



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 2

Date: 9-15-21

Time: 9:30

Places: East Mesa

Event: Reg Board Meeting

SIGNATURE	Print Name, Title, Company	Contact Information Phone Number	Email Address
	MARTIN Lopez, GM LRG Authority	575 573 628	martin.lopez@lrgauthority.org
	Espy Holger chair	575-644-9543	EspyHolger
	Glory Juarez REGUA	575-494-2150	gloryannjuar+2@gmail.com
	FURMAN SMITH	575 382 5982	SMITHF@ZIANET.COM
	Kathi Jackson	575 640-4330	Kathi.jackson@lrgauthority.org
	JOHN SCHROEDER	575-233-5742	JOHN.SCHROEDER@lrgauthority.org
	JOSE EVANS	575-618 0182	
	michael Lopez	575-635-3921	
	Patricia Charles	575-233-5742	patty.charles@lrgauthority.org
	Karen Nichols, LRG Proj. Mgr	915 203 2057	Karen.nichols@lrgauthority.org
	Paul Smith	505-710-4671	p956933@yahoo.com



Date: September 15, 2021

Time: 9:30 a.m.

Places: East Mesa Office

Event: Regular Board Meeting

Name	Company Name	Contact Information Phone Number	Email Address
Henry Magallanez	LRG-Board Director	575-525-9683	
Josh Smith	LRGPWWA Attorney	575-528-0500	
Lilla Reid	Souder, Miller & Associates	575-647-0799	
Tyler Hopkins	Bohanno Huston	575-532-2670	
Marty Howell	Souder, Miller & Associates	575-647-0799	
Silvia Ulloa			

LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY

Draft Minutes —REGULAR BOARD OF DIRECTORS MEETING

9:30 a.m. Wednesday, September 15, 2021 ONLINE VIA ZOOM and In-Person at

LRGPWWA East Mesa Office, 9774 Butterfield Blvd., Las Cruces NM 88011

Contact us at 575-233-5742 or board@LRGauthority.org for information, assistance, or to subscribe to email board meeting reminders. Email the board address or dial extension 1021 or 1018 and leave a message if requesting phone or log-in information for online meetings. Agendas are final 72 hours prior to the meeting and may be obtained at any LRGPWWA Office or at www.LRGauthority.org/noticesavisos.html

- I. **Call to Order, Roll Call to Establish Quorum:** Chair Mrs. Holguin called the meeting to order at 9:32 a.m. Mr. P. Smith representing District #1 was present, District #2 vacant, Mr. Evaro representing District #3 was present, Mrs. Holguin representing District #4 was present, Mr. Magallanez representing District # 5 was present via Zoom, Mrs. Juarez representing District #6 Juarez was present, Mr. F. Smith representing District #7 was present. Staff present were General Manager Martin Lopez, Projects Manager Karen Nichols, Projects Specialist Patricia Charles, Finance Manager Kathi Jackson, Accounting Assistant John Schroder, Operations Manager Mike Lopez and Josh Smith LRGPWWA Attorney. Guests present were Lilla Reid & Marty Howell from Souder Miller & Associates, Tyler Hopkins from Bohannon Huston and Silvia Ulloa.
- II. **Pledge of Allegiance:**
- III. **Oath of Office: Glory Juarez, District 6 Director:** Mr. Lopez read the Oath of Office to Mrs. Juarez. Mrs. Juarez accepted the oath of office.
- IV. **Motion to approve Agenda:** Mr. F. Smith made the motion to approve the agenda. Mr. Evaro seconded the motion, the motion passed with all in favor.
- V. **Approval of Minutes: Motion to approve the minutes of the August 18, 2021 Regular Board Meeting:** Mr. Evaro made the motion to approve the minutes for the August 18, 2021 Regular Board Meeting. Mr. F. Smith seconded the motion, the motion passed with all in favor.
- VI. **Presentations:** NONE
- VII. **Public Input:** NONE
- VIII. **Managers' Reports**
 - A. **General Manager:** Mr. Lopez provided a written report and stood for questions. Our legal firm has dissolved; we will continue with Mr. Josh Smith. At our next meeting he will be requesting authorization to initiate a project to address Iron and Manganese issues in the Valle Del Rio and Brazito water systems. They are secondary drinking water contaminants, so grant fundings may be limited, we might have to take on some debt. Karen and I will be the keynote speakers at an RCAC Regionalization Summit on September 22nd.
 - B. **Finance:** Ms. Jackson provided a written report and stood for questions. She reported that revenues for the month of August 2021 were \$437,244.00 and expenses were \$371,685.00 ending

with a bit of a surplus. Finance department has been busy with providing samples and answering questions for the Audit. There were no large expenditures in August.

- C. **Projects:** Ms. Nichols provided a written report and stood for questions. The South Valley Water Supply & Treatment Project, this project for Berino area and is for a new well and arsenic treatment plant, there were 3 bids for this project. This project will be very short in funding. She has almost completed the application for additional funds at USDA-RD for close to \$900,000.00. Tyler Hopkins with Bohannon Huston said the cost was much higher than previously forecasted. Funding for this project was secured years ago and the cost of construction is much higher now.
- D. **Operations:** Mr. Mike Lopez provided a written report and stood for questions. We have had a lot of erosion problems with the heavy rains, a dam broke above Calle Al Rumbo in Berino. It did not affect the distribution system in that area as it has in the past. We want to contact DAC to see if they know who owns the dam. We used considerably less water in August this year than last year. People have gone back to work and the rain have helped with the low usage.

IX. **Unfinished Business:** NONE

X. **New Business:**

- A. **Award of Construction Contract for S. Valley Water Supply & Treatment Project:** Ms. Nichols mentioned that this item needs to be postponed. A Special Board Meeting will be needed for this project and possibly for the Central Office Project. Mrs. Holguin asked that Ms. Nichols give her some dates so the Special meeting can be setup.
- B. **Motion to adopt Resolution #FY2022-08 Authorizing CIF-5535 Colonia's Infrastructure Grant/Loan Agreement for East Mesa Water System Improvements Phase II Design Project:** East Mesa Phase I Design is complete and approved. This resolution is for Phase II Design. Mr. F. Smith made the motion to adopt Resolution #FY2022-08 authorizing FIC-54535 Colonia's Infrastructure Grant/Loan Agreement. Mr. Evaro seconded the motion, the motion passed with all in favor.
- C. **Motion to adopt Resolution #FY2022-09 Authorizing CIF-5536 Colonia's Infrastructure Grant/Loan Agreement for High Valley Water System Improvements Phase III:** This project is for the small community near Vado with 24 connections. Phase I has been completed, Phase II is construction. This is Phase III, she asked Marty Howell from Souder, Miller & Associates to add to the update. Mr. Howell said they rehabbed their existing well with Phase I. Drilling a new well with Phase II and connecting to neighboring system Vista Del Rey. Phase III will replace the old booster system; replace the building it is in and take the old tank this is there out. Mr. Magallanez made the motion to adopt Resolution #FY2022-09 authorizing CIF-5536 Colonia's Infrastructure Grant/Loan Agreement. Mrs. Juarez seconded the motion, the motion passed with all in favor.
- D. **Motion to adopt Resolution #FY2022-10 Authorizing RCAC Interim Loan Application for Mesquite-Brazito Sewer Project:** Mr. Lopez said we already have the funding in place from USDA. But the new process requires that we have a bridge loan in place now. Ms. Nichols said USDA-RD's authorization to bid was received 8/31/21 and rescinded on 9/1/21 because our RCAC interim loan for construction was not yet in place. Mr. F Smith made the motion to adopt Resolution #FY2022-

10 authorizing RCAC Interim Loan Application. Mr. Evaro seconded the motion, the motion passed with all in favor.

- E. Motion to adopt Resolution #FY2022-11 Authorizations for SAP 21-F2723-STB - Central Operations Facility Project:** Ms. Nichols said this resolution is for the Capital Outlay for the Central Office Building Project for 1.2 million dollars. Additional DWSRLF funds (\$300K) are in process at NMFA. Ms. Fuller from Wilson & Co. has met with the low bidder to begin negotiations. Mr. Evaro made the motion to adopt Resolution #FY2022-11 authorization for SAP 21-F2723-STB. Mr. F Smith seconded the motion. The motion passed with Mr. F Smith, Mr. P Smith, Mr. Magallanez and Mr. Evaro with yes and Mrs. Holguin and Mrs. Juarez abstained to vote due to conflict of interest.
- F. Motion to convene in closed session pursuant to NMSA 1978 10-15-1 H.8 regarding the acquisition of real property or water rights:** Mr. F Smith made the motion to convene to closed session at 10:24 a.m., Mr. Evaro seconded the motion, the motion passed with all in favor.
- i. **Roll Call Vote:** District #1 (Mr. P. Smith) **yes**, #2 (Vacant), #3 (Mr. Evaro) **yes**, #4 (Mrs. Holguin) **yes**, #5 (Mr. Magallanez) **yes**, #6 (Mrs. Juarez) **yes**, #7 (Mr. F. Smith) **yes**
 - ii. **Motion to reconvene in open session:** Mr. P Smith made the motion to reconvene in open session at 10:39 a.m., Mr. Evaro 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:* Chair, Mrs. Holguin stated that the matters discussed in the closed meeting were limited only to those specified in the motion for closure.
 - iv. **Motion to approve CVE North America, Inc. Ground Lease and Easement Agreement:** Mr. F Smith made the motion to approve CVE North American, Inc. Ground Lease & Easement Agreement. Mr. Magallanez seconded the motion, the motion passed with all in favor.
 - v. **Motion to approve a merger with Rincon Water Co-op contingent upon their successful conversion to a mutual domestic water consumers association and execution of a joint resolution for merger with the Lower Rio Grande Public Water Works Authority:** Mr. P Smith made the motion to approve a merger with Rincon Water Co-Op contingent upon their successful conversion to a mutual domestic water consumers association & execution of a joint resolution for merger with the Lower Rio Grande Public Water Works Authority. Mr. F Smith seconded the motion, the motion passed with all in favor.
 - vi. **Other motions pertaining to the closed session if any:** NONE
- XI. Other discussion and agenda items for next meeting at 9:30 a.m. Wednesday, October 20, 2021 at the East Mesa Office:**

- A. Have any Board Members participated in training? If so, please give us a copy of your certificate
- B. Terminations of Memberships
- C. 1st Quarter Budget Resolution
- D. GM Evaluation
- E. Please turn in your Board Member Handbook to Patty no later than the November 10th meeting so we can update it.

XII. Motion to Adjourn: Mr. F Smith made the motion to adjourn the board meeting at 11:12 a.m. Mr. Evaro seconded the motion, the motion passed with all in favor.

These minutes will be presented to the board for approval on the 20th Day of October, 2021 at a regular meeting of the Board of Directors:

SEAL:

Esperanza Holguin, Board Chair

Attest:

Joe Evaro, Secretary



www.LRGauthority.org

LOWER RIO GRANDE

Public Water Works Authority

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

Oath of Office

I, **Glory Ann Juarez**, do solemnly swear that I will support the Constitution of the United States and the Constitution and the laws of the State of New Mexico and that I will faithfully and impartially discharge the duties of the office of Director of the Lower Rio Grande Public Water Works Authority on which I am about to enter, to the best of my ability, so help me God.

District 6 Term ends Dec. 31, 2023

Appointee's Signature

Subscribed and sworn to be this 15th day of
September, 2021

Signature

Title

My commission/term expires _____

LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY

Meeting Notice & Agenda—REGULAR BOARD OF DIRECTORS MEETING

9:30 a.m. Wednesday, September 15, 2021 ONLINE VIA ZOOM and In-Person at

LRGPWWA East Mesa Office, 9774 Butterfield Blvd., Las Cruces NM 88011

Contact us at 575-233-5742 or board@LRGauthority.org for information, assistance, or to subscribe to email board meeting reminders. Email the board address or dial extension 1021 or 1018 and leave a message if requesting phone or log-in information for online meetings. Agendas are final 72 hours prior to the meeting and may be obtained at any LRGPWWA Office or at www.LRGauthority.org/noticesavisos.html

- I. Call to Order, Roll Call to Establish Quorum: District #1 (Mr. P. Smith) __, #2 (Vacant) __, #3 (Mr. Evaro) __, #4 (Mrs. Holguin) __, # 5 (Mr. Magallanez) __, District #6 (Mrs. Glory Ann Juarez) __, #7 (Mr. F. Smith) __
- II. Pledge of Allegiance
- III. Oath of Office: Glory Juarez, District 6 Director
- IV. Motion to approve Agenda
- V. Approval of Minutes: Motion to approve the minutes of the August 18, 2021 Regular Board Meeting
- VI. Presentations: NONE
- VII. Public Input - 15 minutes are allotted for this item, 3 minutes per person
- VIII. Managers' Reports
 - A. General Manager
 - B. Finance
 - C. Projects
 - D. Operations
- IX. Unfinished Business
- X. New Business
 - A. Award of Construction Contract for S. Valley Water Supply & Treatment Project
 - B. Motion to adopt Resolution #FY2022-08 Authorizing CIF-5535 Colonia's Infrastructure Grant/Loan Agreement for East Mesa Water System Improvements Phase II Design Project
 - C. Motion to adopt Resolution #FY2022-09 Authorizing CIF-5536 Colonia's Infrastructure Grant/Loan Agreement for High Valley Water System Improvements Phase III
 - D. Motion to adopt Resolution FY2022-10 Authorizing RCAC Interim Loan Application for Mesquite-Brazito Sewer Project
 - E. Motion to adopt Resolution #FY2022-11 Authorizations for SAP 21-F2723-STB - Central Operations Facility Project

- F. Motion to convene in closed session pursuant to NMSA 1978 10-15-1 H.8 regarding the acquisition of real property or water rights.
- i. Roll Call Vote: District #1 (Mr. P. Smith) _____, #2 (Vacant) _____, #3 (Mr. Evaro) _____, #4 (Mrs. Holguin) _____, #5 (Mr. Magallanez) _____, #6 (Mrs. Juarez) _____, #7 (Mr. F. 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 to approve CVE North America, Inc. Ground Lease and Easement Agreement.
 - v. Motion to approve a merger with Rincon Water Co-op contingent upon their successful conversion to a mutual domestic water consumers association and execution of a joint resolution for merger with the Lower Rio Grande Public Water Works Authority
 - vi. Other motions pertaining to the closed session if any.

XI. Other discussion and agenda items for next meeting at 9:30 a.m. Wednesday, October 20, 2021 at the East Mesa Office.

- A. Have any Board Members participated in training? If so, please give us a copy of your certificate
- B. Terminations of Memberships
- C. 1st Quarter Budget Resolution
- D. GM Evaluation
- E. Please turn in your Board Member Handbook to Patty no later than the November 10th meeting so we can update it.

XII. 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 LRGPWVA 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 LRGPWVA 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 LRGPWVA, 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 LRGPWVA si es necesario un resumen u otro tipo de formato accesible.

LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY

Minutes —REGULAR BOARD OF DIRECTORS MEETING

9:30 a.m. Wednesday, August 18, 2021 ONLINE VIA ZOOM

Contact us at 575-233-5742 or board@LRGauthority.org for information, assistance, or to subscribe to email board meeting reminders. Email the board address or dial extension 1021 or 1018 and leave a message if requesting phone or log-in information for online meetings. Agendas are final 72 hours prior to the meeting and may be obtained at any LRGPWWA Office or at www.LRGauthority.org/noticesavisos.html

- I. **Call to Order, Roll Call to Establish Quorum:** Chair Mrs. Holguin called the meeting to order at 9:33 a.m. Mr. P. Smith representing District #1 was present, District #2 is vacant, Mr. Evaro representing District #3 was present, Mrs. Holguin representing District #4 was present, Mr. Magallanez representing District # 5 was present, District #6 is vacant, Mr. F. Smith representing District #7 was present. Staff present were General Manager Martin Lopez, Projects Manager Karen Nichols, Finance Manager Kathi Jackson, Projects Specialist Patricia Charles, Accounting Assistant John Schroder, Operations Manager Mike Lopez and Josh Smith LRG Attorney. Guest present were Henry Torres, High Valley Customer, Lilla Reid from Souder, Miller & Associates, Tyler Hopkins from Bohannon Huston and Filiberto Castorena from HDR Engineering.
- II. **Pledge of Allegiance:** postponed due to online meeting
- III. **Motion to approve Agenda:** Mr. P. Smith made the motion to approve the agenda. Mr. F. Smith seconded the motion, the motion passed with all in favor.
- IV. **Approval of Minutes:** Motion to approve the minutes of the July 21, 2021 Regular Board Meeting. Mr. F. Smith made the motion to approve the minutes of the July 21, 2021 regular board meeting. Mr. Magallanez seconded the motion, the motion passed with all in favor.
- V. **Presentations:** none
- VI. **Public Input:**
 - A. **Kayla Gill regarding policy and fees for opening a new account,** Mrs. Gill was not present at the meeting.
- VII. **Managers' Reports**
 - A. **General Manager:** Mr. Lopez provided a written report and stood for questions. Staff continues to coordinate customer DAC Sewer Accounts verifying service, account names and address, balances and payment agreements. 90% of accounts are done, just waiting on DAC to provide more information regarding any additional accounts. The first billing has been sent out and most of the delinquent accounts are on a payment plan. He authorized operations staff to assist Rincon Water with a line break on July 29th. We will be invoicing them for labor, equipment used, mileage and any materials used. The attorneys have determined that Rincon Water will need to reorganize into a Mutual Domestic to simplify merger into the LRGPWWA, should the merger be authorized by Rincon membership and board and approval from LRGPWWA Board. An NMSU group will be painting a mural on one of the Vado tanks, which is inactive, he thinks it is a good idea. Proposed

subdivision Mountain Valley in Berino will have their hearing in front of DAC Planning & Zoning on August 26th, he will be attending the hearing. Ms. Nichols has been selected to the NM Board of Licensure for Professional Engineers & Professional Surveyors as a Board Member. A reminder that our offices will be closed for Labor Day on September 6, 2021.

- B. Finance:** Ms. Jackson provided a written report and stood for questions. There is not much to report for the one month into the new fiscal year, but revenues were \$363,000.00 and expenses were \$343,000.00. They have been working on getting the DAC sewer customers setup and settled into our system. She is finishing up last years budget and is about ready to send it out to the auditor.
- C. Projects:** Ms. Nichols provided a written report and stood for questions. South Valley Water Supply Project is out to bid and bid opening will be 9-2-21. Funding analysis shows a major funding shortfall, and she is working on a new online application for additional funds. Central Office Building Project, the Engineer has scheduled a meeting with the low bidder to begin negotiations. Stern Drive Waterline Extension Project, she applied for Capital Outlay, the governor signed the bill. The Grant Agreement/Signatory Authority Resolution and authorization to issue RFP are on today's agenda. Mesquite Wetlands Closure this project is pretty much done. There is some money left over to be used for fence repairs. The contractor declined the work, so Bohannon Huston will find a fencing company to do the work. She has been selected to NM Board of Licensure for Professional Engineers & Professional Surveyors as a board member. She already served on her first Committee meeting and will have her first board meeting next week.
- D. Operations:** Mr. Lopez provided a written report and stood for questions. We have had some problems with all the rain recently. Mrs. Holguin asked if we had sustained any major losses due to the rains. There is going to be a survey put out for utilities to see what kind of damage was sustained in the area. The Governor declared an Emergency Disaster in our area. Mr. Lopez said we had some issues with erosion, which uncovered and exposed some water lines.

VIII. Unfinished Business: Appointment of Directors for Districts 2 & 6:

1. Henry Torres – Letter of interest for District 2
2. Glory Ann Juarez – Letter of interest for District 6

Mr. Lopez said he had two requests for appointments on for District 2 and one for District 6. Mr. Torres was interested in joining the board of directors for District 2. He is very well qualified and was at one time on the board of directors for High Valley Water System. But he had to be disqualified because he is currently employed by Vista Del Rey which is a conflict of interest as per our Governance Policies. Mr. Torres could not be appointed to District 2 due to Governance Documents Section 2.03. Mr. Torres said he was disappointed, but understood why he was disqualified. He said if his circumstances changed, he would like to try again. Mrs. Holguin said if when he retires, he would be welcome to try again. Mr. Torres said he would do that. The second person interested is Glory Ann Juarez for District 6. Mrs. Holguin said she knows Mrs. Juarez personally. Mrs. Juarez worked for Luna County for 18 years and is very well qualified as well. Mr. Lopez said for full disclosure, Mrs. Juarez is married to one of Wilson & Companies employees. He spoke to LRG attorney to see if there was any problem there. There is no problem, but Mrs. Juarez will have to abstain from voting on anything that involves Wilson & Company. Mrs. Holguin asked if all board members had any question and asked for a motion to approve the appointment of Mrs.

Juarez as District 6 Board Member for LRGPWWA. Mr. Magallanez made the motion to appoint Mrs. Juarez to District 6. Mr. P. Smith seconded the motion, the motion passed with all in favor.

IX. New Business

- A. Discussion on Administrative fee for new service:** Mr. Lopez said on July 1, 2021 he introduced and was approved by the board, an administrative fee of \$200.00 for property buyers. The intent of this fee is to address some of the costs of servicing an account over the long term. It is a mechanism to recuperate fees like locking, unlocking, deactivating, activating, beginning or ending meter readings, removal of meter, preparing credit histories for previous owners. This was under discussion because we had a new member objecting to it at our last meeting.
- B. Selection of Engineering Firm for Valle Del Rio Phase II Water System Improvements Project:** Ms. Nichols said this RFP was issued due to expiration of the original engineering contract for this project. One proposal was received from Souder, Miller & Associates, who actually completed phase 1 of this project. The RFP Committee declined to meet because no other proposals were received. Their recommendation is to select Souder, Miller & Associates for the remainder of the Valle Del Rio Phase II Water System Improvements Project. Mr. F. Smith made the motion to select Souder, Miller & Associates to complete Phase II Water System Improvements Project. Mr. Evaro seconded the motion, the motion passed with all in favor.
- C. Motion to adopt Resolution FY2022-06 Adopting an Infrastructure Capital Improvements Plan for FY2023 – FY2027:** Ms. Nichols said there was a copy of the final ICIP in the board packet it has not changed significantly since the last time we looked at it. The deadline to submit it to the State is Sept. 3, 2021. She would like to thank Tiffany Goolsby for all her help with this. We had a public meeting at the East Mesa office on the 10th and one at the Vado office on the 11th of this month. We actually had public participation this year, which was great. Mr. Magallanez made the motion to adopt an Infrastructure Capital Improvements Plan for FY2023-FY2027. Mr. Evaro seconded the motion, the motion passed with all in favor.
- D. Motion to adopt Resolution FY2022-07 Assignment of Officers and Agents for SAP 21-F2026-STB:** Ms. Nichols said this resolution is to adopt the grant agreement and to assign officers and agents for the Capital Outlay, the amount for this is \$175,000.00. Mr. F. Smith made the motion to adopt resolution FY2022-07 assigning officers and agents for Capital Outlay. Mr. Magallanez seconded the motion, the motion passed with all in favor.
- E. Motion to authorize RFP for Stern Drive Line-Extension Project:** Ms. Nichols said Souder Miller & Associates completed the design for this project, we could select them to do this project under the small projects RFP. But the amount of Engineering fee will be pretty close to the procurement limit. So, it is best if we go ahead and issue an RFP. Mr. Magallanez made the motion to authorize RFP for Stern Drive Line-Extension Project. Mr. P. Smith seconded the motion, the motion passed with all in favor.
- F. Motion to convene in closed session pursuant to NMSA 1978 10-15-1 H.8 regarding the acquisition of real property or water rights:** Mr. Magallanez made the motion to convene in closed session at 10:18 a.m. Mr. P Smith seconded the motion, the motion passed with all in favor.

- i. **Roll Call Vote:** District #1 (Mr. P. Smith) **yes**, District #2 is vacant, #3 (Mr. Evaro) **yes**, #4 (Mrs. Holguin) **yes**, #5 (Mr. Magallanez) **yes**, District #6 vacant, #7 (Mr. F. Smith) **yes**.
- ii. Motion to reconvene in open session. Mr. Magallanez made the motion to reconvene in open session at 10:42 a.m. Mr. F. Smith 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.* Chair, Mrs. Holguin stated that 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:** none

X. Other discussion and agenda items for next meeting at 9:30 a.m. Wednesday, September 15, 2021 at the East Mesa Office.

- A. Have any Board Members participated in training? If so, please give us a copy of your certificate
- B. Districts 3, 4, 5 & 7 expire in 2021, and 2 & 6 are vacant. **Election Day is 11/2/21**

Regular Local Election – Candidate Filing Day - August 24 @ 9:00 am - 5:00 pm

Candidates interested in running for a position on the Regular Local Election ballot must file at the Doña Ana County Clerk’s Office on August 24th between 9:00 am and 5:00 pm. For more information, please visit <https://www.sos.state.nm.us/candidate-and-campaigns/how-to-become-a-candidate/2021-local-election-candidate-guide/> ; call the Clerk’s office at (575) 647-7428; or email elections@donaanacounty.org

Details: Date: August 24 Time: 9:00 am - 5:00 pm

Venue:

Doña Ana County Clerk’s Office
845 Motel Blvd Las Cruces, New Mexico 88007 Phone: 575-647-7428

- C. Termination of Membership
- D. Oath of Office for Mrs. Juarez (District 6)

XI. Motion to Adjourn: Mr. Magallanez made the motion to adjourn the Board Meeting at 10:42 a.m. Mr. F. Smith seconded the motion, the motion passed with all in favor.

These minutes will be presented to the board for approval on the 15th Day of September, 2021 at a regular meeting of the Board of Directors:

SEAL:

Esperanza Holguin, Board Chair

Attest:

Joe Evaro, Secretary

LRGPWWA
Manager's Report
September 15, 2021

- Began renewal process for Insurance Policies
- Our legal firm has dissolved; we will continue with Mr. Smith
- Staff continues to work with County on the sewer accounts
- USDA Rural Development Annual Report has been submitted
- At next meeting I will be requesting authorization to initiate a project to address Iron and Manganese issues in the Valle Del Rio and Brazito water systems. These are secondary drinking water contaminants, so grant funding may be limited.
- Karen and I will be the keynote speakers at an RCAC Regionalization Summit on September 22nd



Lower Rio Grande Public Water Works Authority

Income Statement

Group Summary

For Fiscal: FYE 2022 Period Ending: 08/31/21

AcctNumber	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
Revenue				
40000 - Operating Revenue	3,122,500.00	341,523.48	660,069.47	2,462,430.53
40001 - Activation & Connection Fees-Sewer	500.00	533.32	1,066.66	-566.66
40002 - Installation Fees	75,000.00	14,820.18	19,035.35	55,964.65
40003 - Activation & Connection Fees-Water	5,000.00	2,718.60	3,468.77	1,531.23
40005 - Backflow Testing	7,000.00	575.00	700.00	6,300.00
40006 - Tampering Fee/Line Breaks	0.00	117.88	117.88	-117.88
40007 - Delinquency Fee	75,000.00	7,100.00	13,200.00	61,800.00
40008 - Penalties-Water	75,000.00	7,819.16	15,924.74	59,075.26
40009 - Membership Fees	5,000.00	500.00	1,000.00	4,000.00
40010 - Impact Fees	40,000.00	5,515.98	13,707.71	26,292.29
40011 - Returned Check Fees	500.00	0.00	70.00	430.00
40012 - Credit Card Fees	12,000.00	1,534.00	3,108.00	8,892.00
40013 - Miscellaneous Revenue	200.00	35.00	50.00	150.00
40015 - Penalties-Sewer	6,000.00	2,228.82	2,978.91	3,021.09
40017 - Hydrant Meter Rental Fee	5,000.00	250.00	500.00	4,500.00
40019 - DAC Trash Coupons	1,000.00	66.00	132.00	868.00
40020 - Miscellaneous Revenue-Sewer	5,000.00	0.00	60.83	4,939.17
40025 - DAC Sewer Revenue	0.00	0.00	2,859.59	-2,859.59
45000 - Tower Rent	5,000.00	500.00	1,000.00	4,000.00
45005 - Fiscal Agent Fees	50,000.00	4,585.92	9,182.83	40,817.17
45010 - Interest	0.00	28.68	56.56	-56.56
45015 - Copy/Fax	100.00	7.00	17.50	82.50
45020 - Other Income	45,000.00	42,445.41	43,127.60	1,872.40
45022 - Annual Farm Rental	5,000.00	0.00	0.00	5,000.00
45025 - Contract Services	40,000.00	4,086.25	8,298.89	31,701.11
45030 - Transfers In	0.00	0.00	0.00	0.00
49000 - Recovered Bad Debts	0.00	253.27	500.00	-500.00
Revenue Total:	3,579,800.00	437,243.95	800,233.29	2,779,566.71
Expense				
60000 - Cost of Goods Sold-Sewer	1,000.00	0.00	0.00	1,000.00
60001 - Transfer to Reserves	0.00	10,000.00	20,000.00	-20,000.00
60005 - Accounting Fees	500.00	0.00	0.00	500.00
60010 - Audit	14,000.00	0.00	0.00	14,000.00
60020 - Bank Service Charges	15,000.00	3,301.32	5,777.54	9,222.46
60025 - Cash Short/Over	500.00	18.79	41.94	458.06
60026 - Computer Hardware	10,000.00	0.00	0.00	10,000.00
60030 - Dues and Subscriptions	3,000.00	1,215.56	2,403.56	596.44
60035 - Engineering Fees	60,000.00	19,328.37	19,328.37	40,671.63
60045 - Late Fees	1,000.00	0.00	0.00	1,000.00
60050 - Legal Fees	5,000.00	636.96	636.96	4,363.04
60055 - Legal Notices	2,500.00	82.75	482.50	2,017.50
60060 - Licenses & Fees	5,000.00	125.00	225.00	4,775.00
60065 - Meals	2,500.00	0.00	0.00	2,500.00
60075 - Permit Fees	1,500.00	0.00	1,830.48	-330.48

60080 - Postage	3,000.00	117.20	117.20	2,882.80
60090 - Professional Fees-Other	10,000.00	0.00	0.00	10,000.00
60100- Project Development	0.00	1,000.00	1,000.00	-1,000.00
60120 - Retirement Account Fees	6,500.00	0.00	1,398.93	5,101.07
60125 - Easments & Leases	10,000.00	0.00	0.00	10,000.00
60130 - Training	5,000.00	473.89	583.89	4,416.11
60140 - Travel:Airfare Per Diem	3,000.00	0.00	0.00	3,000.00
60150 - Travel:Lodging Per Diem	4,000.00	483.95	483.95	3,516.05
60155 - Travel:Meals Per Diem	2,000.00	0.00	0.00	2,000.00
60160 - Travel:Mileage/Parking Per Diem	1,500.00	0.00	0.00	1,500.00
60165 - Travel:Vehicle Rental Per Diem	1,000.00	0.00	0.00	1,000.00
60600 - Debit Service	148,000.00	8,967.57	15,949.64	132,050.36
60625 - Interest paid to NMED	14,000.00	0.00	0.00	14,000.00
60650 - Interest paid to NMFA	37,000.00	2,960.55	5,250.33	31,749.67
60675 - Interest paid to USDA	125,000.00	11,596.26	23,192.52	101,807.48
63000 - Regular Pay	1,120,000.00	88,836.12	217,716.68	902,283.32
63001 - Overtime	54,500.00	4,863.60	9,854.95	44,645.05
63006 - Holiday Pay	56,500.00	0.00	5,019.02	51,480.98
63007 - Sick Pay	50,000.00	6,714.85	12,560.20	37,439.80
63008 - Annual Leave Pay	118,000.00	4,189.95	15,305.46	102,694.54
63010 - 401K 10% Company Contribution	5,000.00	0.00	0.00	5,000.00
63020 - 401K Employee Contribution	2,000.00	0.00	0.00	2,000.00
63040 - Administrative Labor	5,000.00	0.00	0.00	5,000.00
63070 - Employee Benefits-401K Contrib	168,500.00	3,054.70	7,707.33	160,792.67
63100 - Insurance-Dental	12,500.00	1,183.50	2,367.00	10,133.00
63110 - Insurance-Health	250,000.00	24,967.06	49,934.12	200,065.88
63115 - Salaries: Insurance - Work Comp	15,000.00	1,381.00	2,763.00	12,237.00
63125 - Insurance: Life & Disability	12,500.00	0.10	37.45	12,462.55
63130 - Mileage	1,500.00	0.00	0.00	1,500.00
63135 - Drug Testing	500.00	35.00	35.00	465.00
63160 - Payroll Taxes-Medicare	20,500.00	1,516.72	3,776.54	16,723.46
63170 - Payroll Taxes-Social Security	80,500.00	6,485.48	16,148.27	64,351.73
63195 - Taxes, Liability, Insurance: Cobra Fee	0.00	75.00	150.00	-150.00
63200 - Vision Insurance	4,000.00	328.41	656.87	3,343.13
64100 - Sewer:DAC Waste Water Flow Charge	50,000.00	10,257.22	15,616.64	34,383.36
64200 - Sewer:Electricity-Sewer	9,000.00	1,408.86	1,908.35	7,091.65
64300 - Sewer:Lab & Chemicals-Sewer	10,000.00	2,856.20	3,570.20	6,429.80
64500 - Sewer:Supplies & Materials	28,500.00	0.00	0.00	28,500.00
64501 - Pre Paid Tank Site Lease	1,625.00	0.00	0.00	1,625.00
65010 - Automobile Repairs & Maint.	50,000.00	4,106.02	5,982.43	44,017.57
65230 - Computer Maintenance	70,000.00	28,785.10	32,330.39	37,669.61
65240 - Equipment Rental	2,500.00	259.63	259.63	2,240.37
65250 - Fuel	60,000.00	8,830.18	20,345.91	39,654.09
65255 - GPS Insights Charges	7,000.00	570.50	1,150.49	5,849.51
65260 - Kitchen & Cleaning Supplies	1,000.00	0.00	0.00	1,000.00
65270 - Lab Chemicals-Water	5,000.00	520.62	520.62	4,479.38
65275 - SCADA Maintenance Fee	2,000.00	0.00	0.00	2,000.00
65276 - Test Equipment Calibration	2,000.00	0.00	0.00	2,000.00
65277 - Generator Maintenance Contract	3,000.00	0.00	0.00	3,000.00
65278 - Meter Testing/Repair/Replacement	61,175.00	15.00	45.00	61,130.00
65280 - Lab Chemicals-Water:Chemicals	35,000.00	6,114.62	9,258.13	25,741.87
65300 - Locates	2,500.00	0.00	0.00	2,500.00
65310 - Maint. & Repairs-Infrastructure	65,000.00	40,171.45	40,779.63	24,220.37

65320 - Maint. & Repairs-Office	12,500.00	0.00	1,703.85	10,796.15
65330 - Maintenance & Repairs-Other	21,500.00	1,300.11	8,983.44	12,516.56
65340 - Materials & Supplies	94,000.00	4,709.44	11,205.91	82,794.09
65345 - Non Inventory-Consumables	50,000.00	8,261.21	13,524.53	36,475.47
65350 - Office Supplies	10,000.00	1,304.76	2,160.60	7,839.40
65360 - Printing and Copying	47,500.00	4,076.52	11,298.01	36,201.99
65370 - Tool Furniture	10,000.00	3,179.71	14,882.40	-4,882.40
65390 - Uniforms-Employee	15,000.00	1,361.87	2,221.22	12,778.78
65490 - Cell Phone	20,000.00	1,890.65	3,433.62	16,566.38
65500 - Electricity-Lighting	6,000.00	637.35	867.41	5,132.59
65510 - Electricity-Offices	15,000.00	2,269.64	2,801.14	12,198.86
65520 - Electricity-Wells	200,000.00	30,305.67	39,717.80	160,282.20
65530 - Garbage Service	3,000.00	220.08	440.16	2,559.84
65540 - Natural Gas	3,000.00	123.67	222.87	2,777.13
65550 - Security/Alarm	5,000.00	1,094.32	3,082.93	1,917.07
65560 - Telephone	20,000.00	1,614.60	3,348.64	16,651.36
65561 - Telstar Maintenance Contract	7,000.00	0.00	0.00	7,000.00
65570 - Wastewater	2,000.00	0.00	0.00	2,000.00
66200 - Insurance-General Liability	90,000.00	0.00	20,007.00	69,993.00
66700 - Water Conservation Fee	15,000.00	1,500.15	3,272.96	11,727.04
Expense Total:	3,579,800.00	371,684.81	717,676.61	2,862,123.39
Total Surplus (Deficit):	0.00	65,559.14	82,556.68	-82,556.68

**LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY
PROJECTS REPORT – 9/15/2021**

LRG-17-01 – Mesquite-Brazito Sewer Project 2 – Bohannon Huston, Inc. – Design Stage – USDA-RD LOC \$15,030,780 (\$6,189,000 Loan/\$8,030,000 Grant) –27th Request for Funds from RCAC bridge loan has been submitted. LOC documents were submitted 4/26/21. Closing instructions were receive from RD. RD Authorization to bid was received 8/31/21 and rescinded on 9/1/21 because our RCAC interim loan for construction was not yet in place, although we had requested it. A resolution for that loan application is on today’s agenda. Project 1 eleven-month warranty inspection was held 8/31/21, and there were a number of fairly minor compaction issues that need to be addressed.

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: RCAC loan was approved, and loan commitment has been extended twice. Project is out to bid, and bid opening was be 9/9/21. Latest funding analysis shows a major funding shortfall, and I am working on a new online application for additional funds that is a huge undertaking and basically re-creates the original application from the beginning. Bid award is on today’s agenda, but may need to be postponed.

LRG-17-01 – Water Master Plan – BHI - WTB #252/CDBG 19-C-NR-I-06-G-100 \$50,000 + \$60,000 LRG funds: Ninth draw on funding has been received. Final plan was schedule for completion 8/11/21, extended to 9/8/21, and is now set for next week.

LRG-17-02 – Central Office Building – Wilson & Co. - DW-4213 \$3,285,619 - SAP 21-F2723-STB \$1,200,000: Bids were opened on June 10, three bids were received, all of them exceed available funding, even including the \$1.2 million in Capital Outlay that is pending a grant agreement. Additional DWSRLF funds (\$300k) are in process at NMFA. After legal research regarding procurement, multiple emails, a phone call, and a Zoom meeting, Wilson & Co. has assigned Brigitte Fuller to manage the project, and she has met with the low bidder to begin negotiations. The resolution for the Capital Outlay Grant is on today’s agenda, but might be postponed if we don’t receive the paperwork from DFA. We should be receiving closing paperwork for the Drinking Water funds soon as well.

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: Project is on hold pending El Paso Electric Company work to install 3-phase power to the site. RFP Committee recommendation for engineering firm selection is on today’s agenda.

LRG-17-03 –East Mesa Water System Improvements Project – NMFA 3803-PG & 3804-PG \$93,307, 4915-CIF \$207,608 Loan/\$39544 Grant/\$9,562 Match – Design – DWSRLF application for Phase I construction has been submitted. Well permit and Dona Ana County ROW permits have been received. Final Requisitions and Close-Out documents have been submitted, but we may have \$5-6,000 revert if they will not reimburse us for the land purchase. Phase II Colonia’s Loan Resolution and closing documents are on today’s agenda.

LRG-18-01 Ph. II – High Valley Water System Improvements Ph. II & III Project – NMFA 4916-CIF \$630,384 Grant, \$111,244 Loan – Design & Construction – Souder, Miller & Assoc. – New well is under

construction. Drop-pipe material was changed because of previous issues with galvanized, and additional screen was added to increase production. Phase III Colonia's Loan Resolution and closing documents are on today's agenda.

LRG-18-02 – Stern Drive Waterline Extension Project – Design/Build – SMA - \$150,000 SAP – We applied for \$240,000 Capital Outlay, and the bill the governor signed contained \$175,000 for this project. \$100k was provided by Senator Cervantes, and \$75k by Representative Angelica Rubio. RFP Deadline is 10/4/21, and RFP Committee will meet on 10/7/21.

LRG-19-09 – S. Valley Service Area Line Extensions - SMA –We have Task Order with SMA to do community outreach to see where there is interest from potential new customers, and determine whether a PER is needed. SMA has identified potential locations and potential new customers and is working on cost estimates and phasing recommendations after confirming that the work would require a Technical Memo, not a PER. Report has been in internal review and is still pending.

LRG-20-01 – Mesquite Wetlands Closure – Plan/Design - BHI - \$250,000 SAP: Work from CO #3 is finished. We have \$12,947.30 remaining funds that will be used for fence repairs. The contractor has declined that work, and we will use a fence company.

LRG-21-01 – Vado Area Water System Improvements – Plan/Design/Construct – SMA - \$139,000 SAP 20-E4038-GFR – Third requisition has been submitted. Project is ready to bid pending modification of the contract documents to include bid alternates for addition valves, hydrants, and possibly sample stations.

Other projects:

NM 2021 Legislature: Legislative Report is final for 2021, Capital Outlay Report by sponsor has also been completed.

Infrastructure Capital Improvements Plan 2023-2027: ICIP has been submitted.

Reporting to Funding Agencies: Quarterly CIF Reports were submitted for 4thst Quarter, SAP monthly reporting is up to date.

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. One bin was sent out for shredding this month.

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

Training –I attended 2 NM-AGO trainings for public officials, and a NM DFA training on NMFA funding opportunities. Patty attended ICIP Public Lending Opportunities and ICIP NMEDD Recovery Resources.

As Needed Engineering Services - Currently we have one active Task Orders: Bohannon Huston, Inc. for a State Land Office lease renewal was completed, Task Order with Cobb Fendley for an NM DOT permit on Greatview Ct., and Souder, Miller & Associates Vado Dr. NM DOT permit Task Orders are complete. Task Order with Souder, Miller & Associates for an NM DOT permit on Greatview Ct. is still pending.

Collection & Lien Procedures - 311 first notifications, 320 certified letters have been sent and 133 liens have been filed to date. 53 liens have been released following payment in full of the account.

Water Audits –Most recent results are available on the boards website.

Rate Study – Implementation of rate adjustment began July 1, met with Karl Pennock, RCAC, to kick off the formal study.

Cyber Security Assessment – Final follow-up meeting with Karl Pennock, RCAC, was held on 7/14/21.

NM Board of Licensure for PEs & Surveyors – I have been appointed by the Governor to this board and assigned to the Professional Engineering Committee. Attended a committee meeting on 8/13/21, and will attend a board meeting on 8/26/21, and the next meeting is set for 9/20/21.

Lower Rio Grande PWWA

Operators Report

September 15, 2021

System Problems and Repairs.

- Backflow inspections are Current. (Mesquite District)
- For the month of August, we were issued 231 work and service orders.
- For the month of July, we were issued 255 work and service orders.
- For the month of August, we installed 7 new water service connections in the South Valley.
- We had Three main line break at Alto De las Flores.
- We had Two main line break at the East Mesa.
- We had Two main line break at Talavera MDWCA.
- We had Five Main line breaks in South valley area.
- We have had a lot of erosion problems with the heavy rains, and a dam broke above Calle Al Rumbo however it did not effect the distribution system in that area as it did in the past.
- We are installing a Gas Chlorine system at the El Centro well at the East Mesa System.

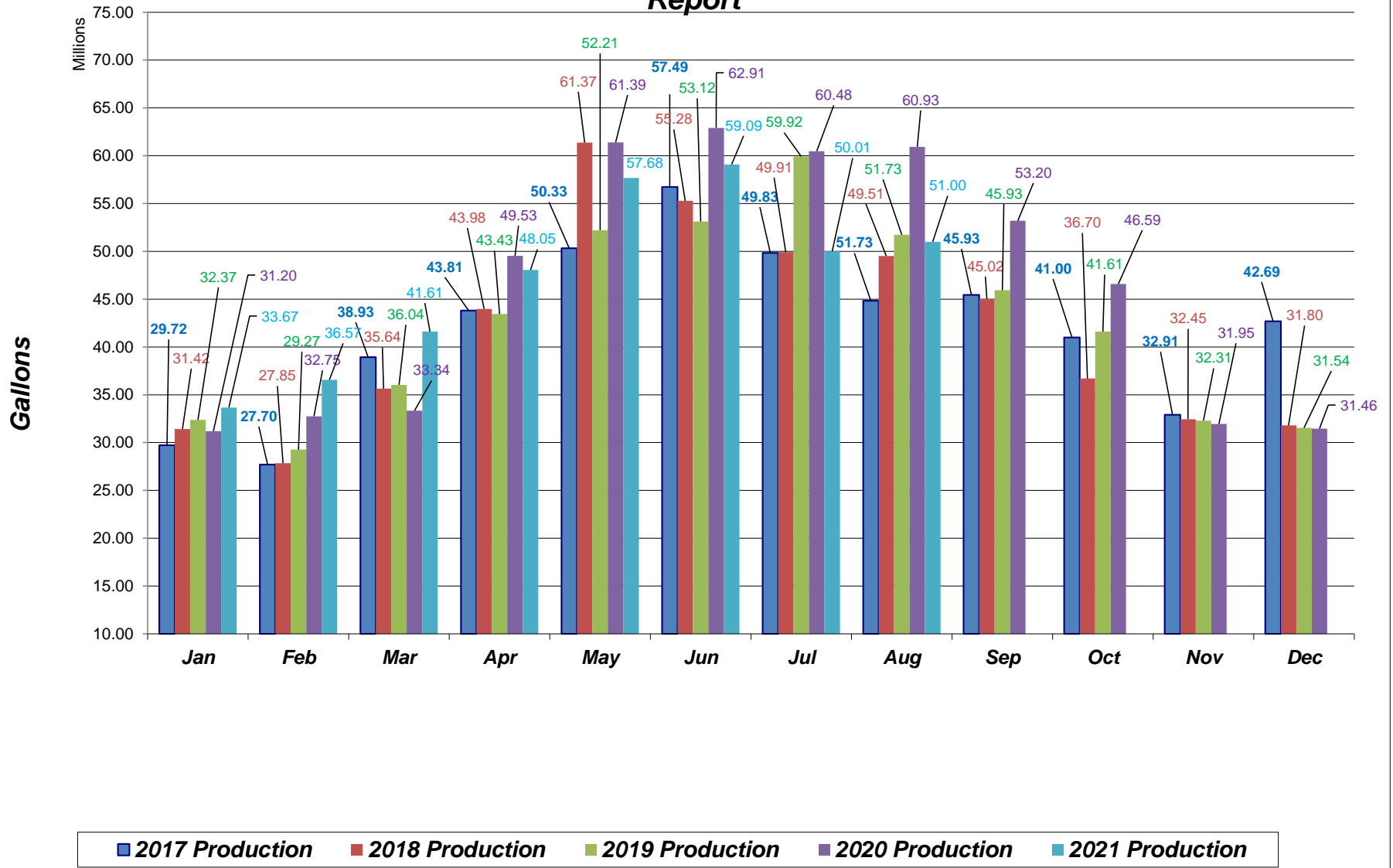
NMED: All of our Monthly Bac-T-Samples were taken for the month of August and all samples were negative.

Mesquite and Organ Sewer Reports. The Organ and the Mesquite Wastewater reports have been sent out July 1st.

Chlorine: No problems.

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

Lower Rio Grande PWWA Water Production Report



East Mesa Water System Improvements, Phase II, CIF-5535

**RECORD OF PROCEEDINGS RELATING TO THE ADOPTION OF
RESOLUTION NO. FY2022-08 OF THE BOARD OF DIRECTORS
OF THE LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY,
DOÑA ANA COUNTY, NEW MEXICO
SEPTEMBER 15, 2021**

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

The Board of Directors (the “Governing Body”) of the Lower Rio Grande Public Water Works Authority (the “Borrower/Grantee”) met in a regular session in full conformity with the law and the rules and regulations of the Governing Body at 9774 Butterfield Boulevard, Las Cruces, New Mexico, being the meeting place of the Governing Body for the meeting held on the 15th day of September, 2021, at the hour of 9:30 a.m. Upon roll call, the following members were found to be present:

Present:

Esperanza “Espy” Holguin, Board Chair
Furman “Smitty” Smith, Board Vice-chair
Joe Evaro, Secretary
Henry Magallanes, Director
Paul Smith, Director
Glory Juarez, Director

Absent:

Also Present:

Martin Lopez, General Manager
Kathi Jackson, Finance Manager
Mike Lopez, Operations Manager
Karen Nichols, Projects Manager
Patty Charles, Projects Specialist
John Schroder, Accounting Assistant

Thereupon, there were officially filed with the Secretary copies of a proposed Resolution and Colonia's Infrastructure Project Fund Loan/Grant Agreement in final form, the proposed Resolution being as hereinafter set forth:

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**LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY
RESOLUTION NO. FY2022-08**

A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF A COLONIAS INFRASTRUCTURE PROJECT FUND LOAN/GRANT AGREEMENT BY AND BETWEEN THE NEW MEXICO FINANCE AUTHORITY (“FINANCE AUTHORITY,” OR THE LENDER/GRANTOR”) AND THE LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY (THE “BORROWER/GRANTEE”), FOR THE BENEFIT OF BUTTERFIELD PARK, ORGAN AND MOUNTAIN VIEW, IN THE TOTAL AMOUNT OF \$337,388, EVIDENCING AN OBLIGATION OF THE BORROWER/GRANTEE TO UTILIZE THE LOAN/GRANT AMOUNT SOLELY FOR THE PURPOSE OF FINANCING THE COSTS OF PLANNING AND DESIGNING PHASE II OF EAST MESA WATER SYSTEM IMPROVEMENTS, AND SOLELY IN THE MANNER DESCRIBED IN THE LOAN/GRANT AGREEMENT; PROVIDING FOR THE PLEDGE AND PAYMENT OF THE LOAN AMOUNT OF \$67,478 SOLELY FROM NET SYSTEM REVENUES AND ACCEPTANCE OF A GRANT AMOUNT OF \$269,910; CERTIFYING THAT THE LOAN/GRANT AMOUNT, TOGETHER WITH OTHER FUNDS AVAILABLE TO THE BORROWER/GRANTEE, IS SUFFICIENT TO COMPLETE THE PROJECT; APPROVING THE FORM OF AND OTHER DETAILS CONCERNING THE LOAN/GRANT AGREEMENT; RATIFYING ACTIONS HERETOFORE TAKEN; REPEALING ALL ACTION INCONSISTENT WITH THIS RESOLUTION; AND AUTHORIZING THE TAKING OF OTHER ACTIONS IN CONNECTION WITH THE EXECUTION AND DELIVERY OF THE LOAN/GRANT AGREEMENT.

Capitalized terms used in the following preambles have the same meaning as defined in this Resolution unless the context requires otherwise.

WHEREAS, the CIB is a public body duly organized and created under and pursuant to the laws of the State of New Mexico (the “State”), particularly the Colonia’s Infrastructure Act, NMSA 1978, §§ 6-30-1 through 6-30-8, as amended (the “Colonia’s Infrastructure Act” or the “Act”); and

WHEREAS, the Finance Authority is a public body politic and corporate, separate and apart from the State, constituting a governmental instrumentality, duly organized and created under and pursuant to the laws of the State, particularly NMSA 1978, §§ 6-21-1, through 6-21-31, as amended (the “Finance Authority Act”); and

WHEREAS, the Borrower/Grantee is a Political Subdivision of the State, being a legally and regularly created, established, organized and existing public water works authority under the general laws of the State and more specifically, NMSA 1978, § 73-26-1, as amended; and

WHEREAS, the Act creates the Colonia's Infrastructure Project Fund (the "Fund") in the Finance Authority, to be administered by the Finance Authority to originate grants or loans to Qualified Entities for Qualified Projects recommended by the CIB; and

WHEREAS, there exists within the boundaries of the Borrower/Grantee, Butterfield Park, Organ and Mountain View, communities that have been designated as Colonia's within the meaning of the Act; and

WHEREAS, the Borrower/Grantee will be receiving the Loan/Grant for the benefit of the Colonia's and the constituent public they serve; and

WHEREAS, the Borrower/Grantee submitted an application dated February 17, 2021, for the Project; and

WHEREAS, the CIB has determined that the Project is a qualifying Project and that the Borrower/Grantee is a Qualified Entity under the Board Rules; and

WHEREAS, the CIB on May 20, 2021, recommended to the Finance Authority that the Borrower/Grantee receive financial assistance from the Fund in the form of the Loan/Grant, for the benefit of the Colonia and the CIB has recommended that the Finance Authority enter into and administer this Agreement; and

WHEREAS, the Finance Authority approved the Loan/Grant Amount from the Fund to the Borrower/Grantee on June 24, 2021; and

WHEREAS, the Borrower/Grantee has determined that it is in the best interests of the Borrower/Grantee and the Colonia's that the Borrower/Grantee enter into an Agreement with the Lender/Grantor to borrow \$67,478 from the Lender/Grantor and to accept a grant in the amount of \$269,910 from the Lender/Grantor to finance the costs of planning and designing Phase II of the East Mesa water system improvements, this project being more particularly described in the Term Sheet; and

WHEREAS, the Governing Body has determined and hereby determines that the Project may be financed with amounts granted and loaned pursuant to the Loan/Grant Agreement, that the Loan/Grant Amount, together with other moneys available to the Borrower/Grantee, is sufficient to complete the Project, and that it is in the best interest of the Borrower/Grantee and the Colonia's and the constituent public they serve that the Loan/Grant Agreement be executed and delivered and that the funding of the Project take place by executing and delivering the Loan/Grant Agreement; and

WHEREAS, the Governing Body has determined that it may lawfully enter into the Loan/Grant Agreement, accept the Loan/Grant Amount and be bound to the obligations and by the restrictions thereunder; and

WHEREAS, the Loan/Grant Agreement shall not constitute a general obligation of the Borrower/Grantee, the CIB or the Finance Authority or a debt or pledge of the full faith and credit

of the Borrower/Grantee, the CIB, the Finance Authority or the State; and

WHEREAS, there have been presented to the Governing Body and there presently are on file with the Secretary this Resolution and the form of the Loan/Grant Agreement which is incorporated by reference and considered to be a part hereof; and

WHEREAS, the Governing Body hereby determines that the Loan/Grant Amount will include any match amounts required by the Lender/Grantor to complete the Project; and

WHEREAS, all required authorizations, consents and approvals in connection with (i) the use of the Loan/Grant Amount for the purposes described, and according to the restrictions set forth, in the Loan/Grant Agreement; (ii) the availability of other moneys necessary and sufficient, together with the Loan/Grant Amount, to complete the Project; and (iii) the authorization, execution and delivery of the Loan/Grant Agreement which are required to have been obtained by the date of this Resolution, have been obtained or are reasonably expected to be obtained.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY, DOÑA ANA COUNTY, NEW MEXICO:

Section 1. Definitions. Capitalized terms defined in the foregoing recitals shall have the same meaning when used in this Agreement unless the context clearly requires otherwise. Capitalized terms not defined in the recitals and defined in this Article I shall have the same meaning when used in this Agreement including the foregoing recitals, unless the context clearly requires otherwise. Capitalized terms not defined herein shall have the meaning given them by the Loan/Grant Agreement.

“Agreement” or “Loan/Grant Agreement” means the Loan/Grant Agreement and any amendments or supplements thereto, including the Exhibits attached thereto.

“Authorized Officers” means, any one or more of the Chair, the Finance Manager, the General Manager and Secretary thereof.

“Borrower/Grantee” means the Lower Rio Grande Public Water Works Authority in Doña Ana County, New Mexico.

“CIB” means the Colonia’s Infrastructure Board created by the Act.

“Closing Date” means the date of execution of the Loan/Grant Agreement by the Borrower/Grantee and the Finance Authority.

“Colonia” or “Colonia’s” means a Colonia as defined in the Act, and more particularly in NMSA 1978, § 6-30-3(C), as amended, and particularly Butterfield Park, Organ and Mountain View.

“Colonia’s Infrastructure Project Fund” or “Fund” means the fund of the same name created pursuant to the Act and held and administered by the Finance Authority.

“Conditions” has the meaning given to that term in the Loan/Grant Agreement.

“Completion Date” means the date of final payment of the cost of the Project.

“Eligible Fiscal Agent Fees” means fees and costs incurred by a fiscal agent for the administration of Project funds, including the collection and reporting of Project information as required by the Agreement, in an amount not exceeding five percent (5%) of the Loan/Grant Amount.

“Eligible Items” has the meaning given to that term in the Loan/Grant Agreement.

“Eligible Legal Costs” means legal fees and costs for services rendered by legal counsel on behalf of the Borrower/Grantee for transaction of the Project and those directly associated with the qualified project, in an amount not exceeding ten percent (10%) of the Loan/Grant Amount, but does not include adjudication services.

“Finance Authority” means the New Mexico Finance Authority.

“Fiscal Year” means the period commencing on July 1 of each calendar year and ending on the last day of June of the next succeeding calendar year, or any other twelve-month period which any appropriate authority may hereafter establish for the Borrower/Grantee as its fiscal year.

“Generally Accepted Accounting Principles” means the officially established accounting principles applicable to the Borrower/Grantee consisting of the statements, determinations and other official pronouncements of the Government Accounting Standards Board, Financial Accounting Standards Board, Federal Accounting Standards Board or other principle-setting body acceptable to the Finance Authority establishing accounting principles applicable to the Borrower/Grantee.

“Governing Body” means the Board of Directors of the Borrower/Grantee, or any future successor governing body of the Borrower/Grantee.

“Grant” or “Grant Amount” means the amount provided to the Borrower/Grantee as a grant pursuant to the Loan/Grant Agreement for the purpose of funding the Project, and shall equal 90% of the Amount disbursed not to exceed \$269,910.

“Gross Revenues” has the meaning given to that term in the Loan/Grant Agreement.

“Herein,” “hereby,” “hereunder,” “hereof,” “hereinabove” and “hereafter” refer to this entire Resolution and not solely to the particular section or paragraph of this Resolution in which such word is used.

“Lender/Grantor” means the Finance Authority.

“Loan” or “Loan Amount” means 10% of the amount disbursed to the Borrower/Grantee as a loan pursuant to the Loan/Grant Agreement for the purpose of funding the Project, and shall not equal more than \$67,478.

“Loan/Grant” or “Loan/Grant Amount” means the amount provided to the Borrower/Grantee as the Grant Amount and borrowed by the Borrower/Grantee as the Loan Amount pursuant to the Loan/Grant Agreement for the purpose of funding the Project. The value of the Loan/Grant shall not equal more than \$337,388.

“Local Match” means the amount determined pursuant to the Policies to be provided by the Borrower/Grantee which amount shall be included in the Loan Amount which, in combination with the Grant Amount and other monies available to the Borrower/Grantee, is sufficient to complete the Project.

“Net System Revenues” means the Gross Revenues of the System minus Operation and Maintenance Expenses, indirect charges, amounts expended for capital replacements and repairs, required set asides for debt and replacement requirements, and any other payments from the gross revenues reasonably required for operation of the System.

“NMAC” means the New Mexico Administrative Code.

“NMSA 1978” means the New Mexico Statutes Annotated, 1978 Compilation, as amended and supplemented from time to time.

“Operation and Maintenance Expenses” has the meaning given to that term in the Loan/Grant Agreement.

“Pledged Revenues” means the Net System Revenues of the Borrower/Grantee pledged to the payment of the Loan Amount pursuant to this Resolution and the Loan/Grant Agreement and described in the Term Sheet.

“Policies” means the Colonia’s Infrastructure Project Fund Project Selection and Management Policies, approved by the CIB.

“Political Subdivision of the State” means a municipality, a county, water and sanitation district, an association organized and existing pursuant to the Sanitary Projects Act, NMSA 1978, § 3-29-1 through § 3-29-21, as amended, or any other entity recognized by statute as a political subdivision of the State.

“Project” means the project described in the Term Sheet.

“Project Account” means the book account, if any, established by the Finance Authority in the name of the Borrower/Grantee for purposes of tracking expenditure of the Loan/Grant Amount by the Borrower/Grantee to pay for the costs of the Project, as shown in the Term Sheet, which account shall be kept separate and apart from all other accounts of the Finance Authority.

“Qualified Entity” means a county, municipality, or other entity recognized as a Political Subdivision of the State pursuant to NMSA 1978, § 6-30-3(F), as amended.

“Qualified Project” means a capital outlay project recommended by the CIB to the Finance Authority for financial assistance that is primarily intended to develop Colonia’s infrastructure. A Qualified Project may include a water system, a wastewater system, solid waste disposal facilities, flood and drainage control, roads or housing infrastructure pursuant to NMSA 1978, § 6-30-3(G), as amended, but does not include general operation and maintenance, equipment, housing allowance payments or mortgage subsidies.

“Resolution” means this Resolution as it may be supplemented or amended from time to time.

“Rules” means Review and Selection of Colonia’s Infrastructure Projects, New Mexico Colonia’s Infrastructure Board, Sections 2.91.2.1 through 2.91.2.18 NMAC.

“State” means the State of New Mexico.

“System” means the water utility system of the Borrower/Grantee, owned and operated by the Borrower/Grantee, and of which the Project, when completed, will form part.

“Term Sheet” means Exhibit “A” attached to the Loan/Grant Agreement.

“Useful Life” means the period during which the Project is expected to be usable for the purpose for which it was acquired, which is at least thirty (30) years.

Section 2. Ratification. All action heretofore taken (not inconsistent with the provisions of this Resolution) by the Borrower/Grantee and officers of the Borrower/Grantee directed toward the acquisition and completion of the Project, the pledge of the Pledged Revenues to payment of amounts due under the Loan/Grant Agreement, and the execution and delivery of the Loan/Grant Agreement shall be, and the same hereby is, ratified, approved and confirmed.

Section 3. Authorization of the Project and the Loan/Grant Agreement. The acquisition and completion of the Project and the method of funding the Project through execution and delivery of the Loan/Grant Agreement and the other documents related to the transaction are hereby authorized and ordered. The Project is for the benefit and use of the Borrower/Grantee and the Colonia’s and the public they serve.

Section 4. Findings. The Governing Body hereby declares that it has considered all relevant information and data and hereby makes the following findings:

A. The Project is needed to meet the needs of the Borrower/Grantee and the Colonia’s and the constituent public they serve.

B. Moneys available and on hand for the Project from all sources other than the Loan/Grant are not sufficient to defray the cost of acquiring and completing the Project but, together with the Loan/Grant Amount, are sufficient to complete the Project.

C. The Project and the execution and delivery of the Loan/Grant Agreement pursuant to the Act to provide funds for the financing of the Project are necessary, convenient and in furtherance of the governmental purposes of the Borrower/Grantee, and in the interest of the public health, safety, and welfare of the constituent public served by the Borrower/Grantee.

D. The Borrower/Grantee will acquire and complete the Project with the proceeds of the Loan/Grant and other amounts available to the Borrower/Grantee, and except as otherwise expressly provided by the Loan/Grant Agreement, will utilize, operate and maintain the Project for the duration of its Useful Life.

E. The Loan/Grant Amount, and other amounts available to the Borrower/Grantee, will be sufficient to complete the Project.

F. The Lender/Grantor shall maintain on behalf of the Borrower/Grantee a separate Project Account as a book account only on behalf of the Borrower/Grantee and financial records in accordance with Generally Accepted Accounting Principles during the construction or implementation of the Project.

G. The Borrower/Grantee has title to or easements or rights of way on the real property upon which the Project is being constructed or located.

Section 5. Loan/Grant Agreement—Authorization and Detail.

A. Authorization. This Resolution has been adopted by the affirmative vote of at least a majority of the Governing Body. For the purpose of protecting the public health, conserving the property, and protecting the general welfare and prosperity of the public served by the Borrower/Grantee and acquiring and completing the Project, it is hereby declared necessary that the Borrower/Grantee execute and deliver the Loan/Grant Agreement evidencing the Borrower/Grantee's acceptance of the Grant Amount of \$269,910 and borrowing the Loan Amount of \$67,478 to be utilized solely for Eligible Items necessary to complete the Project, and solely in the manner and according to the restrictions set forth in the Loan/Grant Agreement, the execution and delivery of which is hereby authorized. The Borrower/Grantee shall use the Loan/Grant Amount to finance the acquisition and completion of the Project.

B. Detail. The Loan/Grant Agreement shall be in substantially the form of the Loan/Grant Agreement presented at the meeting of the Governing Body at which this Resolution was adopted. The Grant shall be in the amount of \$269,910 and the Loan shall be in the amount of \$67,478. Interest on the Loan Amount shall be zero percent (0%) per annum of the unpaid principal balance of the Loan Amount.

Section 6. Approval of Loan/Grant Agreement. The form of the Loan/Grant Agreement as presented at the meeting of the Governing Body, at which this Resolution was

adopted, is hereby approved. Authorized Officers are hereby individually authorized to execute, acknowledge and deliver the Loan/Grant Agreement with such changes, insertions and omissions as may be approved by such individual Authorized Officers, and the Secretary is hereby authorized to attest the Loan/Grant Agreement. The execution of the Loan/Grant Agreement shall be conclusive evidence of such approval.

Section 7. Security. The Loan Amount shall be solely secured by the pledge of the Pledged Revenues herein made and as set forth in the Loan/Grant Agreement.

Section 8. Disposition of Proceeds: Completion of the Project.

A. Project Account. The Borrower/Grantee hereby consents to creation of the Project Account by the Finance Authority and further approves of the deposit or crediting of a portion of the Loan/Grant Amount to pay expenses. Until the Completion Date, the amount of the Loan/Grant credited to the Project Account shall be used and paid out solely for Eligible Items necessary to acquire and complete the Project in compliance with applicable law and the provisions of the Loan/Grant Agreement.

B. Completion of the Project. The Borrower/Grantee shall proceed to complete the Project with all due diligence. Upon the Completion Date, the Borrower/Grantee shall execute a certificate stating that completion of and payment for the Project has been completed. Following the Completion Date or the earlier expiration of the time allowed for disbursement of Loan/Grant funds as provided in the Loan/Grant Agreement, any balance remaining in the Project Account shall be transferred and deposited into the Colonia's Infrastructure Project Fund or otherwise distributed as provided in the Loan/Grant Agreement.

C. CIB and Finance Authority Not Responsible. Borrower/Grantee shall apply the funds derived from the Loan/Grant Agreement as provided therein, and in particular Article V of the Loan/Grant Agreement. Neither the CIB nor the Finance Authority shall in any manner be responsible for the application or disposal by the Borrower/Grantee or by its officers of the funds derived from the Loan/Grant Agreement or of any other funds held by or made available to the Borrower/Grantee in connection with the Project. Lender/Grantor shall not be liable for the refusal or failure of any other agency of the State to transfer any portion of the Loan/Grant Amount in its possession, custody and control to the Finance Authority for disbursement to the Borrower/Grantee, or to honor any request for such transfer or disbursement of the Loan/Grant Amount.

Section 9. Payment of Loan Amount. Pursuant to the Loan/Grant Agreement, the Borrower/Grantee shall pay the Loan Amount directly from the Pledged Revenues to the Finance Authority as provided in the Loan/Grant Agreement in an amount sufficient to pay principal and other amounts due under the Loan/Grant Agreement and to cure any deficiencies in the payment of the Loan Amount or other amounts due under the Loan/Grant Agreement.

Section 10. Lien on Pledged Revenues. Pursuant to the Loan/Grant Agreement, the Loan/Grant Agreement constitutes an irrevocable lien (but not an exclusive lien) upon the Pledged

Revenues to the extent of the Loan Amount, the priority of which is consistent with that shown on the Term Sheet.

Section 11. Authorized Officers. Authorized Officers are hereby individually authorized and directed to execute and deliver any and all papers, instruments, opinions, affidavits and other documents and to do and cause to be done any and all acts and things necessary or proper for carrying out this Resolution, the Loan/Grant Agreement and all other transactions contemplated hereby and thereby. Authorized Officers are hereby individually authorized to do all acts and things required of them by this Resolution and the Loan/Grant Agreement for the full, punctual and complete performance of all the terms, covenants and agreements contained in this Resolution and the Loan/Grant Agreement including but not limited to, the execution and delivery of closing documents in connection with the execution and delivery of the Loan/Grant Agreement.

Section 12. Amendment of Resolution. This Resolution after its adoption may be amended without receipt by the Borrower/Grantee of any additional consideration, but only with the prior written consent of the CIB and the Finance Authority.

Section 13. Resolution Irrepealable. After the Loan/Grant Agreement has been executed and delivered, this Resolution shall be and remain irrepealable until all obligations due under the Loan/Grant Agreement shall be fully discharged, as herein provided.

Section 14. Severability Clause. If any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

Section 15. Repealer Clause. All bylaws, orders, ordinances, resolutions, or parts thereof, inconsistent herewith are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed to revive any bylaw, order, resolution or ordinance, or part thereof, heretofore repealed.

Section 16. Effective Date. Upon due adoption of this Resolution, it shall be recorded in the book of the Borrower/Grantee kept for that purpose, authenticated by the signatures of the Chair and Secretary of the Borrower/Grantee, and this Resolution shall be in full force and effect thereafter, in accordance with law; provided, however, that if recording is not required for the effectiveness of this Resolution, this Resolution shall be effective upon adoption of this Resolution by the Governing Body.

Section 17. General Summary for Publication. Pursuant to the general laws of the State, the title and a general summary of the subject matter contained in this Resolution shall be published in substantially the following form:

[Remainder of page intentionally left blank.]

[Form of Notice of Adoption of Resolution for Publication]

LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY
Notice of Adoption of Resolution

Notice is hereby given of the title and of a general summary of the subject matter contained in Resolution No. FY2022-08, duly adopted and approved by the Board of Directors of Lower Rio Grande Public Water Works Authority on September 15, 2021. A complete copy of the Resolution is available for public inspection during normal and regular business hours in the office of the Secretary, at 215 Bryant Street, Mesquite, New Mexico 88048.

The title of the Resolution is:

LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY
RESOLUTION NO. FY2022-08

A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF A COLONIAS INFRASTRUCTURE PROJECT FUND LOAN/GRANT AGREEMENT BY AND BETWEEN THE NEW MEXICO FINANCE AUTHORITY (“FINANCE AUTHORITY,” OR THE LENDER/GRANTOR”) AND THE LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY (THE “BORROWER/GRANTEE”), FOR THE BENEFIT OF BUTTERFIELD PARK, ORGAN AND MOUNTAIN VIEW, IN THE TOTAL AMOUNT OF \$337,388, EVIDENCING AN OBLIGATION OF THE BORROWER/GRANTEE TO UTILIZE THE LOAN/GRANT AMOUNT SOLELY FOR THE PURPOSE OF FINANCING THE COSTS OF PLANNING AND DESIGNING PHASE II OF EAST MESA WATER SYSTEM IMPROVEMENTS, AND SOLELY IN THE MANNER DESCRIBED IN THE LOAN/GRANT AGREEMENT; PROVIDING FOR THE PLEDGE AND PAYMENT OF THE LOAN AMOUNT OF \$67,478 SOLELY FROM NET SYSTEM REVENUES AND ACCEPTANCE OF A GRANT AMOUNT OF \$269,910; CERTIFYING THAT THE LOAN/GRANT AMOUNT, TOGETHER WITH OTHER FUNDS AVAILABLE TO THE BORROWER/GRANTEE, IS SUFFICIENT TO COMPLETE THE PROJECT; APPROVING THE FORM OF AND OTHER DETAILS CONCERNING THE LOAN/GRANT AGREEMENT; RATIFYING ACTIONS HERETOFORE TAKEN; REPEALING ALL ACTION INCONSISTENT WITH THIS RESOLUTION; AND AUTHORIZING THE TAKING OF OTHER ACTIONS IN CONNECTION WITH THE EXECUTION AND DELIVERY OF THE LOAN/GRANT AGREEMENT.

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

[End of Form of Notice of Adoption for Publication]

PASSED, APPROVED AND ADOPTED THIS 15th day of September, 2021.

LOWER RIO GRANDE PUBLIC WATER
WORKS AUTHORITY, DONA ANA COUNTY,
NEW MEXICO

By _____
Esperanza Holguin, Chair

[SEAL]

ATTEST:

By _____
Joe Evaro, Secretary

[Remainder of page intentionally left blank.]

Governing Body Member _____ then moved adoption of the foregoing Resolution, duly seconded by Governing Body Member _____.

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

Those Voting Aye:

Those Voting Nay:

Those Absent:

_____ (___) Members of the Governing Body having voted in favor of the motion, the Chair declared the motion carried and the Resolution adopted, whereupon the Chair and Secretary signed the Resolution upon the records of the minutes of the Governing Body.

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

LOWER RIO GRANDE PUBLIC WATER
WORKS AUTHORITY, DONA ANA COUNTY,
NEW MEXICO

By _____
Esperanza Holguin, Chair

[SEAL]

ATTEST:

By _____
Joe Evaro, Secretary

[Remainder of page intentionally left blank.]

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

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

1. The foregoing pages are a true, perfect, and complete copy of the record of the proceedings of the Board of Directors of the Borrower/Grantee (the “Governing Body”), had and taken at a duly called regular meeting held at 9774 Butterfield Boulevard, Las Cruces, New Mexico, on September 15, 2021, at the hour of 9:30 a.m., insofar as the same relate to the adoption of Resolution No. FY2022-08 and the execution and delivery of the proposed Loan/Grant Agreement, a copy of which is set forth in the official records of the proceedings of the Governing Body kept in my office. None of the action taken has been rescinded, repealed, or modified.

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

3. Notice of the meeting was given in compliance with the permitted methods of giving notice of meetings of the Governing Body as required by the State Open Meetings Act, NMSA 1978, § 10-15-1, as amended, including the Borrower/Grantee's open meetings Resolution No. FY2021-19, adopted and approved on May 19, 2021, in effect on the date of the meeting.

IN WITNESS WHEREOF, I have hereunto set my hand this 22nd day of October, 2021.

LOWER RIO GRANDE PUBLIC WATER WORKS
AUTHORITY, DONA ANA COUNTY, NEW MEXICO

By _____
Joe Evaro, Secretary

6035575

EXHIBIT "A"

Notice of Meeting, Meeting Agenda

High Valley Water System Improvements, Phase II, CIF-5536

**RECORD OF PROCEEDINGS RELATING TO THE ADOPTION OF
RESOLUTION NO. FY2022-09 OF THE BOARD OF DIRECTORS
OF THE LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY,
DOÑA ANA COUNTY, NEW MEXICO
SEPTEMBER 15, 2021**

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

The Board of Directors (the “Governing Body”) of the Lower Rio Grande Public Water Works Authority (the “Borrower/Grantee”) met in a regular session in full conformity with the law and the rules and regulations of the Governing Body at 9774 Butterfield Boulevard, Las Cruces, New Mexico, being the meeting place of the Governing Body for the meeting held on the 15th day of September, 2021, at the hour of 9:30 a.m. Upon roll call, the following members were found to be present:

Present:

Esperanza “Espy” Holguin, Board Chair
Furman “Smitty” Smith, Board Vice-chair
Joe Evaro, Secretary
Henry Magallanes, Director
Paul Smith, Director
Glory Juarez, Director

Absent:

Also Present:

Martin Lopez, General Manager
Kathi Jackson, Finance Manager
Mike Lopez, Operations Manager
Karen Nichols, Projects Manager
Patty Charles, Projects Specialist
John Schroder, Accounting Assistant

Thereupon, there were officially filed with the Secretary copies of a proposed Resolution and Colonias Infrastructure Project Fund Loan/Grant Agreement in final form, the proposed Resolution being as hereinafter set forth:

[Remainder of page intentionally left blank.]

**LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY
RESOLUTION NO. FY2022-09**

A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF A COLONIAS INFRASTRUCTURE PROJECT FUND LOAN/GRANT AGREEMENT BY AND BETWEEN THE NEW MEXICO FINANCE AUTHORITY (“FINANCE AUTHORITY,” OR THE LENDER/GRANTOR”) AND THE LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY (THE “BORROWER/GRANTEE”), FOR THE BENEFIT OF VADO, IN THE TOTAL AMOUNT OF \$521,083, EVIDENCING AN OBLIGATION OF THE BORROWER/GRANTEE TO UTILIZE THE LOAN/GRANT AMOUNT SOLELY FOR THE PURPOSE OF FINANCING THE COSTS OF DESIGNING AND CONSTRUCTING PHASE II OF HIGH VALLEY WATER SYSTEM IMPROVEMENTS, AND SOLELY IN THE MANNER DESCRIBED IN THE LOAN/GRANT AGREEMENT; PROVIDING FOR THE PLEDGE AND PAYMENT OF THE LOAN AMOUNT OF \$104,217 SOLELY FROM NET SYSTEM REVENUES AND ACCEPTANCE OF A GRANT AMOUNT OF \$416,866; CERTIFYING THAT THE LOAN/GRANT AMOUNT, TOGETHER WITH OTHER FUNDS AVAILABLE TO THE BORROWER/GRANTEE, IS SUFFICIENT TO COMPLETE THE PROJECT; APPROVING THE FORM OF AND OTHER DETAILS CONCERNING THE LOAN/GRANT AGREEMENT; RATIFYING ACTIONS HERETOFORE TAKEN; REPEALING ALL ACTION INCONSISTENT WITH THIS RESOLUTION; AND AUTHORIZING THE TAKING OF OTHER ACTIONS IN CONNECTION WITH THE EXECUTION AND DELIVERY OF THE LOAN/GRANT AGREEMENT.

Capitalized terms used in the following preambles have the same meaning as defined in this Resolution unless the context requires otherwise.

WHEREAS, the CIB is a public body duly organized and created under and pursuant to the laws of the State of New Mexico (the “State”), particularly the Colonias Infrastructure Act, NMSA 1978, §§ 6-30-1 through 6-30-8, as amended (the “Colonias Infrastructure Act” or the “Act”); and

WHEREAS, the Finance Authority is a public body politic and corporate, separate and apart from the State, constituting a governmental instrumentality, duly organized and created under and pursuant to the laws of the State, particularly NMSA 1978, §§ 6-21-1, through 6-21-31, as amended (the “Finance Authority Act”); and

WHEREAS, the Borrower/Grantee is a Political Subdivision of the State, being a legally and regularly created, established, organized and existing public water works authority under the general laws of the State and more specifically, NMSA 1978, § 73-26-1, as amended; and

WHEREAS, the Act creates the Colonias Infrastructure Project Fund (the “Fund”) in the Finance Authority, to be administered by the Finance Authority to originate grants or loans to Qualified Entities for Qualified Projects recommended by the CIB; and

WHEREAS, there exists within the boundaries of the Borrower/Grantee, Vado, a community that has been designated as a Colonia within the meaning of the Act; and

WHEREAS, the Borrower/Grantee will be receiving the Loan/Grant for the benefit of the Colonia and the constituent public it serves; and

WHEREAS, the Borrower/Grantee submitted an application dated February 17, 2021, for the Project; and

WHEREAS, the CIB has determined that the Project is a qualifying Project and that the Borrower/Grantee is a Qualified Entity under the Board Rules; and

WHEREAS, the CIB on May 20, 2021, recommended to the Finance Authority that the Borrower/Grantee receive financial assistance from the Fund in the form of the Loan/Grant, for the benefit of the Colonia and the CIB has recommended that the Finance Authority enter into and administer this Agreement; and

WHEREAS, the Finance Authority approved the Loan/Grant Amount from the Fund to the Borrower/Grantee on June 24, 2021; and

WHEREAS, the Borrower/Grantee has determined that it is in the best interests of the Borrower/Grantee and the Colonia that the Borrower/Grantee enter into an Agreement with the Lender/Grantor to borrow \$104,217 from the Lender/Grantor and to accept a grant in the amount of \$416,866 from the Lender/Grantor to finance the costs of designing and constructing Phase II of the High Valley water system improvements, this project being more particularly described in the Term Sheet; and

WHEREAS, the Governing Body has determined and hereby determines that the Project may be financed with amounts granted and loaned pursuant to the Loan/Grant Agreement, that the Loan/Grant Amount, together with other moneys available to the Borrower/Grantee, is sufficient to complete the Project, and that it is in the best interest of the Borrower/Grantee and the Colonia and the constituent public they serve that the Loan/Grant Agreement be executed and delivered and that the funding of the Project take place by executing and delivering the Loan/Grant Agreement; and

WHEREAS, the Governing Body has determined that it may lawfully enter into the Loan/Grant Agreement, accept the Loan/Grant Amount and be bound to the obligations and by the restrictions thereunder; and

WHEREAS, the Loan/Grant Agreement shall not constitute a general obligation of the Borrower/Grantee, the CIB or the Finance Authority or a debt or pledge of the full faith and credit of the Borrower/Grantee, the CIB, the Finance Authority or the State; and

WHEREAS, there have been presented to the Governing Body and there presently are on file with the Secretary this Resolution and the form of the Loan/Grant Agreement which is incorporated by reference and considered to be a part hereof; and

WHEREAS, the Governing Body hereby determines that the Loan/Grant Amount will include any match amounts required by the Lender/Grantor to complete the Project; and

WHEREAS, all required authorizations, consents and approvals in connection with (i) the use of the Loan/Grant Amount for the purposes described, and according to the restrictions set forth, in the Loan/Grant Agreement; (ii) the availability of other moneys necessary and sufficient, together with the Loan/Grant Amount, to complete the Project; and (iii) the authorization, execution and delivery of the Loan/Grant Agreement which are required to have been obtained by the date of this Resolution, have been obtained or are reasonably expected to be obtained.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY, DOÑA ANA COUNTY, NEW MEXICO:

Section 1. Definitions. Capitalized terms defined in the foregoing recitals shall have the same meaning when used in this Agreement unless the context clearly requires otherwise. Capitalized terms not defined in the recitals and defined in this Article I shall have the same meaning when used in this Agreement including the foregoing recitals, unless the context clearly requires otherwise. Capitalized terms not defined herein shall have the meaning given them by the Loan/Grant Agreement.

“Agreement” or “Loan/Grant Agreement” means the Loan/Grant Agreement and any amendments or supplements thereto, including the Exhibits attached thereto.

“Authorized Officers” means, any one or more of the Chair, the Finance Manager, the General Manager and Secretary thereof.

“Borrower/Grantee” means the Lower Rio Grande Public Water Works Authority in Doña Ana, New Mexico.

“CIB” means the Colonias Infrastructure Board created by the Act.

“Closing Date” means the date of execution of the Loan/Grant Agreement by the Borrower/Grantee and the Finance Authority.

“Colonia” or “Colonias” means a Colonia as defined in the Act, and more particularly in NMSA 1978, § 6-30-3(C), as amended, and particularly Vado.

“Colonias Infrastructure Project Fund” or “Fund” means the fund of the same name created pursuant to the Act and held and administered by the Finance Authority.

“Conditions” has the meaning given to that term in the Loan/Grant Agreement.

“Completion Date” means the date of final payment of the cost of the Project.

“Eligible Architectural, Engineering and Construction Management Fees” means the fees and costs associated with the architectural, engineering and construction project management costs for services rendered to the Borrower/Grantee for the transaction of the Project and those directly associated with the Project, in an amount up to twelve percent (12%) of the Loan/Grant Amount.

“Eligible Fees for Other Professional Services” means the fees and costs incurred for other professional services necessary to the completion of the Project including, but not limited to, services provided by accounting and auditing firms, hydrologists and surveyors. Such fees may not exceed five percent (5%) of the Loan/Grant Amount.

“Eligible Fiscal Agent Fees” means fees and costs incurred by a fiscal agent for the administration of Project funds, including the collection and reporting of Project information as required by the Agreement, in an amount not exceeding five percent (5%) of the Loan/Grant Amount.

“Eligible Items” has the meaning given to that term in the Loan/Grant Agreement.

“Eligible Legal Costs” means legal fees and costs for services rendered by legal counsel on behalf of the Borrower/Grantee for transaction of the Project and those directly associated with the qualified project, in an amount not exceeding ten percent (10%) of the Loan/Grant Amount, but does not include adjudication services.

“Finance Authority” means the New Mexico Finance Authority.

“Fiscal Year” means the period commencing on July 1 of each calendar year and ending on the last day of June of the next succeeding calendar year, or any other twelve-month period which any appropriate authority may hereafter establish for the Borrower/Grantee as its fiscal year.

“Generally Accepted Accounting Principles” means the officially established accounting principles applicable to the Borrower/Grantee consisting of the statements, determinations and other official pronouncements of the Government Accounting Standards Board, Financial Accounting Standards Board, Federal Accounting Standards Board or other principle-setting body acceptable to the Finance Authority establishing accounting principles applicable to the Borrower/Grantee.

“Governing Body” means the Board of Directors of the Borrower/Grantee, or any future successor governing body of the Borrower/Grantee.

“Grant” or “Grant Amount” means the amount provided to the Borrower/Grantee as a grant pursuant to the Loan/Grant Agreement for the purpose of funding the Project, and shall equal 90% of the Amount disbursed not to exceed \$416,866.

“Gross Revenues” has the meaning given to that term in the Loan/Grant Agreement.

“Herein,” “hereby,” “hereunder,” “hereof,” “hereinabove” and “hereafter” refer to this entire Resolution and not solely to the particular section or paragraph of this Resolution in which such word is used.

“Lender/Grantor” means the Finance Authority.

“Loan” or “Loan Amount” means 10% of the amount disbursed to the Borrower/Grantee as a loan pursuant to the Loan/Grant Agreement for the purpose of funding the Project, and shall not equal more than \$104,217.

“Loan/Grant” or “Loan/Grant Amount” means the amount provided to the Borrower/Grantee as the Grant Amount and borrowed by the Borrower/Grantee as the Loan Amount pursuant to the Loan/Grant Agreement for the purpose of funding the Project. The value of the Loan/Grant shall not equal more than \$521,083.

“Local Match” means the amount determined pursuant to the Policies to be provided by the Borrower/Grantee which amount shall be included in the Loan Amount which, in combination with the Grant Amount and other monies available to the Borrower/Grantee, is sufficient to complete the Project.

“Net System Revenues” means the Gross Revenues of the System minus Operation and Maintenance Expenses, indirect charges, amounts expended for capital replacements and repairs, required set asides for debt and replacement requirements, and any other payments from the gross revenues reasonably required for operation of the System.

“NMAC” means the New Mexico Administrative Code.

“NMSA 1978” means the New Mexico Statutes Annotated, 1978 Compilation, as amended and supplemented from time to time.

“Operation and Maintenance Expenses” has the meaning given to that term in the Loan/Grant Agreement.

“Pledged Revenues” means the Net System Revenues of the Borrower/Grantee pledged to the payment of the Loan Amount pursuant to this Resolution and the Loan/Grant Agreement and described in the Term Sheet.

“Policies” means the Colonias Infrastructure Project Fund Project Selection and Management Policies, approved by the CIB.

“Political Subdivision of the State” means a municipality, a county, water and sanitation district, an association organized and existing pursuant to the Sanitary Projects Act, NMSA 1978, § 3-29-1 through § 3-29-21, as amended, or any other entity recognized by statute as a political subdivision of the State.

“Project” means the project described in the Term Sheet.

“Project Account” means the book account, if any, established by the Finance Authority in the name of the Borrower/Grantee for purposes of tracking expenditure of the Loan/Grant Amount by the Borrower/Grantee to pay for the costs of the Project, as shown in the Term Sheet, which account shall be kept separate and apart from all other accounts of the Finance Authority.

“Qualified Entity” means a county, municipality, or other entity recognized as a Political Subdivision of the State pursuant to NMSA 1978, § 6-30-3(F), as amended.

“Qualified Project” means a capital outlay project recommended by the CIB to the Finance Authority for financial assistance that is primarily intended to develop Colonias infrastructure. A Qualified Project may include a water system, a wastewater system, solid waste disposal facilities, flood and drainage control, roads or housing infrastructure pursuant to NMSA 1978, § 6-30-3(G), as amended, but does not include general operation and maintenance, equipment, housing allowance payments or mortgage subsidies.

“Resolution” means this Resolution as it may be supplemented or amended from time to time.

“Rules” means Review and Selection of Colonias Infrastructure Projects, New Mexico Colonias Infrastructure Board, Sections 2.91.2.1 through 2.91.2.18 NMAC.

“State” means the State of New Mexico.

“System” means the water utility system of the Borrower/Grantee, owned and operated by the Borrower/Grantee, and of which the Project, when completed, will form part.

“Term Sheet” means Exhibit “A” attached to the Loan/Grant Agreement.

“Useful Life” means the period during which the Project is expected to be usable for the purpose for which it was acquired, which is at least thirty (30) years.

Section 2. Ratification. All action heretofore taken (not inconsistent with the provisions of this Resolution) by the Borrower/Grantee and officers of the Borrower/Grantee directed toward the acquisition and completion of the Project, the pledge of the Pledged Revenues to payment of amounts due under the Loan/Grant Agreement, and the execution and delivery of the Loan/Grant Agreement shall be, and the same hereby is, ratified, approved and confirmed.

Section 3. Authorization of the Project and the Loan/Grant Agreement. The acquisition and completion of the Project and the method of funding the Project through execution and delivery of the Loan/Grant Agreement and the other documents related to the transaction are hereby authorized and ordered. The Project is for the benefit and use of the Borrower/Grantee and the Colonias and the public they serve.

Section 4. Findings. The Governing Body hereby declares that it has considered all relevant information and data and hereby makes the following findings:

A. The Project is needed to meet the needs of the Borrower/Grantee and the Colonias and the constituent public they serve.

B. Moneys available and on hand for the Project from all sources other than the Loan/Grant are not sufficient to defray the cost of acquiring and completing the Project but, together with the Loan/Grant Amount, are sufficient to complete the Project.

C. The Project and the execution and delivery of the Loan/Grant Agreement pursuant to the Act to provide funds for the financing of the Project are necessary, convenient and in furtherance of the governmental purposes of the Borrower/Grantee, and in the interest of the public health, safety, and welfare of the constituent public served by the Borrower/Grantee.

D. The Borrower/Grantee will acquire and complete the Project with the proceeds of the Loan/Grant and other amounts available to the Borrower/Grantee, and except as otherwise expressly provided by the Loan/Grant Agreement, will utilize, operate and maintain the Project for the duration of its Useful Life.

E. The Loan/Grant Amount, and other amounts available to the Borrower/Grantee, will be sufficient to complete the Project.

F. The Lender/Grantor shall maintain on behalf of the Borrower/Grantee a separate Project Account as a book account only on behalf of the Borrower/Grantee and financial records in accordance with Generally Accepted Accounting Principles during the construction or implementation of the Project.

G. The Borrower/Grantee has title to or easements or rights of way on the real property upon which the Project is being constructed or located.

Section 5. Loan/Grant Agreement—Authorization and Detail.

A. Authorization. This Resolution has been adopted by the affirmative vote of at least a majority of the Governing Body. For the purpose of protecting the public health, conserving the property, and protecting the general welfare and prosperity of the public served by the Borrower/Grantee and acquiring and completing the Project, it is hereby declared necessary that the Borrower/Grantee execute and deliver the Loan/Grant Agreement evidencing the Borrower/Grantee's acceptance of the Grant Amount of \$416,866 and borrowing the Loan Amount of \$104,217 to be utilized solely for Eligible Items necessary to complete the Project, and solely in the manner and according to the restrictions set forth in the Loan/Grant Agreement, the execution and delivery of which is hereby authorized. The Borrower/Grantee shall use the Loan/Grant Amount to finance the acquisition and completion of the Project.

B. Detail. The Loan/Grant Agreement shall be in substantially the form of the Loan/Grant Agreement presented at the meeting of the Governing Body at which this Resolution

was adopted. The Grant shall be in the amount of \$416,866 and the Loan shall be in the amount of \$104,217. Interest on the Loan Amount shall be zero percent (0%) per annum of the unpaid principal balance of the Loan Amount.

Section 6. Approval of Loan/Grant Agreement. The form of the Loan/Grant Agreement as presented at the meeting of the Governing Body, at which this Resolution was adopted, is hereby approved. Authorized Officers are hereby individually authorized to execute, acknowledge and deliver the Loan/Grant Agreement with such changes, insertions and omissions as may be approved by such individual Authorized Officers, and the Secretary is hereby authorized to attest the Loan/Grant Agreement. The execution of the Loan/Grant Agreement shall be conclusive evidence of such approval.

Section 7. Security. The Loan Amount shall be solely secured by the pledge of the Pledged Revenues herein made and as set forth in the Loan/Grant Agreement.

Section 8. Disposition of Proceeds: Completion of the Project.

A. Project Account. The Borrower/Grantee hereby consents to creation of the Project Account by the Finance Authority and further approves of the deposit or crediting of a portion of the Loan/Grant Amount to pay expenses. Until the Completion Date, the amount of the Loan/Grant credited to the Project Account shall be used and paid out solely for Eligible Items necessary to acquire and complete the Project in compliance with applicable law and the provisions of the Loan/Grant Agreement.

B. Completion of the Project. The Borrower/Grantee shall proceed to complete the Project with all due diligence. Upon the Completion Date, the Borrower/Grantee shall execute a certificate stating that completion of and payment for the Project has been completed. Following the Completion Date or the earlier expiration of the time allowed for disbursement of Loan/Grant funds as provided in the Loan/Grant Agreement, any balance remaining in the Project Account shall be transferred and deposited into the Colonias Infrastructure Project Fund or otherwise distributed as provided in the Loan/Grant Agreement.

C. CIB and Finance Authority Not Responsible. Borrower/Grantee shall apply the funds derived from the Loan/Grant Agreement as provided therein, and in particular Article V of the Loan/Grant Agreement. Neither the CIB nor the Finance Authority shall in any manner be responsible for the application or disposal by the Borrower/Grantee or by its officers of the funds derived from the Loan/Grant Agreement or of any other funds held by or made available to the Borrower/Grantee in connection with the Project. Lender/Grantor shall not be liable for the refusal or failure of any other agency of the State to transfer any portion of the Loan/Grant Amount in its possession, custody and control to the Finance Authority for disbursement to the Borrower/Grantee, or to honor any request for such transfer or disbursement of the Loan/Grant Amount.

Section 9. Payment of Loan Amount. Pursuant to the Loan/Grant Agreement, the Borrower/Grantee shall pay the Loan Amount directly from the Pledged Revenues to the Finance Authority as provided in the Loan/Grant Agreement in an amount sufficient to pay principal and

other amounts due under the Loan/Grant Agreement and to cure any deficiencies in the payment of the Loan Amount or other amounts due under the Loan/Grant Agreement.

Section 10. Lien on Pledged Revenues. Pursuant to the Loan/Grant Agreement, the Loan/Grant Agreement constitutes an irrevocable lien (but not an exclusive lien) upon the Pledged Revenues to the extent of the Loan Amount, the priority of which is consistent with that shown on the Term Sheet.

Section 11. Authorized Officers. Authorized Officers are hereby individually authorized and directed to execute and deliver any and all papers, instruments, opinions, affidavits and other documents and to do and cause to be done any and all acts and things necessary or proper for carrying out this Resolution, the Loan/Grant Agreement and all other transactions contemplated hereby and thereby. Authorized Officers are hereby individually authorized to do all acts and things required of them by this Resolution and the Loan/Grant Agreement for the full, punctual and complete performance of all the terms, covenants and agreements contained in this Resolution and the Loan/Grant Agreement including but not limited to, the execution and delivery of closing documents in connection with the execution and delivery of the Loan/Grant Agreement.

Section 12. Amendment of Resolution. This Resolution after its adoption may be amended without receipt by the Borrower/Grantee of any additional consideration, but only with the prior written consent of the CIB and the Finance Authority.

Section 13. Resolution Irrepealable. After the Loan/Grant Agreement has been executed and delivered, this Resolution shall be and remain irrepealable until all obligations due under the Loan/Grant Agreement shall be fully discharged, as herein provided.

Section 14. Severability Clause. If any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

Section 15. Repealer Clause. All bylaws, orders, ordinances, resolutions, or parts thereof, inconsistent herewith are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed to revive any bylaw, order, resolution or ordinance, or part thereof, heretofore repealed.

Section 16. Effective Date. Upon due adoption of this Resolution, it shall be recorded in the book of the Borrower/Grantee kept for that purpose, authenticated by the signatures of the Chair and Secretary of the Borrower/Grantee, and this Resolution shall be in full force and effect thereafter, in accordance with law; provided, however, that if recording is not required for the effectiveness of this Resolution, this Resolution shall be effective upon adoption of this Resolution by the Governing Body.

Section 17. General Summary for Publication. Pursuant to the general laws of the State, the title and a general summary of the subject matter contained in this Resolution shall be published in substantially the following form:

[Remainder of page intentionally left blank.]

[Form of Notice of Adoption of Resolution for Publication]

LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY
Notice of Adoption of Resolution

Notice is hereby given of the title and of a general summary of the subject matter contained in Resolution No. FY2022-09, duly adopted and approved by the Board of Directors of Lower Rio Grande Public Water Works Authority on September 15, 2021. A complete copy of the Resolution is available for public inspection during normal and regular business hours in the office of the Secretary, at 215 Bryant Street, Mesquite, New Mexico 88048.

The title of the Resolution is:

LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY
RESOLUTION NO. FY2022-09

A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF A COLONIAS INFRASTRUCTURE PROJECT FUND LOAN/GRANT AGREEMENT BY AND BETWEEN THE NEW MEXICO FINANCE AUTHORITY (“FINANCE AUTHORITY,” OR THE LENDER/GRANTOR”) AND THE LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY (THE “BORROWER/GRANTEE”), FOR THE BENEFIT OF VADO, IN THE TOTAL AMOUNT OF \$521,083, EVIDENCING AN OBLIGATION OF THE BORROWER/GRANTEE TO UTILIZE THE LOAN/GRANT AMOUNT SOLELY FOR THE PURPOSE OF FINANCING THE COSTS OF DESIGNING AND CONSTRUCTING PHASE II OF HIGH VALLEY WATER SYSTEM IMPROVEMENTS, AND SOLELY IN THE MANNER DESCRIBED IN THE LOAN/GRANT AGREEMENT; PROVIDING FOR THE PLEDGE AND PAYMENT OF THE LOAN AMOUNT OF \$104,217 SOLELY FROM NET SYSTEM REVENUES AND ACCEPTANCE OF A GRANT AMOUNT OF \$416,866; CERTIFYING THAT THE LOAN/GRANT AMOUNT, TOGETHER WITH OTHER FUNDS AVAILABLE TO THE BORROWER/GRANTEE, IS SUFFICIENT TO COMPLETE THE PROJECT; APPROVING THE FORM OF AND OTHER DETAILS CONCERNING THE LOAN/GRANT AGREEMENT; RATIFYING ACTIONS HERETOFORE TAKEN; REPEALING ALL ACTION INCONSISTENT WITH THIS RESOLUTION; AND AUTHORIZING THE TAKING OF OTHER ACTIONS IN CONNECTION WITH THE EXECUTION AND DELIVERY OF THE LOAN/GRANT AGREEMENT.

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

[End of Form of Notice of Adoption for Publication]

PASSED, APPROVED AND ADOPTED THIS 15th day of September, 2021.

LOWER RIO GRANDE PUBLIC WATER
WORKS AUTHORITY, DOÑA ANA COUNTY,
NEW MEXICO

By _____
Esperanza Holguin, Chair

[SEAL]

ATTEST:

By _____
Joe Evaro, Secretary

[Remainder of page intentionally left blank.]

Governing Body Member _____ then moved adoption of the foregoing Resolution, duly seconded by Governing Body Member _____.

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

Those Voting Aye:

Those Voting Nay:

Those Absent:

_____ (___) Members of the Governing Body having voted in favor of the motion, the Chair declared the motion carried and the Resolution adopted, whereupon the Chair and Secretary signed the Resolution upon the records of the minutes of the Governing Body.

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

LOWER RIO GRANDE PUBLIC WATER
WORKS AUTHORITY, DOÑA ANA COUNTY,
NEW MEXICO

By _____
Esperanza Holguin, Chair

[SEAL]

ATTEST:

By _____
Joe Evaro, Secretary

[Remainder of page intentionally left blank.]

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

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

1. The foregoing pages are a true, perfect, and complete copy of the record of the proceedings of the Board of Directors of the Borrower/Grantee (the “Governing Body”), had and taken at a duly called regular meeting held at 9774 Butterfield Boulevard, Las Cruces, New Mexico, on September 15, 2021, at the hour of 9:30 a.m., insofar as the same relate to the adoption of Resolution No. FY2022-09 and the execution and delivery of the proposed Loan/Grant Agreement, a copy of which is set forth in the official records of the proceedings of the Governing Body kept in my office. None of the action taken has been rescinded, repealed, or modified.

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

3. Notice of the meeting was given in compliance with the permitted methods of giving notice of meetings of the Governing Body as required by the State Open Meetings Act, NMSA 1978, § 10-15-1, as amended, including the Borrower/Grantee's open meetings Resolution No. FY2021-19, adopted and approved on May 19, 2021, in effect on the date of the meeting.

IN WITNESS WHEREOF, I have hereunto set my hand this 22nd day of October, 2021.

LOWER RIO GRANDE PUBLIC WATER WORKS
 AUTHORITY, DONA ANA COUNTY, NEW MEXICO

By _____
 Joe Evaro, Secretary

6036165

EXHIBIT "A"

Notice of Meeting, Meeting Agenda

Lower Rio Grande Public Water Works Authority
Resolution Number FY2022-10
Authorizing RCAC Interim Loan Application-Mesquite-Brazito Sewer 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, the Lower Rio Grande Public Water Works Authority (hereinafter referred to as “Public Body”) is an independent public body established under the laws of the State of New Mexico and empowered to own property, borrow money and give security for loans; and

WHEREAS, 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; and

WHEREAS, The Public Body wishes to obtain from RCAC a loan for the development of its Mesquite-Brazito Sewer Project 2 (hereinafter referred to as “Project”) on the property located in the communities of Mesquite and Brazito in Doña Ana County, New Mexico;

THEREFORE It is now resolved that:

1. The Public Body 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; and
2. If the loan is approved, the Public Body 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; and
3. The Public Body 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; and
4. The Public Body authorizes its Board Chair, Esperanza Holguin, or Board Vice-Chair, Furman Smith to execute in the name of the Public Body, 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; and

5. The Public Body authorizes General Manager, Martin G. Lopez, or Projects Manager, Karen Nichols, To execute in the name of the Corporation, only that documentation required by RCAC for the disbursement of funds during the term of the loan.

Passed and adopted this 15th Day of September, 2021 by a vote of ___ in favor, ___ against, ___ abstaining, and ___ absent.

SEAL:

Esperanza Holguin, Board Chair

The undersigned, Joe Evaro, Secretary of the Public Body 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.

Joe Evaro, Secretary



Corporate Office:
3120 Freeboard Drive, Suite 201
West Sacramento, CA 95691
(916) 447-2854 • Fax (916) 447-2878

Loan Fund Assurance Statement

Loan Applicant: Lower Rio Grande Public Water Works Authority
Project: Mesquite-Brazito Sewer Project 2

As the duly authorized representative of the applicant, I certify that:

1. Applicant is a public body under the laws of the State of New Mexico and is in Good Standing with the laws of the State in which incorporated.
2. The Governance Document submitted with this loan application are current, include all amendments to date and remain in full force and effect.
3. The organization has maintained its SECTION 115 (1) tax exempt status and is in good standing with the IRS and State agency(s) which regulate tax exempt status.
4. There is no litigation or other contingency matters pending which could affect the ability of the organization to apply for this assistance or to carry out the loan undertakings if a loan is granted. This would include, but is not limited to, bankruptcy proceedings, lawsuits, investigations, or any known claims against the organization.
5. The organization has safeguards to prohibit employees from using their positions for any purpose that constitutes or presents the appearance of personal or organizational conflict of interest or personal gain.
6. The organization has the legal authority to incur this indebtedness, to utilize revenue sources for debt payment and has the managerial and financial capability to carry out the project for which this financial assistance is requested.

(Signature of Authorized Representative)

Martin G. Lopez, General Manager
Title

Date: September 15, 2021



Rural Community Assistance Corporation

Application for Infrastructure Construction Loan

If your organization has already received an infrastructure feasibility loan or predevelopment loan from RCAC, complete only the organizations name, any changes in other borrower information, the amount needed and term requested, provide any changes or updates to the previous attachments, date and sign. Attach items 8 through 12 below (if not already provided) and a new Resolution to Borrow. Applicants who have not had a previous feasibility loan or predevelopment loan must complete the full application information and provide all attachments.

BORROWER INFORMATION		Date:	September 15, 2021
Name of Borrower :	Lower Rio Grande Public Water Works Authority	Type of Organization:	<input type="checkbox"/> Nonprofit (Mutual)
Mailing Address:	325 Holguin Rd.		<input checked="" type="checkbox"/> Public Body
Street Address (if different):	215 Bryant, Mesquite NM 88048		<input type="checkbox"/> Tribal
City:	Vado	Contact Person:	Karen Nichols
County:	Dona Ana	Title:	Projects Manager
State:	NM	Telephone:	915-203-2057
Zip Code:	88072	Fax:	575-882-0314
Tax ID Number:	27-2142627	Cell:	915-203-2057
DUNS #:	833232932	E-mail:	karen.nichols@lrgauthority.org

PROJECT INFORMATION	
Loan Amount:	\$6,189,000
Term Requested:	2 Years
Median Household Income:	\$40,973
Population Served:	13,500
# of Jobs Created:	0
# of Jobs Retained:	30
Technical Assistance Provider:	RCAC

- Please attach the following documents to the application:**
1. Formation documents applicable to type of entity.
 2. Resolution to Borrow (format attached).
 3. Board roster with names, addresses, occupations.
 4. Last two years financial statements (audited if available) and current interim financial statements. If not available discuss alternatives with loan officer.
 5. Current operating budget and rate structure.
 6. Brief system history, current staffing, income levels served, etc.
 7. For public body applicants – Attorney’s opinion letter as to ability of organization to incur loan obligation. For nonprofits, complete attached Assurances Statement.
 8. Letter of Conditions from permanent financing lender.
 9. Full copy of Preliminary Engineering Report (PER).
 10. Engineering Agreement with permanent lender approval.
 11. Construction documents with permanent lender approval.
 12. Proposed form of security for interim construction financing.

Credit: I hereby grant Rural Community Assistance Corporation permission to obtain credit information and general references, and to contact borrower’s accountant.

Certification: I certify that I am the person authorized by the Board of Directors to execute a loan application and other documents in connection with this request and that the information on this loan application and attachments hereto is complete and current to the best of my knowledge. Furthermore, I understand that intentional misrepresentation of facts may be a basis for denial of credit or an “event of default” as described in the Promissory Note which will evidence the loan request, if approved.

Authorized Signature: _____ Date: September 15, 2021

Recommended (RCAC or other TA provider)

Signature: _____ Date: __

Notice: The Federal Equal Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, age (provided the applicant has the capacity to enter into a binding contract); because all or part of the applicant’s income derives from any public assistance program; or because the applicant has, in good faith, exercised any right under the Consumer Credit Protection Act. The federal agency that administers compliance with the law concerning this credit is the Federal Trade Commission, Division of Credit Practices, 6th and Pennsylvania Avenue, NW, Washington, DC 20580.

**Lower Rio Grande Public Water Works Authority Resolution Number FY2022-11
AUTHORIZING THE ASSIGNMENT OF AUTHORIZED OFFICERS AND AGENTS**

Whereas, the Board of Directors of the Lower Rio Grande Public Water Works Authority of Doña Ana County of the State of New Mexico shall enter into a Grant Agreement with the State of New Mexico Department of Finance and Administration, and

Whereas, the Agreement is identified as Project Number SAP 21-F2723-STB;

NOW THEREFORE, BE IT RESOLVED by the named applicant that:

Esperanza Holguin, Chairperson, or successor, is authorized to sign the Grant Agreement for this project, and

Martin G. Lopez, General Manager, or successor, is the FISCAL OFFICER; or

Karen Nichols, Projects Manager, or successor is the OFFICIAL REPRESENTATIVE

BOTH OF WHOM are authorized to sign all other documents necessary to fulfill the Grant Agreement and the requirements (Project Description, Disbursements and Notice of Obligations (NOO)) and to act as the project contacts); and

Karen Nichols, Projects Manager, or successor, is the Capital Projects Monitoring System (CPMS) contact who is authorized to update the CPMS database on a monthly basis.

PASSED, APPROVED, AND ADOPTED THIS 15TH DAY OF SEPTEMBER, 2021 AT A REGULAR MEETING OF THE LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY BOARD OF DIRECTORS: .

Esperanza Holguin Chairperson

(Signature)

Date: September 15, 2021

(SEAL)

ATTEST:

Joe Evaro, Secretary