 2011, the District received voter approval to construct, remodel, make additions, provide furnishings and improve school grounds. The District was advanced Public School Capital Outlay funds for the renovation of Hurley Elementary School and the NMFA provided the district with funding through a low interest loan. A portion of the NMFA loan was used to repay capital outlay while remaining funds are being used for construction and renovations to Bayard and Central Elementary Schools, improvements at San Lorenzo Elementary School and athletic upgrades in the district.

### BENEFIT

The design project for Bayard Elementary is in the beginning stages and the construction project at Central Elementary is in the demolition phase. All projects are on schedule for completion and district facilities can be safely maintained for its students and the community. ♦

Hurley Elementary Entrance: Before



Hurley Elementary Entrance: After



*“Without NMFA assistance, we would not have been able to undertake these critical projects.”*

– George Peru, Acting Superintendent, Cobre Consolidated Schools

Snell Middle School Courtyard: Before



Snell Middle School Courtyard: After



# Lower Rio Grande Public Water Works Authority

## *Refunding and Regionalization*

### CHALLENGE

The Lower Rio Grande Public Water Works Authority was established by the merger of five mutual domestic water associations, which in state law requires that the new Authority assume all assets and liabilities of the founding entities. At the time of the merger, existing debt was \$1.3 million from USDA-RD, NMFA, and the NM Environment Department Rural Infrastructure Program, and transfer of the loans presented a huge challenge. Another hurdle was that the new entity did not have three years of audited financial statements as required by nearly all funding agencies.



### SOLUTION

The Authority paid off several smaller loans and began working with NMFA staff to analyze the remaining debt and focus on solutions. The NMFA was able to address and resolve the audit requirements as well as work out terms that involved an affordable loan payment with a substantial savings in total cost to the Authority.

A short-term NMFA equipment loan was easily transferred to the Authority, the new Public Project Revolving Fund loan of \$790,914 was closed on July 15, 2011, and NMFA immediately paid the four remaining USDA-RD founding entity loans.

*“The NMFA staff expertly guided us toward what could be done instead of what was difficult or impossible.”*

– Karen Nichols  
Projects Manager, Lower Rio Grande Public Water Works Authority

### BENEFIT

The re-funding strategy allowed the Authority to fulfill its statutory requirements. Perhaps even more importantly, NMFA helped establish a precedent for regionalization and realize the benefits for communities, as well as for funding and regulatory agencies that work with and oversee them. ♦

# Eastern New Mexico University

## *Campus-wide Improvements*

### CHALLENGE

Campus wide improvements were necessary to replace facilities and infrastructure that had reached the end of their useful lives. Most pressing was the failure of the hot water heating system and an engineering study revealed widespread pipe corrosion (in some instances only 25% of the original pipe wall remained). Inadequate residence hall space and repairs to a sports arena were other priorities.

### SOLUTION

ENMU applied for a Public Project Revolving Fund loan to finance infrastructure and land capital improvement projects throughout the main campus, including a new freshman residence hall, a new hot water heating distribution system, replacement of the basketball arena ceiling, and the demolition of three former residence halls.

### BENEFIT

All projects will be completed by September 2012 and will insure that the capital assets of the campus are able to support the ultimate objective of the institution: To educate the residents of New Mexico and the surrounding geographic area. ♦

*“NMFA was a perfect partner - the financing process was much quicker than the open market, the interest rate was excellent and the cost of issuance much lower.”*

– Scott Smart, VP Business Affairs, ENMU



# City of Albuquerque

## Refunding and Capital Improvements

### CHALLENGE

The City of Albuquerque needed to fund various capital improvements to the City's aging convention center. This financing will allow for a major face-lift to the convention facility as part of Mayor Berry's ABQ the PLAN.

### SOLUTION

The NMFA made a \$34.31 million loan to the City of Albuquerque. The loan was made through the Public Project Revolving Fund, which the NMFA administers for state, local and tribal governments. The significance of the approval is twofold: It allows the City to refinance or "refund" several debt obligations at significantly lower interest rates, and will also fund key capital improvements. The PPRF's 'AAA' rating made it possible for the City to take advantage of low borrowing costs to fund convention center improvements.

### BENEFIT

Through a restructure of existing loans, the City of Albuquerque will save approximately \$2.4 million in net present value while also having access to up to \$20 million in new money for various capital projects, including improvements to the Convention Center. ♠

*"We are encouraged by NMFA's continued support of the City's long term debt management outlook and capital improvement strategy."*

— Mayor Richard J. Berry, City of Albuquerque



# New Markets Tax Credits

## Frequently Asked Questions

New Markets Tax Credits (NMTC) program was designed by the federal government to help attract investment in low-income communities. With the Legislature's approval, the NMFA established a subsidiary company called Finance New Mexico, LLC, (FNM) for the express purpose of participating in the NMTC program. To date, NMFA has been successful in securing \$156 million in NMTC allocation that it targets to businesses that strengthen local economies in rural, tribal and metro areas suffering from unemployment and poverty. To help you better understand NMTC, here are the FAQs:

### *In a nutshell, what is New Markets Tax Credits?*

- A Federal tax credit that provides a 39% tax credit taken over a seven-year period for investors who invest in low-income communities
- The tax credits are sold to investors and the capital gained from the tax-credit sale is loaned to businesses that stimulate economic development in low-income communities nationwide
- The program creates additional, more flexible sources of private capital for business development in rural and underserved areas of New Mexico

### *What can NMTCs do for New Mexico?*

- Create additional sources of private capital
- Offer flexible loan structures to make difficult transactions feasible
- Improve industry sectors - aviation, clean energy, film, high tech, and rural economic development
- Help businesses in low-income areas suffering from a lack equity or collateral value that have been unable to secure all of their financing from conventional lenders

### *How does the program work?*

- On a project-by-project basis, Finance New Mexico allocates a portion of its credits to qualified projects.
- Tax credit investors buy the value of the future stream of income to be received from the credits over a seven year period
- The cash received is then loaned to New Mexico's businesses at very favorable terms

### *What are the "must have" requirements?*

- Project located in census tract considered "highly distressed"
- Poverty greater than 30%
- Medium income less than 60% of statewide
- Area unemployment greater than 1.5 times national average
- Tangible community benefit
- Part of an existing plan for economic revitalization
- NMTC fills a real gap that would otherwise not happen
- Project is "ready to go" with leverage lender committed/prepared and all approvals in place

### *What are the economic benefits?*

- NMTC can help fund projects, business expansions or debt refinancing
- Low cost of capital
- Flexible loan terms, including higher loan-to-value collateral requirements
- Conversion of debt to cents on the dollar after 7 years

### *What are the community benefits?*

- Direct creation or retention of permanent jobs
- Construction jobs and other indirect job creation
- Increased tax base
- Blight removal
- Attracts and/or retains skilled workforce

- Brings new goods or services to underserved communities
- Brings capital investment to qualified Low-Income Communities

### *Are there restrictions for use?*

- Credits cannot be used for certain businesses such as casinos, package liquor stores or farms or for projects that have 80% of the annual income streaming from residential rental

### *What are the key factors considered?*

- Community impact and support for underserved areas
- Applicant readiness
- Job creation
- Business location
- Economic/Export base companies
- New capital investment to improve local economies
- Environmentally sustainable outcomes

### *What is the application process?*

- Finance New Mexico LLC solicits applications through periodic competitive application rounds to ensure businesses have equal access to credits (Applications are prioritized using established Economic Impact Criteria to ensure that those projects that provide the greatest benefit are the first to be given the opportunity to qualify)
- The policies and on-line application can be accessed at NMFA.net

### *Please Remember!*

- NMTC is not a grant program
- Program offers a 7-year, low interest rate and interest-only loans to qualified borrowers to fund approximately 25% of their investment need.
- Borrowers need a real source of debt or equity to fund the other 75% of investment
- Often a substantial amount of the loan is considered convertible at the end, pennies on the dollar. 💎



## MESSAGE FROM THE CEO



**WE'VE HAD A BUSY SPRING AND SUMMER AT THE AUTHORITY**, working with communities around the state, to infuse capital into public projects and services that support economic development and quality of life for New Mexicans. Working with you to strengthen and support your communities is the reason we come to work every day, and across our organization we are dedicated daily to your local government success.

As we convene at the New Mexico Municipal League annual conference in Roswell, I want to take this opportunity to share some highlights of our most recent success. From March 31 through our August board meeting, we approved 39 loans through our flagship loan program, the Public Project Revolving Fund (PPRF). These 39 loans

totaled \$115.3 million and range from a \$25,375 public safety equipment loan to \$34.31 million for civic center refinancing. The PPRF program offers low interest loans (often 0-3%) and is just one of 16 programs that the NMFA administers.

Although capital markets have shrunk for many borrowers, we continue to stay sharply focused on every aspect of available funding from grants to state and federal funding. As is the case in other states, the federal funding of public projects can be a complex process, particularly for communities with small staffs where time and resources are fully dedicated to the day-to-day business of local governance. A particular concern of the NMFA has been to utilize every federal dollar available to New Mexico for public projects, and to make sure that federal funding is spent on schedule to avoid the reversion of these funds resulting in delayed or lost funding opportunities.

I want to commend the NMFA's Chief of Client Services, Rick Martinez who came to the NMFA after 30 years in governmental finance, management and public policy. Rick proposed a Federal Funders Summit, which took place on May 17, 2011. The NMFA invited our federal partners and representatives from the New Mexico Congressional Delegation, State Legislature and the Office of the Governor to discuss funding availability, matching requirements, restrictions and grant programs. The goal of the Summit was to identify and utilize every available federal dollar - tens of millions - for capital needs improvements in New Mexico's communities. Already, tangible results are being seen and felt as we work together to leverage and protect New Mexico federal dollars.

One such advancement is the Colonias Infrastructure Fund (CIF) that became effective after the Federal Funders Summit. The NMFA invited the USDA, HUD and BECC to be a part of the technical team that will rank and rate project applications. This team will also recommend funding packages for each project that makes the grade. By having the federal agencies at the table, we will be able to leverage both state and federal funds to greater advantage. This is a win-win for all, in that the pot of available funds nearly triples, and more projects can be funded and completed.

This path to success is the result of state, federal, and local governments working together and sharing resources to benefit individual communities, leverage their resource capacity, and strengthen our whole state. NMFA is proud to host this process and provide guidance for greater results. A similar initiative is occurring with the Water Trust Board, that the NMFA administers, and with the Tribal Infrastructure Board where I serve as a board member.

We will continue to report all funding developments, and to reach out in every way we can to support your efforts through individualized debt analysis, and providing you with best options for public project planning and financing. *Believing in New Mexico* is who we are, but *Financing Solutions* is what we do for you. ♦

John T. Duff  
Chief Executive Officer

## NMFA BOARD MEMBERS

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D.R.B. Electric, Inc.

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Executive Director,  
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NM Institute of Mining & Technology

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CEO, Stolar Research Corporation

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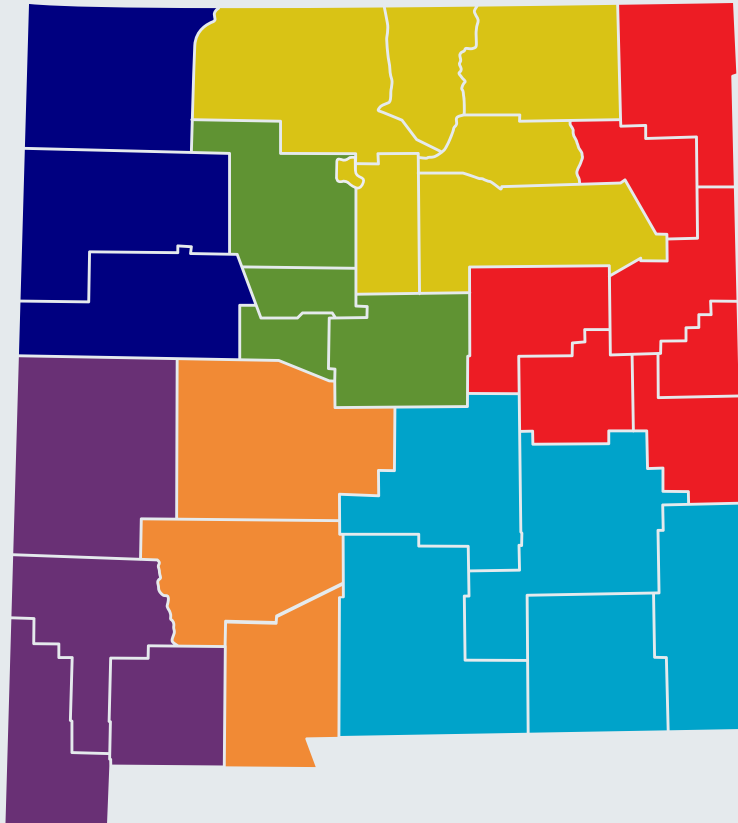


# NEW MEXICO FINANCE AUTHORITY

207 Shelby Street, Santa Fe, NM 87501

## RESPONDING TO NEW MEXICO'S FINANCIAL NEEDS

*We want to hear from you – call your NMFA Financial Advisor today.*



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