

LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY

MINUTES—REGULAR BOARD OF DIRECTORS MEETING

10:00 a.m. Wednesday, October 17, 2012 at the Butterfield Park Office, 9774 Butterfield Blvd

Note: Minutes are in DRAFT form until signed by the Board of Directors

- 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 Rosaura Pargas, Director Mary Berry and Director Furman Smith. Director Blanca Martinez was absent due to a medical issue. 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 James, Carolyn K. Hust and Rick Smith. With a quorum established the meeting was called to order by Mr. Nieto at 10:02
- II. **Approval of Agenda** The Guest Presentation by Jose Ramirez (HIDTA) was tabled as he was not present. Mr. Smith moved to approve the agenda. The motion was seconded by Ms. Berry and the vote carried 6-0. {1:05}
- III. **Approval of Minutes of 9/19/12** Mr. Holguin moved to approve the minutes of 9/19/12. Ms. Pargas seconded the motion. The vote carried 6-0 with no discussion. {1:17}
- IV. **Guest Presentations: Jose Ramirez – HIDTA** Tabled
- V. **Public Input—15 minutes total allotted for this item, 3 minute time limit per person**
 - A. Rick Smith presented a billing dispute. He suggested the meter was not working properly because his water usage was above average. He was told to coordinate with Mike Lopez (Operations) and Martin Lopez (GM) to work out the problem.
 - B. Carolyn K. Hust inquired about the safety of the water and the status of the wells. {4:23}
- VI. **Managers’ Reports**
 - A. **Management Report** Mr. Martin Lopez’s written report was in the Board packet (attached) and discussed with the Board.
 1. Additionally, he informed the Board that LRGPWVA had been offered the opportunity to purchase Dos Lagos Golf Course in Anthony for \$5 million. There were 4-6 acre feet of unadjudicated water rights.
 2. In 2000, Organ obtained a 2-year lease from the Land Commissioner. It is unclear whether the lease was for a right-of-way easement or something else. Bohannon Huston and the engineer of record are researching the lease in order to ascertain whether the lease could be renewed or a new lease needs to be obtained. {16:35}
 - B. **Projects Report** Ms. Nichol’s written report was in the Board packet (attached) and discussed with the Board.
 1. RE La Mesa Well. Screens will be placed at 200ft and 750ft. The budget is looking good and any remaining funds will be applied toward additional SCADA and so Mr. Smith asked whether the SCADA system will be compatible with current systems. Ms. Nichols said that Mike Lopez makes those decisions. Mr. Martin Lopez explained that the contract that was inherited from La Mesa specified federally required equipment that could not be changed.

2. RE Mesquite Wastewater Project. Ms. Nichols told the Board that she and Mr. Martin Lopez had attended a Colonias Board meeting the previous day where they were told that the award letter from NMFA should be forthcoming. Mr. Martin explained to the Board how the award letter was being affected by the false audit at the NMFA. Cost of the safety plan due to unsafe trench conditions as a result of the contamination encountered will be higher than figure in report submitted to Board. The contractor has broken a number of our lines and Mike explained the difficulty of trenching next to existing and sometimes unmapped lines.
 3. RE Mesquite/Brazito Water Emergency Interconnect... The County has not met threshold so LRGPWWA will not be able to apply through the County but may apply directly to CDBG for funding.
 4. "Organ Sewer Project" will read "Organ Water/Sewer Project" in future Projects reports.
 5. The RCAC will be presenting the Yoneo Ono Award to the originating Board Members of Lower Rio Grande Mutual Water Association, Nov 8 at the La Mesa Community Center. Invitations were mailed October 16.{23:26}
- C. **Operations Report** Mr. Lopez's written report was in the Board packet (attached) and discussed with the Board.
1. Detailed explanation of problems at the Desert Sands Well #2. The ferric chloride had corroded the column pipe and caused a leak. Mr. Mike Lopez notified the engineer on the original project of the issue so that it wouldn't be repeated. A PVC nipple was installed as well as an ultrasonic meter.
 2. Reported to the Board the issue of sunburned pipes that were rejected for the La Mesa well project.
 3. JJ submitted a warranty repair request for the La Mesa lighting system which is malfunctioning. The contractor is addressing the issue.
 4. The monthly Bac-T-Samples were also sent for Organ.
 5. The Mesquite Sewer Report was not due this month but will be sent next month.
 6. Gas chlorinating equipment is being installed at Well #8 and will provide significant savings.
- D. **Finance Report**
1. While reconciling ledger accounts for the upcoming audit, several errors were discovered:
 - a) Third Quarter payroll taxes had not been paid. They are now paid and LRG will be receiving the penalty notice from the IRS shortly;
 - b) Leave was not accrued at the proper rate. That has been corrected;
 - c) Martin Lopez was charged twice the deduction rate in Jan. He has been reimbursed.
 2. The audit started October 16. It had been delayed because the original auditor had left the firm.
 3. Ms. Nichols asked if the State withholding taxes were paid. Ms. Jackson said that they are caught up.
 4. Ms. Jackson pointed out that the "Grant Income" line item in the Sept Profit & Loss is not actually operating income.
 5. **Resolution #FY2013-04 for Fiscal Year 2013, Amended Budget** Ms. Jackson explained the Budget Amendment and pointed out the differing forms. Mr. Smith made a motion to accept Resolution #FY2013-04 for Fiscal Year 2013, Amended Budget. Ms. Berry seconded the motion. The motion passed on a voted of 6-0.
 6. The IRS, in person, requested La Mesa's tax filing report from 2006. Evidently the records have been destroyed and so the IRS has excused LRGPWWA from filing the report. Additionally, the IRS has assessed a penalty of \$1,200 on La Mesa's final two quarters of payroll taxes before the merger.

7. Mr. Nieto asked about what penalties LRG would be assessed. Ms. Jackson explained that FY2012 3rd quarter federal payroll taxes amounting to \$38,000 were not paid. A penalty of \$3,800 has been levied.
8. Ms. Berry advised Ms. Jackson that Butterfield Park had made their annual payment to their UDSA Rural Development Reserve Account. Mr. Martin Lopez said that under the merger, we might be able to negotiate reserve requirements. {1:00:25}

VII. Unfinished Business

VIII. New Business

- A. **Discuss amendment to Governance Documents for a stipend for Board's travel expenses.** Mr. Martin Lopez asked for direction from the Board on drafting an amendment to the Governance documents to reimburse the Board for travel expenses. He noted that the Governance document can only be altered by a member vote and that it would have to be on the ballot on the April election. The discussion was about the differences between stipends, mileage reimbursement and using company cars. Consensus of the Board decided that mileage reimbursement was the cleanest method and to use State guidelines and directed Mr. Lopez to draft an amendment.
 1. Mr. Smith asked about the upcoming elections and how many representatives would be allocated to the Organ/Butterfield Park area. Because of a possible merger with Brazito, it's unclear exactly but Mr. Lopez estimates 1-1 ½ representatives. {1:18:31}
- B. **Draft Documents Retention Policy for discussion** Ms. Nichols discussed the Draft Documents Retention Policy in the Board's packet (attached). Ms. Berry asked that language indicating flexibility in the retention schedules be added. Ms. Nichols asked whether the Board would prefer that the retention schedules—which are in the process of being drafted—be brought to the Board as they are drafted or all at once. The Board asked for them as they are drafted or amended and will consider adoption of the policy at the next meeting. {1:25:44}
- C. **Director nominations for GM Review Committee** Mr. Nieto had one nomination. There needs to be five members for the Committee. At least four more nominations are needed. Mr. Lopez said that more than five nominations would provide a larger pool to draw from. {1:35:50}
- D. **Lower Rio Grande MDWA 6/20/12 Agreed-Upon Procedures** Mr. Lopez discussed the document with the Board. There was one finding because the State Auditor took so long to approve the audit contract. Mr Lopez made the decision to move ahead with the audit in order avoid a finding for filing the audit late. A motion to approve The Lower Rio Grande MDWA 6/20/12 Agreed-Upon Procedures was made by Ms. Berry and seconded by Mr. Smith. The motion carried 6-0. {1:37:33}
- E. **Reconsideration of contract w/Doña Ana County re: sale of trash coupons & associated fees** The contract with DAC only allows LRG to charge a \$1 fee which is not enough to cover administrative costs. Mr. Martin Lopez asked the Board whether they would like him to try to renegotiate the contract with the County or discontinue the program all together. The alternatives discussed were higher fees, buying in bulk, buying at a discount, outright buying. A motion was made by Ms. Berry to direct GM, Martin Lopez to try to renegotiate the trash coupon contract with the County or buy the coupons in bulk. Motion was seconded by Mr. Smith. The motion carried 6-0.

IX. Other discussion and agenda items for next meeting, 11/14/12 at Vado

- A. Governance document amendment
- B. Document Retention Policy
- C. Director nominations for General Manager Review Committee

- X. **Adjourn** Motion to adjourn was made by Mr. Holguin, seconded by Ms. Berry. The motion carried 6-0. Meeting was adjourned at 11:58 a.m. {1:56:11}

Date Minutes approved: _____

Directors Present

Chairman Robert M. Nieto

Vice-Chairman John Holguin

Director Rosaura Pargas

Director Santos Ruiz

ABSENT

Secretary Blanca Martinez

Director Mary Berry

Director Furman Smith

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

10:00 a.m. Wednesday, October 17, 2012 at the Butterfield Park Office, 9774 Butterfield Blvd.

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 9/19/12
- IV. Guest Presentations: Jose Ramirez – HIDTA
- 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
 1. Amended Budget – for approval
- VII. Unfinished Business
- VIII. New Business
 - A. Discuss amendment to Governance Documents for a stipend for Board's travel expenses.
 - B. Draft Documents Retention Policy for discussion
 - C. Director nominations for GM Review Committee
 - D. Lower Rio Grande MDWA 6/20/12 Agreed-Upon Procedures – for approval
 - E. Reconsideration of contract w/Doña Ana County re: sale of trash coupons & associated fees
- IX. Other discussion and agenda items for next meeting, 11/14/12 at Vado
- X. Adjourn

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

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

LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY
MEETING NOTICE & AGENDA—REGULAR BOARD OF DIRECTORS MEETING
9:00 a.m. Wednesday, September 19, 2012 at the La Mesa Office, 521 St. Valentine
Note: Minutes are in DRAFT form until signed by the Board of Directors

- I. **Sign in, establish quorum, call meeting to order** Sign-in sheet and agenda are attached. Directors present were Chairman Robert “Marty” Nieto, Vice-Chairman John Holguin, Secretary Santos Ruiz, Director Blanca Martinez (arrived at 9:27), Director Mary Berry and Director Furman Smith. Director Rosaura Pargas was absent. 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 Jon Ertsgaard (WH Pacific), Matt Dyer (PSL), Tiffany Goolsby (SCCOG) and Espy Holguin (HUD) (briefly). With a quorum established the meeting was called to order by Mr. Nieto at 9:11. { :07 }
- II. **Approval of Agenda** Motion to approve the minutes was made by Mr. Holguin and seconded by Mr. Ruiz. The motion carried 6-0. { :35 }
- III. **Approval of Minutes of 7/19/12, 7/23/12, 8/15/12** Tabled because copies of minutes needed to be made. { 2:55 }
 - A. Motion to approve the Minutes of 7/8/12 was made by Mr. Holguin and seconded by Mr. Smith. The motion passed 6-0.
 - B. Motion to approve the Minutes of 7/23/12 was made by Ms. Berry and seconded by Mr. Holguin. The motion passed 6-0.
 - C. Motion to approve the Minutes of 8/15/12 was made by Mr. Smith and seconded by Ms. Martinez. The motion passed 6-0. { 1:07:07 }
- IV. **Guest Presentations:** none
- V. **Public Input** —15 minutes total allotted for this item, 3 minute time limit per person. None.
- VI. **Managers’ Reports**
 - A. **Management Report** Mr. Lopez’s written report was in the Board packet (attached) and discussed with the Board. In reference to the Tierra Del Sol monthly report (attached) he also mentioned that an arsenic report had been posted on the Berino community kiosk as well as the Authority’s website and offices. { 6:25 }
 - B. **Operations Report** Mr. Lopez’s written report was in the Board packet (attached) and discussed with the Board.
 1. There had been a hold up on the new Sanitary Surveys as a result of the merger. The General Manager explained the software and bureaucratic complications with the Surveys.
 2. Mr. Holguin asked how arsenic abatement was being addressed. Mike Lopez explained the blending process and the different wells being used. The General Manager discussed issues with deadlines, deadline extensions and water rights. { 17:32 }
 - C. **Finance Report** Ms. Jackson’s report was in the Board packet (attached) and she discussed it with the Board.
 1. The new laundry service is doing well.

2. The intern—Gabe Padilla—was hired permanently.
 3. The audit begins Mon (Sept 24). {28:20}
- D. **Projects Report** Ms. Nichol’s report was in the Board packet (attached) and she discussed it with the Board.
1. Petroleum contamination issue at the Mesquite sewer site was revisited. The Authority has incurred an extra \$53,000 expense because of the contamination but it has been approved by RD. Mr. Lopez mentioned that it was possible (but not probably that that expense could be recouped should the state collect damages.
 2. The third item in the report (LRG-11-02.2 Authority/Brazito Sewer Project) is incorrect. “CDGB” should read “NMFA.”
 3. Mr. Nieto asked if there was a deadline on the soft matches for the Surface Water Treatment project. The General Manager explained how the staff was working on it.
 4. Ms. Nichols announced that she learned that morning that the Authority-Alto de Las Flores Interconnect (LRG-12-03) was funded at \$86,400.00 by NM-DFA for the old Colonias Initiative Program.
 5. On the Organ Sewer Project, Mr. Smith had questions about bid spec changes. Ms. Nichols arranged to coordinate with him on the issue and requested a copy of the spreadsheet he mentioned.
 6. Mr. Holguin had a question about surface water which led to a discussion about the precedence of surface water (rights) over ground water and in the event that the wells were shut off leasing water from EBID and/or drilling wells to access brackish water. {33:39}

VII. **Unfinished Business**

- A. **Resolution FY 2013-03 adopting ICIP** Changes included reordering priorities and language concerning the need for easements. Motion to adopt Resolution FY 2013-03 was made by Ms. Berry and seconded by Mr. Smith. The motion passed 6-0. {1:15:00}
- B. **Motion to convene in closed session pursuant to NMSA 1978 Section 10-15-1 (H)(2) for discussion of the evaluation of the General Manager and for discussion of the purchase, acquisition or disposal of real property or water rights** Motion to go into closed session was made by Ms. Berry and was seconded by Ms. Martinez. The motion passed 6-0. Roll call: Mr. Santo, yea; Mr. Holguin, yea; Ms. Martinez, yea; Ms. Berry, yea; Mr. Smith, yea. Session closed at 10:29 {1:18:03}
- C. **Motion to resume the open meeting and statement by the Chair that affirming that the matters discussed in the closed meeting were limited to those stated in the motion to close** Motion made to reconvene made Mr. Holguin and seconded by Ms. Martinez. Motion was carried 6-0. Session reconvened at 10:41.
- D. **Action related to closed session session** A motion to approve a pay raise as discussed in closed session for Martin Lopez, General Manager to take effect next pay period was made by Mr. Smith and seconded by Mr. Holguin. The motion carried 6-0. {1:18:37}

VIII. **New Business**

- A. **Trash coupon fees** Ms. Jackson asked for an increase of trash coupon fees from \$.50 to \$1.00 or even \$2.00 to cover administrative costs. Additionally, the County has increased their reporting requirements (paperwork). After a discussion the Board decided on a raise to \$2.00 to take effect October 15 to be posted at offices and the

website. Affirmed that the contract with the County allowed for the increase in fees only up to \$2.00. Motion to increase coupon fees to \$2.00 effective October 15 was made by Ms. Berry and seconded by Mr. Holguin. The motion carried 6-0. {1:21:20}

- B. **Brazito’s request to merge with LRGPWVA should their membership approve** Mr. Martin Lopez was invited to attend Brazito’s August Board Meeting where a merger was proposed because the Brazito Board is looking at requirements for reserve components which would result in significant rate increases; loan structures; and possible negative water adjudication. Brazito has 363 water connections. The Board previewed draft of a power point presentation to be given to/requested by the Brazito Board of Directors. Mr. Lopez pointed out that the merger would eliminate a lot of paperwork dealing with the Authority/Brazito sewer project. Ms. Jackson noted that she had not reviewed financial information on Brazito MDWC. Ms. Berry brought up possible compliance issues. Motion to direct staff to review the potential of merging with Brazito was made by Mr. Holguin and seconded by Ms. Martinez. Motion was carried 6-0. {1:29:30}

IX. Other discussion and agenda items for next meeting 10/17/12

- A. Mr. Lopez requested that the Board discuss a Membership vote to change the governance document to provide for a stipend for Board for travel to Regular and Special Meetings. {1:51:32}
- B. Ms. Nichols and Ms. Ferguson are working on a documents retention policy to be presented for adoption at a later date. {1:54:17}
- C. Ms. Nichols proposed that some sort of digital media instead of paper copies be used for Board packets and asked the Board find room in the budget. {1:55:29}
- D. Mr. Nieto reminded the Board that Policy requires the creation of a review committee – separate from the board – to address complaints against the General Manager. Board members will submit nominations to the Board for the committee of five at the next meeting. {1:57:43}

- X. **Adjourn** Motion to Adjourn was made by Mr. Holguin and seconded by Ms. Berry. Motion carried 6-0. Meeting was adjourned at 11:24. {2:00:50}

Date Minutes approved: _____

Directors Present

Chairman Robert M. Nieto

Vice-Chairman John Holguin

Secretary Santos Ruiz

Director Blanca Martinez

Director Mary Berry

Director Furman Smith

ABSENT

Director Rosaura Pargas

**LRG PWWA
Manager's Report
October 17, 2012**

- Transfer of Assets from Associations
 - Organ and Butterfield Park merger:
 - Organ real property filed with DAC
 - Butterfield Park real property appears to be correct Attorney is going to meet with County Appraisal Office
 - Authorization Agreement for Preauthorized Payments for the current RD loans have been submitted which will allow payment to be made from LRGPWWA account
 - RD applications for merger is in process

- Meetings/Trainings
 - October 20 at 10 am at 885 Three Hawks Rd: Brazito MDWCA membership meeting to vote on merger with LRGPWWA
 - IFC in Taos October 22-26: LRGPWWA will be receiving NM Sustainable Community Award
 - November 5 at 10:30 at Mesquite Office: EPA-USDA Water System Partnership Webinar-Regionalization



System to system partnerships that include operator mentoring, sharing equipment, third-party billing, contract management, and even ownership transfer are real solutions to address everything from shrinking utility resources to regulatory compliance issues to operator know-how.

Date: 11/5/12

Troubleshooting the Partnership Process

The final webinar in a series of water system partnership webinars

Time: 1:00 pm - 3:00 pm (ET)

But forming a new partnership can be tricky!

Join our webinar to learn how five small utilities partnered to form the Lower Rio Grande Public Water Works Authority, and hear about the challenges they worked through in order to make it happen.

Bring your partnership troubleshooting questions to the webinar and get some advice from this panel of experts!

Panelists:

- Lower Rio Grande Public Water Works Authority
- New Mexico Environment Department
- New Mexico Finance Authority
- Rural Community Assistance Corporation
- USDA

Who should attend:

- State Drinking Water Programs
- Funding Agencies
- Technical Assistance Providers
- Utilities

Contact:

Allison Watanabe
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202-690-3789

Please Register for the webinar:
<https://www3.gotomeeting.com/register/740279510>

**LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY
PROJECTS REPORT – 10/17/12 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: Labs are back, water quality looks good, no detect of arsenic. Work is expected to resume on 10/15/12 after the hydrologist reviews the sieve analysis. Payment Application 2 was submitted, approved and paid. Change Order #1 adding \$6,393.95 to the contract was approved. This covers additional site grading, change in chlorine scales, and change in meter brand. Engineer will set up a meeting with Electrical Engineer to discuss scope of SCADA once well is complete

LRG: 11-02.1 - Mesquite Wastewater Project – Gannett Fleming– CONSTRUCTION Stage – Layne

Southwest - RD \$7,262,081, CITF \$1,670,257: Award letter from NMFA should be forthcoming per Ric Martinez. Met with a customer regarding a right-of-way issue and that was settled. Bore through contamination stopped due to unsafe trench conditions. Contractor is preparing a safety plan prior to commencing; additional cost has gone from \$54,818 to \$65,835 + tax. 2nd contamination site was found at Hannah/478. Sewer construction and service construction are proceeding on schedule.

LRG-11-02.2 - Authority/Brazito Sewer Project – Vencor – Pre-Design Stage/Funding Application Stage

– NMFA/SAP/RD Application: Funding application to RD is in preparation and pending updated project budget amounts from engineer and negotiation of a contract with the county for treatment.

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: Vencor has a preliminary map and has developed a project budget. Will be applying for CDBG funding for this project when the funding cycle begins if county meets threshold.

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: WTB portion is ready to bid, received a 90-day extension on the RD Letter of Conditions. NMED-DWB approval letter pending since July was finally received on 10/10/12. Right-of-way maps are done, and in final review by attorney, should his documents for the LOC Binder in this week. Engineer has addressed all RD engineer's comments and should have that final approval soon. At that point, LOC binder can be submitted to RD for review.

LRG-11-05 – Surface Water Treatment Plant WTB #252– Bohannon Huston - Design phase - \$750,000

WTB – Closing documents are in preparation at NMFA, and their board may resolve the MOU renewal with NMED on 10/22/12. If not, we will need to consult our attorney about the engineering agreement which requires funding agency concurrence, but NMFA & NMED have declined to review

LRG-12-03 – Authority-Alto de Las Flores Interconnect– Vencor – Design - \$86,400 Old Colonias

Initiative/DFA + GF & Alto contributions - Met with governor's policy analyst and NM-DFA Local Government Division Director Ryan Gleason on 9/17/12. Mr. Gleason checked on the funding application for this project and sent an email saying that it would be funded from the old Colonias Initiative in the amount of \$86,400, and a grant agreement should be sent soon. Field Surveys are

complete, Design Plans are at 90%, Need EBID & DAC concurrence on the design so that they, in turn, can determine their respective permit fees. 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. Award letter has not yet been received.

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: Field Inventory Completed. Field GPS Survey of all existing LRGPWWA components complete. Electronic CAD Maps of existing components within LRGPWWA boundary complete. Compilation of Field Data Inventory underway. Final draft of PER outline complete.

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.

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. Revised letter from Steven Deal has been received; Wilson & Company is under Letter of Agreement to produce contract documents as required by NMED.

Individual MDWCA Projects:

Organ Sewer Project – Bohannon Huston – Construction Phase – Morrow - \$2,990,382 RD Colonias Grant, \$101,000 RD Loan: First draw on the RD funding to repay Organ's bridge loan, reimburse their expenses and pay outstanding engineering invoices has been processed, construction to begin 10/15/12.

LRG MDWA Projects:

La Mesa Building (jointly funded by La Mesa & LGRMDWA) – Molzen Corbin – construction completed - NMED - SAP08-3099, Colonias 09-3118: Intranet is implemented, billing system was still too slow over the Intranet, but all the offices are connected. Phone system is installed in all the offices, and implementation and training will be 10/31/12. New main number will be 233-LRGA (5742), Mesquite, La Mesa & Vado numbers will be kept, 882 numbers (Berino & Desert Sands) will have a redirect recording for one year.

Other projects:

Website - Board Minutes Page & Notices Page

Application for NMED Sustainability Award – Received award notification, we will receive an award at the Infrastructure Conference.

ICIP – Final document is pending some minor format changes, Tiffany Goolsby (SCCOG) will send it over after NM-DFA finishes their review.

Lower Rio Grande PWWA

Operators Report

October 17, 2012

System Problems and Repairs.

- Backflow inspections are current.(Mesquite District)
- Sewer tank inspections are current.(Mesquite District)
- 3 new services in the Berino district.
- 1 new service in the Desert Aire.
- 1 new service in La Union.
- 0 new services in the Mesquite district.
- The sewer contractor has broken many main lines, sewer and water.
- We had 3 leaks in the south One 6" and two 2"
- 2 service leaks in butter field and two 2" main line leaks in Organ.
- We have had many sewer problems in mesquite due to the sewer project.
- Well #2 ferric chloride problems.
- We installed an ultra sonic meter at well #2.
- We had a meeting with Paul from (Reynolds) to see if we could rent one of his track Hoes to repair a 4" bore on sunshine.
- Ramon Morales attended a backflow training.

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

Mesquite district Wetlands: wetlands have been working fine.

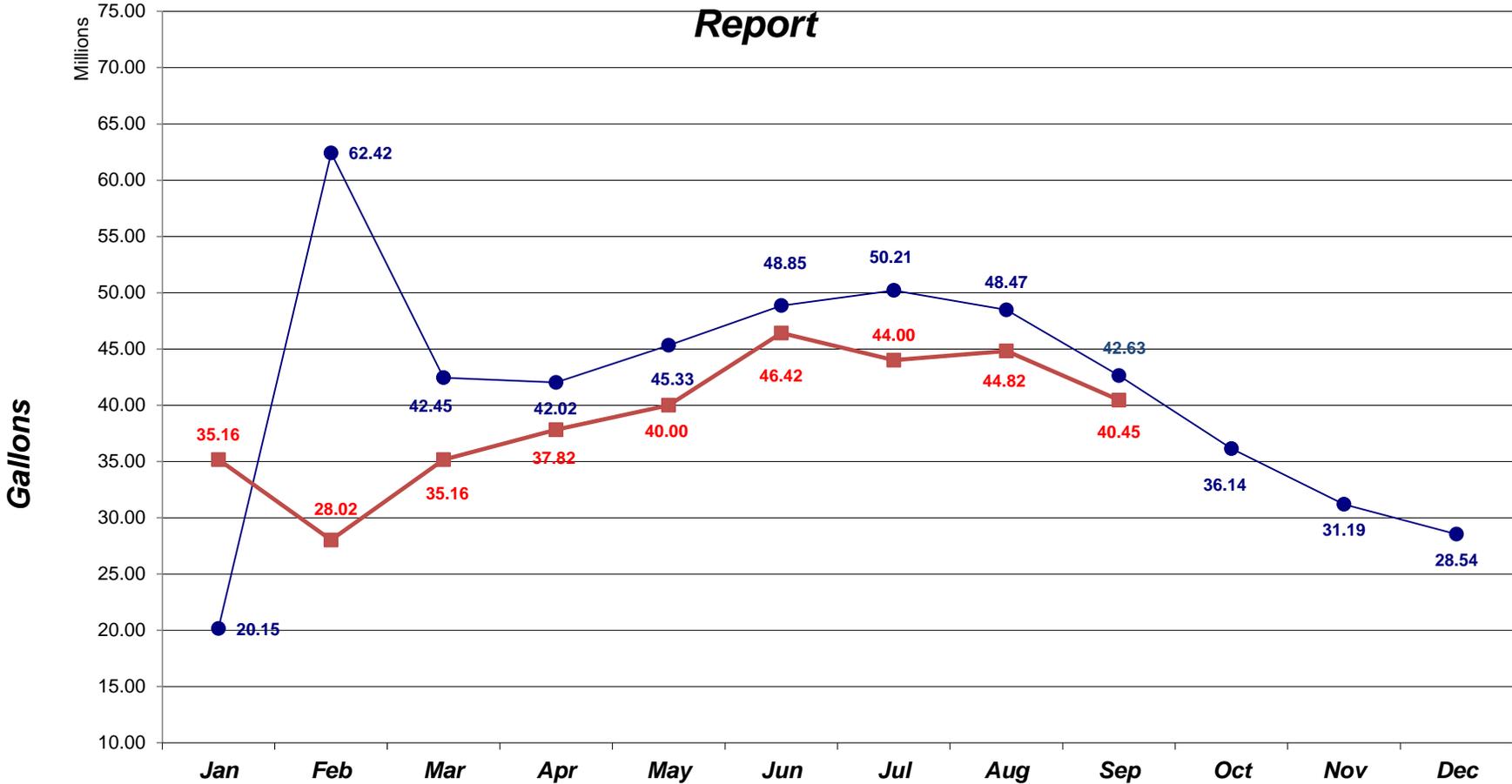
Mesquite Sewer Report. We have generated and have sent the sewer report for the Wetlands.

Chlorine: No problems this past month.

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

	2011		2012	
	Gallons	Meter Reading	Gallons	Meter Reading
Jan	20,146,100		35,157,267	
Feb	62,418,600		28,017,300	
Mar	42,448,300		35,162,200	
Apr	42,022,200		37,822,800	
May	45,326,400		39,995,900	
Jun	48,851,000		46,419,600	
Jul	50,212,000		44,003,300	
Aug	48,472,100		44,822,000	
Sep	42,634,900		40,450,900	
Oct	36,143,800			
Nov	31,194,300			
Dec	28,539,900			

Lower Rio Grande PWWA Water Production Report



● 2011 Production ■ 2012 Production

LRGPWWA
Profit & Loss
 July through September 2012

	Jul - Sep 12
Ordinary Income/Expense	
Income	
Credit Card Fees	315.00
Grant Income	1,201,499.98
Interest	78.92
Meter Relocation	650.00
Non-Operating Revenue	
Copy/Fax	202.80
Other Income	2,247.61
Total Non-Operating Revenue	2,450.41
Operating Revenue	
Activation & Connection Fees	9,060.00
Contract Services	15,100.67
Impact Fees	6,285.43
Installation Fees	2,522.00
Membership Fees	1,000.00
Monthly Services	413,963.99
Monthly Services-Sewer	21,167.46
Penalties-Sewer	1,636.24
Penalties-Water	38,710.36
Returned Check Fees	455.00
Total Operating Revenue	509,901.15
Other Types of Income	
Miscellaneous Revenue	9,609.07
Total Other Types of Income	9,609.07
Total Income	1,724,504.53
Cost of Goods Sold	
Cost of Goods Sold	863.57
Total COGS	863.57
Gross Profit	1,723,640.96
Expense	
Accounting, Auditing, Legal	
Accounting Fees	9,958.04
Bank Service Charges	431.71
Cash Short/Over	289.03
Dues and Subscriptions	250.00
Engineering Fees	18,642.73
Government Penalties & Interest	5.00
Interest Expense	0.00
Legal Fees	4,823.05
Legal Notices	653.09
Licenses & Fees	112.00
Meals	530.36
Permit Fees	6,071.50
Postage-Billing	3,198.48
Postage-Other	371.09
Professional Fees-Other	4,171.96
Proff Fees-Interpreter	907.74
Tank Site Lease	100.86
Training	75.00
Travel	
Lodging Per Diem	898.28
Travel - Other	504.22
Total Travel	1,402.50
Accounting, Auditing, Legal - Other	0.45
Total Accounting, Auditing, Legal	51,994.59
Lab, Chemicals	
Chemicals	5,451.48

LRGPWWA
Profit & Loss
 July through September 2012

	Jul - Sep 12
Laboratory Fees	3,007.25
Total Lab, Chemicals	8,458.73
Salaries	
Accrued Leave	5,595.56
Administrative Labor	54,641.32
Clerical Labor	33,511.86
Operations Labor	71,091.16
Salaries - Other	65.25
Total Salaries	164,905.15
Supplies	
Cell Phone	3,951.93
Computer Maintenance	10,438.59
Internet Service - Butterfield	108.55
Materials & Supplies	40,214.01
Office Supplies	3,019.72
Printing and Copying	1,691.09
Telephone	3,077.82
Telephone- Butterfield Park	56.19
Uniforms-Employee	
UniFirst Holdings, Inc.	77.78
Uniforms-Employee - Other	254.06
Total Uniforms-Employee	331.84
Total Supplies	62,889.74
Taxes, Liability, Insurance	
401K 10% Company Contribution	13,558.29
Employee Benefits-401K Contrib	5,314.68
Federal Income Tax Withholding	2,982.84
Insurance-Dental	-26.57
Insurance-General Liability	12,457.00
Insurance-Health	21,407.12
Insurance-Life,Disability	95.40
Insurance-Vision	0.00
Payroll Taxes-Federal Unemploym	0.00
Payroll Taxes-Medicare	2,492.73
Payroll Taxes-Social Security	10,472.59
Payroll Taxes-State Unemploymen	0.00
Payroll Taxes-Worker's Comp Fee	2,413.60
State Taxes	0.00
Water Conservation Fee	4,191.00
Total Taxes, Liability, Insurance	75,358.68
Utilities	
Automobile Repairs & Maint.	6,858.59
Electricity-Office	33,377.10
Electricity-Operations	13,445.60
Fuel	18,631.80
Garbage Service	396.60
Gas Service - Office	38.87
Locates	535.72
Maint. & Repairs-Infrastructure	1,246.97
Maint. & Repairs-Office	471.58
Maintenance & Repairs-Other	1,457.47
Natural Gas	197.41
Security/Alarm	3,210.57
Wastewater	132.30
Total Utilities	80,000.58
Total Expense	443,607.47
Net Ordinary Income	1,280,033.49

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10/16/12

Accrual Basis

LRGPWWA
Profit & Loss
July through September 2012

	<u>Jul - Sep 12</u>
Net Income	<u>1,280,033.49</u>

LRGPWWA
Profit & Loss
 September 2012

	Sep 12
Ordinary Income/Expense	
Income	
Credit Card Fees	129.00
Grant Income	585,121.59
Interest	22.10
Meter Relocation	650.00
Non-Operating Revenue	
Copy/Fax	45.40
Other Income	1,050.42
Total Non-Operating Revenue	1,095.82
Operating Revenue	
Activation & Connection Fees	2,760.00
Contract Services	4,190.54
Installation Fees	61.00
Membership Fees	250.00
Monthly Services	149,636.69
Monthly Services-Sewer	6,885.86
Penalties-Sewer	567.81
Penalties-Water	6,911.57
Returned Check Fees	245.00
Total Operating Revenue	171,508.47
Other Types of Income	
Miscellaneous Revenue	2,783.66
Total Other Types of Income	2,783.66
Total Income	761,310.64
Cost of Goods Sold	
Cost of Goods Sold	146.05
Total COGS	146.05
Gross Profit	761,164.59
Expense	
Accounting, Auditing, Legal	
Accounting Fees	2,847.29
Bank Service Charges	137.28
Cash Short/Over	294.03
Engineering Fees	18,642.73
Legal Fees	3,138.86
Legal Notices	70.99
Licenses & Fees	112.00
Meals	36.41
Permit Fees	6,021.50
Postage-Billing	1,127.77
Postage-Other	271.48
Proff Fees-Interpreter	907.74
Training	75.00
Travel	135.92
Total Accounting, Auditing, Legal	33,819.00
Lab, Chemicals	
Laboratory Fees	716.90
Total Lab, Chemicals	716.90
Salaries	
Accrued Leave	572.88
Administrative Labor	18,515.38
Clerical Labor	12,347.32
Operations Labor	23,857.12
Salaries - Other	65.25
Total Salaries	55,357.95
Supplies	

LRGPWWA
Profit & Loss
September 2012

	Sep 12
Computer Maintenance	2,806.51
Internet Service - Butterfield	108.55
Materials & Supplies	13,234.63
Office Supplies	489.82
Printing and Copying	1,628.09
Telephone	1,024.03
Telephone- Butterfield Park	56.19
Uniforms-Employee	
UniFirst Holdings, Inc.	77.78
Uniforms-Employee - Other	151.44
Total Uniforms-Employee	229.22
Total Supplies	19,577.04
Taxes, Liability, Insurance	
401K 10% Company Contribution	4,639.04
Employee Benefits-401K Contrib	1,771.56
Insurance-Dental	-26.57
Insurance-General Liability	70.00
Insurance-Health	6,561.24
Insurance-Vision	0.00
Payroll Taxes-Federal Unemploy	-21.16
Payroll Taxes-Medicare	798.88
Payroll Taxes-Social Security	3,415.76
Payroll Taxes-State Unemploy	0.00
Payroll Taxes-Worker's Comp Fee	0.00
Water Conservation Fee	1,478.31
Total Taxes, Liability, Insurance	18,687.06
Utilities	
Automobile Repairs & Maint.	1,444.38
Electricity-Office	18,713.24
Fuel	7,428.05
Garbage Service	114.00
Gas Service - Office	38.87
Locates	535.72
Maint. & Repairs-Infrastructure	650.00
Maint. & Repairs-Office	389.34
Natural Gas	53.92
Wastewater	44.10
Total Utilities	29,411.62
Total Expense	157,569.57
Net Ordinary Income	603,595.02
Net Income	603,595.02

UNITED STATES DEPARTMENT OF AGRICULTURE
STATEMENT OF BUDGET, INCOME AND EQUITY

Schedule I

Name LowerRioGrandePublicWaterWorksAuthority

Address PO Box 2646
Anthony, NM 88021

(I) <u>OPERATING INCOME</u>	PRIOR YEAR <u>Actual</u> (2)	ANNUAL BUDGET BEG <u>07-01-2012</u> END <u>06-03-2012</u> (3)	For the _____ Months Ended _____		Actual YTD (Over) Under Budget Col. 3 - 5 = 6 (6)
			CURRENT YEAR		
			Actual Data		
			Current Quarter (4)	Year To Date (5)	
1. <u>Water Revenue</u>	1,656,926	2,307,652			2,307,652
2. <u>Sewer Revenue</u>	63,100	90,100			90,100
3. <u>Interest</u>	300	900			900
4. <u>Misc</u>		8,090			8,090
5. <u>Miscellaneous</u>					0
6. <u>Less: Allowances and Deductions</u>					0
7. <u>Total Operating Income</u> (Add lines 1 through 6)	1,720,326	2,406,742	0	0	2,406,742
<u>OPERATING EXPENSES</u>					
8. <u>Salaries, Labor</u>	1,052,226	1,112,597			1,112,597
9. <u>Accounting</u>	79,400	154,702			154,702
10. <u>Taxes, Insurance</u>	157,500	266,700			266,700
11. <u>Utilities</u>	233,000	458,155			458,155
12. <u>Supplies</u>	316,700	431,465			431,465
13. <u>Lab, Chemicals</u>	25,200	14,500			14,500
14. <u>Loans/Debt Servicing</u>	50,000	162,323			162,323
15. <u>Interest</u>					0
16. <u>Depreciation</u>	525,000	720,784			720,784
17. <u>Total Operating Expense</u> (Add Lines 8 through 16)	2,439,026	3,321,226	0	0	3,321,226
18. <u>NET OPERATING INCOME (LOSS)</u> (Line 7 less 17)	-718,700	-914,484	0	0	-914,484
<u>NONOPERATING INCOME</u>					
19. <u>Water</u>	190,000	190,000			190,000
20. <u>Sewer</u>	3,700	3,700			3,700
21. <u>Total Nonoperating Income</u> (Add 19 and 20)	193,700	193,700	0	0	193,700
22. <u>NET INCOME (LOSS)</u> (Add lines 18 and 21)	-525,000	-720,784	0	0	-720,784
23. <u>Equity Beginning of Period</u>					0
24. _____					0
25. _____					0
26. <u>Equity End of Period</u> (Add lines 22 through 25)	-525,000	-720,784	0	0	-720,784

Budget and Annual Report Approved by Governing Body

Quarterly Reports Certified Correct

Secretary

Date

Appropriate Official

Date

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0015. The time required to complete this information collection is estimated to average 2-1 2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

SUPPLEMENTAL DATA

The Following Data Should Be Supplied Where Applicable

Circle One

1. ALL BORROWERS

- a. Are deposited funds in institutions insured by the Federal Government? ✓ No
- b. Are you exempt from Federal Income Tax? ✓ No
- c. Are Local, State and Federal Taxes paid current? ✓ No
- d. Is corporate status in good standing with State? ✓ No
- e. List kinds and amounts of insurance and fidelity bond: Complete Only when submitting annual budget information:

Insurance Coverage and Policy Number	Insurance Company and Address	Amount of Coverage	Expiration Date of Policy
Property Insurance Policy # <u>GPPAPF</u>	<u>605313801 Leavitt Group SW, Inc.</u>	<u>10,000,000</u>	<u>11-03-2012</u>
Liability Policy # <u>GPPAPF</u>	<u>305128201 PO Drawer V</u>	<u>10,000,000</u>	<u>11-03-2012</u>
Fidelity Policy # _____	<u>Mesilla, NM 88046</u>	_____	_____

2. RECREATION AND GRAZING ASSOCIATION BORROWERS ONLY

Current Quarter

Year to Date

a. Number of Members _____ 2830 _____

3. WATER AND/OR SEWER UTILITY BORROWERS ONLY

a. Water purchased or produced (CU FT - GAL) _____ gal. 46,753, 3⁺ gal.

b. Water sold (CU FT - GAL) _____ gal. 45,125, 7⁺ gal.

c. Treated waste (CU FT - GAL) _____ gal. 14,119, 6⁺ gal.

d. Number of users - water _____ 4,480 _____

e. Number of users - sewer _____ 477 _____

4. OTHER UTILITIES

a. Number of users _____

b. Product purchased _____

c. Product sold _____

5. HEALTH CARE BORROWERS ONLY

a. Number of beds _____

b. Patient days of care _____

c. Percentage of occupancy _____ -2147483648 % _____ -2147483648 %

d. Number of outpatient visits _____

6. DISTRIBUTION OF ALL CASH AND INVESTMENTS*

Indicate balances in the following accounts:

	<u>Construction</u>	<u>Revenue</u>	<u>Debt Service</u>	<u>Operation & Maintenance</u>	<u>Reserve</u>	<u>All Others</u>	<u>Grand Total</u>
Cash Savings and Investments	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ <u>0</u>
Investments	\$ _____	\$ <u>121,753</u>	\$ <u>42,403</u>	\$ <u>11,704</u>	\$ <u>74,364</u>	\$ _____	\$ <u>250,224</u>
Total	\$ <u>0</u>	\$ <u>121,753</u>	\$ <u>42,403</u>	\$ <u>11,704</u>	\$ <u>74,364</u>	\$ <u>0</u>	\$ <u>250,224</u>

7. AGE ACCOUNTS RECEIVABLE AS FOLLOWS:

	<u>Days</u>				<u>*Total</u>
	<u>0-30</u>	<u>31-60</u>	<u>61-90</u>	<u>91 and Older</u>	
Dollar Values	\$ <u>44,671</u>	\$ <u>11,052</u>	\$ <u>13,392</u>	\$ <u>52,638</u>	\$ <u>121,753</u>
Number of Accounts	<u>3,120</u>	<u>323</u>	<u>149</u>	<u>140</u>	<u>3,732</u>

*Totals must agree with those on Balance Sheet.

PROJECTED CASH FLOW

For the Year BEG. 07-01-2012 END. 06-30-2013
(same as schedule 1 column 3)

A. Line 22 from Schedule 1, Column 3 NET INCOME (LOSS)	\$ <u>-720,784</u>
<u>Add</u>	
B. <u>Items in Operations not Requiring Cash:</u>	
1. Depreciation (line 16 schedule 1)	<u>720,784</u>
2. Others:	_____
C. <u>Cash Provided From:</u>	
1. Proceeds from Agency loan/grant	_____
2. Proceeds from others	_____
3. Increase (Decrease) in Accounts Payable, Accruals and other Current Liabilities	_____
4. Decrease (Increase) in Accounts Receivable, Inventories and Other Current Assets <u>(Exclude cash)</u>	_____
5. Other:	_____
6.	_____
D. Total all A, B and C Items	<u>\$0</u>
E. <u>Less: Cash Extended for:</u>	
1. All Construction, Equipment and New Capital Items (loan & grant funds)	_____
2. Replacement and Additions to Existing Property, Plant and Equipment	_____
3. Principal Payment Agency Loan	_____
4. Principal Payment Other Loans	_____
5. Other:	_____
6. Total E 1 through 5	<u>\$0</u>
<u>Add</u>	
F. Beginning Cash Balances	<u>\$250,224</u>
G. Ending Cash Balances (Total of D Minus E 6 Plus F)	<u>\$ 250,224</u>
<u>Item G Cash Balances Composed of:</u>	
Construction Account	\$ _____
Revenue Account	<u>\$121,753</u>
Debt Payment Account	<u>\$42,403</u>
O&M Account	<u>\$11,704</u>
Reserve Account	<u>\$74,364</u>
Funded Depreciation Account	_____
Others:	_____
_____	_____
Total - Agrees with Item G	<u>\$ 250,224</u>

SPECIAL DISTRICT NAME: Lower Rio Grande Public Water Works Authority

Fiscal Year 2013

FUND TITLE	FUND NUMBER	UNAUDITED BEGINNING CASH BALANCE @JULY 1	INVESTMENTS	BUDGETED REVENUES	BUDGETED TRANSFERS	BUDGETED EXPENDITURES	ESTIMATED ENDING CASH BALANCE	(OPTIONAL)* LOCAL RESERVE	ADJUSTED ENDING CASH BALANCE
GENERAL FUND - Operating (GF)	101	\$11,344.00	\$0.00	3,321,226.00	-	3,158,903.00	173,667.00	-	173,667.00
INTERGOVERNMENTAL GRANTS	218	\$0.00	\$0.00	-	-	-	-	-	-
OTHER	299	\$152,729.00	\$0.00	-	-	-	152,729.00	-	152,729.00
DEBT SERVICE	400	\$42,403.00	\$0.00	-	-	162,323.00	(119,920.00)	-	(119,920.00)
Grand Total		\$ 206,476.00	\$ -	3,321,226.00	-	3,321,226.00	206,476.00	-	206,476.00

Check if this form is a re-submission Re-submission No. _____

Resubmission Date: 10/17/2012

*USER COMMENTS: (Please describe what any reserve requirements are used for.)

LRGPWVA merged with Butterfield Park MDWC and Organ MDWC this is an amended budget to include the new revenue and expenses.

LAST UPDATE: 10/16/2012 16:12

Form revised: 6/26/2012

SPECIAL DISTRICT NAME: Lower Rio Grande Public Water W

REVENUES	FY 2011	FY 2012	FY 2013	VARIANCE
	ACTUALS, YEAR TO DATE 6/30/11	BUDGETED 6/30/12	BUDGET REQUEST	FY2012 - FY2013 INC / (DEC) %
General Fund 101				
Total Property Tax Production	-	-	-	n/a
Total Interest From Bank Accounts and CDs	-	-	-	n/a
Hazardous Fuels Income	-	-	-	n/a
Grass Seed and or Tree Sales	-	-	-	n/a
Book Sales	-	-	-	n/a
Rent Revenue	-	-	-	n/a
Brush Control Materials	-	-	-	n/a
Noxious Weed Program	-	-	-	n/a
Conservation Sale Items	-	-	-	n/a
Operating Revenue	1,874,695.00	1,914,026.00	3,321,226.00	73.52%
SUB TOTAL GENERAL FUND REVENUES	\$ 1,874,695.00	\$ 1,914,026.00	\$ 3,321,226.00	73.52%
OTHER FINANCING SOURCES - Transfers In	-	-	-	n/a
Transfers (Out)	-	-	-	n/a
TOTAL OTHER FINANCING SOURCES	\$ -	\$ -	\$ -	n/a
TOTAL GENERAL FUND REVENUES	\$ 1,874,695.00	\$ 1,914,026.00	\$ 3,321,226.00	73.52%
Intergovernmental Grants 218				
State or University Grants	-	-	-	n/a
Federal Grants	-	-	-	n/a
State Grants	-	-	-	n/a
Local Grants	-	-	-	n/a
Private Grants	-	-	-	n/a
Legislative Funding	-	-	-	n/a
Emergency Watershed Protection Program	-	-	-	n/a
Miscellaneous (e.g.NMDA)	-	-	-	n/a
SUB TOTAL INTERGOVERNMENTAL GRANTS	\$ -	\$ -	\$ -	n/a
OTHER FINANCING SOURCES - Transfers In	-	-	-	n/a
Transfers (Out)	-	-	-	n/a
TOTAL OTHER FINANCING SOURCES	\$ -	\$ -	\$ -	n/a
TOTAL GRANT REVENUES	\$ -	\$ -	\$ -	n/a
Debt Service 400				
General Obligation Bonds	-	-	-	n/a
General Obligation - (Property tax)	-	-	-	n/a
Investment Income	-	-	-	n/a
Other - Misc	-	-	-	n/a
Revenue Bonds	-	-	-	n/a
Bond Proceeds	-	-	-	n/a
Revenue Bonds - GRT	-	-	-	n/a
Investment Income	-	-	-	n/a
Revenue Bonds - Other	-	-	-	n/a
Miscellaneous(NMFA, BOF, etc.)	-	-	-	n/a
Investment Income	-	-	-	n/a
Loan Revenue	-	-	-	n/a
SUB TOTAL DEBT SERVICE FUND	\$ -	\$ -	\$ -	n/a
OTHER FINANCING SOURCES - Transfers In	-	-	-	n/a
Transfers (Out)	-	-	-	n/a
TOTAL OTHER FINANCING SOURCES	\$ -	\$ -	\$ -	n/a
TOTAL DEBT SERVICE REVENUES	\$ -	\$ -	\$ -	n/a
GRAND TOTALS REVENUES	\$ 1,874,695.00	\$ 1,914,026.00	\$ 3,321,226.00	73.52%

SPECIAL DISTRICT NAME: Lower Rio Grande Public Water W

EXPENDITURES	FY 2011 ACTUALS YEAR TO DATE 6/30/2011	FY 2012 BUDGETED 6/30/2012	FISCAL YEAR 2013 BUDGET FORECAST REQUEST	VARIANCE FY 2012-FY2013 INC /(DEC) %
GENERAL FUND 101				
Personnel Services, (Salaries and Benefits)	379,809.00	1,052,226.00	1,088,040.00	3.40%
Mileage and Per Diem	-	-	-	n/a
Vehicle Expense (Insurance, gas, maintenance)	26,151.00	77,000.00	90,000.00	16.88%
Building Expenses (e.g. rent/maintenance)	-	-	-	n/a
Utilities (Electricity, Natural Gas, Propane, Water, Sewer)	125,480.00	207,000.00	371,000.00	79.23%
Telephone	16,698.00	26,000.00	26,000.00	0.00%
Postage Expense	8,027.00	8,000.00	12,000.00	50.00%
Office Supplies and Other Expenses	59,115.50	63,100.00	65,179.00	3.29%
Office Furniture and Equipment	-	-	-	n/a
Advertising and Public Relations (e.g. newsletter)	2,409.00	2,500.00	1,000.00	(60.00%)
Training Workshops & Education Expense	8,698.00	16,600.00	20,000.00	20.48%
Annual Audit/Financial Report Expenses	4,157.00	15,000.00	15,000.00	0.00%
Dues and Board Fees	-	-	-	n/a
Election Expense	-	-	-	n/a
Field Supplies & Equipment	117,237.00	210,900.00	348,000.00	65.01%
Insurance/Taxes	28,375.00	157,500.00	216,700.00	37.59%
-	-	-	-	n/a
Professional fees-Legal,Engineering,Accting,Proj Develop	95,989.00	28,200.00	65,200.00	131.21%
GRT Taxes	-	-	120,000.00	n/a
Depreciation	-	-	720,784.00	n/a
Total General Fund Expenditures	872,145.50	1,864,026.00	3,158,903.00	69.47%
Intergovernmental Grants Expenditures 218				
State or University Grants	-	-	-	n/a
Federal Grants	-	-	-	n/a
State Grants	-	-	-	n/a
Local Grants	-	-	-	n/a
Private Grants	-	-	-	n/a
Legislative Funding	-	-	-	n/a
Other	-	-	-	n/a
Total Grant Expenditures	-	-	-	n/a
Debt Service 400				
Bond Payments Principal	-	-	-	n/a
Bond Payments- Interest	-	-	-	n/a
Other Debt Service	14,238.00	50,000.00	162,323.00	224.65%
Total Debt Service Expenditures	14,238.00	50,000.00	162,323.00	224.65%
TOTAL EXPENDITURES	886,383.50	1,914,026.00	3,321,226.00	73.52%
			3,321,226.00	

Personnel Services Salary Schedule

SPECIAL DISTRICT NAME: 0

POSITION DESCRIPTION	ANNUAL SALARY (hourly rate x 2080) (Bi-Weekly X 26) or (Monthly x 12)	Employer FICA (Bx .062)	Employer MEDICARE (B x .0145)	Employer RETIREMENT	HEALTH INSURANCE EMPLOYER %	Accrued Leave	RETIREE HEALTH CARE (B X .0166)	3% Raise/Bonus OTHER (e.g. stipends)	Salary Plus Benefits
1) Employee name (Optional) 2) Full Time Equivalent or Part-time (e.g. FT or PT) 3) Salary									
Example Only	38,200	2,368	554	855	6,000	240	634	444	11,095
Full Time									
Hourly	31,200	1,934	452	4,368	5,287	1,200	518	936	45,896
Full Time									
Hourly	31,200	1,934	452	4,368	5,498	1,200	518	936	46,107
Full Time									
Hourly	31,200	1,934	452	4,368	3,666	1,200	518	936	40,975
Full Time									
Hourly	18,200	1,128	264	2,548	0	700	302	546	23,688
Full Time									
Hourly	30,160	1,870	437	4,222	2,494	1,160	501	905	41,749
Full Time									
Hourly	26,000	1,612	377	0	0	1,000	432	780	30,201
Part Time									
Salary	14,708	912	213	2,059	0	566	244	441	19,144
Full Time									
Hourly	42,328	2,624	614	5,926	5,287	1,628	703	1,270	60,379
Full Time									
Hourly	17,425	1,080	253	2,440	5,287	680	289	523	27,977
Full Time									
Hourly	35,568	2,205	516	4,980	5,287	1,368	590	1,067	51,581
Part Time									
Hourly	12,480	774	181	0	0	0	207	374	14,016
Full Time									
Hourly	24,024	1,489	348	3,363	5,287	924	399	721	36,556
Full Time									
Salary	44,000	2,728	638	6,160	5,287	1,692	730	1,320	62,555
Full Time									
Salary	55,000	3,410	798	7,700	5,287	2,115	913	1,650	76,873
Full Time									
Hourly	37,440	2,321	543	0	0	1,440	622	1,123	43,489
Full Time									
Hourly	20,800	1,290	302	2,912	0	800	345	624	27,072

Full Time Salary	83,000	5,146	1,204	11,620	11,135	3,192	1,378	5,000	121,674
Full Time Salary	48,500	3,007	703	6,790	5,287	1,865	805	1,455	68,412
Full Time Hourly	21,840	1,354	317	3,058	5,287	840	363	655	33,713
Full Time Hourly	33,842	2,098	491	4,738	5,287	1,502	562	1,015	49,334
Full Time Hourly	31,678	1,964	459	4,435	5,287	1,218	526	950	46,518
Full Time Hourly	26,000	1,612	377	3,640	5,287	1,000	432	780	39,128
Full Time Hourly	20,800	1,290	302	2,912	5,287	800	345	624	32,359
Full Time Hourly	17,680	1,096	256	2,475	5,287	680	293	530	28,299
Part Time Hourly	15,600	967	226	2,184	0	640	259	468	20,344
Total	770,673	\$ 47,782	\$ 11,175	\$ 97,265	\$ 93,511	\$ 29,210	\$ 12,793	\$ 25,630	\$ 1,088,040

Signature of official completing this form: _____

Date: _____

If this is a resubmission please state resubmission number here: _____

Page number here if needed: _____

SCHEDULE OF INSURANCE

Fiscal Year: 2013

SPECIAL DISTRICT NAME: Lower Rio Grande Public Water Works A

COVERAGE	INSURER	TOTAL COVERAGE AMOUNT	ANNUAL PREMIUM AMOUNT
	0		
Health	Lovelace		92,000
	Blue Cross Blue Shield Dental		
General Liability	Leavitt Group	11000000	68,000
Workers' Compensation	NM Mutual		14,376
Other (e.g. Surety Bond Ins.)			
Total Annual Premiums Budgeted		\$ 11,000,000	\$ 174,376

Fund Number: 400
Fiscal Year (FY): 2013

SCHEDULE OF BONDS & LONG TERM DEBT

SPECIAL DISTRICT NAME: Lower Rio Grande Public Water Works Authority

(A) NAME AND TYPE	(B) DATE OF ISSUE	(C) ORIGINAL FACE AMOUNT OF ISSUE	(D) OUTSTANDING PRINCIPAL AMOUNT (Unpaid)	(E) COUPON RATE OF INTEREST	(F) PRINCIPAL DUE FY2013	(G) INTEREST DUE FY2013
NMFA Desert Sands Vehicle	1/22/2010	63,438	27,404	0.00%	14,274	0
NMFA Lower Rio 2 Refinance	7/15/2011	790,914	763,580	5.26%	19,351	1,004
NMFA Lower Rio 3/Berino-Del Cerro Water Project	1/20/2012	437,163	437,163	0.00%	21,344	1,040
USDA 91-04 La Mesa Water Project	1/17/2003	471,000	471,000	2.75%	18,804	648
USDA 92-13 Mesquite Sewer Project	4/26/2012	100,000	100,000	3.38%	4,460	100
USDA 92-19 Mesquite Sewer Project	4/26/2012	606,000	606,000	2.00%	22,044	303
USDA RUS-Butterfield	8/31/2000	250,000	215,921	5.00%	14,496	312
Organ Citizens Bank/back hoe Organ Loan	7/14/2010	101,000	101,000	3.25%	5,020	82

INSTRUCTIONS - SCHEDULE OF BONDS & LONG TERM LOANS

Column (A): Describe the Purpose of the DEBT along with its NAME AND TYPE.

Column (B): Enter the Date of Issue.

Column (C): Enter the Original Amount of the Issue.

Column (D): Enter Unpaid Principal Balance for Fiscal Year.

Column (E): Enter Principal Amount To Be Paid, during Fiscal Year.

Column (F): Enter Interest Amount To Be Paid, during Fiscal Year.



lrgauthority.org

LOWER RIO GRANDE

Public Water Works Authority

Resolution #FY2013-04 for Fiscal Year 2013 Amended Budget

Whereas, in order to comply with Sections 6-6-1 and 6-6-2 NMSA 1978 and to apply for CDBG funding, the Board of Directors wishes to adopt and pass a resolution to approve the amended FY13 Final budget on October 17, 2012.

Whereas, the amended budget is needed due to the merger of the Lower Rio Grande Public Water Works Authority with Butterfield Park MDWCA and Organ WSA, and

Whereas, the amended budget is needed to incorporate the revenues and expenses of the respective Mutual Domesticals into the Lower Rio Grande Public Water Works Authority's budget.

Therefore, be it resolved, the Board of Directors adopts and passes this resolution to approve the amended final budget officially approve on October 17, 2012.

PASSED, APPROVED, AND ADOPTED: October 17, 2012.

Seal:

Roberto M. Nieto, Chairman

John Holguin, Vice-chairman

Santos Ruiz, Secretary



LOWER RIO GRANDE
Public Water Works Authority

Rosaura Pargas, Director

Blanca Martinez – La Mesa

Mary Berry – Butterfield Park

Furman Smith – Organ

LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY

DOCUMENT RETENTION AND DESTRUCTION POLICY

The Lower Rio Grande Public Water Works Authority is a political subdivision of the State and an independent public body established by NM Statute (NMSA 1978 73-26-1).

1. Policy and Purposes

This is the Policy is adopted by the Board of Directors of the Lower Rio Grande Public Water Works Authority (LRGPWWA) for the retention and destruction of documents and other records, both in hard copy and electronic media (documents). Purposes of the Policy include (a) retention and maintenance of documents necessary for the proper functioning of the organization as well as to comply with applicable legal requirements; (b) destruction of documents which no longer need to be retained; and (c) guidance for management and staff with respect to their responsibilities concerning document retention and destruction. The Board of Directors of the LRGPWWA reserves the right to revise or revoke this Policy at any time.

2. Administration

2.1 Responsibilities of the Administrator. The LRGPWWA's General Manager shall be the administrator (Administrator) in charge of the administration of this Policy. The Administrator's responsibilities shall include supervising and coordinating the retention and destruction of documents pursuant to this Policy and particularly the Document Retention Schedule included below. The Administrator shall also be responsible for documenting the actions taken to retain, maintain and/or destroy LRGPWWA documents. The Administrator may also modify the Document Retention Schedule as necessary to comply with law and/or LRGPWWA policy. The Administrator may delegate these duties to staff but shall retain the ultimate responsibility for administration of this Policy.

2.2 Responsibilities of Staff. This Policy also relates to the responsibilities of staff, with respect to maintaining and documenting the storage and destruction of the organization's documents. LRGPWWA staff shall be familiar with this Policy, shall act in accordance therewith, and shall assist the Administrator, as requested, in implementing it.

3. Suspension of Document Destruction; Compliance. The organization becomes subject to a duty to preserve (or halt the destruction of) documents once litigation or a government investigation or audit is reasonably anticipated. Further, federal law imposes criminal liability (with fines and/or imprisonment for not more than 20 years) upon whomever "knowingly alters, destroys, mutilates, conceals, covers up, falsifies, or makes a false entry in any record, document, or tangible object with the intent to impede, obstruct, or influence the investigation or proper administration of any matter within the jurisdiction of any department or agency of the United States ... or in relation to or contemplation of any such matter or case." Therefore, if the Administrator becomes aware that litigation, a governmental audit or a

government investigation has been instituted, or is reasonably anticipated or contemplated, the Administrator shall immediately order a halt to all document destruction under this Policy, communicating the order to all managers and staff in writing. The Administrator may amend or rescind the order only after conferring with legal counsel. If any board member, manager or staff member becomes aware that litigation, a governmental audit or a government investigation has been instituted, or is reasonably anticipated or contemplated, with respect to LRGPWWA, they shall make the Administrator aware of it. Failure to comply with this Policy, including, particularly, disobeying any destruction halt order, could result in possible civil or criminal sanctions. In addition, for managers or staff, it could lead to disciplinary action including possible termination.

4. Electronic Documents. Documents in electronic format shall be maintained just as hard copy or paper documents are, in accordance with the Document Retention Schedule. LRGPWWA email accounts used by management, staff and Directors are subject to the Inspection of Public Records Act (NMSA 1978-14-2-1 through 14-2-12) and shall also be maintained just as hard-copy or paper documents are in accordance with the Document Retention Schedule.

5. Privacy. It shall be the responsibility of the Administrator, after consultation with counsel, to determine how privacy laws will apply to the LRGPWWA's documents from and with respect to employees and Directors; to establish reasonable procedures for compliance with such privacy laws; and to allow for their audit and review on a regular basis.

6. Emergency Planning. Documents which are necessary for the continued operation of the organization in the case of an emergency shall be stored in a safe and accessible manner in more than one location.

7. Document Retention Schedules. Document retention schedules are attached:

- Schedule A – Board, Policy & Organizational Documents
- Schedule B – Management, Insurance & Planning Documents
- Schedule C – Accounting & Finance Documents
- Schedule D – Employment, Personnel & Benefits Documents
- Schedule E – Membership & Customer Service Documents
- Schedule E – Legal, Contract & Real Estate Documents
- Schedule F – Project Documents
- Schedule G – Operations & Compliance Documents

Document Type

Retention Period

DRAFT

Accounting and Finance

Accounts Payable	7 years
Accounts Receivable	7 years
Annual Financial Statements and Audit Reports	Permanent
Bank Statements, Reconciliations & Deposit Slips	7 years
Canceled Checks – routine	7 years
Canceled Checks – special, such as loan repayment	Permanent
Credit Card Receipts	3 years
Employee/Business Expense Reports/Documents	7 years
General Ledger	Permanent
Interim Financial Statements	7 years

Contributions/Gifts/Grants include under Acct./Finance

Contribution Records	Permanent
Documents Evidencing Terms of Gifts	Permanent
Grant Records	7 yrs after end of grant period

Corporate and Exemption Board & Org.

Articles of Incorporation and Amendments	Permanent
Bylaws and Amendments	Permanent
Minute Books, including Board & Committee Minutes	Permanent
Annual Reports to Attorney General & Secretary of State	Permanent
Other Corporate Filings	Permanent
IRS Exemption Application (Form 1023 or 1024)	Permanent
IRS Exemption Determination Letter	Permanent
State Exemption Application (if applicable)	Permanent
State Exemption Determination Letter (if applicable)	Permanent

Licenses and Permits Permanent

Employer Identification (EIN) Designation Permanent

Correspondence and Internal Memoranda **Mention on all schedules**

Hard copy correspondence and internal memoranda relating to a particular document otherwise addressed in this Schedule should be retained for the same period as the document to which they relate.

Hard copy correspondence and internal memoranda relating to routine matters with no lasting significance Two years

Correspondence and internal memoranda important to the organization or having lasting significance Permanent, subject to review

Electronic Mail (E-mail) to or from the organization **Mention on all schedules**

Electronic mail (e-mails) relating to a particular document otherwise addressed in this Schedule should be retained for the same period as the document to which they relate, but may be retained in hard copy form with the document to which they relate.

E-mails considered important to the organization or of lasting significance should be printed and stored in a central repository . Permanent, subject to review

E-mails not included in either of the above categories 12 months

Electronically Stored Documents **Mention on all schedules**

Electronically stored documents (e.g., in pdf, text or other electronic format) comprising or relating to a particular document otherwise addressed in this Schedule should be retained for the same period as the document which they comprise or to which they relate, but may be retained in hard copy form (unless the electronic aspect is of significance).

Electronically stored documents considered important to the organization or of lasting significance should be printed and stored in a central repository (unless the electronic aspect is of significance).

Permanent, subject to review

Electronically stored documents not included in either of the above categories

Two years

Employment, Personnel and Pension

Personnel Records

10 yrs after employment ends

Employee contracts

10 yrs after termination

Retirement and pension records

Permanent

Insurance

Property, D&O, Workers' Compensation and

General Liability Insurance Policies

Permanent

Insurance Claims Records

Permanent

Legal and Contracts

Contracts, related correspondence and other

supporting documentation

10 yrs after termination

Legal correspondence

Permanent

Management and Miscellaneous

Strategic Plans

7 years after expiration

Disaster Recovery Plan

7 years after replacement

Policies and Procedures Manual

Current version with revision

history

Property – Real, Personal and Intellectual

Property deeds and purchase/sale agreements	Permanent
Property Tax	Permanent
Real Property Leases	Permanent
Personal Property Leases	10 years after termination
Trademarks, Copyrights and Patents	Permanent

Tax include w/Acct. & Finance

Tax exemption documents & correspondence	Permanent
IRS Rulings	Permanent
Annual information returns – federal & state	Permanent
Tax returns	Permanent



State of New Mexico
OFFICE OF THE STATE AUDITOR

Hector H. Balderas
State Auditor

Carla C. Martinez
Deputy State Auditor

September 10, 2012

SAO Ref. No. 3484

Martin Lopez, Registered Agent
Lower Rio Grande MDWCA
P.O. Box 349
Mequite, NM 88046-

SUBJECT: Tiered System of Financial Reporting Agreed Upon Procedures Report—Lower Rio Grande MDWCA—2010-2011 Fiscal Year—Prepared by Clifford, Ross & Cooper, LLC

The agreed upon procedures report for your agency was received by the Office of the State Auditor (Office) on December 1, 2011. The State Auditor's review of the report required by Section 12-6-14 (B) NMSA 1978 and 2.2.2.16(J) NMAC has been completed. This letter is your authorization to make the final payment to the independent public accountant (IPA) who contracted to perform your agency's agreed upon procedures report. In accordance with Section 2 of the agreed upon procedures contract, the IPA is required to deliver the specified number of copies of the agreed upon procedures report to the agency.

Per Section 12-6-5 NMSA 1978, the agreed upon procedures report does not become public record until five days after the date of this release letter, unless your agency has already submitted a written waiver to the Office. Once the five-day period has expired or upon the Office's receipt of a written waiver, the agreed upon procedures report shall be released by the Office of the State Auditor to the Legislative Finance Committee and the Department of Finance and Administration.

It is ultimately the responsibility of the governing authority of the agency to take corrective action on all findings and comments.

A handwritten signature in black ink, appearing to read "Hector H. Balderas".

HECTOR H. BALDERAS
STATE AUDITOR

cc: Clifford, Ross & Cooper, LLC

LOWER RIO GRANDE MUTUAL
DOMESTIC WATER ASSOCIATION
AGREED-UPON PROCEDURES
JUNE 30, 2011

**LOWER RIO GRANDE MUTUAL DOMESTIC WATER ASSOCIATION
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JUNE 30, 2011**

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**LOWER RIO GRANDE MUTUAL DOMESTIC WATER ASSOCIATION
OFFICIAL ROSTER
JUNE 30, 2011**

ROBERT M. NIETO, PRESIDENT

JOHN HOLGUIN, VICE PRESIDENT

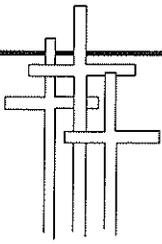
MIKE GUILLEN, SECRETARY/TREASURER

GABRIEL GUTIERREZ, DIRECTOR

ISMAEL BORUNDA, DIRECTOR

SANTOS RUIZ, DIRECTOR AT LARGE

MARTIN LOPEZ, REGISTERED AGENT



Clifford, Ross & Cooper, LLC

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Board of Directors and State Auditor
Lower Rio Grande Mutual Domestic Water Association
215 Bryant
Mesquite, NM 88048

We have performed the procedures shown in Exhibit A, attached to this report, which were agreed to by Lower Rio Grande Mutual Domestic Water Association, solely to assist you with respect to the compliance of the Tier 3 of the Audit Act – Section 12-6-3 B (3) NMSA 1978 and Section 2.2.2.16 NMAC of Lower Rio Grande Mutual Domestic Water Association as of June 30, 2011. Lower Rio Grande Mutual Domestic Water Association's management is responsible for the company's accounting records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings can be found on Exhibit A, attached to this report

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on the accounting records. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of Lower Rio Grande Mutual Domestic Water Association and New Mexico Office of the State Auditor and is not intended to be and should not be used by anyone other than those specified parties.

A handwritten signature in black ink, appearing to read "Clifford Ross & Cooper, LLC", written in a cursive style.

Clifford, Ross & Cooper, LLC

Las Cruces, New Mexico

November 30, 2011

**LOWER RIO GRANDE MUTUAL DOMESTIC WATER ASSOCIATION
EXHIBIT A- SCOPE OF WORK**

AGREED UPON PROCEDURES

Tier 3 of the Audit Act - Section 12-6-3 B (3) NMSA 1978 and Section 2.2.2.16 NMAC

1) TEST ALL STATE-FUNDED CAPITAL OUTLAY EXPENDITURES:

- a) Determine that the amount recorded as disbursed agrees to adequate supporting documentation. Verify that amount, payee, date and description agree to the purchase order, contract, vendor's invoice and canceled check, as appropriate.

Procedure:

Reviewed 100% of all disbursements (28 checks) for all grants from July 1, 2010 to June 30, 2010.

Verified amount, payee, date and descriptions and agreed to the contract and/or vendor's invoice and traced to bank statements showing they cleared.

Finding:

No discrepancies noted.

- b) Determine that the cash disbursements were properly authorized and approved in accordance with the budget, legal requirements and established policies and procedures.

Procedure:

Reviewed 100% of all disbursements (28 checks) for proper authorization and approval in accordance with the budget, legal requirements and established policies and procedures. Traced to board approval.

Finding:

No discrepancies noted.

- c) Determine that the bid process (or request for proposal process if applicable), purchase orders, contracts and agreements were processed in accordance with the New Mexico Procurement Code and State Purchasing Regulations (Section 13-1-28 through 12-1-199 NMSA 1978 and 1.4.1 NMAC).

Procedure:

Only had one new bid during current year, pulled proposals, verified bidding procedures, traced awarding of bid to lowest bidder and approval by the board of directors.

Finding:

No discrepancies noted.

- d) Determine the physical existence (by observation) of the capital asset based on expenditures to date.

Procedure:

Observed physical existence of pipeline going into the ground and coming out at substation

Finding:

No discrepancies noted.

- e) Verify that status reports were submitted to the state agency per terms of agreement and amounts in the status report agree with the general ledger and other supporting documentation.

Procedure:

Reviewed all quarterly reports submitted to the State Finance Department, agreed amounts to the general ledger and financial statements

Finding:

No discrepancies noted.

- 2) If the project was funded in advance, determine if the award balance (and cash balance) appropriately reflects the percentage of completion based on the project schedule and expenditures to date.

Procedure:

Reviewed general ledger for any projects that had funding awarded in advance

Finding:

All projects are reimbursement projects.

- 3) If the project was funded in advance, determine if there is an unexpended balance and whether it was reverted per statute and agreement with the grantor

Finding:

All projects are reimbursements projects.

**LOWER RIO GRANDE MUTUAL DOMESTIC WATER ASSOCIATION
EXHIBIT A- SCOPE OF WORK**

AGREED UPON PROCEDURES

Tier 3 of the Audit Act - Section 12-6-3 B (3) NMSA 1978 and Section 2.2.2.16 NMAC

4)	Determine whether cash received for the award was accounted for in a separate fund or separate bank account that is non-interest bearing if so required by the capital outlay award agreement.
	Finding: Lower Rio Grande Mutual Domestic Water Association has a separate bank account used only for construction projects and each project is accounted for separately by the outside accountant.
5)	Determine whether reimbursement requests were properly supported by costs incurred by the recipient. Determine whether the costs were paid by the local public body prior to the request for reimbursement.
	Procedure: 100% of all reimbursement requests (14) for the period were reviewed for proper support, and reviewed to determine that the costs were paid prior to the request for reimbursement by the entity.
	Finding: No discrepancies were noted.
6)	If information comes to the IPA's attention (regardless of materiality) indicating any fraud, illegal acts, noncompliance, or any internal deficiencies, such instances must be disclosed in the report as required by Section 12-6-6-NMSA 1978. The findings must include the required content per Section 2.2.2 20(1)(3)© NMAC..
	Finding: Agreed Upon Procedure was performed prior to contract approval by State Auditor, See 2011-1 for finding.

LOWER RIO GRANDE MUTUAL DOMESTIC WATER ASSOCIATION
EXHIBIT B - SCHEDULE OF CAPITAL OUTLAY PROJECTS
JUNE 30, 2011

	Award Amount	Prior Years Expenditures	Current Year Expenditures	Total Received	Remaining Balance
Project reverted back to State Reallocated and renamed SB29 Colonias Initiative Projects Laws of 2009, Chapter 7, Section 3, subsection 82 Contract dated 2/5/10 Project expiration date 10/30/10 Project 09-3820 #11	\$ 312,047.24	\$ 66,417.19	\$ 245,630.05	\$ 312,047.24	\$ -
Special Appropriation Project- New Mexico Environment Department Purchase right of way, plan, design & construct pipeline interconnections Laws 2008, Chapter 92, Section 48, Subsection 29 Contract dated 7/1/08 Project expiration date 6/30/2012 SAP 08-3844-GF	\$ 160,000.00	\$ 160,000.00	\$ -	\$ 160,000.00	\$ -
Special Appropriation Project-New Mexico Environment Department LRGMDWA Water System Plan Laws of 2007, Chapter 42, Section 59, Subsection 37 Contract dated 8/3/07 Project expiration date 6/30/2011 SAP 07-4445-GF	\$ 660,000.00	\$ 628,594.52	\$ 7,148.45	\$ 635,742.97	\$ 24,257.03
Community Development Block Grant Governance, Merger and Strategic Plans Title I of the Housing and Community Development Act and 1974 (Public Law 93-383), HUD 24 CFR Part 570 CDBG 09-C-RS-1-06-G-109	\$ 100,000.00	\$ 20,726.00	\$ 79,274.00	\$ 100,000.00	\$ -
Community Development Block Grant-Dona Ana County Regional water system improvement for LRGMDWA Title I of the Housing and Community Development Act and 1974 (Public Law 93-383), HUD 24 CFR Part 570 Upon completion transferred to LRGMDWA CDBG 08-C-NR-1-7-G-13	\$ 500,000.00	\$ 500,000.00	\$ -	\$ 500,000.00	\$ -
Severance Tax Bond Colonias Projects Laws of 2009, Chapter 125, Section 22, Item 4 Contract dated 3/12/10 Project expiration date 12/31/2011 09-3118 (5)	\$ 462,293.00	\$ -	\$ 462,293.00	\$ 462,293.00	\$ -
State of New Mexico, Department of Finance and Administration Fund 89200 Capital Appropriation Project Law of 2010, Chapter 4, Section 8, Paragraph 1 Contract dated September 30, 2010 Project expiration date June 30, 2012 10-1283 #10	\$ 80,000.00	\$ -	\$ 80,000.00	\$ 80,000.00	\$ -

** Project 08-L-G-3949(11) reverted back to state, reallocated and renamed Project 09-3820 #11

**LOWER RIO GRANDE MUTUAL DOMESTIC WATER ASSOCIATION
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2011**

2011-1 Lack of Approved Agreed Upon Procedure Contract

Condition: The Agreed Upon Procedure for the June 30, 2011 fiscal year end was not approved by the state auditor prior to submittal of the completed Agreed Upon Procedure to the Office of the State Auditor on December 1, 2011

Criteria: Section 12-6-14 NMSA 1978 (Contract Audits) states that "the State Auditor shall notify each agency designated for Agreed Upon Procedure by an independent auditor, and the agency shall enter into a contract with an independent auditor of its choice in accordance with procedures prescribed by rules of the State Auditor...each contract for Agreed Upon Procedure entered into between an agency and an independent auditor shall be approved in writing by the State Auditor. Payment of public funds may not be made to an independent auditor unless a contract is entered into and approved as provided in this section.

Effect: The Agreed Upon Procedure of Lower Rio Grande Mutual Domestic Water Association was performed without an approved contract and therefore did not meet the requirements of the 2011 State Audit Rule, until the Agreed Upon Procedure was retroactively approved by the State Auditor on January 9, 2012.

Cause: The State Auditor did not approve the contract until after the due date of the Agreed Upon Procedure

Recommendation: The Entity and its IPA should ensure that all administrative and contract documents are approved in accordance with Section 12-6-14 NMSA 1978.

Response: In the future, the Agreed Upon Procedure will not be performed until a signed contract has been approved by the State Auditor.

**LOWER RIO GRANDE MUTUAL DOMESTIC WATER ASSOCIATION
EXIT CONFERENCE
JUNE 30, 2011**

Exit Conference:

The exit conference was held on November 30, 2011 with the following persons:

Martin Lopez, Registered Agent for the entity
Robert M. Nieto, President

Denise S. Cooper, Partner, Clifford Ross & Cooper, LLC

These agreed-upon procedures were prepared by Clifford, Ross & Cooper, LLC from the books and records of Lower Rio Grande Mutual Domestic Water Association with the assistance