

LOWER RIO GRANDE

Public Water Works Authority

PO Box 2646 Anthony, New Mexico 88021 (575) 233-5742

www.LRGauthority.org

Sign In Sheet

Page 1 of 1

Date: 10-16-19

Time: 9:30

Places: East Mesa

Event: Regular Board Mtg

SIGNATURE	Print Name, Title, Company	Contact Information Phone Number	Email Address
	Patty Charles LRG Projects	575-233-5742	patty.charles@lrgauthority.org
	Martin Lopez LRG	575 571 3628	martin.lopez@lrgauthority.org
	Karen Nichols LRG PM	915 203 2057	karen.nichols@lrgauthority.org
	FURMAN SMITH	382 5982	SKME
	MIKE LOPEZ LRG PM	635-3921	mike.lopez@lrgauthority.org
	MIKE CHAVEZ	915 221 282	
	JOSE EVANS	575 618 0182	
	HENRY MORABITO	575 333 9623	
	ESPY HOLGUIN	575 644-9543	
	Delmy Garcia ^{UB} LRG ^{operator}	915 308 3925	delmy.garcia@lrgauthority.org
	Mario Jacques ^{water} operator	575-618-7365	Mario Jacques@lrgauthority.org
	JOHN SCHROEDER LRG PWWA	575-233-5742	john.schroeder@lrgauthority.org

LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY

Draft Minutes — REGULAR BOARD OF DIRECTORS MEETING

9:30 a.m. Wednesday, October 16, 2019 at our Office, 9774 Butterfield Blvd.

Agendas are final 72 hours prior to the meeting and may be obtained at any LRGPWWA Office or at www.LRGauthority.org/noticesavisos.html. Call 575-233-5742 or email board@LRGauthority.org for information

- I. **Call to Order, Roll Call to Establish Quorum:** Chairman McMullen called the meeting to order at 9:30 a.m. and called roll. Mr. Sanchez representing District #1 was absent, District #2 is vacant, Mr. Evaro representing District #3 was present, Mrs. Holguin representing #4 was present, Mr. Magallanez representing District # 5 was present, Mr. McMullen representing District #6 was present, Mr. Smith representing District #7 was present. Staff members present were General Manager Martin Lopez, Projects Manager Karen Nichols, Projects Specialist Patricia Charles, Accounting Assistant John Schroder, UB Meter Specialist Delmy Garcia and Water Operator Mario Jacquez.
- II. **Pledge of Allegiance:** Mr. McMullen led the pledge of Allegiance.
- III. **Motion to approve Agenda (VIII A. postponed):** Mrs. Holguin made the motion to approve the agenda with VIII.A postponed and move 9A to Presentations. Mr. Smith seconded the motion. The motion passed with all in favor.
- IV. **Approval of Minutes**
 - A. **Motion to approve the minutes of the September 18, 2019 Regular Board Meeting:** Mr. Smith made the motion to approve the September 18, 2019 regular board meeting minutes. Mr. Evaro seconded the motion. The motion passed with all in favor.
- V. **Presentations:** Mr. Magallanez was awarded the Sub Contract for Survey from DB Stevens & Associates for the East Mesa Project. He stated he will abstain from voting on anything that will impact or relates to the Sub Contract he was awarded.
- VI. **Public Input:** none
- VII. **Managers' Reports**
 - A. **General Manager:** Mr. Lopez provided a written report and stood for questions. Requested water service to proposed subdivision near Valle Del Rio there is a possibility of partnering with developer to upgrade system to meet fire flow requirements. Met with developer for the Orchard Estate subdivision (Berino Bosque area) to discuss required water rights fees which were part of DAC approval. Received DFA approval and State Auditor acknowledgment for the September 19, 2019 Equipment Disposition request. He will schedule the auction for November or December 2019. Ms. Jackson is in Albuquerque to renew her Chief Procurement Officer certification. NM Infrastructure Conference is October 23th to 25th in Las Cruces, staff members are attending and presenting. There are some staff members that will be attending the Thursday after hours function. The NM Budget Conference is November 14-15 in Albuquerque staff member John Schroder will be attending. He also provided the Board members with evaluation forms for his evaluation.

- B. Finance:** Ms. Jackson provided a written report but was not able to attend the board meeting. Mr. Schroder give the financial report. Revenues for the month of September 2019 were \$328,000.00 and expenditures were \$263,000.00 and had a surplus of \$65,00.00.
- C. Projects:** Ms. Nichols provided a written report and stood for questions. The Mesquite-Brazito Sewer Project is moving right along. We have had complaints from County Engineering, residents and staff about muddy roads due to the recent rains. People in the community are happy about this project coming in. A meeting was requested with DAC Engineering after they threatened to shut down the project but have not heard back yet. We had a project kick-off meeting with Bohannan Houston about the decommission of the Mesquite Wetlands. A meeting has been setup with D. B. Stephens & Associates to initiate the East Mesa Water System Improvements Project. Mrs. Holguin said Contractors for the Mesquite-Brazito Sewer Project are doing a good job of clean up.
- D. Operations:** Mr. Mike Lopez provided a written report and stood for questions. He said everything is running well, not too many problems. Ms. Nichols asked if the Talavera well problem had been fixed. He said the pump and motor had to be replaced. Last year's September production was 45.02 million gallons and September 2019's production was 45.93 million gallons a slight increase.

VIII. Unfinished Business

- A. Appointment of Director for District 2 –postponed**

IX. New Business

- A. Staff Years of Recognition – Delmy Garcia & Mario Jacquez:** Mr. Lopez presented Delmy Garcia and Mario Jacquez each a plaque in recognition of 5-years of service to the LRGPWWA.
- B. Motion to adopt Resolution FY2020-10 Authorizing Rural Community Assistance Corp. Loan for South Valley Water Supply & Treatment Project:** Ms. Nichols said this is the Project to build a well and storage tank in Berino. We are ready to bid and have letter of conditions from USDA Rural Development. It will be ready for construction fairly quickly. Mrs. Holguin made the motion to adopt Resolution FY2020-10 Authorizing Rural Community Assistance Corp. Loan for South Valley Water Supply & Treatment Project. Mr. Magallanez seconded the motion. The motion passed with all in favor.
- C. Motion to adopt Resolution FY2020-11 Adopting FY2020 1st Quarter Budget:** Mr. Schroder provided the 1st Quarter Budget report that will be submitted to the State. Mrs. Holguin made the motion to adopt Resolution FY2020-11 adopting FY2020 1st Quarter Budget. Mr. Smith seconded the motion. The motion passed with all in favor.
- D. Letter from attorney regarding LEA and Governance Document amendment:** Mr. Lopez said the Special Elections, General Elections and Local Elections Act required us to amend our documents and are required by law. Mr. Lopez said this letter was to clarify the changes

needed to the Governance Documents. It was determined that the ballot question proposed by LRG was not permitted to be placed on the ballot. Therefore, the only choice is for the board to adopt the resolution at this meeting. The Act provides that elections for the Board will be held during the general election cycle and voting will not be limited to members, but allow all registered voters in the district to vote. The other change is to the amendments process, they will be approved by resolution of the board following a public hearing on the amendments. If the proposed amendment is solely to bring the documents into compliance with applicable statute no public hearing will be required.

- E. Motion to adopt Resolution FY2020-12 Adopting Amended Governance Document:** Mrs. Holguin made the motion to adopt Resolution FY2020-12 adopting amended governance documents. Mr. Evaro seconded the motion, the motion passed with all in favor.
- F. Motion to accept and approve the FY2019 audit – POSTPONED TO NOVEMBER:** Mr. Lopez told the board that the Audit was not ready to be accepted and approved by this meeting. Mr. Smith made the motion to postpone to accept and approve the FY2019 Audit. Mr. Evaro seconded the motion, the motion passed with all in favor.
- G. Motion to authorize the General Manager to sign an extension for the Farm Lease Agreement with Mr. David Martinez for the land in Vado:** Mr. Lopez said this is a Standard Agreement and exactly like last years. It will take effect December 12, 2019. He recommends keeping the agreement on a yearly basis. Mr. Smith made the motion to authorize the General Manager to sign an extension for the Farm Lease Agreement with Mr. David Martinez for the land in Vado. Mr. Evaro seconded the motion, the motion passed with all in favor.
- H. Motion to convene in closed session pursuant to NMSA 1978 10-15-1 H.7-threatened or pending litigation:** Mrs. Holguin made the motion to convene in closed session pursuant to NMSA 1978 10-15-1 H.7 threatened or pending litigation. Mr. Smith seconded the motion, the motion passed with all in favor.
 - i. Roll Call Vote:** District #1 (Mr. Sanchez) was absent, #2 is vacant, #3 (Ms. Evaro) voted yes, #4 (Mrs. Holguin) voted yes, #5 (Mr. Magallanez) voted yes, #6 (Mr. McMullen) voted yet, #7 (Mr. Smith) voted yes.
 - ii. Motion to reconvene in open session.** Mrs. Holguin made the motion to reconvene in open session. Mr. Magallanez seconded the motion, the motion passed with all in favor.
 - iii. Statement by the Chair:** *The matters discussed in the closed meeting were limited only to those specified in the motion for closure.* Mr. McMullen made the statement regarding the matters discussed.
 - iv. Motion, if any related to closed session matters:** No motion needed.
- X. Other discussion and agenda items for next meeting at 9:30 a.m. Wednesday, November 13, 2019 at the La Mesa Office.**

- A. **Have any Board Members participated in training? If so, please give us a copy of your certificate:** Ms. Nichols asked if any board member has participated in training, none had.
 - B. **General Manager Evaluation:** Mr. Lopez handed out the evaluation forms to the board members.
 - C. Ms. Nichols informed the board that Mesilla Valley Economic Development Alliance will be having a meeting Business in the NM Border plex Forum at Ardivino's. Asked if anyone was interested in attending. Mrs. Holguin said she was interested in attending.
- XI. **Motion to Adjourn:** Mr. Smith made the motion to adjourn the board meeting at 10:41 a.m. Mr. Evaro seconded the motion, the motion passed with all in favor.

Minutes approved November 13, 2019

Michael McMullen, Chairman (District 6)

Furman Smith, Vice-Chairman (District 7)

Esperanza Holguin, Secretary (District 4)

ABSENT

Raymundo Sanchez, Director (District 1)

Joe Evaro, Director (District 3)

Henry Magallanez, Director (District 5)

VACANT

Director (District 2)

LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY

Meeting Notice & Agenda—REGULAR BOARD OF DIRECTORS MEETING

9:30 a.m. Wednesday, October 16, 2019 at our Office, 9774 Butterfield Blvd.

Agendas are final 72 hours prior to the meeting and may be obtained at any LRGPWWA Office or at www.LRGauthority.org/noticesavisos.html. Call 575-233-5742 or email board@LRGauthority.org for information

- I. Call to Order, Roll Call to Establish Quorum: District #1 (Mr. Sanchez) __, #2 (Vacant) __, #3 (Mr. Evaro) __, #4 (Mrs. Holguin) __, # 5 (Mr. Magallanez) __, #6 (Mr. McMullen) __, #7 (Mr. Smith) __
- II. Pledge of Allegiance
- III. Motion to approve Agenda (VIII A. postponed)
- IV. Approval of Minutes
 - A. Motion to approve the minutes of the September 18, 2019 Regular Board Meeting
- V. Presentations: NONE
- VI. Public Input—15 minutes are allotted for this item, 3 minutes per person
- VII. Managers’ Reports
 - A. General Manager
 - B. Finance
 - C. Projects
 - D. Operations
- VIII. Unfinished Business
 - A. Appointment of Director for District 2 –postponed
- IX. New Business
 - A. Staff Years of Recognition – Delmy Garcia & Mario Jacquez
 - B. Motion to adopt Resolution FY2020-10 Authorizing Rural Community Assistance Corp. Loan for South Valley Water Supply & Treatment Project
 - C. Motion to adopt Resolution FY2020-11 Adopting FY2020 1st Quarter Budget
 - D. Letter from attorney regarding LEA and Governance Document amendment
 - E. Motion to adopt Resolution FY2020-12 Adopting Amended Governance Document
 - F. Motion to accept and approve the FY2019 audit – POSTPONED TO NOVEMBER
 - G. Motion to authorize the General Manager to sign an extension for the Farm Lease Agreement with Mr. David Martinez for the land in Vado

H. Motion to convene in closed session pursuant to NMSA 1978 10-15-1 H.7-threatened or pending litigation

i. Roll Call Vote: District #1 (Mr. Sanchez) _____, #2 (Vacant) _____, #3 (Ms. Evaro) _____, #4 (Mrs. Holguin) _____, #5 (Mr. Magallanez) _____, #6 (Mr. McMullen) _____, #7 (Mr. Smith) _____

ii. Motion to reconvene in open session.

iii. Statement by the Chair: ***The matters discussed in the closed meeting were limited only to those specified in the motion for closure.***

iv. Motion, if any related to closed session matters.

X. Other discussion and agenda items for next meeting at 9:30 a.m. Wednesday, November 13, 2019 at the La Mesa Office.

- A. Have any Board Members participated in training? If so, please give us a copy of your certificate
- B. General Manager Evaluation

XI. Motion to Adjourn

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

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

LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY

Draft Minutes —REGULAR BOARD OF DIRECTORS MEETING

9:30 a.m. Wednesday, September 18, 2019 at our Office, 9774 Butterfield Blvd.

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- I. **Call to Order, Roll Call to Establish Quorum:** Chairman McMullen called the meeting to order at 9:32 a.m. and called roll. Mr. Sanchez representing District 1 was absent, District 2 is vacant, Mr. Evaro representing District 3 was present, Mrs. Holguin representing District 4 was present via telephone call, Mr. Magallanez representing District 5 was absent, Mr. McMullen representing District 6 was present, Mr. Smith representing District 7 was present. Staff members present were General Manager Martin Lopez, Projects Manager Karen Nichols, Projects Specialist Patricia Charles, Finance Manager Kathi Jackson and Accounting Assistant John Schroder.
- II. **Pledge of Allegiance:** Mr. McMullen led the pledge of Allegiance.
- III. **Motion to approve Agenda (VIII A. postponed):** Mr. Smith made the motion to approve the agenda with VIII.A postponed. Mr. Evaro seconded the motion. The motion passed with all in favor.
- IV. **Approval of Minutes:**
 - A. **Motion to approve the minutes of the August 21, 2019 Regular Board Meeting:** Mr. Smith made the motion to approve the August 21, 2019 regular board meeting minutes. Mr. Evaro seconded the motion. The motion passed with all in favor.
- V. **Presentations:** NONE
- VI. **Public Input:** NONE
- VII. **Managers' Reports:**
 - A. **General Manager:** Mr. Lopez provided a written report and stood for questions. The elevated tank was repainted but the cost increased by \$7,084.00 dollars. Contacted the insurance company about the increase, they will pay the additional costs. Several meters have been stolen from the Butterfield area, we have notified law enforcement and are presently searching using the radio read. The stolen meters are from houses owned by customers who have deactivated service. We contacted other water systems and were informed that they have had the same problem. Mr. Lopez will be on leave Sept. 30th through Oct. 4, but will be available if needed via telephone.
 - B. **Projects:** Ms. Nichols provided a written report and stood for questions. South Valley Water Supply & Treatment Project's Engineering Agreement with Bohannon Huston, Inc. has been approved by RD. We will have a Loan authorization resolution for RCAC Construction Loan on the agenda for next month's meeting. Water Master Plan – Ms. Nichols spoke to Tiffany to get an update, but she has not heard anything back from CDBG yet. They are dealing with their regular grant program at present so will take a little bit more time. Update on the 2019

Elections Ms. Nichols has been in constant communication with the Secretary of State's office and the Dona Ana County Clerk office. Ms. Nichols sent the board positions up for election and the ballot question to amend the Governance documents in order to comply with the Local Elections Act. About a week ago she received a phone call from the Elections Bureau Chief. They needed some changes on the ballot question. It was suggested that a meet with Senator Ivy-Soto and LRGPWWA staff and its Attorney be setup to discuss the issues with the ballot question. The meeting was held on Sept. 12, 2019, LRGPWWA's Attorney will send the board a letter explaining why the amendments need to be adopted by the board instead of the voters.

- C. Operations:** Mr. Mike Lopez provided a written report, but was not able to attend the meeting. Mr. Martin Lopez mentioned that people are still using more water this year than same time last year. Mr. Smith asked about Well #2 in East Mesa, Mr. Lopez said the pump and motor are going to be replaced. The electrical power at this location has been the cause of the problems with the pump and motor.
- D. Finance:** Ms. Jackson provided a written report and stood for questions. She indicated that revenues were \$368,240.30 and expenses were \$311,303.09 which left us with an approximate surplus of \$56,000.00. Next week Ms. Charles and Ms. Jackson will be attending a training in San Antonio with the Utility Management Institute. The Master Meter Representative will be here next week to change out registers and install new meter reading software. Operators will need to be trained on the software before next month's meter readings. The Audit is almost done. We hired a new Meter Mechanic his name is Martin Guerrero.

VIII. Unfinished Business:

- A. Appointment of Director for District 2 –postponed**

IX. New Business:

- A. Motion to adopt RFP Committee recommendation to select Bohannon Huston, Inc. for the Wetlands Closure Project:** Ms. Nichols said we had two Engineering firms send in RFP's for the Wetlands Closure Project. The scoring was very close, but Bohannon Huston scored the highest. Mr. Smith made the motion to adopt the RFP Committee recommendation to select Bohannon Huston, Inc for the Wetlands Close Project. Mr. Evaro seconded the motion, the motion passed with all in favor.
- B. Motion to adopt Resolution FY2020-09 authorizing disposition of equipment in accordance with committee recommendation:** Mr. Smith made the motion to adopt Resolution FY2020-09 authorizing disposition of equipment in accordance with committee recommendations. Mr. Evaro seconded the motion, the motion passed with all in favor.

- X. Other discussion and agenda items for next meeting at 9:30 a.m. Wednesday, October 16, 2019 at the East Mesa Office:**

- A. Have any Board Members participated in training? If so, please give us a copy of your certificate:** Ms. Nichols asked if any board member had attended any trainings, all said no.
- B. Staff Years of Service Recognition:** Mr. Lopez will have 2 recommendations ready for the 5-Year Service Recognition ready for next board meeting
- C. Audit approval**
- D. General Manager Evaluation:** Mr. Lopez will provide the board members with evaluation forms.
- E. 1st Quarter Budget Resolution:** Ms. Jackson will have that ready for next board meeting.
- F. Letter from attorney & Governance Document Amendments**
- G. RCAC Loan Resolution for the South Valley Water Supply & Treatment Project**

XI. Motion to Adjourn: Mr. Smith made the motion to adjourn the board meeting at 9:55 a.m. Mr. Evaro seconded the motion, the motion passed with all in favor.

Minutes approved October 16, 2019

Michael McMullen, Chairman (District 6)

Furman Smith, Vice-Chairman (District 7)

_____ Via telephone
Esperanza Holguin, Secretary (District 4)

ABSENT

Raymundo Sanchez, Director (District 1)

Joe Evaro, Director (District 3)

Absent

Henry Magallanez, Director (District 5)

VACANT

Director (District 2)

LRGPWWA
Manager's Report
October 16, 2019

- Request for water service to proposed subdivision near Valle Del Rio; possibility of partnering with developer upper grading system to meet fire flow requirements
- Met with developer for the Orchard Estate subdivision (Berino Bosque area) to discuss required water rights fees which were part of DAC approval
- Received DFA approval and State Auditor acknowledgement for the September 19, 2019 Equipment Disposition request; will schedule auction for November or December 2019
- Attended SCCOG Board meeting in Sunland Park on September 27th (Espy and Karen were also in attendance)-proposed new port of entry by City
- NM Infrastructure Conference October 23th to 25th in Las Cruces-staff to attend and present
- NM Budget Conference November 14th to 15th in Albuquerque-staff to attend



Lower Rio Grande Public Water Works Author

Income Statement

Group Summary

For Fiscal: FYE 2020 Quarter Ending: 09/30/2019

		Current			Budget	
	AcctNumber	Total Budget	MTD Activity	QTD Activity	YTD Activity	Remaining
Revenue						
	40000 - Operating Revenue	2,865,000.00	353,621.82	951,142.14	951,142.14	1,913,857.86
	40001 - Activation & Connection Fees-Sewer	4,000.00	141.67	425.01	425.01	3,574.99
	40002 - Installation Fees	57,500.00	4,825.89	22,166.24	22,166.24	35,333.76
	40003 - Activation & Connection Fees-Water	7,500.00	308.33	1,424.99	1,424.99	6,075.01
	40005 - Backflow Testing	7,000.00	0.00	625.00	625.00	6,375.00
	40006 - Tampering Fee/Line Breaks	0.00	213.71	3,470.92	3,470.92	-3,470.92
	40007 - Delinquency Fee	100,000.00	6,000.00	20,750.00	20,750.00	79,250.00
	40008 - Penalties-Water	0.00	8,680.73	25,673.92	25,673.92	-25,673.92
	40009 - Membership Fees	0.00	650.00	2,050.00	2,050.00	-2,050.00
	40010 - Impact Fees	40,000.00	4,218.05	14,865.33	14,865.33	25,134.67
	40011 - Returned Check Fees	0.00	175.00	280.00	280.00	-280.00
	40012 - Credit Card Fees	10,000.00	934.00	2,700.00	2,700.00	7,300.00
	40013 - Miscellaneous Revenue	0.00	363.05	423.05	423.05	-423.05
	40015 - Penalties-Sewer	4,500.00	457.94	1,596.02	1,596.02	2,903.98
	40017 - Hydrant Meter Rental Fee	15,000.00	0.00	1,000.00	1,000.00	14,000.00
	40019 - DAC Trash Coupons	0.00	110.00	230.00	230.00	-230.00
	40020 - Miscellaneous Revenue-Sewer	7,500.00	41.29	123.87	123.87	7,376.13
	45000 - Tower Rent	0.00	250.00	750.00	750.00	-750.00
	45001 - Billing Adjustments-Water	0.00	-62,539.99	-64,663.09	-64,663.09	64,663.09
	45005 - Fiscal Agent Fees	0.00	4,093.55	13,788.51	13,788.51	-13,788.51
	45010 - Interest	0.00	61.46	186.30	186.30	-186.30
	45015 - Copy/Fax	0.00	44.25	78.75	78.75	-78.75
	45020 - Other Income	45,000.00	478.08	14,279.49	14,279.49	30,720.51
	45025 - Contract Services	50,000.00	5,260.79	14,897.21	14,897.21	35,102.79
	45030 - Transfers In	0.00	0.00	0.00	0.00	0.00
	49000 - Recovered Bad Debts	0.00	200.00	800.00	800.00	-800.00
	Revenue Total:	3,213,000.00	328,589.62	1,029,063.66	1,029,063.66	2,183,936.34
Expense						
	60001 - Transfer to Reserves	0.00	10,000.00	30,021.65	30,021.65	-30,021.65
	60005 - Accounting Fees	0.00	0.00	216.84	216.84	-216.84
	60010 - Audit	15,000.00	0.00	0.00	0.00	15,000.00
	60020 - Bank Service Charges	15,000.00	1,597.70	3,753.25	3,753.25	11,246.75
	60025 - Cash Short/Over	300.00	-61.23	-41.22	-41.22	341.22
	60030 - Dues and Subscriptions	5,000.00	20,052.58	21,443.27	21,443.27	-16,443.27
	60035 - Engineering Fees	0.00	7,173.25	7,173.25	7,173.25	-7,173.25
	60045 - Late Fees	1,000.00	0.00	0.00	0.00	1,000.00
	60050 - Legal Fees	0.00	0.00	464.66	464.66	-464.66
	60055 - Legal Notices	2,500.00	0.00	86.91	86.91	2,413.09
	60060 - Licenses & Fees	5,000.00	25.00	350.00	350.00	4,650.00
	60065 - Meals	2,500.00	0.00	92.89	92.89	2,407.11
	60075 - Permit Fees	1,500.00	0.00	400.00	400.00	1,100.00
	60080 - Postage	30,500.00	144.53	441.28	441.28	30,058.72
	60115 - Talavera Expenses	0.00	136.55	279.58	279.58	-279.58
	60116 - Alto De Las Flores Expenses	0.00	8.26	8.26	8.26	-8.26
	60120 - Retirement Account Fees	2,500.00	691.53	2,062.38	2,062.38	437.62
	60125 - Easments & Leases	0.00	0.00	6,611.10	6,611.10	-6,611.10
	60130 - Training	5,000.00	0.00	0.00	0.00	5,000.00
	60140 - Travel:Airfare Per Diem	2,500.00	0.00	0.00	0.00	2,500.00
	60150 - Travel:Lodging Per Diem	5,000.00	0.00	1,144.65	1,144.65	3,855.35
	60155 - Travel:Meals Per Diem	2,500.00	0.00	210.41	210.41	2,289.59
	60160 - Travel:Mileage/Parking Per Diem	1,500.00	0.00	275.40	275.40	1,224.60
	60165 - Travel:Vehicle Rental Per Diem	0.00	0.00	30.00	30.00	-30.00
	60600 - Debit Service	148,000.00	7,492.49	24,822.72	24,822.72	123,177.28
	60650 - Interest paid to NMFA	37,000.00	1,975.14	3,915.08	3,915.08	33,084.92
	60675 - Interest paid to USDA	130,000.00	11,596.26	34,788.78	34,788.78	95,211.22
	63000 - Regular Pay	1,074,100.00	75,283.33	266,622.51	266,622.51	807,477.49

63001 - Overtime	70,000.00	2,448.11	10,340.53	10,340.53	59,659.47
63006 - Holiday Pay	55,000.00	4,640.59	8,880.99	8,880.99	46,119.01
63007 - Sick Pay	60,000.00	3,785.02	14,175.69	14,175.69	45,824.31
63008 - Annual Leave Pay	0.00	3,944.39	17,098.54	17,098.54	-17,098.54
63010 - 401K 10% Company Contribution	3,000.00	0.00	0.00	0.00	3,000.00
63020 - 401K Employee Contribution	61,700.00	0.00	0.00	0.00	61,700.00
63030 - Accrued Leave	75,000.00	0.00	0.00	0.00	75,000.00
63070 - Employee Benefits-401K Contrib	109,000.00	2,602.63	9,181.37	9,181.37	99,818.63
63100 - Insurance-Dental	18,000.00	1,125.72	3,272.49	3,272.49	14,727.51
63110 - Insurance-Health	272,000.00	22,484.40	66,277.05	66,277.05	205,722.95
63115 - Salaries: Insurance - Work Comp	20,000.00	0.00	3,690.00	3,690.00	16,310.00
63125 - Insurance: Life & Disability	21,000.00	0.00	0.16	0.16	20,999.84
63130 - Mileage	0.00	0.00	56.25	56.25	-56.25
63135 - Drug Testing	0.00	150.00	150.00	150.00	-150.00
63160 - Payroll Taxes-Medicare	19,860.00	1,306.45	4,598.17	4,598.17	15,261.83
63170 - Payroll Taxes-Social Security	77,440.00	5,586.28	19,661.27	19,661.27	57,778.73
63200 - Vision Insurance	5,500.00	328.30	966.80	966.80	4,533.20
64100 - Sewer:DAC Waste Water Flow Charge	35,000.00	3,018.88	13,273.10	13,273.10	21,726.90
64200 - Sewer:Electricity-Sewer	9,000.00	49.75	2,185.94	2,185.94	6,814.06
64300 - Sewer:Lab & Chemicals-Sewer	42,000.00	0.00	1,788.07	1,788.07	40,211.93
65010 - Automobile Repairs & Maint.	40,000.00	1,488.08	7,635.65	7,635.65	32,364.35
65230 - Computer Maintenance	63,000.00	3,743.98	12,422.24	12,422.24	50,577.76
65240 - Equipment Rental	2,500.00	1,132.00	1,132.00	1,132.00	1,368.00
65250 - Fuel	60,000.00	6,157.20	17,939.85	17,939.85	42,060.15
65255 - GPS Insights Charges	7,000.00	0.00	0.00	0.00	7,000.00
65270 - Lab Chemicals-Water	5,000.00	151.02	226.84	226.84	4,773.16
65275 - SCADA Maintenance Fee	2,000.00	0.00	0.00	0.00	2,000.00
65276 - Test Equipment Calibration	2,000.00	0.00	0.00	0.00	2,000.00
65277 - Generator Maintenance Contract	3,000.00	0.00	0.00	0.00	3,000.00
65278 - Meter Testing/Repair/Replacement	0.00	30.00	75.00	75.00	-75.00
65280 - Lab Chemicals-Water:Chemicals	35,000.00	1,807.82	9,850.06	9,850.06	25,149.94
65300 - Locates	6,000.00	0.00	0.00	0.00	6,000.00
65310 - Maint. & Repairs-Infrastructure	0.00	22,856.16	36,778.03	36,778.03	-36,778.03
65320 - Maint. & Repairs-Office	10,000.00	68.69	2,858.54	2,858.54	7,141.46
65330 - Maintenance & Repairs-Other	1,500.00	3,631.58	5,864.36	5,864.36	-4,364.36
65340 - Materials & Supplies	45,000.00	997.86	17,533.84	17,533.84	27,466.16
65345 - Non Inventory-Consumables	65,000.00	1,412.98	14,452.34	14,452.34	50,547.66
65350 - Office Supplies	2,500.00	807.75	2,195.65	2,195.65	304.35
65360 - Printing and Copying	20,000.00	3,771.57	10,803.54	10,803.54	9,196.46
65370 - Tool Furniture	5,000.00	1,403.17	2,599.79	2,599.79	2,400.21
65390 - Uniforms-Employee	10,400.00	394.26	2,143.15	2,143.15	8,256.85
65490 - Cell Phone	20,000.00	1,650.51	4,966.95	4,966.95	15,033.05
65500 - Electricity-Lighting	6,000.00	584.58	1,187.98	1,187.98	4,812.02
65510 - Electricity-Offices	15,000.00	1,558.50	4,474.26	4,474.26	10,525.74
65520 - Electricity-Wells	211,000.00	18,828.79	54,110.07	54,110.07	156,889.93
65530 - Garbage Service	2,500.00	243.58	427.16	427.16	2,072.84
65540 - Natural Gas	3,000.00	98.00	378.25	378.25	2,621.75
65550 - Security/Alarm	6,700.00	0.00	1,168.20	1,168.20	5,531.80
65560 - Telephone	20,000.00	1,315.88	4,185.47	4,185.47	15,814.53
65561 - Telstar Maintenance Contract	7,000.00	0.00	0.00	0.00	7,000.00
65570 - Wastewater	2,000.00	185.32	551.76	551.76	1,448.24
66200 - Insurance-General Liability	75,000.00	0.00	16,136.00	16,136.00	58,864.00
66700 - Water Conservation Fee	20,000.00	1,552.02	5,073.13	5,073.13	14,926.87
Expense Total:	3,213,000.00	263,457.21	817,940.18	817,940.18	2,395,059.82
Total Surplus (Deficit):	0.00	65,132.41	211,123.48	211,123.48	-211,123.48

**LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITIES
PROJECTS REPORT – 10/16/19**

LRG-11-02.2 – Mesquite-Brazito Sewer Project – Bohannon Huston, Inc. & File Construction – Construction – NMFA PG/SAP funded Planning, \$30k 2014 SAP, \$540,608 2014 CITF (10% Loan), USDA-RD Loan \$357,000 @ 3.250%, Grant \$1,194,919, Colonia’s Grants of \$6,356,474 & \$119,407 – Fourth progress meeting was held on 10/7/19. 4th Contractor’s pay application has been processed. We have had complaints from County Engineering, residents & staff about muddy roads due to the recent rains, and have a meeting set with DAC Engineering after they threatened to shut down the project.

LRG-17-01 – Mesquite-Brazito Sewer Project 2 – Bohannon Huston, Inc. – Design Stage – USDA-RD LOC \$15,030,780 – 14th Request for Funds from RCAC bridge loan is on hold pending a revised permit invoice from EBID. 95% submittal is pending review at USDA-RD. Permits have been requested from DAC, EBID, and NM DOT. BHI and our attorney are still working on the last 7 property/easement acquisitions.

LRG-11-03 – Interconnect & Looping Project – see LRG-18-02 for current portion – Stern Drive Line Ext.

LRG-11-05 – South Valley Water Supply & Treatment Project WTB #252– Bohannon Huston - Design stage - \$750,000 WTB – 10% Loan 10% Match: USDA-RD has issued a Letter of Conditions for a \$1,014,000 loan, \$3,629,065 Persistent Poverty Grant and \$323,335 Colonia’s Grant, and we are working on completing the LOC requirements. Engineering Agreement with Bohannon Huston, Inc. is approved. Kick-off meeting was held 9/30/19, and Operations staff toured the CRUA arsenic facility with BHI/CDM personnel on 10/1/19.

LRG-17-01 – Water Master Plan – WTB #252: CDBG Public Hearing was held 1/9/18. Ms. Goolsby, SCCOG, put together Project Description, Schedule, and Cost & Financing Summary exhibits for the Grant Agreement and has submitted them to NM DFA.

LRG-17-02 – Central Office Building – DW-4213 \$3,285,619: Design review meeting was held on 9/10/19. Architect incorporated revisions from the last meeting, and is moving forward with design.

Forty-Year Water Plan – CE&M – complete – needs update for new mergers after Brazito combine & commingle: pending NM-OSE comments/approval. Currently only includes the initial five systems.

LRG-13-03 – Valle Del Rio Water System Project – Construction Stage & Ph. II Design - \$1,197,708 DWSRLF funding - \$898,281 principal forgiveness – 299,427 loan repayment – Souder, Miller & Associates: Engineer sent revised contract docs on 10/10 to NMED-CPB & DWB. Construction Phase Engineering Agreement Amendment has also been submitted.

LRG-17-03 –East Mesa Water System Improvements Project – NMFA 3803-PG & 3804-PG, 4915-CIF – Design – D.B. Stephens & Associates’ contract is pending approval at NMED-CPB. Kick-off meeting will be scheduled once it is approved.

LRG-18-01 – High Valley Water System Improvements Project – NMFA 4645-CIF18, 4915-CIF – Design & Construction – Souder, Miller & Assoc. –CPB approval of Engineering Services Amendment #4 and final contract documents is still pending. Closing documents for 4916-CIF for Phase II project were final on 9/27/19.

LRG-18-02 – Stern Drive Waterline Extension Project – Design/Build – SMA - \$150,000 SAP – Design package and Engineering Services Agreement Amendment #2 have been approved. Project is ready to bid.

LRG-18-03 – Jacquez Waterline Extension Project – Design/Build - \$50,000 SAP – Wilson & Co. – Bid documents have been approved by NMED-CPB. 4917-CIF closing was final on 9/27/19. Engineering Agreement Construction Phase Amendment is pending NMED-CPB approval.

LRG-19-09 – S. Valley Service Area Line Extensions - SMA – The Legislature appropriated \$3 million to the Local Government Planning fund at NMFA, and that bill has been signed by the governor. We are considering applying for PER funding.

LRG-20-01 – Mesquite Wetlands Closure – Plan/Design - BHI - \$250,000 SAP: Project kick-off is set for 10/15/19. Contract proposal is pending.

Other projects:

2019 Election: Early & Absentee Voting began October 8th.

Infrastructure Capital Improvements Plan 2021-2025: Complete, submitted, and approved.

Documents Retention & Destruction – Sorting of old association documents for storage or destruction is ongoing, and staff is implementing approved retention/destruction schedules for LRGPWWA documents. No bins have been sent out for shredding in the past month. Received 9 boxes from Finance Department on 9/10/19.

Website and Email – Notices and Minutes pages are up to date.

Training – I will be speaking during two of the Utility Track sessions at the Infrastructure Conference about Regionalization/Collaboration and Utility Project Management & Case Studies. Patty attended the second session of the Utility Management Institute in San Antonio 9/24-27 and an EFC webinar “Integrating Sustainability into Daily Decision-Making” on 10/9/19.

Lower Rio Grande Water Users Organization – nothing new to report

As Needed Engineering Services - Currently we have three active Task Orders: BHI for securing the SLO Permit, and BHI for transferring a BLM permit from Organ WSA to the LRGPWWA. Both tasks are nearly complete pending final paperwork. The NM SLO Permit has finally been received, but a Certificate of Completion form is required and was not provided with the permit, and is still pending. The BLM permit fee has been paid, and the transfer paperwork is pending. Huitt Zollars Task Order for NM DOT permits for 3 new service installations has been issued, and they are coordinating with Operations.

Collection & Lien Procedures - 193 first notifications, 102 certified letters have been sent and 81 liens have been filed to date. 11 liens have been released following payment in full of the account.

Water Audits – Calendar 2018 Water Audits have been completed, and results are included with the Operations Report. Our first Water Audits were completed for calendar 2014 by D.B. Stephens &

Associates with a Technical Assistance Grant from BECC. It has been our stated intention to perform water audits annually in-house, but to have a third-party audit every five years, and that will be due for calendar 2019. The Water Audit team met on 10/8/19 to work on policies, procedures, and planning to improve our data validity scores in future audits, and will meet again in January to review progress.

Small System Merger & Public Private Partnership Case Study for AWWA – I was contacted by Alisa Hefner of Skeo, a consulting firm working with AWWA. Her colleague, Vernice Miller-Travis, recommended our work on small system merger and public-private partnership after facilitating the EPA Region 6 Environmental Justice Forum last summer. They are supporting the American Water Works Association to develop a Guide for Water Utility Managers that provides a framework within which water systems can consider how to integrate community benefits, public engagement and social equity into their water utility practice. The guide will include case studies to illustrate best practices from utilities that are already doing this work. They put together an excellent two-page case study about us, and I provided a few edits.

Small Water Systems

Lower Rio Grande Public Water Works Authority, Southern New Mexico

The Lower Rio Grande Public Water Works Authority (LRGPWWA) formed in 2009 as a result of more than five years of collaboration and cooperation between five mutual domestic water associations. These associations, which served separate colonias in Southern New Mexico, had decided to develop a water system partnership to address challenges with ownership, maintenance and capital improvement costs. The partnership formed through an Ownership Transfer, meaning that the LRGPWWA Partnership makes decisions for all partnering water systems. Success has led to growth. The partnership now serves 14 communities across southern New Mexico.

Colonias – unincorporated towns with substandard housing on lots that lack basic services such as water, electricity, and waste management – are common in areas along the United States-Mexico border region. These communities grew in the borderlands as a result of lax legislation that allowed property owners to subdivide and sell land without infrastructure improvements. These communities sometimes develop their own systems to provide services such as water and sewer; however these organizations often struggle to finance the demands of their systems and provide a living wage for their staffs, or volunteers if they lack staff.

In 2005, the mutual domestic water associations from the Vado, Berino, Desert Sands, Mesquite and La Mesa communities began to meet to discuss the possibility of forming a water system partnership. Four of the five associations signed a Memorandum of Understanding later that year, committing to work together as the Regional South Central Domestic Group (RSCDG). By partnering, the group hoped to reduce duplication of efforts, meet regulatory requirements more efficiently, and develop sustainable funding that could stabilize delivery of utility services and provide a healthy working environment with competitive pay and benefits to utility staff. Because this collaboration proved to be beneficial to all, they formed the Lower Rio Grande Mutual Domestic Water Association as an umbrella entity to secure and administer funding for regional projects.

However, the group required enabling legislation from the State of New Mexico in order to discuss a formal partnership through a merger and transfer of ownership. As the partnership grew and strengthened, RSCDG began to work with state and local lawmakers to pass House Bill 185 in 2009, which formally created the LRGPWWA and gave it the legal authority to conduct mergers with willing water associations. Each of the five original water associations joined.

Following the creation of the LRGPWWA, the Authority worked with the New Mexico Office of the State Engineer to complete the merger and define a service area. The Authority also worked with the Rural Community Assistance Corporation to develop a draft merger plan and a final governance document. The collaboration required to work through each hurdle and develop consensus on a path forward strengthened the working relationships between staff at each of the merging associations and helped to build trust over time.

As of 2018, the LRGPWWA has expanded from serving five ~~communities to serving 16~~ formerly independent water system to 10, and from 8 Colonias communities to 16. The merger has cut water rates in half for some of the utility customers facing the cost of arsenic treatment. The merger has also helped to expand the utility's capacity to meet maintenance needs efficiently while still ensuring a high quality

work environment for utility staff. Utility staff are proud to work for an organization that is community-based and that provides competitive pay and benefits for workers.

Implementation Tips

- Use a neutral, third-party facilitator to facilitate conversation between the potential partner utilities.
- Work closely with the residents of communities served by each utility to ensure that their priorities, lived experience and felt needs will guide partnership considerations and outcomes.
- Work with communities in the language that is most comfortable for them to ensure full participation.
- Determine what kind of partnership is right for the utilities (e.g., informal cooperation, contractual assistance, joint powers agencies, ownership transfer).
- Develop organizational partnerships with relevant entities that can help with startup needs such as advocating for enabling legislation or providing technical assistance.
- Commit to building trust and consensus among all partner utilities, service area residents and organizational partners.

Key Resources

- *Lower Rio Grande Public Water Works Authority: A Water System Partnership Case Study* (https://www.epa.gov/sites/production/files/2017-12/documents/case_study_-_lower_rio_grande_2017_final_508.pdf). U.S. EPA, 2017.
- *Lower Rio Grande Public Water Works Authority Success Story* (<https://www.rcac.org/videos/lower-rio-grande-public-water-works-authority/>). Rural Community Assistance Corporation, 2012.
- *Lower Rio Grande Public Water Works Authority Website* (<http://www.lrgauthority.org/home.html>). LRGPWWA, 2018.

This is a Draft Case Study by Alisa Hefner of Skeo.com for American Water Works Association to develop a Guide for Water Utility Managers that provides a framework within which water systems can consider how to integrate community benefits, public engagement and social equity into their water utility practice. The guide will include case studies to illustrate best practices from utilities that are already doing this work.

Lower Rio Grande PWWA

Operators Report

October 16 , 2019

System Problems and Repairs.

- Backflow inspections are Current. (Mesquite District)
- For the month of September, we were issued 874 work and service orders, A huge portion of those were due to meter change outs.
- For the month of August, we were issued 917 work and service orders.
- For the month of September, we installed 4 new water service connections.
- We did not have any main or service line breaks at Alto De Los Flores.
- We did not have any main or service line breaks at the East Mesa.
- We did not have any main or service line breaks at Talavera MDWCA
- The Pump and Motor have been ordered for East Mesa Well # 2, and will be installed when it arrives.

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

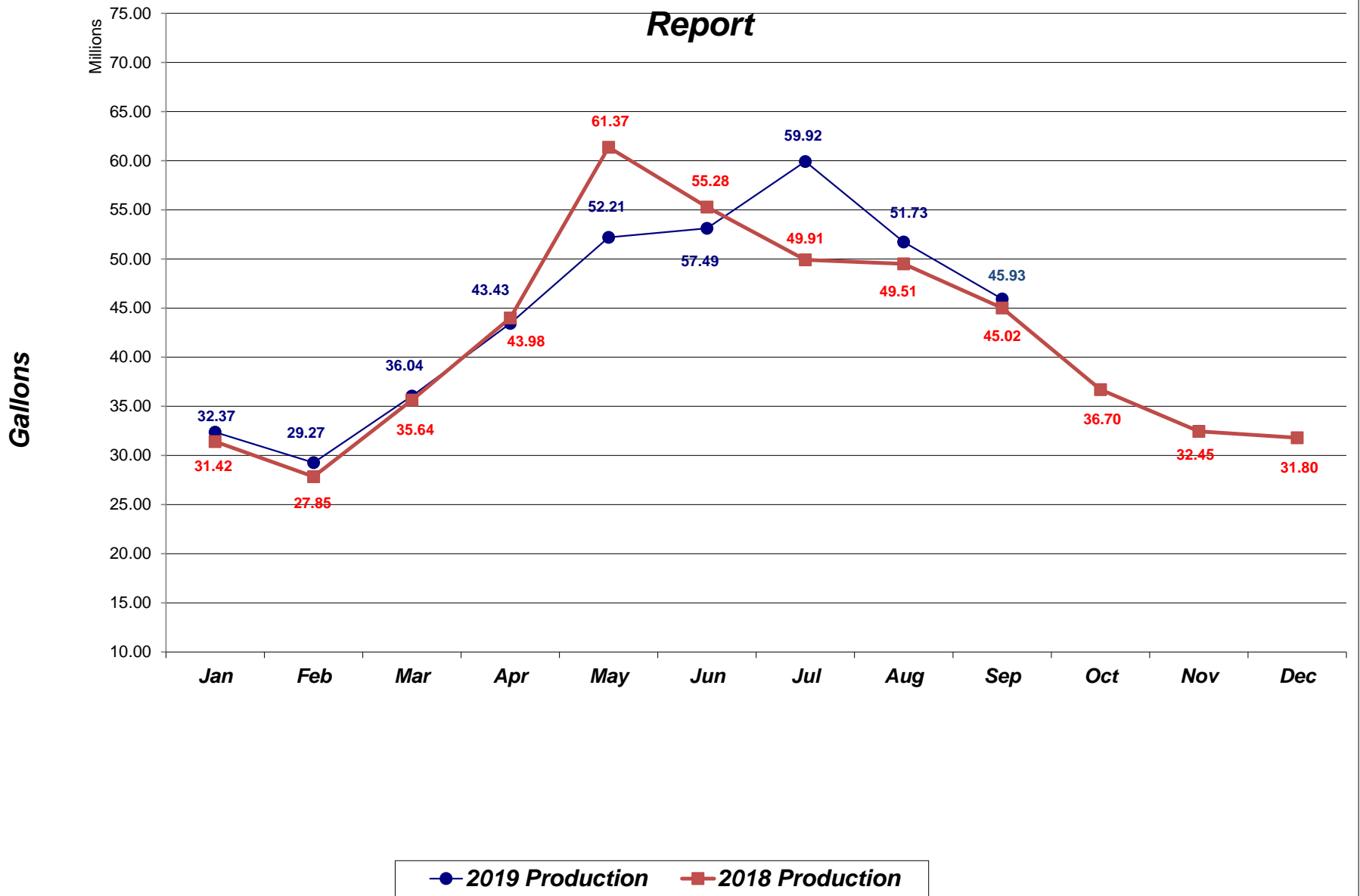
Mesquite district Wetlands: NMED is going to require us to drill 3 monitoring wells as the existing are dry.

Mesquite and Organ Sewer Reports. The Organ and the Mesquite wastewater reports were sent before July 1st.

Chlorine: No problems.

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

Lower Rio Grande PWWA Water Production Report



Lower Rio Grande Public Water Works Authority
Resolution Number FY2020-10
Authorizing Rural Community Assistance Corporation
Loan for South Valley Water Supply & Treatment 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.

Whereas:

- A. The Lower Rio Grande Public Water Works Authority (hereinafter referred to as “Authority”) is a public body established under the laws of the State of New Mexico 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 South Valley Water Supply & Treatment Project (hereinafter referred to as “Project”) on the property located at 1150 Berino Road, Berino NM 88024

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
- 2. County of Dona Ana in the State of New Mexico.
- 3. 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 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.
- 4. 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.
- 5. The Authority, in accordance with its Signatory Authority Resolution, authorizes its Board Chair and Secretary to execute in the name of the Authority, the loan application and the loan agreement, promissory note, security and other instruments, and its General Manager or Projects Manager to execute any and all documentation for the disbursement of funds required by RCAC to make and secure the loan and any amendments thereto.
- 6. The Corporation authorizes General Manager or Projects 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 16th day of October, 2019, by the following vote:

Ayes: _____ Nays: _____ Abstain: _____ Absent: _____

The undersigned, Esperanza Holguin , 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 adopted at a duly convened meeting on the date mentioned above, and that said resolution has not been altered, amended or repealed.

Esperanza Holguin, Secretary

October 16, 2019



www.lrgauthority.org

LOWER RIO GRANDE

Public Water Works Authority

Resolution #FY2020-11

Approving First Quarter Budget for Fiscal Year 2020

Whereas, in order to comply with Sections 6-6-1 and 6-6-2 NMSA 1978 and to apply for CDBG funding, the Board of Directors wishes to adopt and pass a resolution to approve the FY2020 First Quarter Budget on October 16, 2019.

Therefore, be it resolved, the Board of Directors adopts and passes this resolution to approve the FY2020 First Quarter Budget officially approved on October 16, 2019.

PASSED, APPROVED, AND ADOPTED: October 16, 2019

Mike McMullen, Chairman

Seal:

Esperanza Holguin, Secretary

State of New Mexico
Local Government Budget Management System (LGBMS)

Year-to-Date Actuals - Fiscal Year 2019-2020 - FY2020 Q1
Lower Rio Grande Public WWA - Entity
Summary Report Sorted by Fund and Department

Printed from LGBMS on 2019-10-16 08:51:25

11000 General Operating Fund

10000 Assets

0001 No Department	Original	Adjustments	Adjusted	YTD	Balance	% Realized
10100 Cash Assets	1,033,655.00	0.00	1,033,655.00	1,033,655.00	0.00	100.00
0001 Totals	1,033,655.00	0.00	1,033,655.00	1,033,655.00	0.00	100.00
10000 Assets Totals	1,033,655.00	0.00	1,033,655.00	1,033,655.00	0.00	100.00

50100 Water Enterprise

40000 Revenues

0001 No Department	Original	Adjustments	Adjusted	YTD	Balance	% Realized
44000 Charges for Services	2,954,500.00	0.00	2,954,500.00	939,807.60	2,014,692.40	31.81
46000 Miscellaneous Revenues	95,000.00	0.00	95,000.00	46,231.51	48,768.49	48.66
47000 Intergovernmental Grants (Distributions)	409,000.00	0.00	409,000.00	0.00	409,000.00	0.00
0001 Totals	3,458,500.00	0.00	3,458,500.00	986,039.11	2,472,460.89	28.51
40000 Revenues Totals	3,458,500.00	0.00	3,458,500.00	986,039.11	2,472,460.89	28.51

50000 Expenditures

6003 Water Utility/Authority

6003 Water Utility/Authority	Original	Adjustments	Adjusted	YTD	Balance	% Realized
51000 Salary & Wages (FTE required)	1,340,000.00	0.00	1,340,000.00	317,118.26	1,022,881.74	23.67
52000 Employee Benefits	603,500.00	0.00	603,500.00	109,709.69	493,790.31	18.18
53000 Travel Costs	11,500.00	0.00	11,500.00	1,716.71	9,783.29	14.93
54000 Purchased Property Services	132,500.00	0.00	132,500.00	58,646.62	73,853.38	44.26
55000 Contractual Services	92,500.00	0.00	92,500.00	40,754.50	51,745.50	44.06
56000 Supplies	348,000.00	0.00	348,000.00	67,518.80	280,481.20	19.40
57000 Operating Costs	462,500.00	0.00	462,500.00	105,069.16	357,430.84	22.72
58000 Capital Purchases	189,000.00	0.00	189,000.00	36,632.75	152,367.25	19.38
59000 Debt Service	279,000.00	0.00	279,000.00	52,879.58	226,120.42	18.95
6003 Totals	3,458,500.00	0.00	3,458,500.00	790,046.07	2,668,453.93	22.84
50000 Expenditures Totals	3,458,500.00	0.00	3,458,500.00	790,046.07	2,668,453.93	22.84

50300 Wastewater/Sewer Enterprise

40000 Revenues

0001 No Department	Original	Adjustments	Adjusted	YTD	Balance	% Realized
44000 Charges for Services	163,500.00	0.00	163,500.00	43,024.55	120,475.45	26.31
47000 Intergovernmental Grants (Distributions)	250,000.00	0.00	250,000.00	0.00	250,000.00	0.00
0001 Totals	413,500.00	0.00	413,500.00	43,024.55	370,475.45	10.40
40000 Revenues Totals	413,500.00	0.00	413,500.00	43,024.55	370,475.45	10.40

50000 Expenditures

6005 Wastewater Utility/Authority

6005 Wastewater Utility/Authority	Original	Adjustments	Adjusted	YTD	Balance	% Realized
51000 Salary & Wages (FTE required)	30,000.00	0.00	30,000.00	0.00	30,000.00	0.00
52000 Employee Benefits	6,500.00	0.00	6,500.00	0.00	6,500.00	0.00
54000 Purchased Property Services	82,000.00	0.00	82,000.00	15,061.17	66,938.83	18.37
57000 Operating Costs	9,000.00	0.00	9,000.00	2,185.94	6,814.06	24.29
58000 Capital Purchases	250,000.00	0.00	250,000.00	0.00	250,000.00	0.00
59000 Debt Service	36,000.00	0.00	36,000.00	10,647.00	25,353.00	29.58
6005 Totals	413,500.00	0.00	413,500.00	27,894.11	385,605.89	6.75
50000 Expenditures Totals	413,500.00	0.00	413,500.00	27,894.11	385,605.89	6.75

ALL FUNDS	Original	Adjustments	Adjusted	YTD	Balance	% Realized
10000 Assets	1,033,655.00	0.00	1,033,655.00	1,033,655.00	0.00	100.00
40000 Revenues	3,872,000.00	0.00	3,872,000.00	1,029,063.66	2,842,936.34	26.58
50000 Expenditures	3,872,000.00	0.00	3,872,000.00	817,940.18	3,054,059.82	21.12



LOWER RIO GRANDE

Public Water Works Authority

325 Holguin Road

Vado, New Mexico 88072

(575) 233-5742

www.LRGauthority.org

Resolution FY2020-12

Adopting Amended Governance Document

WHEREAS, the Lower Rio Grande Public Water Works Authority is a political subdivision of the State of New Mexico established under NMSA 1978 73-26-1; and

WHEREAS, NMSA 1978 73-26-1 Lower Rio Grande Public Water Works Authority was amended in 2019 by the New Mexico Legislature for compliance with the NMSA 1978 1-22-1, Local Elections Act; and

WHEREAS, the Lower Rio Grande Public Water Works Authority Governance Document must now be amended for compliance with both NMSA 1978 1-22-1 and NMSA 1978 73-26-1; and

WHEREAS, the statutory changes have changed the requirements for voting in Lower Rio Grande Public Water Works Authority elections from “Members” to “Qualified Electors registered to vote within the boundaries of the Authority”; and

WHEREAS, the amendments to the Lower Rio Grande Public Water Works Authority Governance Document for statutory compliance must be adopted regardless of Member or Qualified Elector votes;

NOW THEREFORE BE IT RESOLVED by the Lower Rio Grande Public Water Works Authority Board of Directors that the Governance Document is amended as required under NMSA 1978 1-22-1 and NMSA 1978 73-26-1 is hereby adopted.

PASSED, APPROVED, AND ADOPTED THIS 16TH DAY OF October, 2019:

Seal:

Mike McMullen, Board Chair

Attest:

Esperanza Holguin, Secretary



October 14, 2019

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325 Holguin Rd.
Vado, NM 88072

Re: Opinion Regarding Lower Rio Grande PWWA Governance Document and Local Elections Act

Dear Board Members:

I have had the opportunity to review the Authority's governance documents, statutes, and the local election act. Karen, Martin and I had a telephone conference with Senator Ivey-Soto last month and determined that the ballot question proposed by the Authority regarding the amendment to the governance document was not permitted to be placed on the ballot for the Nov. 5, 2019 as it did not fall under a proper category. As a result, the board will be adopting the resolution at the October 16, 2019 meeting.

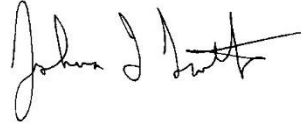
The Governance Document is being amended to comply with the newly adopted Local Election Act (the "Act"). The act provides that elections for the Board will be held during the general election cycle and voting will not be limited to members, but allow all registered voters in the district boundaries to vote. The Governance Document is being amended to reflect that change.

The Governance Document is also being amended to reflect the change in the amendment process. Since amendments cannot be presented on the general ballot, they will be approved by resolution of the Board following a public hearing on the amendments. If the proposed amendment is solely to bring the documents into compliance with applicable statute no public hearing will be required. Since the Local Election Act now governs and controls the terms of the Board of Directors and their election, amendments to the governance documents by the Board are permissible.

Please feel free to contact me if you have any questions.

Sincerely,

WATSON SMITH, L.L.C.

A handwritten signature in black ink, appearing to read "Joshua L. Smith". The signature is written in a cursive style with a long horizontal stroke extending to the right.

Joshua L. Smith



Governance Document

Of the

Lower Rio Grande Public Water Works Authority

Adopted October 10, 2010

Amended April 2, 2013

Proposed Amendments for 10/16/19 Board Agenda



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ARTICLE I DEFINITIONS AND CONSTRUCTION

SECTION 1.01. DEFINITIONS. As used in this Document, the following terms shall have these meanings unless the context clearly requires otherwise:

“Authority” shall mean the Lower Rio Grande Public Water Works Authority and, unless the context indicates otherwise, means the legal entity created through legislative action under NMSA 1978, § 73-26-1 (2009).

SECTION 1.02. FINDINGS. The founding entities of the Authority have determined that:

- A. When they began to meet, work together, and assist each other, the founding entities found they had many common challenges, including aging infrastructure, increasing regulatory requirements, decreasing funding, limited water sources, increasing operating expenses, increasing demand on the systems as a result of population growth, shortage of volunteers to serve on boards, lack of coordination in infrastructure projects among various agencies, and limited comprehensive planning. They also found a high level of duplication of efforts, with each entity paying separately for the same professional services.
- B. Each one of the founding entities brings its own unique history, talents, resources and challenges to this regional effort. By pooling their resources, the entities will be able to strengthen their financial, managerial, and technical capacity to create a more sustainable utility to provide better and more reliable service to its customers.
- C. The community members of the Authority have determined that it is in the best interest of the founding entities, their members, and the public to merge and jointly manage and operate their utilities, creating economies of scale, eliminating duplicate functions and expenses, providing for more efficient use, conservation and protection of valuable local and regional resources, and advancing regional and comprehensive planning



ARTICLE II THE AUTHORITY

SECTION 2.01. ESTABLISHMENT AND CREATION. There is hereby created and established the “Lower Rio Grande Public Water Works Authority (“Authority”).” The Authority, a political subdivision of the State, is a member-owned community water system that has all of the privileges, benefits, powers, and duties provided in NMSA 1978, § 73-26-1 (2009 amended 2017 & 2019) and the general laws of the State regarding political subdivisions. The Authority will adopt and use a governmental seal.

- A. A “Member” of the Authority is a person that:
1. Owns real property within the Authority’s recorded designated service area; and
 2. Receives services provided by the Authority to that property.
- B. A property owner becomes a member of the Authority only upon compliance with the Policies and Procedures of the Authority.
- C. ~~A member of the Authority shall be entitled to one vote and one vote only, regardless of how many separate properties, connections, or hookups the member owns within the Authority’s service area. Co-owners of a real property located within the Authority’s recorded designated service area who receive services from the Authority are jointly entitled to only one vote, regardless of how many people may own the property.~~
- D. ~~Only a property owner who is identified in the public records of Dona Ana County as the property owner may vote, not tenants or lessees, nor persons purchasing the real property under an unrecorded contract.~~
- ~~1. If a member owns real property in more than one district, the member must select one voting district only for voting, as established in the Policies and Procedures of the Authority.~~



- ~~2. If a real property is physically located within more than one district, the voting district where the majority of the real property is located shall be the voting district for that member.~~
- ~~3. If a real property located within the Authority's recorded designated service area is owned by more than one person, the property owners shall designate one, and only one of the owners to be the member with the right to vote in Authority elections.~~
- ~~4. Although multiple owners of a real property may in writing sign a document to change their designated member, any such change in the designated member must be submitted to the Authority in writing no later than 60 days before an election according to the provisions set forth in the Authority's Policies and Procedures.~~
- D. 5. Only a Member of the Authority may be connected to the Authority's water distribution and wastewater collection systems and manage the accounts associated with those connections.
1. Any entity other than individual persons that owns real property located within the Authority's recorded designated service area, such as a corporation, partnership, trust, limited liability company, or governmental entity or subdivision, shall designate in writing when it becomes a member of the Authority, who the individual person will be who is designated to ~~vote or run for office on behalf of that entity~~ manage the entity's account(s) with the Authority.
- ~~2-6.~~ All actions taken by the designated member shall be binding on the property owners who so chose and designated said member.
- E. Elections shall be conducted under New Mexico law according to the ~~Special Election Procedures~~ Local Election Act set forth in NMSA 1978, §§ ~~1-24-1~~ 1-22-1 et seq. (2018) and under this Governance Document and the Authority's Policies and Procedures.
- F. A membership in the Authority shall not be transferred to anyone else. If a real property has been sold and is now owned by someone else according to the



public records of Dona Ana County, the Membership Certificate of the former owner shall be terminated and will become void for all future uses as of the date of sale or transfer to new ownership. It is the responsibility of the new owner to apply for a new membership in order to be able to obtain services, ~~vote, or run for office.~~

- G. The rights, privileges, duties, and obligations of all members of the Authority shall be equal.

SECTION 2.02. GOVERNING BODY.

- A. The Authority shall be governed by a Board of Directors. The number directors of the initial board shall consist of five (5) directors representing each of the founding entities. By resolution, each of the founding entities shall appoint a representative to serve on the initial board. The number of directors of the initial board shall serve until their successors are elected. The directors of the subsequent board shall correspond to the number of districts composing the Authority. Subsequent Boards of Directors shall be elected by district.
- B. Board Member Requirements: The number of members of the Board of Directors shall equal the number of voting districts within the Authority. The Board of Directors shall manage the business and financial affairs of the Authority. The functions of the board shall include, but are not limited to:
1. Selection of and oversight of the General Manager;
 2. Governance and setting of policy and procedures;
 3. Ensuring that information about the business and activities of the Authority is provided to members and the public;



4. Compliance with applicable laws and regulations, including but not limited to the Governmental Conduct Act, Inspection of Public Records Act, and Open Meetings Act.
 5. Adoption of policies to set and enforce rates, fees, and other charges necessary to meet the Authority's financial obligations. Each member of the Board of Directors shall at all times be a member in good standing with the Authority and own property within the district from which they are elected. The terms of the members of the Board of Directors shall be staggered. The staggered system shall be set by the first elected board with two positions serving for two (2) years and three (3) positions serving for four years (4). The first elected Board will draw straws to determine length of their initial terms. All subsequently elected board members will serve a four (4) year term.
- C. The initial district election shall be for five (5) Board positions, one from each district. Should a new district be added increasing the number of Board positions, a draw of straws shall be used to determine whether the board member from the new district will serve a two (2) or four (4) year term.
- D. Any vacancy on the Board of Directors shall be filled ~~within forty five (45) ninety (90) days of the position becoming vacant. The position will be filled~~ by an appointment made by a majority vote of the Board of Directors. The appointee shall be a ~~member~~ qualified elector in good standing of the respective vacant district. The appointed board member shall serve out the remainder of the vacant position's term. The appointee shall meet the requirements established in Section A above. In the case of a newly created district, the Board shall appoint a member to represent that district until the next regular election is held, at which time the position will be open to any member of that district to run for office.
- E. The Board may remove and replace a Director for cause, including failure within a twelve month period to attend three (3) meetings without cause and prior notification, for non-compliance or violation of any of the applicable laws listed



under Subsection B above, or for ineligibility to serve due to a conflict of interest as identified in Section 2.04. Any member of the Board of Directors removed for cause shall not be eligible for reelection or reappointment for four (4) years.

- F. The officers of the Board of Directors shall be a Chairperson, a Vice-Chairperson, and a Secretary. The Board may designate and authorize additional officers as needed. The officers of the Board shall be elected by a majority vote of the Board of Directors at the first regular meeting held after each election of board members, who shall serve until the next election.
- G. Duties of the Officers:
1. Duties of the Chairperson. The Chairperson and will preside over all meetings of the Board of Directors, call special and emergency meetings of the Board of Directors, and perform all acts and duties usually performed by a presiding officer. The Chairperson shall take such actions, and have all such powers to execute documents on behalf of the Authority in furtherance of this Document. The Chairperson shall be an ex-officio member of standing committees and shall perform such other duties as may be properly required of him/ her by the Board of Directors.
 2. Duties of the Vice-Chairperson. The Vice-Chairperson, in the absence or disability of the Chairperson, shall perform all the duties of the Chairperson. In case of the death, removal, or resignation of the Chairperson, the Vice-Chairperson shall assume the office of Chairperson and so serve until the next election.
 3. Duties of the Secretary: The duties of the Secretary include:
 - a. Ensuring that a complete record and minutes are prepared and kept of all meetings;



- b. Attesting the Chairperson's signature on all documents pertaining to the Authority unless otherwise directed by the Board of Directors;
- c. Providing a full report of any matters or business pertaining to his or her office as the Board of Directors may direct;
- d. Attesting and affixing the Authority's seal to all documents requiring a seal;
- e. Taking all actions necessary to ensure compliance with Open Meetings Act and Inspection of Public Records Act; and

In the absence of the Secretary, the Vice-Chairperson may fulfill the duties of Secretary.

The Board of Directors shall have governance duties as set forth in this Document and in the Authority's Policies and Procedures. Any certificate, resolution, or instrument signed by the Chairperson, or Vice-Chairperson in the absence of the Chairperson, or by any other person(s) as authorized by the Board of Directors in a duly noticed meeting shall be evidence of an action of the Authority and shall be conclusively presumed to be authentic.

- H. Members of the Board of Directors shall receive neither stipend nor any other compensation for their services. Directors may be reimbursed for expenses incurred by activities or functions performed as part of their service as members of the Board of Directors, as pre-approved by the Board of Directors or as set forth in the Authority's Policies and Procedures. Travel to scheduled meetings of the Board of Directors is considered a reimbursable expense for mileage.
- I. A majority of the Board of Directors shall constitute a quorum for the transaction of business of the Authority. The affirmative vote of the majority of the members



of the Board of Directors present and voting (excluding any member having a conflict) shall be necessary to transact business.

SECTION 2.03. DISQUALIFICATION AND CONFLICTS OF INTEREST

- A. Directors and officers are obligated to disclose any actual, potential, or perceived conflicts of interest and abstain from both discussion and voting on any issues that come before the Board where conflicts of interest may arise. The following are conflicts or disqualifications that prohibit a member from being eligible for election and/or from serving on the Board of Directors:
1. Conviction of a crime that is designated under federal and/or state law as a felony or of any crime involving dishonesty or false statement regardless of the punishment;
 2. Relationship by marriage or by close kinship (i.e. child, parent, sibling) to a standing Director;
 3. Serving as a current Director, officer, employee, contractor, or elected/appointed official of any public, governmental, or private utility that provides the same services as the Authority.
- B. No individual member of the Board of Directors, officer, agent or employee of the Authority either for himself, or as agent for anyone else or as a stockholder or owner in any other legal entity, shall participate or benefit directly or indirectly in or from any sale, purchase, lease, contract, or other transaction entered into by the Authority. For the purposes of this Document, a direct or indirect benefit or participation shall mean a "special private gain or loss." The Authority Board may rely upon an advisory opinion or determination of the potential conflict of interest by its attorney whether or not there would be a special private gain or loss, and such determination shall also be determinative of the ability of the member of the Board of Directors, officer, agent or employee to vote under the



provisions of this Document, or of the conduct of such member, officer, agent or employee under this Document.

- C. When a conflict or the potential for a conflict exists, Directors shall abstain from participation in discussion and voting. If in doubt, the Director shall consult with counsel to determine if abstaining is required. A Director shall not abstain from voting without declaring on the record the reason for not voting.

SECTION 2.04. MEETINGS NOTICE. The Board of Directors will adopt by resolution a policy in accordance with the New Mexico Open Meetings Act setting forth requirements for notice, posting location of meetings, preparation of agendas and rules regarding attendance at scheduled Board meetings.

SECTION 2.05. FINANCIAL REPORTS, BUDGETS, AND AUDITS. The Authority shall prepare and submit financial reports, budgets, and audits as required by the New Mexico Department of Finance and Administration Finance and Budget Bureau and in accordance with New Mexico law.

SECTION 2.06. AUTHORITY POWERS, FUNCTIONS, AND DUTIES

A. The Authority shall have all powers established in NMSA 1978 73-26-1, including the authority:

1. to acquire, construct, own, lease, operate, operate and maintain infrastructure for domestic, commercial, or industrial uses, road improvements for the protection of the Authority's infrastructure, and renewable energy projects, including but not limited to: water conservation and reclamation, source water protection, drainage, flood control, solid waste planning and zoning and any expansion of the Authority Facilities; and shall have the exclusive control and jurisdiction thereof;



2. to enter into and execute agreements and contracts with other entities for the provision of services, and to adopt all proceedings and perform all acts determined by the Board of Directors as necessary or advisable to carry out the purposes of this Document. The President shall execute contracts and other documents on behalf of the Board of Directors, or they may be executed by another officer or employee of the Authority as authorized by the Board of Directors at a duly noticed meeting;
3. to establish and collect rates, fees, assessments, and charges for the use of the Authority's facilities or services;
4. to assess a standby charge for the privilege of connection into the Authority's service at some future date if a proposed new member's property line is within three hundred feet (300 ft.) of the Authority's service lines and the property is located within the boundaries of the Authority.
5. if and when authorized, the Authority may fix, levy, and collect rates, fees and other charges (including Project development charges or impact fees) from persons or other entities who own properties located within the Authority's geographic boundaries or jurisdiction, for the use of the services, facilities and product of the Authority, or to pay the operating or financing costs of the Authority's facilities available to potential users. In such circumstance the Authority may fix and collect charges for making connections to the Authority's facilities and for the shutting off, after notice, of unauthorized connections, illegal connections, or connections for which charges are delinquent in payment. The Authority may place a lien on property for unpaid assessments, charges, and fees and may enforce the lien to the extent provided by law;
6. to contract, hire, and retain the services of consultants, agents and employees and other experts as the Board of Directors may require or



deem necessary to fulfill the functions and responsibilities of the Authority;

7. to acquire lands, easements, permits, water rights, real and personal property, as the Authority may deem necessary and appropriate in connection with the acquisition, construction, ownership, expansion, improvement, operation, and maintenance of the Authority's facilities; and hold and dispose of all real and personal property under its control, exercise the power of eminent domain as provided by law;
8. to grant or lease easements, and personal and/or real property interests to and from other utility providers;
9. to adopt by resolution standards, Policies and Procedures, design, specifications, and procedures for project construction, connections, and line expansions.
10. to adopt policies and procedures which govern all new connections to the Authority Facilities, which shall provide for the following from any new customer/member:
 - a. an easement dedicated to the Authority for lands needed to serve the new connection; and
 - b. surety bonds or other guarantees from any user to assure completion of construction in compliance with any standards and Policies and Procedures adopted by the Authority.
11. to exercise exclusive jurisdiction, control, and supervision over the Authority's facilities, and to make and enforce such Policies and Procedures for the maintenance, management, and operation of the Authority as may be, in the judgment of the Board of Directors, necessary or desirable for the efficient operation of the Authority's facilities in accomplishing the purposes of this Document;



12. subject to such provisions and restrictions as may be set forth in any financing documents, to enter into contracts with the State, a municipality, county, or other political subdivision, private corporation, partnership, limited liability company, association, or individual person providing for, or relating to the services and any other matters relevant to or necessary to effect the purposes of this Document;
13. to receive and accept from any federal or state agency, grants or loans for, or in aid of the planning, design, construction, reconstruction, improvements, or financing of the Authority's facilities, and any additions or extensions thereto, and to receive and accept aid or contributions or loans from any other source of either money, labor, or other things of value, to be held, used, and applied for the purpose for which such grants, contributions, or loans were intended;
14. to purchase, assume the ownership, lease, operate, manage and/or control any publicly or privately owned facility of similar or comparable nature to that of the Authority and which might be located in close proximity to the geographic boundary or jurisdiction of the Authority to include the assumption or payment of the financial liabilities associated with such related facilities;
15. the ability to enter into contracts with other entities and impose special assessments, rates, fees or charges for services provided;
16. to appoint members to community advisory committees to assist the Board of Directors in the exercise and performance of its powers and duties provided in this Charter Document;
17. to promote community participation and leadership development within the scope of this Document;



18. to sue and be sued in the name of the Authority, and participate as a party in any civil, administrative, or other legal action;
19. subject to such provisions and restrictions as may be set forth in any financing document, to sell or otherwise dispose of the Authority's facilities, or any portion thereof, upon such terms as the Board of Directors deems appropriate, and to enter into acquisition or other agreements to affect such dispositions;
20. to acquire by purchase, gift, or otherwise, and to dispose of real or personal property;
21. to make and execute contracts or other instruments necessary or convenient to the exercise of its powers;
22. to engage and or employ persons or legal entities and provide such deferred compensation, retirement benefits, or other benefits or programs, as the Board of Directors deems appropriate;
23. to maintain an office or offices at such place or places as needed to serve the needs of the communities comprising the Authority.
24. to hold, control, and acquire by donation, purchase or eminent domain, or dispose of, any public easements, dedications to public use, platted land for public purposes, or any reservations for those purposes authorized by law or this Document and to make use of such easements, dedications, and land for any of the purposes authorized by law;
25. to lease to or from any person, firm, corporation, association or body, public or private, facilities or property of any nature to carry out any of the purposes authorized by law or this Document;



26. to borrow money and issue bonds, certificates, warrants, notes, obligations, or other evidence of indebtedness;
 27. to apply for, accept, and receive grants, loans, and subsidies from any governmental, non-governmental or private entity for the acquisition, construction, operation, and maintenance of the Authority's facilities;
 28. to the extent allowed by law and to the extent required to effectuate the purposes of this Document, to exercise all privileges, immunities, and exemptions accorded under the provisions of the constitution and laws of the New Mexico;
 29. to invest its moneys in such investments as directed by the Board of Directors in accordance with the law, consistent in all instances with the applicable provisions of any financing documents;
 30. to purchase such insurance as it deems appropriate; and
 31. to do all acts and to exercise all powers necessary, convenient, incidental, implied, or proper, both within and outside of the service area limitations of the Authority, in connection with any of the powers, duties, obligations or purposes authorized by this Document or by law; and exercising all rights and powers necessary, incidental, or implied from the specific powers granted in this section.
- B. The Board of Directors shall hire a person to act as the General Manager of the Authority having such official title, functions, duties, and the powers as the Board of Directors deem necessary. The General Manager is the only employee of the Authority that shall be supervised by and shall answer to the Board of Directors. The General Manager's responsibility is to take all actions to carry out the operation and management of all functions of the Authority.



- C. In exercising the powers conferred by this Document, the Board of Directors shall act by resolution or motion made and adopted at duly noted and publicly held meetings in conformance with applicable law.
- D. Nothing herein shall be construed to grant the Authority the jurisdiction to regulate the services or rates of any investor owned utility or any governmental utility established or operating within the established boundaries of the Authority.

SECTION 2.07. ADOPTION OF RATES, FEES, ASSESSMENT AND CHARGES.

- A. The Board of Directors shall authorize and adopt, by resolution, policies setting forth schedules of rates, fees, assessments, or other charges for the use of the services, facilities, and products of the Authority required to be paid by each user connected to or provided service by the Authority.
- B. Such rates, fees and charges shall be adopted and revised so as to provide moneys, which, with other funds available for such purposes, shall be at least sufficient at all times to pay the expenses of operating, managing, expanding, improving and maintaining the Authority Facilities, including renewal and replacement reserves for such Authority Facilities, to pay costs and expenses provided for by law, financing documents, and to pay the principal and interest on the indebtedness as the same shall become due and reserves therefore and to provide a reasonable margin of safety over and above the total amount of such payments. Notwithstanding any other provision in this Document, such rates, fees and charges shall always be sufficient to comply fully with any operating expenses and reserve set asides contained in the financing documents.
- C. The assessments, rates, fees or charges adopted shall be extended to cover any additional users thereafter served which shall fall within the same category, without the necessity of any further meeting or notice.



- D. The Board of Directors may appoint the General Manager, a member of the Board of Directors, committee member(s), or special appointee(s) to conduct a rate study as needed and to conduct public meetings on its behalf relating to rates, fees, charges and assessments. It is, however, always the Board of Director's duty to set, adopt, and revise rates, fees, charges, and assessments.

SECTION 2.08. UNPAID FEES AND OTHER CHARGES SHALL CONSTITUTE A LIEN ON PROPERTY OWNER'S PROPERTY.

- A. In the event that the fees, rates, assessments, and other charges, including impact fees, for the use of the services, facilities, and products of the Authority shall not be paid when due, any unpaid balance and all accrued interest shall be a lien on any parcel or property to which the services were provided, as provided by law.
- B. In the event that any such fees, rates, assessments or charges, including impact fees, shall not be paid when due and shall be in default for more than sixty (60) days, the unpaid balance and any accrued interest accrued, together with attorney's fees and costs, may be recovered by the Authority in a civil action.

SECTION 2.09. REGIONAL WATER SUPPLY PLANNING

- A. The Authority and each community served by the Authority shall aspire and expect to cooperate with each other over time and advance to a regional water supply plan and to avoid competition for water supplies. This Document provides a means and ability to achieve such objectives.
- B. The Authority shall develop and periodically update a regional water supply plan encompassing the jurisdictions of the Authority, which plan may include, but is not limited to, consolidated water demands, water supply resources and facilities, individual water supply projects, regional ground and surface water and distribution system modeling, and other information to facilitate Authority



regional planning for water supplies. The Authority's Forty Year Water Plan should be reviewed and/or updated at a minimum once every five years.

- C. At least annually during the development of its Infrastructure Capital Improvement Plan, the Authority shall seek proposals and recommendations for new infrastructure Projects, and or modifications, additions or deletions to existing Projects. The Authority encourages its members throughout the year to submit a proposal or recommendation for a new Project to the Authority for its consideration.

SECTION 2.10. MERGER.

- A. By a resolution passed by a majority of the Board of Directors, the Authority may allow other utilities, including mutual domestics, private and public utilities and special districts that are interested in becoming part of the Authority to merge into the Authority.
- B. A merger process may be initiated by a petition to the Authority Board of Directors from the merging entity expressing the desire to become part of the Authority. As part of the merger plan, the merging entity must present a dissolution plan which shall include a dissolution time frame. The Authority will use the time frame to determine if redistricting may be needed in order to allow the merger of the petitioning entity.

SECTION 2.11. DISTRICTING. The Authority shall consist initially of five voting districts. The initial and any subsequent redistricting shall be conducted in accordance with the Local Election Act in such manner that all districts shall have equal member representation. A redistricting process shall be initiated as required under the Local Elections Act set forth in NMSA 1978, §§ 1-22-1 et seq. (2018) or when a change in the number of voting members within any of the existing districts due to natural growth or the addition of new members due to a merger, results in unequal representation between any of the districts by more than 20%. At no point in time shall the Authority have more than seven (7) voting districts.



SECTION 2.12. GOVERNANCE DOCUMENT AMENDMENTS. Amendments to this document may be drafted by the General Manager or designee if directed by the Board, or may be proposed by a Review Committee created by a majority vote of the Board of Directors. The Committee will be established to examine the provisions of the Document and recommend amendments they propose are needed. The Committee shall submit recommendations to the Board in an official format as determined by the Board. The Authority shall hold a public hearing concerning amendment of the Governance Document; however, no public hearing shall be held if the amendment is solely for the purpose of complying with the applicable statutes. Proposed amendments may be adopted by the Board of Directors by Resolution ~~as approved by the Board shall be submitted for membership vote during the next regular or a special election.~~ If the provisions of this document are superseded by statute, the Board of Directors may, by resolution, amend this Governance Document for the purpose of compliance with the applicable statute.

SECTION 2.13. SEVERABILITY. If any section, subsection, clause, phrase, or portion of this Governance Document is determined by a court of law to be illegal or invalid, such holding shall not affect the validity of the remaining provisions of this Document.

This Governance Document was duly adopted by the Board of Directors on Wednesday, October 20, 2010, 6:30 p.m. and amended by member vote during the Lower Rio Grande Public Water Works Authority regular elections conducted by the Doña Ana County Clerk's Office on Tuesday, April 2, 2013 ~~and on Tuesday, November 5, 2019.~~ and by Resolution Number FY2020-12 adopted by the Board of Directors at a regular monthly meeting on October 16, 2019.

~~Robert Nieto~~ Mike McMullen, Chairperson

Seal:

Esperanza Holguin ~~Santos Ruiz~~, Secretary

FARM RENTAL AGREEMENT

This agreement is entered into by the Lower Rio Grande Public Water Works Authority, Owner, and David J. Martinez, Tenant effective December 12, 2019 for a period of one year.

For and in consideration of the covenants and agreements contained herein, to be kept and performed by both Parties to this agreement, the farm containing more or less thirty (30) acres, as represented by the Plat attached hereto, is hereby rented for the 2019 crop year. The rent is \$7,500 and is due and payable within 10 days after the first cutting, but no later than May 30, 2019. and can be mailed to Owner at 325 Holguin Road, Vado NM 88072, or delivered to Owner's office at 215 Bryant, Mesquite NM 88048.

Owner is responsible for payment of Elephant Butte Irrigation District irrigation water levies, and the Owner is exempt from the regular property taxes. Owner is also responsible for major repairs to the irrigation well and pump-motor. Tenant is to pay charges by Zia Gas for fuel to run the irrigation pump-motor and for minor repairs and maintenance and upkeep to the irrigation well and pump-motor.

Tenant agrees to not sub-let the property to any other person without the consent of Owner, and to use good farming practices and techniques, to use reasonable care in controlling weeds, and to use reasonable care and maintenance of the irrigation pump motor. Tenant agrees to not grow any illegal crops or use the property for any illegal purposes. Tenant agrees to not pump more water than is allocated and that the amount that can be pumped depends on the amount allotted the E.B.I.D. Total pumped and from E.B.I.D. is not to exceed 130.59 acre feet per year.

Owner's Authorized Representative:

Tenant:

Martin G. Lopez, General Manager
martin.lopez@lrgauthority.org
325 Holguin Rd., Vado NM 88072
575-571-3628

David Martinez
DJmartinez94@hotmail.com
PO Box 82, La Mesa NM 88044
575-621-7376

Date: _____

Date: _____