

LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY
MINUTES, REGULAR BOARD OF DIRECTORS MEETING

9:00 a.m. Wednesday, December 12, 2012 at the Vado Community Center, 325 Holguin Rd

Note: Minutes are in DRAFT form until approved by Board

- I. **Sign in, Roll Call to Establish Quorum, Call to Order** Sign-in sheet and agenda are attached. Directors present were Chair Robert “Marty” Nieto, Vice-Chairman John Holguin, Secretary Santos Ruiz, Director Mary Berry and Director Furman Smith. Absent were Director Blanca Martinez and Director Rosaura Pargas. Staff members present were General Manager Martin Lopez, Finance Manager Kathi Jackson, Operations Manager Mike Lopez, Projects Manager Karen Nichols and Adm Asst Joan Ferguson. Also present was Espy Holguin from HUD. With a quorum established the meeting was called to order by Mr. Nieto at 9:05am. { :26}
- II. **Approval of Agenda** Motion was made by Mr. Holguin to approve the agenda and seconded by Mr. Ruiz. The motion passed 5-0. { :45}
- III. **Approval of Minutes of 11/14/12** Errors in name spellings were noted. A motion to approve the minutes with corrections was made by Mr. Holguin and seconded by Mr. Smith. The motion carried 5-0. {5:00}
- IV. **Guest Presentations** Senator Mary Papen’s presentation was postponed until next month {5:21}
- V. **Public Input** none {5:30}
- VI. **Managers’ Reports**
 - A. **Management Report** Mr. Martin Lopez’s written report is attached and he discussed it with the Board.
 1. DAC’s appraisal office is not recognizing Butterfield Park real property despite BP having paid taxes on the property. Management is working on clearing that up.
 2. The meeting with DAC over waste water rates was productive. The County contract contained rates for the Authority that were consistent with a customer rather than a supplier of wastewater. The County is drafting a new contract. {15:20}
 - B. **Projects Report** Ms. Karen Nichol’s written report is attached and she discussed it with the Board.
 1. Continuing issues with NMFA and the State Engineer’s Office over reviewing the contract for Surface Water Treatment Plant (LRG-11-05). Neither entity wants to review the contract. After a review of the contract, the Authority’s attorney found that NMFA waived the right to approve the contract and it is valid with an addendum provided by the attorney. The project should be in the design phase by January.
 2. Ms. Nichols is still trying to amend contract for radio read meters to specify that it is only for materials and not labor.
 3. Mr. Smith discussed the SCADA glitch with the water pump that failed on Thanksgiving. The software was not programmed to recognize the necessary parameters. Mr. Smith obtained a quote of \$1,500 to reprogram. He will coordinate with Ms. Nichols and Mr. Mike Lopez on the issue.
 4. Ms. Berry announced a community meeting January 10 with Representative Nate Cote and County Commissioner Wayne Hancock in Butterfield Park for the purpose of discussing area needs for the upcoming legislative session. {40:29}

- C. **Operations Report** Mr. Mike Lopez’s written report is attached and he discussed it with the Board.
1. Report, p. 2, third item should read that the Mesquite Sewer Report was sent last month and Mr. Lopez is currently working on Organ’s Sewer Report
 2. Ms. Berry brought up a confusion about when rates and fees would change from Butterfield Park policies to LRGPPWA policies. It was clarified that the policies will change when the merger is finalized. {55:30}
- D. **Finance Report** Ms. Kathi Jackson’s written report is attached and she discussed it with the Board.
1. Exceptional items in the Profit and Loss report include three payrolls in the month of November, paying for the audit and writing off \$23,000 in water penalties.
 2. Audit has been finished with an unqualified opinion but several findings. It has yet to be released by the State Auditor.
 3. The Authority will have to issue request for proposals for IT, legal services and copier maintenance for next year.
 4. Staff and Board meeting December 21.
 5. Mr. Martin Lopez told the Board that there are pending modifications in the organizational chart that would be brought to the Board in either January or February. {1:09:00}

VII. Unfinished Business

- A. **Draft Documents Retention Schedule, Finance—for approval** Ms. Nichols presented the document and a motion to approve the Documents Retention Schedule, Finance was made by Mr. Holguin and seconded by Ms. Berry without discussion. The motion carried 5-0. {1:10:50}
- B. **Director nominations for GM Review Committee** Mr. Holguin nominated Mr. Steve Cary, a lieutenant with the State Police in charge of internal affairs investigations for southern NM who lives in La Mesa for the GM Review Committee. The nomination was seconded by Ms. Berry. The vote was 5-0 to accept the Mr. Cary. {1:12:30}
- C. **Serve as key holder for Mesquite Community Center** As directed by the Board, Mr. Martin Lopez discussed the liability issues of holding the key for the Mesquite Community Center with the Authority’s insurer. Ms. Alma Franzoy of Leavitt Group confirmed that a definite liability exists and she recommended not taking on this responsibility. Ms. Berry moved to respectfully decline to serve as a key holder for the Mesquite Community Center. Mr. Ruiz seconded the motion. The vote was 4-1 with Mr. Holguin opposing. {1:15:27}

VIII. New Business

- A. **Brazito MDWDCA and LRGPPWA Merger Plan FY2013-01—for approval**
1. The membership of Brazito voted 31-7 on November 17 to request a merger with LRGPPWA and the Brazito Board postponed their November 26 meeting to approve the merger to November 27.
 2. Brazito has 360 connections and 280 members. Their liabilities include around \$500,000 in debt which includes some smaller loans that should probably be paid off; minor reserve funds; a fair amount of current receivables; and high contract expenses due to the fact that most of their work is outsourced. Their system is relatively new—a new tank, a new booster station, adequate storage and emergency interconnect—and so it is not anticipated that it would require upgrades or intensive maintenance with the exception of their radio read meters. Their new radio read meters have been failing at a high rate—280 out of 360 total—so those will probably have to be replaced with a more reliable meter. Their contract operator is less than half-time and will probably retire in March.

3. Ms. Berry asked about staffing issues. Mr. Martin Lopez said that there will probably be enough operators now that the Authority has cancelled the two O/M contracts.
 4. Mr. Smith asked about equipment. Brazito has a truck.
 5. Ms. Jackson asked when Brazito's financial information and funds would be available. Mr. Lopez explained that adopting the Merger Plan triggered several events: Authority insurance coverage for the operators when working on the Brazito system; short lived assets, reserve requirements and long term debt from USDA-RD. Additionally, Ms. Nichols needs some of this information and the combined budget and balance sheet in order to compile USDA-RD transfer and assumption documents. The target date for submission of these documents is January 7, 2013.
 6. Mr. Lopez's strategy is to examine both long term debt and short lived assets in order to try to renegotiate reserve requirements and perhaps pay off some of the smaller loans.
 7. Brazito is on a calendar year and will require an A133 audit for 2012 and probably 2013.
 8. Mr. Lopez suggested the Authority not consider any more mergers until after membership elections in April.
 9. Mr. Nieto asked about Brazito's office hours and billing system. Brazito has no office hours. The billing software is the same as Butterfield Park's and LRGPWVA's.
- Mr. Smith moved to approve the Brazito MDWDCA and LRGPWVA Merger Plan FY2013-01. Mr. Holguin seconded the motion. The vote carried 5-0. {1:32:30}

B. **Resolution FY2012-07 Colonias Infrastructure Trust Fund Loan—for adoption** Postponed because loan documents have not been received. {1:32:50}

C. **Proposed amendment to LRGPWVA Employee Handbook regarding leave carried forward at end of year—for approval** The last proposal which is labeled "Proposal #2" should read "Proposal #3." Additionally, Proposal #2, Option A should *not* read "except termination for cause."

1. A motion to amend the LRGPWVA Employee Handbook to allow an employee to carry forward a maximum of 240 hours of sick leave and a maximum of 240 hours annual leave was made by Mr. Holguin and seconded by Mr. Ruiz. The motion carried with a vote of 5-0.
2. Discussion of Proposal #2—change pay out of sick leave—included different ways to pay out sick leave upon termination and the ability to donate sick leave to a colleague. Also included in the discussion was the monetary liability of leave and its effect on bookkeeping. Ms. Berry suggested that the Authority not compensate for sick leave for the time being and revisit the issue when things stabilize. Mr. Smith made a motion to amend the LRGPWVA Employee Handbook to read, "Sick leave will not be compensated at any time." The motion was seconded by Ms. Berry and passed 5-1 with Mr. Holguin dissenting. {1:56:00}

D. **Proposed amendment to LRGPWVA Governance Document—for approval to submit to member vote** The last proposal should read "Proposal #3." During this discussion there was a power surge/failure, the recording stopped {2:00:14} and a new recording (file) was started with a short gap between the two. The discussion of this item centered on the flexibility or lack thereof in the proposals. Because any change to the Governance Document requires a membership vote, Proposals #1 (no change) and #2 (striking out "not") would require a membership vote to change them. Adopting Proposal #3 (striking all the language and adopting NMSA 1978 10-8-4 with regard to travel, per diem and mileage reimbursement) would require policy implementation but should future Boards want to change the policy it would only require a Board vote. Additionally, Ms. Berry was concerned about the perceptions of the membership with regards to fiscal conservation as well as possible candidates in the upcoming elections

understanding that a Board position is not compensated. A motion was by Ms. Berry to amend the LRGPWWA Governance Document by adopting Proposal #2 with the added language “for mileage” at the end of the sentence. The motion was seconded by Mr. Holguin and carried 5-0. {3:14}

- E. **Expand service area—for approval** Mr. Martin Lopez requested the Board close gaps between membership and place of use. He proposed three different sites:
1. During research, Mr. Lopez noticed a parcel in the Butterfield/Organ area that was “undeclared.”
 2. The property of a Brazito member—who wants to remain with LRGPWWA—is on the northern edge of the southern service area.
 3. The property of a LRGPWWA member—who wants to remain with LRGPWWA—is in a parcel west of the southern service area.

A motion to decline to expand in the northern area but to expand in the southern areas was made by Mr. Smith and seconded by Mr. Holguin. The vote carried 5-0. {28:08}

- F. **Amend ICIP** Because the Alto de Las Flores Interconnect project is commencing it can be removed from the ICIP ranking list and that list can be reordered. It was proposed that the Water Rights Purchase be moved to the top of the list (#1), the Organ Wastewater Improvement (#5) be moved to the #2 position and the Authority Interconnect Looping Project (#2), The System-Wide Information Technology Standardization (#3) and Distribution System Rehabilitation & Improvements (#5) be moved to the 3, 4, and 5 positions, respectively. Mr. Holguin made a motion to accept the proposal, it was seconded by Ms. Berry. The vote carried 5-0. {31:31}

- IX. **Other discussion and agenda items for next meeting, 1/16/13 at La Mesa Office** Ms. Berry had spoken to a representative from El Paso Electric about solar energy and gave the literature to Mr. Martin Lopez. Ms. Nichols had overlooked bringing this issue up during the Projects Report and apologized. She will be applying for USDA-RD funds for an energy audit in January. {43:20}

- X. **Adjourn** Motion to adjourn was made by Mr. Holguin and seconded by Ms. Berry. The motion passed 5-0. The meeting was adjourned at 11:54am. {43:20}

Date Minutes approved: _____

Directors Present

Chairman Robert M. Nieto

Vice-Chairman John Holguin

Absent

Director Rosaura Pargas

Secretary Santos Ruiz

Absent

Secretary Blanca Martinez

Director Mary Berry

Director Furman Smith

Lower Rio Grande Public Waterworks Authority

Sign In Sheet

Date: December 13, 2018 Time: 4pm

Place: Yaddo

Meeting Type: Regular Board Mtg

Name, Title - Print Sign	Company or Agency Represented	Mailing Address	Telephone	Email
Esteban M. N. [Signature]	LRG PWWA	225 Hidalgo Rd.	575 634 3851	
Euneman Smith	"	POB 172 ORCAN NM 88052	382 5982	SMITHNF@ZIMNET.COM
Mary Barry	LRG PWWA	9170 Barry Pk LN, L.R. 88111	382-5874	mdbarry@nm54.com
Sandra Ruiz	LRG PWWA	12 Fuego Magnita	75 882393	inner
Kathleen Jackson Financial Manager	LRG PWWA	PO Box 2646 Anthony NM 88121	575 640-4332	kathleen.jackson@lrgauthority.org
Mike Lopez	LRG PWWA	P.O. Box 2646 Anthony NM 88021	(575) 635-3921	mike.lopez@lrgauthority.org
JOAN FERRELLSON	LRG PWWA	1613 ADRI LC, NM 88007	575 405-7973	joan.ferrellson@lrgauthority.org
Karen Nichols	LRG PWWA	PO Box 2646 Anthony NM 88021	575 233-5742 x122	Karen.Nichols@lrgauthority.org
Maria Lopez	LRG PWWA	325 Hidalgo Rd Albuquerque 88022	575 571-3628	maria-lopez@lrgauthority.org
John Holguin	LRG	325 Hidalgo Rd Dads, DN	575 635-9007	johnholguin@lrgauthority.org
ESPIRITO HOLGUIN	LRG	2510 N YERGEN LC		

LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY
MEETING NOTICE & AGENDA—REGULAR BOARD OF DIRECTORS MEETING

9:00 a.m. Wednesday, December 12, 2012 at the Vado Community Center, 325 Holguin Rd
Agendas are final 24 hours prior to the meeting and may be obtained at any LRGPWWA Office—call 575-233-3947 for information

- I. Sign in, Roll Call to Establish Quorum, Call to Order
- II. Approval of Agenda
- III. Approval of Minutes of 11/14/12
- IV. Guest Presentations: Senator Mary Kay Papen
- V. Public Input—15 minutes total allotted for this item, 3 minute time limit per person
- VI. Managers' Reports
 - A. Management Report
 - B. Projects Report
 - C. Operations Report
 - D. Finance Report
- VII. Unfinished Business
 - A. Draft Documents Retention Schedule, Finance—for approval
 - B. Director nominations for GM Review Committee
 - C. Serve as key holder for Mesquite Community Center
- VIII. New Business
 - A. Brazito MDWDCA and LRGPWWA Merger Plan FY2013-01—for approval
 - B. Resolution FY2012-07 Colonias Infrastructure Trust Fund Loan—for adoption
 - C. Proposed amendment to LRGPWWA Employee Handbook regarding leave carried forward at end of year—for approval
 - D. Proposed amendment to LRGPWWA Governance Document—for approval to submit to member vote
 - E. Expand service area—for approval
 - F. Amend ICIP
- IX. Other discussion and agenda items for next meeting, 1/16/13 at La Mesa Office
- X. Adjourn

If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aide or service to attend or participate in the hearing or meeting, please contact the LRG PWWA office at 575-233-3947, 325 Holguin Rd, Vado NM 88072 at least one week prior to the meeting or as soon as possible. Public documents, including the agenda and minutes, can be provided in various accessible formats. Please contact the LRGPWWA office if a summary or other type of accessible format is needed.

Si es un individuo con una incapacidad esta en necesidad de un lector, amplificador, lenguaje por senas, o cualquier otra forma de asistencia o servicio para atender o participar en las juntas, por favor llame ha la oficina LRG PWWA office at 575-233-3947, 325 Holguin Rd, Vado NM 88072 una semana antes de la junta o en cuanto posible. Documentos públicos, incluyendo la agenda y minutos, están disponibles en varios formatos. Por favor opóngase en contacto con la oficina LRGPWWA si un resumen o otro tipo de forma accesible es necesario.

LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY

MINUTES REGULAR BOARD OF DIRECTORS MEETING

9:00 a.m. Wednesday, November 14, 2012 at the Vado Community Center, 325 Holguin Rd

Note: Minutes are in DRAFT form until approved by the Board

- I. **Sign in, Roll Call to Establish Quorum, Call to Order** Sign-in sheet and agenda are attached. Directors present were Chairman Robert "Marty" Nieto, Vice-Chairman John Holguin, Secretary Santos Ruiz, Director Mary Berry and Director Furman Smith. Absent were Director Blanca Martinez and Director Rosaura Pargas. Staff members present were General Manager Martin Lopez, Finance Manager Kathi Jackson, Operations Manager Mike Lopez, Projects Manager Karen Nichols and Adm. Asst. Joan Ferguson. Also present were Roberta Salazar Henry and Espy Holguin. With a quorum established the meeting was called to order by Mr. Nieto at 9:07 am.
- II. **Approval of Agenda** Motion to move item VII.B (Director nominations for GM Review Committee – 2 nominees) to after item III, approval of minutes was made by Mr. Nieto, was approved by Mr. Holguin and seconded by Mr. Ruiz. The motion carried 5-0. {1:25}
- III. **Approval of Minutes of 10/17/12** Mr. Holguin made a motion to approve the minutes of 10/17/12. Mr. Ruiz seconded the motion. The motion carried 5-0. {5:21}
- IV. **Director nominations for GM Review Committee—two nominees for approval**
 - A. **Roberta Salazar Henry—nominated by Director, John Holguin** She spoke briefly to the Board. She was with the New Mexico Department of Game and Fish and retired as Assistant Secretary. She is part of the natural resources conservation community and considers water issues and habitat an important issue. Additionally she has been a member of the Moongate Water Association as well as the Talavera Water Association.
 - B. **Linda Liess—nominated by Mary Berry** She was notable to attend the meeting. She is the former Chairman of the Butterfield MDWA and is a research coordinator with the Agricultural Department at New Mexico State University.
Ms. Berry made a motion to accept the nominations. Mr. Holguin seconded and the motion carried 5-0. {9:58}
- V. **Guest Presentations:** none
- VI. **Public Input—15 minutes total allotted for this item, 3 minute time limit per person:** none
- VII. **Managers' Reports**
 - A. **Management Report** Mr. Lopez's report is attached and he reviewed it with the Board.
 1. Mr. Holguin inquired about the office hours at Butterfield and Organ offices. There is no Organ office. The Butterfield office is open Monday through Thursday from 1pm to 5pm.
 2. Mr. Holguin asked whether the EPA had been involved in the asbestos abatement project at Tierra del Sol (attached). Mr. Martin Lopez said that the abatement had been accepted by Fed EPA and NM Environmental Department and building on the site has recommenced. Additionally, the Authority is posting arsenic reports on the bulletin board at the community's baseball field. {23:38}
 - B. **Projects Report** Ms. Nichol's report is attached and she reviewed it with the Board.

1. RE La Mesa Water Systems Improvements Information received after report was submitted: transmission lines are completed; a retaining wall and grading have been started; and the well looks like it will be a good one.

2. Re Organ Water & Sewer Project

a) Mr. Mike Lopez reported that the line to Tierra Alta had been completed as well as having started the pressure boosting station and the pad.

b) Mr. Smith asked about the SCADA issue. Ms. Nichols asked if he had been able to access the Project Tracker where the submittals are located and said she would be happy arrange that for him. {48:55}

C. Operations Report Mr. Mike Lopez's report is attached and he reviewed it with the Board.

1. Moved Gabriel up to East Mesa while Tom is on leave.

2. RE Control panel at #4 Well. Control Panel is corroded and Mike recommended to Martin that it be replaced. He is in the process of getting one estimate from Pure Ops and a second from Mark Parmeter. Mike Lopez estimates that it will be more than \$10,000.

3. Mr. Smith asked if the issue brought to the Board at October's meeting by Mr. Smith (member) had been resolved. Mr. Mike Lopez said that they had tested his meter and found that it had been running seven percent fast. They adjust his bill and he is satisfied.

4. Mr. Lopez is in contact with Ernesto Valenzuela at New MED about the adm contact and operators on the East Mesa. Additionally they will be numbering and labeling the wells, tanks and booster stations for the ED and New Mexico Office of the State Engineers.

5. Mr. Smith asked about a water loss report. Mr. Lopez said that he was in the process of developing that. {48:55}

D. Finance Report The written finance report was not available. Ms. Jackson explained to the Board that Quick Books had crashed and she could not give them accurate figures.

1. The audit took three weeks. Report has not been received and there may be a few findings.

2. The computer program crashed. A few hours worth of data input was lost but there was a paper trail.

3. Ms. Jackson, Benita Avaro and Connie Garcilazo went to the Infrastructuer Finance Conference and will be attending the procurement training as well. She recommends considering a procurement manager. Water companies fall into a grey area of the NM Procurement Code because the Authority's operations are self-funding. Ms. Nichols pointed out that the Authority's policy requires that the State procurement code be observed.

4. Ms. Jackson will probably be forced to purchase the updated version of Quick Books Intuit as the current version was compromised by the auditor and she had difficulty getting technical support because she didn't have the latest version. The upside is that the new version has an autopayment which would allow credit card and bank draft payment options.

5. Because of current and possible mergers and procurement issues, Ms. Berry suggested that the possibility of a second accountant be considered. Additionally, she pointed out that individuals on the Board bear some legal responsibilities concerning tax obligations. She asked Ms. Jackson if the IRS penalty of \$3,800 had been paid. Ms. Jackson did not think that the letter had been received but she confirmed that the State penalties had been paid. Consequently, Ms. Berry requested that Ms. Jackson notify the Board when the IRS penalty of \$3,800 is paid. Ms. Holguin pointed out that insurance was available to cover the personal liability of Board members. Ms. Nichols confirmed that the Authority already carries that insurance.

6. Mr. Martin Lopez said that it appears that the Authority will have to do Agreed Upon Procedures for FY 2012 for Butterfield Park but because it's due December 15 it will be late. Butterfield Park is on year three of a three-year contract with White, Samaniego and Campbell which has been approved by the State Auditor.
7. Organ just went over \$500,000 threshold in their latest pay request which will trigger a full OMB 133 audit. An auditor will need to be procured.
8. The Authority will be responsible for 2012 property taxes for Butterfield Park and Organ. Ms. Jackson explained that because all of the documents have not been filed, the Authority cannot file for an exemption. {1:03:09}

VIII. Unfinished Business

- A. **Draft Documents Retention Policy for approval** Mr. Martin Lopez asked Ms. Ferguson for an overview. The policy itself was adapted from a sample policy available for modification on the website of the Council of Nonprofits. The administration schedule up for approval was adapted from the documents retention section of the New Mexico Administrative Code. Documents are retained in order to comply with Open Meetings Act and Inspection of Public Records Act. Mr. Martin Lopez asked if the LRG's lawyer should review these documents. Ms. Nichols said that there is nothing in the policy that concerns her. Mr. Holguin moved to approve the policy and was seconded by Mr. Smith. The motion passed 5-0. Ms. Berry moved to adopt the administrative documents retention schedule, it was seconded by Mr. Smith. The motion passed 5-0. {1:14:15}

IX. New Business

- A. **Resolution number FY2013-05 DWSRLF regarding #2710-DW (radio read meters)** After a brief discussion, a motion to adopt FY2013-05 was made by Ms. Berry and seconded by Mr. Ruiz. The motion passed 5-0. {1:21:30}
- B. **Resolution number FY2013-06 regarding Water Trust Board 252-WTB (design of surface water treatment plant)** After a brief discussion, a motion to adopt Resolution number FY2013-06 was made by Mr. Smith and seconded by Ms. Berry. The motion passed 5-0. {1:23:31}
- C. **Review O&M contract with Desert Aire & La Union** The contract with Desert Aire was a "rollover" from Mesquite and is a four-year contract. The contract with La Union has been in effect almost two years. The original intent was to help a neighbor but currently the Authority loses money in the relationship and with the recent mergers the Authority's operators are very busy. A motion to terminate the contracts by February 1, was made by Mr. Smith and seconded by Mr. Holguin. Motion passed 5-0. Martin Lopez indicated that he would compose a letter and hand deliver it to their next meetings.
- D. **Request by MCAC for LRG to keep a backup key** Mesquite Community Action Committee asked if LRGPWWA could keep a backup key to the community center. Questions of logistics and liability were discussed. Mr. Martin Lopez could not recommend it to the Board. Action postponed until next meeting and Mr. Martin Lopez was directed to see how insurance premiums would be affected. Motion to postpone action until next meeting was made by Mr. Holguin, seconded by Ms. Berry. The motion carried 5-0. {1:38:46}
- E. **Motion to convene in closed session pursuant to NMSA 1978 Section 10-15-1 (H)(7) for discussion of threatened or pending litigation** A motion was made to go into closed session by Ms. Berry, it was second by Mr. Smith. Roll call: Mr. Nieto, yea; Mr. Smith, yea; Ms. Berry, yea; Mr. Ruiz, yea; Mr. Holguin, yea. The session was closed at 10:47 am. A motion was made by Mr. Holguin to open the session and was seconded by Ms. Berry. The motion carried 5-0. Session was reopened at 10:56.
- F. **Motion(s) related to closed session** A motion was made by Mr. Smith to direct Mr. Lopez to file a grievance against the NM Office of the State Engineer. It was seconded by Mr. Holguin and the motion carried 5-0 with no further discussion. {1:40:20}

X. Other discussion and agenda items for next meeting, 12/12/12 at Vado

- A. Trash Coupons
 - B. Travel expenses for Board members
 - C. Rate study
 - D. Update organizational chart
 - E. Leave carry over policy
 - F. Colonias Day participation
- XI. **Adjourn** Motion to adjourn was made by Mr. Holguin, seconded by Mr. Ruiz, motion carried 5-0. Meeting was adjourned at 11:15am.

Date Minutes approved: _____

Directors Present

Chairman Robert M. Nieto

Vice-Chairman John Holguin

ABSENT

Director Rosaura Pargas

ABSENT

Director Santos Ruiz

Secretary Blanca Martinez

Director Mary Berry

Director Furman Smith

LRG PWWA
Manager's Report
December 12, 2012

- Transfer of Assets from Associations
 - Berino: BLM permit pending
 - Organ: application for lapsed permit with State Land Office filed; discovered a second permit which needs to be transferred
 - Organ 2011 Tier 4 Review completed and submitted to NM State Auditor
 - Organ: paid off backhoe loan
 - Butterfield Park real property pending attorney meeting with DAC appraisal's office
 - RD applications for merger is in process
 - Butterfield Park office CUSI billing program linked to Mesquite office
- Lower Rio Grande Water Users Organization (LRGWUO) meeting was held to discuss updating the Regional Water Plan
- Meeting with DAC to discuss proposed wastewater rates; not on trash coupons (exhaust inventory)
- O&M termination letters provided to La Union & Desert Aire
- Meetings/Trainings
 - SCCOG December 14 in T or C
 - Merger(s) Public Meeting December 19 at DAC complex
 - LRGWUO meeting December 20 pending
 - Staff/Board meeting set for December 21

LOWER RIO GRANDE

Public Water Works Authority

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

lrgauthority.org

November 26, 2012

Board of Directors
Desert Aire MDW&SWA
2360 Desert Aire Road
Chaparral, NM 88081

RE: Termination of O&M Contract

Dear Board Members:

The LRGPWWA Board regrets to inform that we are providing notice of termination of the Operations & Maintenance Contract with Desert Aire MDW&SWA. With the merger of additional Mutual Domestics into the LRGPWWA we must redirected our efforts to address the needs of the new and current members. The demands placed on our operation and administration staff due to the expansions, while trying to keep cost to minimum for our membership, forces to reevaluate endeavors such as the contract. Our need to make adjustments to operations unfortunately limits our ability to provide services not directly associated and benefitting our membership.

January 31, 2013 will be our last day to provide O&M services under the contract which should be ample time to employ an operator or engage a new water utility. Should your board acquire operational services prior the termination date the LRGPWWA will cease providing services.

We sincerely hope our staff and operational assistance provided your organization the best possible service, understanding the LRGPWWA was not a contract operations but a neighbor assisting a neighbor. We wish you success and should you need emergency assistance please to not hesitate to contact us.

Sincerely,



Roberto M. Nieto, LRGPWWA Chairman

CC: Sandra Alarcon, USDA Rural Development, Las Cruces
Ernest Valenzuela, NMED Drinking Water Bureau, Las Cruces

LOWER RIO GRANDE

Public Water Works Authority

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

lrgauthority.org

November 26, 2012

Board of Directors
La Union MDS&WA
1870 Alvarez Road
La Union, NM 88021

RE: Termination of O&M Contract

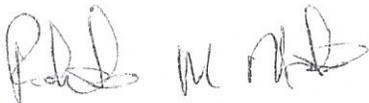
Dear Board Members:

The LRGPWWA Board regrets to inform that we are providing notice of termination of the Operations & Maintenance Contract with La Union MDS&WA. With the merger of additional Mutual Domestics into the LRGPWWA we must redirected our efforts to address the needs of the new and current members. The demands placed on our operation and administration staff due to the expansions, while trying to keep cost to minimum for our membership, forces to reevaluate endeavors such as the contract. Our need to make adjustments to operations unfortunately limits our ability to provide services not directly associated and benefitting our membership.

January 31, 2013 will be our last day to provide O&M services under the contract which should be ample time to employ an operator or engage a new water utility. Should your board acquire operational services prior the termination date the LRGPWWA will cease providing services.

We sincerely hope our staff and operational assistance provided your organization the best possible service, understanding the LRGPWWA was not a contract operations but a neighbor assisting a neighbor. We wish you success and should you need emergency assistance please to not hesitate to contact us.

Sincerely,



Roberto M. Nieto, LRGPWWA Chairman

CC: Sandra Alarcon, USDA Rural Development, Las Cruces
Ernest Valenzuela, NMED Drinking Water Bureau, Las Cruces

**LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY
PROJECTS REPORT – 12/12/12 BOARD OF DIRECTORS MEETING**

Authority Construction Projects:

LRG-11-01 - La Mesa Water System Improvements – Molzen Corbin – Construction Stage – Burn Construction - RD - \$2,040,346: Retaining Wall is complete, tank ring wall is complete and backfilled with base course and asphalt surface. The plumbing has been installed in the building and reinforcing has been installed for the footings. The building footings were poured last week. D&R tank was on site as of last week to begin tank construction. The well driller should be back on site this week.

LRG: 11-02.1 -Mesquite Wastewater Project – Gannett Fleming– CONSTRUCTION Stage – Layne Southwest - RD \$7,262,081, CITF \$1,670,257: Construction is continuing along NM 228 and intersecting streets. Progress with the main lines along the highways is slow because of the multitude of existing utilities in this corridor. Contractor continues to install the connections to the new main line in coordination with property owners. These will be connected to the homes once the sewer mains have been accepted. 1 of 2 bores through petroleum contaminated areas has been completed. Contractor has begun to submit RFIs re: conflicts with existing utilities and appears to be positioning for a request for additional compensation for the associated delays.

LRG-11-02.2 - Authority/Brazito Sewer Project – Vencor – Pre-Design Stage/Funding Application Stage – NMFA/SAP/RD Application: GM, PM, Board Chair, our attorney & engineers met with county's Manager, Utility Manager & attorney on 12/7/12 to begin negotiation of new contract for bulk wastewater treatment to replace existing Mesquite contract and include this and any future projects. Funding application is pending this item because it ties to project cost estimate.

LRG-11-03 – Interconnect & Looping Project – Additional phases pending new PER.

LRG-11-03.4 Mesquite/Brazito Water Emergency Water Interconnect & Supplemental Wells – Planning/Funding: Included in Berino/Mesquite-Del Cerro Project

LRG-11-04 – Berino/ Mesquite-Del Cerro Water System Project WTB #223 – Vencor - Letter of Conditions/final design & review of plans & specs – RD - \$5,420,147/WTB - \$4,371,630: RD approval of plans & specs letter and updated auditor's peer review have been submitted to RD to complete the LOC notebook, and it has been sent from the local office up to Albuquerque. After review there, it will be sent to OGC in Denver. Engineer is preparing bid documents with expected completion 2/8/13 (240 pg).

LRG-11-05 – Surface Water Treatment Plant WTB #252– Bohannon Huston - Design phase - \$750,000 WTB – Closing is set for December 21.

LRG-12-03 – Authority-Alto de Las Flores Interconnect– Vencor – Design - \$86,400 Old Colonias Initiative/DFA + GF & Alto contributions - Need EBID & DAC concurrence on the design so that they, in turn, can determine their permit fees. Engineer has requested county waiver from jack & bore requirements on Castillo Road. Once fees and bore vs. trenching is determined, plans, specs and cost estimate can be finalized and ready for bid. Alto de Las Flores is covering design costs not covered by the grant and our budgeted contribution. Engineer provided NMED-DWB a final plan addressing their

sole comment on 11/20/12. Soils testing at Bore #'s 1&2 locations was performed on 12/7/12.

Authority PERs/EAs/40 Yr. Water Plan:

LRG-12-01 – Authority PER – Vencor - prelim. planning - CDBG Planning Grant \$50,000, NMFA Planning Grant \$37,500 & \$12,500 Local Match: First draw from CDBG funds has been requested. Project Water Model for Existing & Programmed Conditions is nearly complete, future conditions to be assessed week of 12/10/12. Begin Draft Comprehensive PER Report writing week of 12/17/12.

Forty-Year Water Plan – CE&M – complete: pending NM-OSE comments/approval.

Return Flow Credit Plan – CE&M – GF – Pending Review: Drafted and submitted to Ms. Thacker at local NM-OSE 12/21/11.

LRG-12-02 - Radio Read Meters – in-house – 600,950 DWSRLF: \$595,000 was approved at 50% subsidized + 25% grant = 50% grant, 25% loan at 0% plus fees approved by NMFA Board 4/27/12. Contract documents submitted to NMED-CPB 11/7/12 are still pending review & revision.

Individual MDWCA Projects:

LRG-12-04 - Organ Water & Sewer Project – Bohannon Huston – Construction Phase – Morrow - \$2,990,382 RD Colonias Grant, \$101,000 RD Loan: 4,000' of 4" transmission and distribution water line completed in the Tierra Alta area. Testing, services and tie in to existing 4" on Highway 70 remain to be completed. 2,500' of 6" water line completed on Corona Rd. Field Order issued to change 4" PVC to 6" PVC on Corona Rd. at Macarthur and extend 6" to Hawk Rd. Resident with fence encroaching in ROW on Corona Rd. has moved fence, and contractor to assist in moving landscape rocks & return driveway to previous condition after waterline is installed. Meeting with contractor, inspector and engineer to ensure all service pipe, fittings, pipe placement and trench compaction meet recommendations of pipe and fitting manufacturer complete on 11/29/12 on site. Leach-field excavation and installation of infiltrators 25% complete this period at treatment facility site. Engineer was notified on 12/7/12 of issues with project inspection.

Other projects:

Legislature – Legislation pre-filing dates are 12/17/12 thru 1/11/13, session begins 1/15/13, bill introduction deadline is 2/14/13, session ends 3/16/13, pocket veto date is 4/5/12 and effective date of legislation passed is 6/14/13 (except for bills with an emergency clause or specified date). Will maintain an ongoing report at your file storage during this period.

USDA-RD Transfer & Assumption Application Packages: Application packages for Butterfield Park, Organ & Brazito are complete except for updated budget & balance sheets that incorporate the numbers from all three associations. Notice of Public Meeting and Intent to Apply has been published and posted. Public meeting is set for 6:00 p.m. on Wednesday, 12/19/12 in the Multipurpose Room at the Doña Ana County Government Center. Target date for submission to USDA-RD is 1/7/13.

Documents Retention & Destruction – Joan is continuing to work with managers to develop retention schedules, Finance Schedule is on today's agenda, HR/Personnel Schedule is in development

Website - Board Minutes Page & Notices Page are up to date. See activity summary below.



7,487 Page Views [?](#)

Date	Page Views
December, 2011	730 (10%)
January, 2012	684 (9%)
February, 2012	608 (8%)
March, 2012	654 (9%)
April, 2012	524 (7%)
May, 2012	670 (9%)
June, 2012	798 (11%)
July, 2012	558 (7%)
August, 2012	539 (7%)
September, 2012	471 (6%)
October, 2012	688 (9%)
November, 2012	563 (8%)

Lower Rio Grande PWWA

Operators Report

December 12, 2012

System Problems and Repairs.

- Backflow inspections are current.(Mesquite District)
- Sewer tank inspections are current.(Mesquite District)
- 1 new service in the Berino district.
- 1 new service in the Desert Aire.
- 1 new service in La Union.
- 1 new service in the Mesquite district.
- We had a water line break on Anthony Dr.
- We have had 6 leaks in Lower Rio Grande East Mesa.
- We continue with sewer problems in the Mesquite District.
- Well #2 is back in service.
- I am waiting for a second estimate for the pump control Panel at well #4 East Mesa.
- On November 22, JJ called me with a booster problem in Tierra Alta.
- We removed three more services in La Union due to customers losing their memberships.
- My guys had to replace nine meter boxes at the Parque subdivision due to contractor breaking them.
- On December 4th we started to perform operations at Brazito.

NMED: Monthly Bac-T-Samples have been taken for the Lower Rio Grande PWWA, La Union, Desert Aire, and Butterfield Park and Organ.

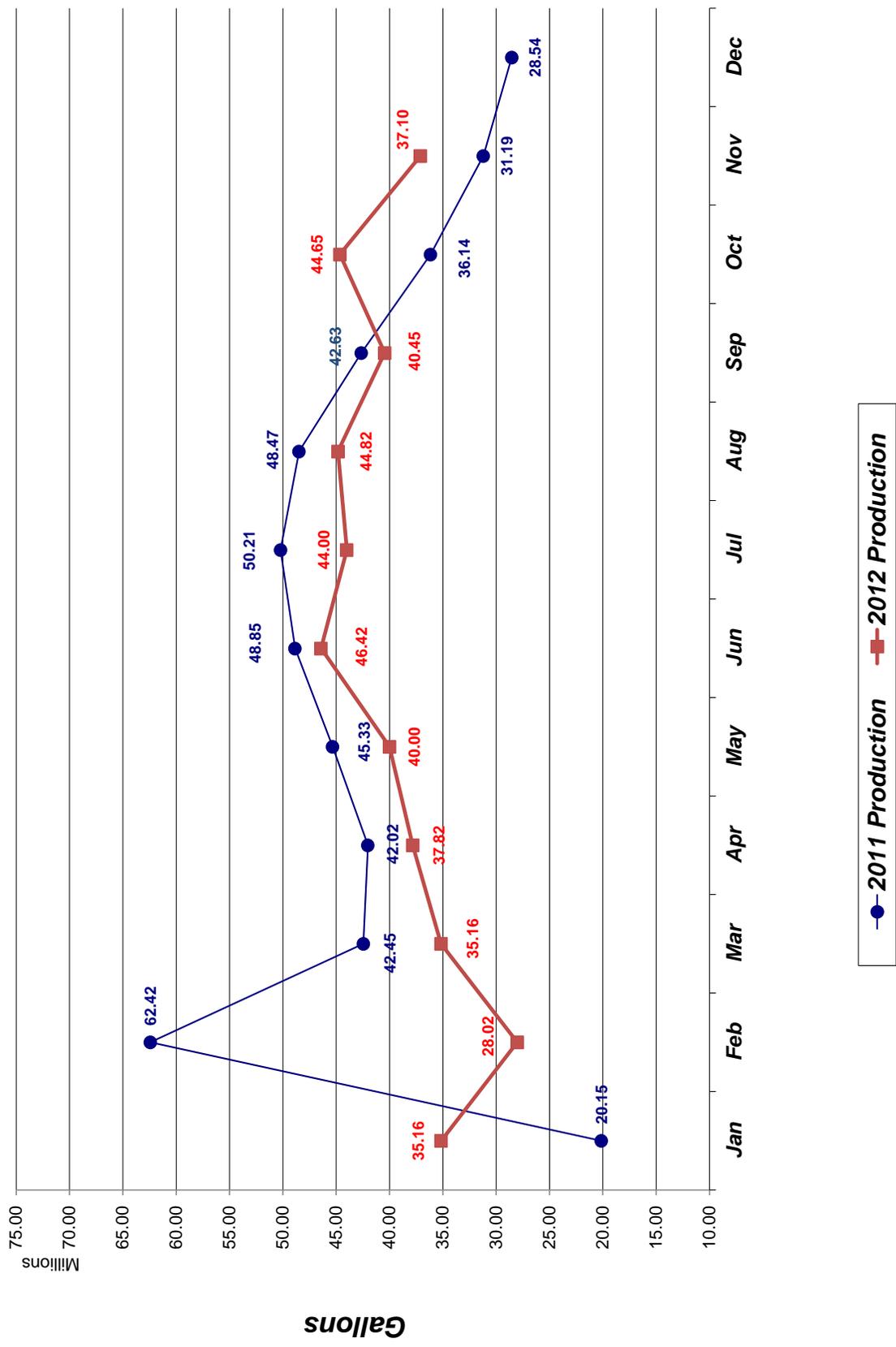
Mesquite district Wetlands: wetlands have been working fine.

Mesquite Sewer Report. We have generated and have sent the sewer report for the Wetlands.

Chlorine: No problems this past month.

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

Lower Rio Grande PWWA Water Production Report



LRGPWWA
Profit & Loss
 November 2012

	Nov 12
Ordinary Income/Expense	
Income	
Credit Card Fees	126.00
Non-Operating Revenue	
Copy/Fax	67.70
Other Income	4,319.61
Total Non-Operating Revenue	4,387.31
Operating Revenue	
Activation & Connection Fees	3,470.00
Membership Fees	300.00
Monthly Services	129,284.83
Monthly Services-Sewer	7,985.20
Penalties-Sewer	320.04
Penalties-Water	-23,008.36
Returned Check Fees	105.00
Total Operating Revenue	118,456.71
Other Types of Income	
Miscellaneous Revenue	2,861.90
Total Other Types of Income	2,861.90
Total Income	125,831.92
Gross Profit	125,831.92
Expense	
Accounting, Auditing, Legal	
Accounting Fees	7,824.60
Bank Service Charges	118.99
Cash Short/Over	16.22
Dues and Subscriptions	1,250.00
Engineering Fees	2,446.02
Government Penalties & Interest	15,098.31
Legal Fees	293.00
Meals	109.63
Permit Fees	2,436.30
Postage-Other	49.29
Training	1,250.00
Travel	1,783.88
Total Accounting, Auditing, Legal	32,676.24
Lab, Chemicals	
Laboratory Fees	493.74
Total Lab, Chemicals	493.74
Salaries	
401K 10% Company Contribution	6,889.53
Accrued Leave	3,789.60
Administrative Labor	28,755.57
Clerical Labor	17,242.07
Employee Benefits-401K Contrib	2,685.03
Insurance-Dental	633.90
Insurance-Health	7,294.62
Operations Labor	42,852.39
Payroll Taxes-Federal Unemploy	46.42
Payroll Taxes-Medicare	1,399.18
Payroll Taxes-Social Security	5,910.10
Payroll Taxes-State Unemploymen	0.00
Payroll Taxes-Worker's Comp Fee	1,129.00
Total Salaries	118,627.41
Supplies	
Computer Maintenance	3,852.33
Fuel	3,178.64
Internet Service - Butterfield	108.76

4:08 PM
12/11/12
Accrual Basis

LRGPWWA
Profit & Loss
November 2012

	<u>Nov 12</u>
Maint. & Repairs-Office	311.56
Materials & Supplies	13,776.00
Office Supplies	2,180.25
Uniforms-Employee	155.56
Total Supplies	<u>23,563.10</u>
Taxes, Liability, Insurance	
Cobra Fee	15.30
Insurance-Vision	0.00
Water Conservation Fee	1,339.51
Total Taxes, Liability, Insurance	<u>1,354.81</u>
Utilities	
Automobile Repairs & Maint.	3,240.21
Cell Phone	1,513.29
Electricity-Office	20,328.09
Garbage Service	148.00
Gas Service - Office	40.82
Natural Gas	131.17
Telephone	1,671.70
Telephone- Butterfield Park	56.60
Total Utilities	<u>27,129.88</u>
Total Expense	<u>203,845.18</u>
Net Ordinary Income	<u>-78,013.26</u>
Net Income	<u><u>-78,013.26</u></u>

BUDGET WORK PAPERS:

Description: work papers used in preparing the appropriations request and operating budget

Retention: three years after close of fiscal year in which created

PROPOSED BUDGET:

Description: final draft of proposed budget

Retention: three years after close of fiscal year in which created

OPERATING BUDGET:

Description: printed copy of annual budget showing projected receipts and expenditures.

Retention: three years after close of fiscal year in which created

AMENDED BUDGETS:

Description: standard form for the revision of an approved operating budget detailing money amounts by line item with explanation and justification.

Retention: three years after close of fiscal year in which created

BUDGET STATUS REPORT, QUARTERLY:

Description: report generated by finance department listing approved budget by category and line item. Information includes budget adjustments, amounts expended, encumbrances outstanding, unencumbered balance, etc.

Retention: three years after close of fiscal year in which created

INVOICES:

Description: copies of invoices supplying goods and/or services. Information includes vendor name and address, date of purchase, purchase order number, invoice number, items or services purchased, amounts, total, etc.

Retention: six years after release of audit

CAPITAL ASSET INVOICES

Description: copies of invoices supplying goods and/or services. Information includes vendor name and address, date of purchase, purchase order number, invoice number, items or services purchased, amounts, total, etc. related to capital assets

Retention: Life of the asset

DEPOSIT SLIPS:

Description: receipt verifying the amount deposited into bank account or deposited with treasurer.

Retention: Bank deposit slips: three years after audit report is released.

REVENUE STATUS REPORT, QUARTERLY:

Description: report generated by finance department listing recap of budget adjustments by category and line item. Information includes original revenue estimate, adjusted revenue estimate, actual revenue year-to-date, unrealized revenue, current month revenues, etc.

Retention: three years after audit is released

CASH REPORTS, DAILY:

Description: report generated showing daily revenues deposited.

Retention: until audit report released

REVENUE CONTRACTS AND GRANTS:

Description: records concerning contracts and grants received by LRGPWWA. Records include but are not limited to block of contract or grants, negotiated grants, federal agency grants, etc. Where there is required reporting of expenditures to a federal agency, retain records for six years after termination of grant/contract or retain records for five years after submission of final expenditure report, whichever is longer.

Retention: six years after termination of grant

PROJECT BIDS/QUOTES:

Description: record of each bid submitted by vendors selling goods and/or services. Information includes request for quotation, bid spread sheet and bid award letter.

Retention: three years after close of fiscal year in which bid is awarded

GENERAL BIDS/QUOTES:

Description: record of each bid submitted by vendors selling goods and/or services. Information includes request for quotation, bid spread sheet and bid award letter.

Retention: three years after close of fiscal year in which bid is awarded

REQUEST FOR PROPOSAL:

Description: record of solicited requests for proposal. Information includes description, evaluation of proposal, evaluation criteria, overview, audit objectives, scope of work, compensation, bid format, additional conditions, etc. Request for proposal may also be filed in various contract or project files.

Retention: three years after close of fiscal year in which bid is awarded

VOUCHERS (PAYMENT VOUCHERS):

Description: standard form used to authorize payment or reimbursement of expenses other than payroll. Information includes vendor name and address, vendor code, Authority fund, quantities, description of goods/services, unit costs, total cost, authorizing signature, etc.

Retention: six years after release of audit

PAYMENT VOUCHER FILES:

Description: records documenting completed transactions authorizing payment for services rendered, purchase of supplies or equipment, travel advance or reimbursement of work-related expenses incurred by an employee or public officer. Files may include supporting documentation such as copy of vouchers, invoices, purchase documents, expense reimbursement forms, travel reimbursement forms, receipts, travel advance forms, etc.

Retention: six years from close of fiscal year in which voucher created or in which audit is completed

CHECKS:

Description: canceled or voided checks issued for payment of goods and/or services. Information includes date, check number, to whom paid, amount, signature of finance officer, etc.

Retention:

- (1) **Canceled checks:** six years after close of fiscal year in which created
- (2) **Voided checks:** until audit report released

PER DIEM FILE:

Description: records concerning in-state and out-of-state travel requests.

Retention: six years after audit is released

VEHICLE MAINTENANCE FILE:

Description: records concerning vehicle maintenance. File may include receipts for gasoline credit cards, maintenance, repairs, etc.

Retention: Until vehicle is disposed of

1099s:

Description: records concerning the reporting to the IRS on monies paid out by Authority on technical and professional service contracts.

Retention: one year after termination of contract, provided audit report released

TIME CARDS:

Description: record of hours worked by employee. Information includes employee name, date, and hours worked.

Retention: three years after close of fiscal year in which created

PAYROLL REGISTER:

Description: documents wages paid to employees for services rendered. Information includes name of employee, social security number, date of check, hourly or salaried amount, overtime, number of hours worked, deductions, etc.

Retention: six years after date created

EMPLOYEE YEAR-TO-DATE INFORMATION:

Description: bi-weekly printout showing year-to-date totals by employee includes gross pay and deductions, etc.

Retention: three years after close of fiscal year in which created

W-2 FORMS:

Description: employer's copy of employee's total earnings and withholdings for the calendar year reported to the internal revenue service. Information includes employer's

identification number, employer's name and address, employee's social security number, federal income tax withheld, FICA taxes withheld, total FICA wages and state income tax withheld.

Retention: five years after close of calendar year for which created

JOURNALS:

Description: department machine or hand posted books of original entry.

Retention: six years after close of fiscal year in which created

LEDGERS, GENERAL:

Description: department machine or hand posted books of final entry.

Retention: six years after close of fiscal year in which created.

TRANSACTION REGISTER, MONTHLY:

Description: computer generated equivalent to a general which shows the opening cash balance, items adding to the balance in detail, items decreasing the balance in detail, etc.

Retention: six years after close of fiscal year in which created

VOUCHERS (JOURNAL):

Description: standard form used to correct (adjust) journal entries. Shows date, account, department, activity, line codes, reference numbers, amounts, etc.

Retention: six years after close of fiscal year in which created

BANK STATEMENTS/ RECONCILIATION OF CASH TRANSACTIONS:

Description: records showing historical record of cash receipts and disbursements.

Retention: six years after close of fiscal year in which created

INVENTORY OF FIXED ASSETS:

Description: records concerning holdings of furniture and equipment. Record shows item description, item location, identification number, serial number, model number, date of acquisition, original cost, etc.

Retention: permanent

AUDIT REPORTS:

Description: printed report documenting the annual audit of funds. These reports, prepared by an outside accounting firm, are categorized by the various offices and further classified by accounts to which they relate. This series also includes semiannual and special audits. Information includes balance sheet, summary of revenue and expenditures, cash balances, statement of taxes, statement of delinquent taxes, statement of other receipts, statement of fines and fees.

Retention: permanent

PETTY CASH FUND FILES:

Description: records concerning the use of petty cash monies. File may include petty cash request, petty cash vouchers, petty cash canceled checks, petty cash bank statements, receipts, cash reconciliation, etc.

Retention: until audit report released

**BRAZITO MUTUAL DOMESTIC WATER
CONSUMERS ASSOCIATION
&
LOWER RIO GRANDE PUBLIC WATER WORKS
AUTHORITY**

MERGER PLAN

Adopted November 26, 2012 by Brazito MDWCA

Adopted December 12, 2012 by Lower Rio Grande PWWA

**JOINT RESOLUTION NUMBER FY2013-01
OF
BRAZITO MUTUAL DOMESTIC WATER CONSUMERS ASSOCIATION
AND
JOINT RESOLUTION NUMBER FY2013-01
OF
LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY
APPROVING THE MERGER PLAN**

WHEREAS, a majority of a quorum of the membership of Brazito Mutual Domestic Water Consumers Association (“Association”), on November 17, 2012, voted to approve the merger of their Association, including assets and liabilities, into the Lower Rio Grande Public Water Works Authority (“Authority”) as the successor entity;

WHEREAS, the Board of Directors of the Lower Rio Grande Public Water Works Authority adopted this Resolution approving and accepting the merger plan on December 12, 2012, and the Board of Directors of the Brazito Mutual Domestic Water Consumers Association adopted this Resolution approving and accepting the merger plan on November 26, 2012;

WHEREAS, the Sanitary Projects Act, Section 3-29-20.1 NMSA 1978, in providing for the merger of two or more Associations, requires that the Board of Directors of each entity approve a Plan of Merger;

WHEREAS, NMSA 1978 73-26-1, the legislation creating the Authority, requires that all functions, appropriations, money, records, equipment, and all personal property and real property, including water rights, easements, permits, and infrastructure, as well as all encumbrances, debts, and liabilities, pertaining to or owned by the merging entities shall be transferred to the Authority;

BE IT THEREFORE RESOLVED, that the following PLAN OF MERGER is hereby adopted as follows:

I. Names of Entities to Merge:

The Brazito Mutual Domestic Water Consumers Association, whose membership has approved a merger (herein after called the “Association”), located Doña Ana County, New Mexico.

The Lower Rio Grande Public Water Works Authority whose board of directors has approved a merger, located in Dona Ana County, New Mexico.

II. Terms and Conditions of Merger:

Upon approval and acceptance by the Lower Rio Grande Public Water Works Authority (herein after called the “Authority”), the merging Association will immediately commence the process of merger into the Authority.

Conditions include but are not limited to the following:

- A. Transition of Membership Accounts to the Authority.
1. All members/customers of the merging association shall continue to receive service and are entitled to representation in the governance of the Authority.
 2. The Association will provide the Authority, the most current list of all customer/member accounts with all contact information, identifying the following:
 - a. Voting Members
 - b. Active users
 - c. Non-active users
 - d. Non-residential accounts: commercial, institutions, churches
 - e. A waiting list, if applicable
 - f. A list of any suspected connections that are connected illegally to its system
 - g. A Delinquent Accounts list, to include, the amount due and time of arrears in increments of 30, 60, days and those over 120 days.
- B. Provide a list of current board members, positions/officers, term, and expiration of term.
1. The Association shall provide an organizational chart and a list of employees. The Association and the Authority will develop a plan for joint use of staff, to facilitate the transfer and retention of employees transitioning from one public employer to another.
 2. A current list of employees will be provided by the Association.
 3. The Authority and Association will develop an employee transfer and retention plan. Employee transfer and retention shall be based on the need of the Authority for that position and the employee eligibility and qualification.
 4. All transferred employees shall become employees of the Authority and shall be subject to its Personnel Policies and Procedures.
- C. Upon the transfer of employment, the Association shall provide the Authority with employment records of each employee transferred. Time in service with the Association shall count as time in service with the Authority.
- D. The Association's assets must be transferred or assigned including infrastructure and non-infrastructure items such as real property/buildings/land, office equipment, tools/vehicles/machinery will be listed as follows: Real property will be transferred by Warranty Deed, and all easements, rights-of-way, permits, and all other property by Quit Claim Deed
1. The Authority's Asset Management Plan shall be amended to include all of the Association's assets and infrastructure and their current condition, present value and replacement value.
 2. The Authority is responsible for integrating the Association's Asset Management Plan.
 3. Transfer of Real Property:

- a. The Association shall initiate a title search and provide a current list of real property and a list of permits, licenses, easements, leases, and rights of way to the Authority.
 - b. The Authority shall assist the Association in developing the documents necessary for the transfers.
- 4. Transfer of Office Equipment:
 - a. The Association shall provide a current list of office equipment to Authority.
 - b. The Authority shall assist the Association in developing the documents necessary for the transfer.
- 5. Transfer of Tools/Vehicles/Machinery:
 - a. The Association shall provide a current list of tools/vehicles/machinery to Authority.
 - b. The Authority shall assist the Association in developing the documents necessary for the transfers.
 - c. The Association shall transfer its business records to the Authority
- E. The Association shall complete a financial plan prior to the merger to include an annual budget, reserves, rates, an income and equity statement, balance sheet, and a comprehensive list of liabilities and assets.
- F. Existing public/agency funding and debt issued in the name of the Association shall be transferred and assigned to the Authority in accordance with agency/bank procedures.
- G. All bank account balances and monies of the Association shall be transferred and assigned to the Authority. However, monies in reserve funds dedicated to specific employee accounts that cannot be assumed by the Authority shall be retained until transferred out of the merging Association's control.
- H. The Association shall change the ownership of its individual water rights to the Authority according to the regulations of the Office of the State Engineer. The Forty (40 Yr.) Year Water Plan for the Authority shall be modified accordingly.
- I. The interconnection of water lines and other infrastructure of the Association with the Authority shall be based on feasibility and the ability to protect public health.
- J. The Association, in partnership with the Authority, shall keep its members informed of the transition process.

III. Manner and Basis for Assuming Obligations

- A. Until the Authority assumes governance over the Association, the Association shall:
 - 1. Continue to govern under their existing Articles, Bylaws, Rules and Regulations, policies and procedures including budget, rates, fees, reserve funds;
 - 2. Manage personnel;

3. Manage and operate all system infrastructures;
 4. Comply with applicable state and federal requirements; and
 5. Prepare for the merger of its Association into the Authority. The merger of the Association into the Authority shall include:
 - a. Develop and approve a Merger Plan;
 - b. Provide notification to its members, regulatory and funding agencies, and other affected parties;
 - c. Appoint one designated and one alternate board member to the Authority's Board of Director until elections are held; and
 - d. Existing Association Board Members who are not appointed to the Authority's Board shall constitute and serve the remainder of their terms as the Authority's Community Advisory Group.
- B. Once the Authority assumes governance over the Association, it shall:
1. Assume management, operation, and maintenance of the business of the Association;
 2. Commence redistricting in order to provide all members with equal representation on the Authority Board of Directors.

The signatories hereto agree and acknowledge that this Plan of Merger was negotiated and developed jointly. **IN WITNESS WHEREOF**, the parties hereto have set their hands and seals by their duly authorized officers, agents or representatives, effective as of the date and year written below.

THE BOARD OF THE BRAZITO MUTUAL DOMESTIC WATER CONSUMERS ASSOCIATION

By:

Jeff Griffith, President

Date

SEAL:

ATTEST:

Teresa Garcia, Secretary/Treasurer

Date

THE BOARD OF THE LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY

By:

Roberto M. Nieto, Chairman

Date

SEAL:

ATTEST:

Santos Ruiz

Date

Note: Proposed changes are in italics, strike-thru indicates deletion, underline indicates new language.

PROPOSAL #1 – SECTION 4.01 Annual & Sick Leave and SECTION 4.02 Sick Leave – Change # of hours carried forward

4. LEAVE

4.01 Annual & Sick Leave:

This policy shall apply to regular and probationary employees in all classifications. Years of service with the founding entities shall count for employees in place as of November 3, 2010. Part-time employees scheduled to work less twenty-four (24) hours per week are not eligible for benefits. Part-time employees scheduled to work at least twenty-four (24) and less than thirty-two (32) hours per week shall accrue leave at fifty percent (50%) of the full-time rate. Part-time employees scheduled to work at least thirty-two (32) but less than forty (40) hours per week shall accrue leave at seventy-five percent (75%) of the full-time rate.

Upon death of an eligible employee, compensation for eligible unused accumulated leave shall be payable to the employee's estate.

Full-time employees shall accrue annual leave and sick leave according to the following schedule on an annual basis:

- (a) During the first five years of continuous work, 10 days annual, 10 days sick (3.07 hours per pay period);
- (b) Six through ten years of service, 15 days annual, 15 days sick (4.62 hours per pay period);
- (c) After ten years of service, one additional day of paid annual leave for each additional year of service not to exceed a total of 30 days annual leave.

Employees who have completed their probationary period may take their accrued annual leave all at once, or gradually, with their supervisor's prior written approval. Requests for annual leave should be submitted at least one pay period prior to allow for scheduling, and priority will be given to the earlier request in case of conflict.

A maximum of *two-hundred and forty* (240) hours of annual leave may be carried forward after the last pay period in December. Annual leave shall not be used before it is accrued and must be authorized before it is taken except when authorized by the General Manager in cases of medical or personal crisis after all other leave included donated leave has been exhausted. Employees shall schedule at least forty (40) hours of leave annually.

At termination of employment for any reason, the Authority shall compensate the employee for his/her accumulated annual leave at his/her straight time rate of pay at the time of termination.

The Authority will not require an employee to take annual leave in lieu of sick leave during periods of illness. However, the employee may elect to take annual leave or leave without pay in case of extended illness where sick leave has been fully used. All other forms of leave must be used prior to donated leave.

If a holiday falls on a workday during an employee's leave period, that day shall be considered as a paid holiday and not leave time.

4.02 Sick Leave:

A maximum of *two-hundred and* forty (240) hours of sick leave may be carried forward after the last pay period in December. Sick leave shall not be used before it is accrued, and employees should notify their supervisor in advance to the extent feasible in order to avoid disruptions in work schedules when using sick leave. Failure to notify may result in denial of leave.

Note: Proposed changes are in italics, strike-thru indicates deletion, underline indicates new language.

PROPOSAL #2 –SECTION 4.02 Sick Leave – Change pay out of sick leave

OPTION A

At termination of employment for any reason *except termination for cause*, the Authority shall compensate the employee for his/her accumulated sick leave...

OPTION B

At termination of employment for any reason *except termination for cause*, the Authority shall compensate the employee for his/her accumulated sick leave...

OPTION C

At termination of employment for any reason, the Authority shall compensate the employee for his/her accumulated sick leave at his/her straight time rate of pay at the time of termination. Sick leave will not be compensated at any time.

Note: Proposed changes are in italics, strike-thru indicates deletion, underline indicates new language.

PROPOSAL #2 –SECTION 4.02 Sick Leave – Change rate of pay out of sick leave

OPTION A

At termination of employment...., the Authority shall compensate the employee for his/her accumulated sick leave at his/her straight time rate of pay at the time of termination.

OPTION B

At termination of employment...., the Authority shall compensate the employee for his/her accumulated sick leave at one-half (1/2) his/her straight time rate of pay at the time of termination

OPTION C

At termination of employment...., the Authority shall compensate the employee for his/her accumulated sick leave at one-third (1/3) his/her straight time rate of pay at the time of termination



Note: Proposed changes are in italics, strike-thru indicates deletion, underline indicates new language.

PROPOSAL #1 – SECTION 2.02. Governing Body, Paragraph H

H. Members of the Board of Directors shall receive neither stipend nor any other compensation for their services. Directors may be reimbursed for expenses incurred by activities or functions performed as part of their service as members of the Board of Directors, as pre-approved by the Board of Directors or as set forth in the Authority's Policies and Procedures. *Travel to scheduled meetings of the Board of Directors is not considered a reimbursable expense.*

PROPOSAL #2 – SECTION 2.02. Governing Body, Paragraph H

H. Members of the Board of Directors shall receive neither stipend nor any other compensation for their services. Directors may be reimbursed for expenses incurred by activities or functions performed as part of their service as members of the Board of Directors, as pre-approved by the Board of Directors or as set forth in the Authority's Policies and Procedures. Travel to scheduled meetings of the Board of Directors is ~~not~~ considered a reimbursable expense.

PROPOSAL #2 – SECTION 2.02. Governing Body, Paragraph H

H. *Members of the Board of Directors shall receive neither stipend nor any other compensation for their services. Directors may be reimbursed for expenses incurred by activities or functions performed as part of their service as members of the Board of Directors, as pre-approved by the Board of Directors or as set forth in the Authority's Policies and Procedures. Travel to scheduled meetings of the Board of Directors is not considered a reimbursable expense. The Board of Directors is subject to NMSA 1978 10-8-4 with regard to travel, per diem and mileage reimbursement.*

Infrastructure Capital Improvement Plan FY 2014-2018

Lower Rio Grande Public Water Works Authority Project Summary

ID	Rank	Project Title	Top 5 Rank	Category	Funding Sources	Funded to date	2014	2015	2016	2017	2018	Total Project Cost	Mos to compl
25918	2014-01	Alto de Las Flores Interconnect	1	Water Supply	FGRANT FLOAN LGRANT SGRANT SLOAN	0	150,000	0	0	0	0	150,000	6
19248	2014-02	Authority Interconnect Looping Project	2	Water Supply	CDBG FGRANT LGRANT FLOAN SGRANT	112,563	1,950,000	1,000,000	1,000,000	1,000,000	0	5,062,563	38
24026	2014-03	System-Wide Information Technology Standardization	3	Water Supply	CDBG SGRANT SLOAN FGRANT FLOAN	595,000	810,000	150,000	100,000	250,000	0	1,905,000	24
22905	2014-04	Distribution System Rehabilitation & Improvements	4	Water Supply	SGRANT SLOAN FGRANT CDBG LGRANT	0	120,000	2,696,000	0	0	0	2,816,000	36
25936	2014-05	Organ Wastewater Improvements	5	Wastewater	LGRANT SGRANT SLOAN FGRANT FLOAN	3,091,382	60,000	323,000	0	0	0	3,474,382	8
24038	2014-06	Authority Brazito Water Interconnect		Water Supply	CDBG SGRANT SLOAN LGRANT FLOAN	0	550,000	0	0	0	0	550,000	8
21300	2014-07	Surface Water Treatment Plant		Water Supply	LGRANT SGRANT CDBG SLOAN FLOAN	974,684	5,000,000	0	0	0	0	5,974,684	26
21301	2014-08	Authority Brazito Sewer Project Phases I and II		Wastewater	LGRANT SGRANT CDBG FLOAN SLOAN	177,958	449,655	3,500,000	0	3,500,000	0	7,627,613	24
22906	2014-09	Light Equipment Purchase		Water Supply	LGRANT SGRANT FGRANT FLOAN SLOAN	0	70,000	70,000	70,000	70,000	70,000	350,000	10
25096	2014-10	Heavy Equipment Purchase		Water Supply	LGRANT SGRANT FGRANT FLOAN SLOAN	0	171,000	171,000	171,000	171,000	171,000	855,000	10
25937	2014-11	40 Year Water Plan Update		Water Rights	FGRANT CDBG LGRANT SGRANT SLOAN	0	25,000	0	0	0	0	25,000	9
25919	2015-01	Purchase and Upgrade Private Water		Water Supply	FGRANT FLOAN SGRANT	0	0	1,500,000	0	0	0	1,500,000	24

Infrastructure Capital Improvement Plan FY 2014-2018

Systems			SLOAN LGRANT									
25920	2015-02	Water Rights Purchase	Water Rights	FGRANT FLOAN LGRANT SGRANT SLOAN	0	0	1,200,000	0	0	0	1,200,000	18
25921	2015-03	Energy Audit	Other	CDBG FGRANT FLOAN SGRANT SLOAN	0	0	50,000	0	0	0	50,000	9
25097	2016-01	Sewer Service Extension to Unserved Areas	Wastewater	CDBG FGRANT FLOAN LGRANT SGRANT	0	0	0	200,000	200,000	200,000	600,000	11
21302	2016-02	Sewer Line for Dairies	Wastewater	LGRANT SGRANT CDBG FLOAN SLOAN	0	0	0	3,200,000	0	0	3,200,000	39
22911	2016-03	Vado Area Water System Improvements	Water Supply	CDBG SGRANT FGRANT SLOAN FLOAN	0	0	0	1,530,000	0	0	1,530,000	30
			Funded to date:	Year 1:	Year 2:	Year 3:	Year 4:	Year 5:		Total Project Cost:		
Grand Totals			4,951,587	9,355,655	10,660,000	6,271,000	5,191,000	441,000	36,870,240			