

# LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY

## DRAFT Minutes—REGULAR BOARD OF DIRECTORS MEETING

9:30 a.m. Wednesday, November 12, 2014 at our Vado Office, 325 Holguin Rd.

NOTE: Minutes are in DRAFT form until approved by the board

- I. **Call to Order, Roll Call to Establish Quorum** Sign-in sheet and agenda are attached. Directors present were Chairman Robert “Marty” Nieto (District 5), Vice-Chairman John Holguin (District 4) (via telephone), Director Cali Tellez (District 3) (via telephone), and Director Furman Smith (District 7) (via telephone). Absent were Secretary Santos Ruiz (District 2), Director Arturo Terrazas (District 1) and Director Mike McMullen (District 6). Staff members present were General Manager Martin Lopez, Projects Manager Karen Nichols and Adm Asst. Joan Ferguson. With a quorum established the meeting was called to order by Mr. Nieto at 9:31 am.
- II. **Pledge of Allegiance**
- III. **Motion to approve the Agenda with Item IX. B moved up following V.** Mr. Smith made a motion to approve the Agenda with Item IX.D (corrected from IX.B) moved up following V. An additional correction, moving item IX.A, B and C to after III. Mr. Tellez seconded the motion and it passed 4–0. {1:12}
- IX. **New Business**
  - A. **Resolution #FY2015-12: Closing Documents for #3155-CIF–Brazito Water System Improvements Project** The approval of this resolution would provide funding to finish the Brazito Water System Improvements Project. It consists of a Grant for \$142,106.40 and a loan of \$15,789.60 for a total of \$157,896.00. Mr. Holguin made a motion to approve Resolution #FY2015-12: Closing Documents for #3155-CIF–Brazito Water System Improvements Project. Mr. Tellez seconded the motion and it passed 4–0. {3:38}
  - B. **Resolution #FY2015-13: Closing Documents for #3156-CIF–Waterline Extension Project** The approval of this resolution would provide funding for the Veteran’s Rd. extension and consists of a grant for \$931,122.00 with a loan component of 103,458.00 totaling \$1,034,580.00. Mr. Holguin made a motion to approve Resolution #FY2015-13: Closing Documents for #3156-CIF–Waterline Extension Project. Mr. Smith seconded the motion and it passed 4–0. {4:18}
  - C. **Resolution #FY2015-14: Closing Documents for #3161-CIF–Mesquite-Brazito Sewer Project** The approval of this resolution will provide funding for the design of a sewer system in the Mesquite-Brazito area and consists of a grant of \$486,547.20 and a loan for \$54,060.80 for total funding of \$540,608.00. Mr. Smith made a motion to approve Resolution #FY2015-14: Closing Documents for #3161-CIF–Mesquite-Brazito Sewer Project. Mr. Tellez seconded the motion and it passed 4–0. {5:06}

Mr. Tellez moved to adjourn the meeting until 9:30 am on Friday, November 14, 2014 at the Vado office. Mr. Smith seconded the motion. The motion passed 4–0 and the meeting closed at 9:36. {5:50}

**Meeting Reconvenes 9:30 am November 14, 2014 at Vado.** Sign-in sheet and agenda are attached. Directors present were Chairman Robert “Marty” Nieto (District 5), Director Arturo Terrazas (District 1), Director Mike McMullen (District 6) and Director Furman Smith (District 7). Absent were Vice-Chairman John Holguin (District 4), Secretary Santos Ruiz (District 2), Director Cali Tellez (District 3). 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 Joshua Smith, attorney; Matthew Thompson, Bohannan Huston; Lila J. Reid, Adrian Renteria and Marty Howell from SouderMiller Associates; Carl Pinnock, NMED-DWB. With a quorum established the meeting was called to order by Mr. Nieto at 9:55 am.

**IV. Approval of Minutes**

- A. Motion to approve the Minutes of September 17, 2014 Regular Board Meeting** Mr. Smith made a motion to approve the Minutes of September 17, 2014 Regular Board Meeting. Mr. McMullen seconded the motion and it passed 4–0. {1:34}
- B. Motion to approve the Minutes of October 15, 2014 Regular Board Meeting** Mr. Smith made a motion to approve the Minutes of October 15, 2014 Regular Board Meeting. Mr. McMullen seconded the motion and it passed 4–0. {2:06}

- V. Guest Presentations—Matt Thompson, Bohannon Huston Inc. RE: Agenda Item IX. B** Mr. Matt Thompson from Bohannon Huston discussed the brackish water aspect of the Surface Water/Brackish Water Treatment Facility Project with the board and the scope of the amendment to the engineering services agreement. He reviewed the history of the project and the recommended steps forward by NMED CPB which will consist of ground water modeling and projections in the Vado area. Mr. Smith made a motion to approve Amendment #2 to Engineering Services Agreement with Bohannon Huston, Inc. for Surface Water/Brackish Water Treatment Facility Project. Mr. McMullen seconded the motion and it passed 4–0. {21:00}

- VI. Public Input—15 minutes total allotted for this item, 3 minutes time limit per person** Mr. Martin Lopez said that a member who was also a staff member asked that procedures be worked out concerning how a member might have an item placed on the agenda. Ms. Nichols mentioned that funding applications sometimes ask whether there is a board policy in place where the board sets up “board housekeeping.” {23:56}

**VII. Managers’ Reports**

- A. General Manager** Mr. Martin Lopez submitted a report and stood for questions.  
Mr. Terrazas asked about the McAnnaly abatement meeting. The meeting was to select an abatement option that will result in reaching ground water standards. {25:52}
- B. Operations** Mr. Mike Lopez submitted a report and stood for questions.  
The SCADA issues in the Organ project have been resolved so that project can be closed out.  
The issues with the tank at the La Mesa well (#12) are still in the process of being resolved. Because the issue had been discovered while the tank was still under warranty, the cost of the repair will be covered. Work includes sand blasting the floor and up the walls, resealing and recoating. {33:30}
- C. Finance** Ms. Kathi Jackson submitted a report and stood for questions.  
Ms. Jackson discussed her report on reserves with the board. LRG currently has 45 days of operating reserves.  
The NMDOT realignment will affect reserves.  
Colonias Infrastructure loans may affect reserves. {37:44}
- D. Projects** Ms. Karen Nichols submitted a report and stood for questions.  
LRG will be going before the Water Trust Board on December 3 to request a one-year extension on funding for the Berino/Mesquite-Del Cerro Water Project. More than half of the funds have already been expended.  
On Dec 3 the Water and Natural Resources Committee of the Legislature will hear draft legislation on regionalization developed by Rural Communities Assistance Corporation, Santa Fe County, the El Valle Alliance and several state agencies. If possible, management will try to attend this meeting as well as the Water Trust Board meeting if timing permits. There is strong support from legislators but opposition from the Picacho Hills district of Doña Ana MDWCA. {43:01}

**VIII. Unfinished Business—none**

**IX. New Business**

- A. Resolution #FY2015-12: Closing Documents for #3155-CIF—Brazito Water System Improvements Project**  
See IX.A above.
- B. Resolution #FY2015-13: Closing Documents for #3156-CIF—Waterline Extension Project** See IX.B above.
- C. Resolution #FY2015-14: Closing Documents for #3161-CIF—Mesquite-Brazito Sewer Project** See IX.C above.
- D. Motion to approve Amendment #2 to Engineering Services Agreement with Bohannon Huston, Inc. for Surface Water/Brackish Water Treatment Facility Project** See V.
- E. Motion to approve contract and Amendment #1 with Vencor Engineering for Mesquite-Brazito Sewer Project planning documents** Rural Development has approved this contract and amendment. Mr. McMullen made a motion to approve contract and Amendment #1 with Vencor Engineering for Mesquite-Brazito Sewer Project to add additional work to the PER. Mr. Smith seconded the motion and without further discussion, it passed 4–0. {45:05}
- F. Motion to approve contract for software purchase & implementation with Tyler Technologies** NMED-Construction Programs Bureau has yet to approve this contract. Mr. Smith made a motion to approve contract for software purchase and implementation with Tyler Technologies contingent on the approval of Construction Programs Bureau. Mr. McMullen seconded the motion and it passed 4–0. {46:22}
- G. Motion to convene in closed session pursuant to NMSA 1978 10-15-1 H.8—real property and water rights: Roll Call Vote** Mr. McMullen made a motion to convene in closed session pursuant to NMSA 1978 10-15-1 H.8—real property and water rights. Mr. Terrazas seconded the motion. The roll call vote was as follows: Chairman Robert “Marty” Nieto (District 5) aye, Director Arturo Terrazas (District 1) aye, Director Mike McMullen (District 6) aye and Director Furman Smith (District 7) aye. The meeting was closed at 10:40 am. {47:40}
- H. Motion to reconvene in open session** Mr. Smith made a motion to reconvene in open session. Mr. Terrazas seconded the motion and it passed 4–0. The meeting was opened at 11:19 am. {47:15}
- I. Statement by the Chair that the matters discussed in the closed meeting were limited only to those specified in the motion for closure** Mr. Nieto stated that the matter discussed in the meeting were limited to real property and water rights. {48:07}
- J. Motion to authorize the General Manager to enter into negotiations for purchase of real property and water rights** Mr. Terrazas made a motion to authorize the General Manager to enter into negotiation for purchase of real property and water rights. Mr. McMullen seconded the motion and it passed 4–0. {48:40}
- K. Other discussion and agenda items for next meeting, 9:30 a.m. December 10, 2014 at the Butterfield Park Office—contract with Doña Ana County for wastewater treatment.**
- \* closed session for legal issues
  - \* The audit is complete and has been submitted to the State Auditor’s and will be presented to the board when it has been approved.
  - \* The disposal committee needs to meet. Management needs to dispose of additional vehicles and request the purchase three trucks. {51:18}

- X. **Adjourn** Mr. Smith moved to adjourn the meeting. Mr. McMullen seconded the motion and it passed 4–0. The meeting adjourned at 11:22 am.

**Minutes approved December 10, 2014**

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Roberto Nieto, Chairman (District 5)

Absent  
John Holguin, Vice-Chairman (District 4)

Absent  
Santos Ruiz, Secretary (District 2)

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Arturo Terrazas, Director (District 1)

Absent  
Carlos Tellez, Director (District 3)

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Michael McMullen, Director (District 6)

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Furman Smith, Director (District 7)



**Lower Rio Grande Public Water Works Authority**  
 Sign In Sheet Page 1 of 1

Date: Nov 12, 2014 Time: 9:30 Places: VRD Event: Regular Meeting

Signature	Print Name, Title, Company or Agency Represented	Contact Information	Email Address
<i>Jean Ferguson</i>	Jean Ferguson LRG PurWA	JB 233-5742, x123	Jean.Ferguson@lowerriogrande.org
<i>Bob W Nick</i>	Bob W Nick	575 636-3551	
<i>MAR TIN GLOPEZ</i>	MAR TIN GLOPEZ	575 571-3628	
<i>Tara Nichols</i>	TARA NICHOLS	915 203 2057	Tara.Nichols@lowerriogrande.org
<i>John Holguin</i>	LRG Board	telephonically	
<i>Yvonne Smith</i>	LRG Board	telephonically	
<i>Calie Telley</i>	LRG Board	telephonically	

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Lower Rio Grande Public Water Works Authority  
Sign In Sheet Page 1 of 2

Date: Nov 14, 2014

Time: 9:30

Places: VADO

Event: Boylee Meeting, reversed

Signature	Print Name, Title, Company or Agency Represented	Contact Information	Email Address
<i>Jean Ferguson</i>	Jean Ferguson LRG Authority	575-233-5743, 123	jean.ferguson@lgauthority.org
<i>Matthew Thompson</i>	BHT	575-532-8670	mthompson@bhinc.com
<i>Robert M Nick</i>	Robert M Nick	575-636-5551	
<i>Sherron Smith</i>	SHERRON SMITH	575 382 5982	SMITHF@LANET.COM
<i>Mike McMullen</i>	MIKE McMULLEN	910-302-7852	
<i>Kathleen Jackson</i>	Kathleen Jackson Financial Manager		
<i>Karl Pennock</i>	Karl Pennock NIED-RLIB	575-647-7969	Karl.pennock@slsf.gov.us
<i>Josh Smith</i>	Josh Smith, Attorney	528-0500	j.smith.watsonlaw@csmail.com
<i>Tom Nicks</i>	<del>Tom Nicks</del> Boylee Meeting	915 203 2057	knicks@boylee.org
<i>MARTIN G LARZ</i>	MR Larz	575 571-3628	martinglarz@lgauthority.org
<i>MH Teriozas</i>	MH Teriozas	915 731-0251	



# LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY

## Meeting Notice & Agenda—REGULAR BOARD OF DIRECTORS MEETING

9:30 a.m. Wednesday, November 12, 2014 at our Vado Office, 325 Holguin Rd.

Agendas are final 72 hours prior to the meeting and may be obtained at any LRGPWWA Office—call 575-233-5742 for information

- I. Call to Order, Roll Call to Establish Quorum: District #1 (Mr. Terrazas)\_\_\_\_, #2 (Mr. Ruiz)\_\_\_\_, #3 (Mr. Tellez)\_\_\_\_, #4 (Mr. Holguin)\_\_\_\_, #5 (Mr. Nieto)\_\_\_\_, #6 (Mr. McMullen)\_\_\_\_, & #7 (Mr. Smith)\_\_\_\_
- II. Pledge of Allegiance
- III. Motion to approve the Agenda with Item IX. B moved up following V.
- IV. Approval of Minutes
  - A. Motion to approve the Minutes of September 17, 2014 Regular Board Meeting
  - B. Motion to approve the Minutes of October 15, 2014 Regular Board Meeting
- V. Guest Presentations—Matt Thompson, Bohannan Huston Inc. RE: Agenda Item IX. B
- VI. Public Input—15 minutes total allotted for this item, 3 minutes time limit per person
- VII. Managers' Reports
  - A. General Manager
  - B. Operations
  - C. Finance
  - D. Projects
- VIII. Unfinished Business—none
- IX. New Business
  - A. Resolution #FY2015-12: Closing Documents for #3155-CIF—Brazito Water System Improvements Project
  - B. Resolution #FY2015-13: Closing Documents for #3156-CIF—Waterline Extension Project
  - C. Resolution #FY2015-14: Closing Documents for #3161-CIF—Mesquite-Brazito Sewer Project
  - D. Motion to approve Amendment #2 to Engineering Services Agreement with Bohannan Huston, Inc. for Surface Water/Brackish Water Treatment Facility Project
  - E. Motion to approve contract and Amendment #1 with Vencor Engineering for Mesquite-Brazito Sewer Project planning documents
  - F. Motion to approve contract for software purchase & implementation with Tyler Technologies
  - G. Motion to convene in closed session pursuant to NMSA 1978 10-15-1 H.8—real property and water rights: Roll Call Vote
  - H. Motion to reconvene in open session.
  - I. Statement by the Chair that the matters discussed in the closed meeting were limited only to those specified in the motion for closure
  - J. Motion to authorize the General Manager to enter into negotiations for purchase of real property and water rights
  - K. Other discussion and agenda items for next meeting, 9:30 a.m. December 10, 2014 at the Butterfield Park Office—contract with Doña Ana County for wastewater treatment
- 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 LRGPWWA office at 575-233-5742, PO Box 2646, Anthony NM 88021 OR 215 Bryant St., Mesquite NM at least one week prior to the meeting or as soon as possible. Public documents, including the agenda and minutes, can be provided in various accessible formats. Please contact the LRGPWWA office if a summary or other type of accessible format is needed.

*Si 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 LRGPWWA, 575-233-5742, PO Box 2646, Anthony NM 88021 O 215 Bryant St., Mesquite NM 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

## DRAFT Minutes, REGULAR BOARD OF DIRECTORS MEETING

9:30 a.m. Wednesday, September 17, 2014 at our Berino Office, 1150 Berino Rd.

NOTE: Minutes are in DRAFT form until approved by the Board of Directors

- I. **Call to Order, Roll Call to Establish Quorum:** District 1 (Mr. Terrazas) Absent, 2 (Mr. Ruiz) Present, 3 (Mr. Tellez) Present, 4 (Mr. Holguin) Present (arrived at 9:45 am), 5 (Mr. Nieto) Present, 6 (Mr. McMullen) Present, & 7 (Mr. Smith) 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 Matt Dyer from PCS and Ricardo Venega, member. With a quorum established the meeting was called to order by Mr. Nieto at 9:34 am.
- II. **Pledge of Allegiance** {0:20}
- III. **Approval of Agenda**
  - A. **Current Agenda** Mr. Tellez moved to approve the current agenda. Mr. McMullen seconded it and it passed 4-0. {1:23}
  - B. **August 20, 2014 Cancelled Regular Board of Directors Meeting** Mr. Tellez moved to approve the agenda of the August 20, 2014 regular meeting which was cancelled due to a lack of quorum. Mr. McMullen seconded the motion and it passed 4-0.
- IV. **Approval of Minutes**
  - A. **July 16, 2014, Regular Meeting** Mr. Tellez moved to postpone approving the minutes until the October meeting because of a lack of quorum. Mr. McMullen seconded the motion and it passed 4-0. {4:15} Mr. Holguin's (late) arrival constituted a quorum and the Board voted on this item before they went into closed session. Mr. Tellez moved to approve the minutes of the July 16, 2014 Regular Meeting. Mr. Holguin seconded the motion and it passed 3-0. {49:50}
  - B. **July 29, 2014, Special Meeting** Mr. Tellez moved to postpone approving the minutes until the October meeting because of a lack of quorum. Mr. McMullen seconded the motion. And it passed 4-0. {4:40} Mr. Holguin's (late) arrive constituted a quorum and the Board voted on this item before they went into closed session. Mr. Tellez moved to approve the minutes of the July 29, 2014 Special Meeting. Mr. Holguin seconded the motion and it passed 3-0. {50:35}
- V. **Guest Presentations—none** {4:45}
- VI. **Public Input—15 minutes total allotted for this item, 3 minutes time limit per person** The General Manager, Mr. Martin Lopez received a phone call from a member who was concerned about the rate increases. She expressed three concerns: 1) There should have been flyers sent out because she and her neighbors do not subscribe to the newspapers (the LC Sun-News and the LC Bulletin) where the Authority posts notices; 2) the minutes state that the increase would be over three years but not every six months; and 3) she would like an independent rate study. Mr. Lopez was not able to get her name or address but she said that she and her neighbors would be able to attend the October 15 regular board meeting. {8:31}
- VII. **Managers' Reports**
  - A. **General Manager** Mr. Martin Lopez submitted a written report and stood for questions. Payment for the FEMA funds should arrive in three to four weeks. It is anticipated to be around \$6,700.00

Mr. Holguin inquired about the NMPRC Pipeline Safety Bureau violation. The line had not been noted on the maps and had been broken by a LRG operator. It was a 2-inch line. No fines are involved.

Mr. Tellez asked for an update on the first aid classes. Mr. Martin Lopez has made inquiries with the Red Cross and other agencies but thinks that having the Water Association sponsor the classes would work well because other water operators could take advantage of it.

Concerning the Brazito Loan at 4.25% that was recently paid off, Mr. Tellez asked what sort of rate the LRG receives. It is usually 0–3%. {13:22}

**B. Finance** Ms. Kathi Jackson submitted a written report and stood for questions.

Ms. Jackson reports that the budget is in good order. It is the beginning of the second quarter. She warned the board that there may be a finding on the current (ongoing) audit. It would not be a material finding and it concerns a reporting issue with the Berino MDWA State appropriation to develop what is now their portion of the Berino/Mesquite-Del Cerro Water System Project. The Berino bookkeeping firm accounted for the monies but did not properly classify those monies as project funds. These issues have been part of a long term and ongoing effort to reconcile project funds from the old mutual domestics. The auditor expects to be finished by September 19 and the audit is due December 1. Mr. Tellez asked to be kept up to date on the issue.

Mr. Tellez asked about a budget item for training and asked if there were any more training session that were planned for staff. There is a line item for training, travel and per diem that Ms. Jackson estimates to be \$10,000. In the future, management is planning on having instructors come to the office. {20:54}

**C. Projects** Ms. Karen Nichols submitted a written report and stood for questions.

Mr. Tellez asked about the scholarships to the NM Infrastructure Finance Conference. Mr. Martin Lopez reminded him that he had asked a couple months ago if any of the board were interested in attending the conference and all declined. The Conference offers scholarships to cover the cost of the conference itself. The LRG has received scholarships for the past two or three years so we may not receive anything this year.

Mr. Holguin asked to be briefed on the Veteran's Rd. project. There has been no grant closing and so there can really be no estimate on a timeline. {25:24}

**D. Operations** Mr. Mike Lopez submitted a written report and stood for questions.

The pump at the well in Butterfield Park is broken beyond repair and Mr. Mike Lopez is waiting on quotes. Currently, there is a used pump in use at that well. He will be sending the pump back to the manufacturer for testing because it had reached the end of its warranty period directly before its failure.

Mr. Tellez asked about the decline in production for the previous month (see attached production report). Mr. Lopez explained that it was due to temperature changes and members not having to use their coolers as frequently.

Operations is anticipating a hard winter and is preparing for it.

The leak on Rosario and Bowman was due to a leaking ball valve. The valve was removed and line capped. {30:46}

**VIII. Unfinished Business**

**IX. New Business**

- A. Inspection of Public Record Request Re: NMED-CPB/NMFA MOU—for approval** Management has become aware that under the Memorandum of Understanding between NM Environment Dept-Construction Programs Bureau and NM Finance Authority whereby NMED-CPB reviews project documents for NMFA, that NMFA is paying NMED-CPB for the service. Management is requesting the board's approval to send inspection of public record requests to 1) to ascertain the amount that is being charged NMFA to review project documents for Grant/Loan #223-WTB and #252-WTB and 2) NMFA to request

how much is being paid NMED-CPB to review the same project documents for them. Mr. Tellez made a motion to approve letters to NMED AND MNFA to request an inspection of public records. Mr. Holguin seconded the motion and it carried 5–0. {34:27}

- B. Termination of memberships for delinquent accounts—for approval** Management is asking to terminate memberships for members with delinquent accounts (see attached list) where it has been determined that the accounts will not be paid. The attached accounts have already been written off as bad debt. Mr. Holguin moved to approve the list of delinquent accounts to be terminated. Mr. Tellez seconded the motion and it passed 5–0. Mr. Tellez asked if the Boyer’s shut-off would be a problem. It appears that the house is vacant, so there should not be any problems. {37:24}
- C. Corrected FY14 4th Quarter Budget Report—for approval** The format of a line item had been incorrectly entered and NMDFA-Budget Department requested this correction. Mr. Holguin moved to approve the correction FY 2014 4<sup>th</sup> Quarter Budget Report. Mr. Tellez seconded and the vote carried 5–0. {39:06}
- D. Resolution FY2015-04 Corrected FY14 4<sup>th</sup> Quarter Report—for adoption** Mr. Holguin moved to approve Resolution FY2015-04 Correction FY 14 4<sup>th</sup> Quarter Report. Mr. Tellez seconded the motion and with no discussion, the motion passed 5–0. {39:58}
- E. RFP Committee recommendation for selection of billing-accounting software/information technology project** The attachments document the composition of the selection committee, the selection process and their scores for the written proposals as well as the final scores following the presentations. Mr. Holguin moved to approve the selection committee recommendation for the billing-accounting software/information technology project. Mr. Ruiz seconded the motion and it passed 5–0. {45:06}
- F. Authorization to fill another Water Operator Position** There is an additional water operator leaving (for family reasons) and Mr. Martin Lopez is requesting to replace him. Mr. Tellez moved to authorize hiring another water operator. Mr. Holguin seconded the motion and it passed 5–0. {47:47}

**The board returned to approve the minutes at this point in the meeting.**

- X. Motion to convene in Closed Session pursuant to NMSA 1978 Section 10-15-1(H)(7) threatened or pending litigation—ROLL CALL VOTE** Mr. McMullen made a motion to convene in closed session pursuant to NMSA 1978 Section 10-15-1(H)(7) threatened or pending litigation. Mr. Tellez seconded the motion. The roll call vote was as follows: Mr. Nieto, aye; Mr. Holguin, aye; Mr. Ruiz, aye; Mr. Tellez, aye; Mr. McMullen, aye. The ayes carried 5–0 and the meeting was closed at 10:27 am. {55:40}
  - A. Motion to resume the Open Meeting** Mr. Tellez made a motion to resume the open meeting. Mr. Holguin seconded the motion. The motion carried 5–0 and the meeting was resumed at 10:33 am.
  - B. Statement by the Chair confirming that only items listed in the motion were discussed and no action was taken.** Mr. Nieto confirmed that only threatened or pending litigation was discussed and no action was taken. {52:50}
- XI. Other discussion and agenda items for next meeting, 9:30 a.m. October 15, 2014 at the Vado Office: NM Attorney General’s AGO Road Show - OMA & IPRA Compliance presentation 9:30 am on Tuesday, 9/26/14 at the NM Farm & Ranch Museum**
  - A.** Reaffirm & clarify adoption of new water rates in January
  - B.** DAC proposed franchise fee for pipes on right-of-way
  - C.** Should know final cost for Vado exit
  - D.** The auction for the trucks will be Friday, September 20, 2014 at 10 am.
  - E.** Discuss end-of-year event planning.

XII. **Adjourn** Mr. Holguin moved to adjourn the meeting. Mr. Tellez seconded the motion and it passed 5–0. The meeting adjourned at 10:37am.

**Minutes approved November 12, 2014**

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Roberto Nieto, Chairman (District 5)

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John Holguin, Vice-Chairman (District 4)

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Santos Ruiz, Secretary (District 2)

**Absent**

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Arturo Terrazas, Director (District 1)

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Carlos Tellez, Director (District 3)

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Michael McMullen, Director (District 6)

**Absent**

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Furman Smith, Director (District 7)

# LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY

## Minutes—REGULAR BOARD OF DIRECTORS MEETING

9:30 a.m. Wednesday, October 15, 2014 at our Vado Office, 325 Holguin Rd.

Please note: Minutes are in DRAFT form until approved by the Board.

- I. Sign-in sheet and agenda are attached. Directors present were Vice-Chairman John Holguin (District 4), Director Cali Tellez (District 3), Director Mike McMullen (District 6) and Director Furman Smith (District 7). Absent were Chairman Robert “Marty” Nieto (District 5), Secretary Santos Ruiz (District 2) and Director Arturo Terrazas (District 1). 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 Matt Dyer (PSC). With a quorum established, the meeting was called to order by Mr. Holguin at 9:30 am.
- II. **Pledge of Allegiance** {0:49}
- III. **Motion to approve the Agenda** Mr. Smith made a motion to approve the agenda. Mr. Tellez seconded the motion and it passed 4–0. {2:19}
- IV. **Motion to approve the Minutes of September 17, 2014 Regular Board Meeting** Postponed due to lack of a quorum. {2:22}
- V. **Guest Presentations—none** {2:30}
- VI. **Public Input—15 minutes total allotted for this item, 3 minutes time limit per person—none** {3:06}
- VII. **Managers’ Reports**
  - A. **General Manager** Mr. Martin Lopez submitted his report and stood for questions.

Three employees have been hired for operations and one for clerical. They are permanent but on probation. They seem to be working well. {5:30}
  - B. **Operations** Mr. Mike Lopez submitted his report and stood for questions.

Mr. Smith asked about the work on the SCADA in Organ. Timber Line is doing a good job but the pace of work is not acceptable. Additionally, they are working out of Albuquerque. Because of the logistics, Timber Line has been asking LRG water operators to do physical installations which causes a potential breach of warranty. Mr. Smith then asked if it wouldn’t be worth having a SCADA technician on staff and if all the SCADA was compatible. Mr. Mike Lopez has been considering in-depth training for himself and his assistant. Mr. Martin Lopez pointed out that part of the capital outlay the Authority has received is for a SCADA project. Mr. Dyer pointed out that his firm had an electrical engineer on staff that handles SCADA and offered to give a presentation to operations staff concerning SCADA.

The new La Mesa tank at well 12 has blisters in the paint on the floor of the tank that were not visible during the warranty inspection because the tank had not been fully drained and cleaned. It is no longer covered by the warranty. The cathodic protection was turned on after the warranty inspection. It will cost about \$1,000 for the tank company to perform the necessary repairs.

Alto de los Flores (with whom LRG has an O&M contract) has received three deficiencies on the latest Sanitary Survey, two of which will be disputed. Their previous Sanitary Survey when they under contract with the county had 13 deficiencies primarily because of lack of maintenance on their tanks. {20:42}
  - C. **Finance** Ms. Kathi Jackson submitted her report and stood for questions.

During the first quarter \$125,000 was added to reserves and the Authority has started making a \$8,000 per month loan payment.

There has been growth of \$3.5 million in the past year

Mr. Tellez said he hadn't received a bill this month. There have been Post Office issues.

***Recording software failed at this point and the recording starts over***

The new employee is working well.

Finance will be applying for funding from a new program from the State Auditor. It would be unlikely that any funding would be awarded but Ms. Jackson will apply regardless.

The contract with Tyler for new software is pending. It was originally thought that once LRG started using the Tyler software, customer records would be lost but Doña Ana MDWCA has discovered a way to migrate customer records from Continental (the current software) to the Tyler software which will make the transition less complicated. {2:26}

**D. Projects** Ms. Karen Nichols submitted her report and stood for questions.

Mr. Martin Lopez commended Ms. Karen Nichols and Ms. Kathi Jackson on their work putting together the application package and accounting for Mesquite-Brazito Sewer project.

Mr. Tellez asked about the Veteran's Rd. project. The monies for that will be approved in today's approval of the capital outlay funds.

Mr. Tellez asked about the Open Meetings Act & Inspection of Public Records Act training. It was on Sept 23 and conducted by the AG's office. It was free and informative. {7:22}

**VIII. Unfinished Business**

**A. Motion to reaffirm water rates schedule as proposed the General Manager and adopted by the Board on January 15, 2014** Last month a customer noticed that the minutes for the January meeting where the new rates were adopted indicated that the rates would change over three years and omitted that they were to change every six months. RCAC had done a rate study and proposal. After input at public meetings, the GM had adapted RCAC's proposal so that it would not be implemented all at once but over three years every six months. His proposal is in the January board documents. Mr. Smith made a motion to reaffirm water rates schedule as proposed by the General Manager which was a 10% increase over 3 years every 6 months and adopted by the Board on January 15, 2014. Mr. McMullen seconded the motion and it passed 4-0. {12:24}

**B. Motion to rescind Board action taken on September 20, 2014 terminating membership of Pablo Ramirez, Account 6879** After the board's action at September's meeting where the membership of those with delinquent accounts had been terminated, one member on the list, Mr. Ramirez, approached the General Manager. He had sold the property in question and the sale had not been recorded with the County. As a result, Mr. Ramirez had not been removed from the membership rolls. He paid the outstanding balance and the \$50 to deactivate the meter. Mr. Tellez made a motion to rescind board action taken on September 20, 2014 terminating membership of Pablo Ramirez, Account 6879. Mr. Smith seconded the motion and it passed 4-0. {13:20}

**IX. New Business**

**A. Motion to adopt Resolution 2015-05 SCSOG Membership renewal** Mr. Tellez made a motion to adopt Resolution 2015-05 SCSOG Membership renewal and to designate Ms. Kathi Jackson as representative and Mr. Nieto as alternate. Mr. Smith seconded the motion and it passed 4-0. {14:54}

**B. Motion to adopt Resolution 2015-06 Authorizations for Special Appropriation Project #14-1619-STB** Resolutions 2015-06-08 are for capital outlays of \$30,000 for the Mesquite-Brazito sewer project, \$130,000 for SCADA and \$152,150 for the Veteran's Rd water line extension. These outlays are grants. Ms. Nichols pointed out that all three of the aforementioned resolutions appoint Mr. Martin Lopez and herself as official representatives. Mr. Smith made a motion to adopt Resolution 2015-06 Authorizations for Special Appropriation Project #14-1619-STB, Resolution 2015-07 Authorizations for Special

Appropriation Project #14-1617-STB and Resolution 2015-08 Authorizations for Special Appropriation Project #14-1616-STB. Mr. McMullen seconded the motion and it passed 4–0. {18:04}

- C. Motion to adopt Resolution 2015-07 Authorizations for Special Appropriation Project #14-1617-STB**  
See item IX.B.
- D. Motion to adopt Resolution 2015-08 Authorizations for Special Appropriation Project #14-1616-STB**  
See item IX.B.
- E. Motion to adopt Resolution 2015-09 Board to Obtain RD Loan for Mesquite-Brazito Sewer Project** The amount of the loan is \$357,000. The grant component is \$7.6 million. Mr. Vasquez is out of town and the document will be corrected to note his absence. Mr. Smith made a motion to adopt Resolution 2015-09 (as corrected) Board to obtain RD Loan for Mesquite-Brazito Sewer Project. Mr. McMullen seconded the motion and it carried 4–0. {21:43}
- F. Motion to adopt Resolution 2015-10 Authorization for USDA-RD funds for Mesquite-Brazito Sewer Project** Mr. McMullen made a motion to adopt Resolution 2015-10 Authorization for USDA-RD funds for Mesquite-Brazito Sewer Project. Mr. Smith seconded the motion and it carried 4–0. {22:16}
- G. Motion to adopt Resolution 2015-11 1st Quarter Budget Report for Fiscal Year 2015** Mr. Tellez made a motion to adopt Resolution 2015-11 1st Quarter Budget Report for Fiscal Year 2015. Mr. Smith seconded the motion and it carried 4–0. {23:34}
- H. End-of-year celebration plans** The GM asked for permission to plan an end-of-the-year staff training and celebration. The committee will change and it will be a more formal event than last year. Mr. Tellez would like to distribute gift cards as a token of appreciation to the staff. Mr. Tellez moved to give the GM permission to plan an end-of-the-year staff training and celebration. Mr. Smith seconded the motion and it carried 4–0. {28:35}
- X. Other discussion and agenda items for next meeting, 9:30 a.m. November 12, 2014 at the Vado Office:**
  - A.** Resolutions & Closing Documents for all three 2014 Colonias Infrastructure grant/loan awards.
  - B.** DAC revised sewer contract for approval
  - C.** Possibility of billing software contract for approval
  - D.** Amendment engineering services for water treatment PER for approval
  - E.** Finalize staff training/celebration {33:53}
- XI. Adjourn** Mr. Tellez made a motion to adjourn. Mr. Smith seconded the motion and it carried 4–0. The meeting closed at 10:30.

**Date approved: November 12, 2014**

ABSENT

Roberto Nieto, Chairman (District 5)

\_\_\_\_\_  
John Holguin, Vice-Chairman (District 4)

ABSENT

\_\_\_\_\_  
Santos Ruiz, Secretary (District 2)

ABSENT

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Arturo Terrazas, Director (District 1)

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Carlos Tellez, Director (District 3)

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Michael McMullen, Director (District 6)

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Furman Smith, Director (District 7)

**LRGPWWA**  
**Manager's Report**  
**November 12, 2014**

- Transfer of Assets from Associations
  - 1 Berino and 2 Brazito Loans-Satisfaction of Lien filed with DAC and NM Secretary of State
  - Organ: Tierra Alta Drive transfer of facilities-Bill of Sale for Facility has been recorded-inquired if DAC Tax Exempt needs to be requested again
  - USDA has approved a Release of Lien which was recorded at DAC for the Brazito Property to be reverted back to Chris Jimenez and Nicolasa Jimenez, Request for concurrence submitted to State Auditor and DFA Budget Division
- FEMA (Berino Office) payment arrived on October 15, 2014 (\$6,775.94)
- Renewal application for Easement No. W.37 with NM State Land Office for LRG-65-S-4 (El Centro Well) submitted
- McAnally Abatement meeting-a pilot scale test to inject emulsified vegetable oil and sodium phosphate into ground water to promote biological degradation of nitrate within the aquifer-requested Material Safety Data Sheets (should have no impact to LRGPWWA drinking water wells, since there are no active well for a 5 mile plus radius)
- Potential abatement meeting for Agriliance in Vado in near future

## Lower Rio Grande PWWA

### Operators Report

November 12, 2014

#### System Problems and Repairs.

- Backflow inspections are current.(Mesquite District)
- I will not be able to attend this board meeting due to timber line(East Mesa SCADA people) will be here the 11th and 12<sup>th</sup> to finish up the project.
- My Crew is almost finished with meter change outs in Butterfield park. The old touch read system was failing.
- No word from the DOT on the exposed 12" water line.
- We had 4 new water services this month.
- For the month of July my operators and I were issued 161 work orders.
- For the Month of September we have been issued 158 work orders.
- I have sent Ernest Valenzuela a letter to inquire about two of the deficiency's that should have been recommendations.
- The Well in #2 east mesa is back on line.

**NMED:** All of our Monthly Bac-T-Samples were taken and all samples were negative.

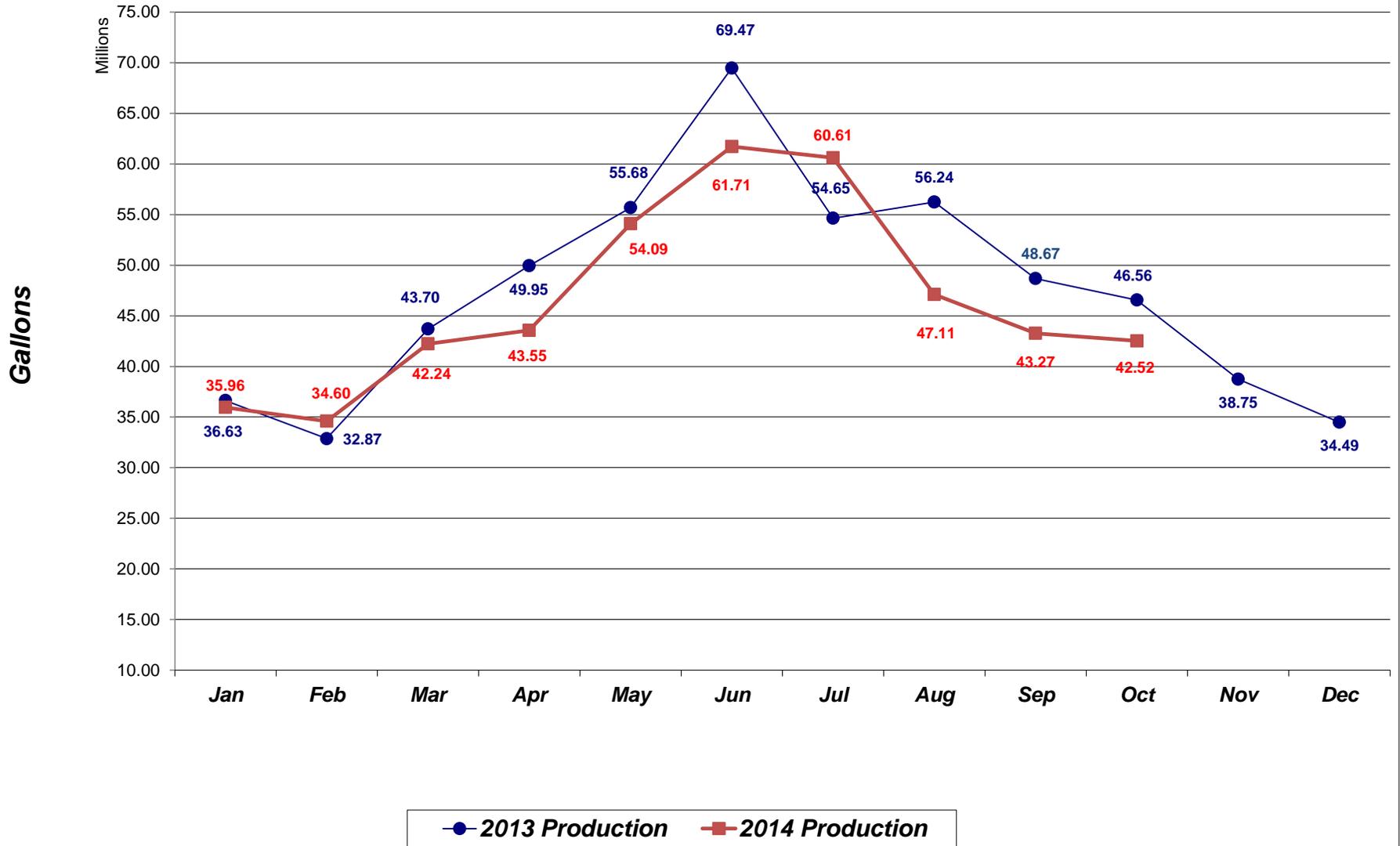
**Mesquite district Wetlands:** We will soon start rehab of the wetlands.

**Mesquite Sewer Report.**

**Chlorine:** No problems.

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

# Lower Rio Grande PWWA Water Production Report



## Reserve Report

- Reserve funds are unrestricted fund balances set aside to stabilize an organization's finances by providing a cushion against unexpected events, losses of income, and large unbudgeted expenses.
- LRGPWWA's most common trigger for use of operating reserves is to smooth out fluctuations in cash flows. The bulk of our revenues are generated in the warmer months and revenues tend to decrease in cold weather. Unfortunately the expenses don't follow that pattern.
- USDA-RD loans have mandatory reserve requirements that must be met (See attached schedule)
- Operating Reserves are an important part of any financial plan.
- There are general guidelines for setting operating reserve goals; they should always be accompanied by "it depends"
- Most standards are based on a formula to have enough cash to cover operating expenses for a number of months.
- A commonly used reserve goal is 3 to 6 months' of expenses.
- At the low end reserve3s should be enough to cover at least one full payroll including taxes.
- At the high end, reserves should not exceed the amount of two years' budget.
- We currently have about 45 days' worth of operating reserves on hand.

Water and Sewer Reserve Schedule  
October 31, 2014

Balances from Bank Statement

Citizens Bank	Account #	Balance
Debit Service	#122700920	\$ 101,404.97
Reserve	#120626520	\$ 493,448.59
Account	#120626520	\$ 594,853.56
Total		\$ 1,189,707.12
Less: Current Requirement		\$ 237,626.48
Operating Reserves		\$ 357,227.08

USDA Total Requirements

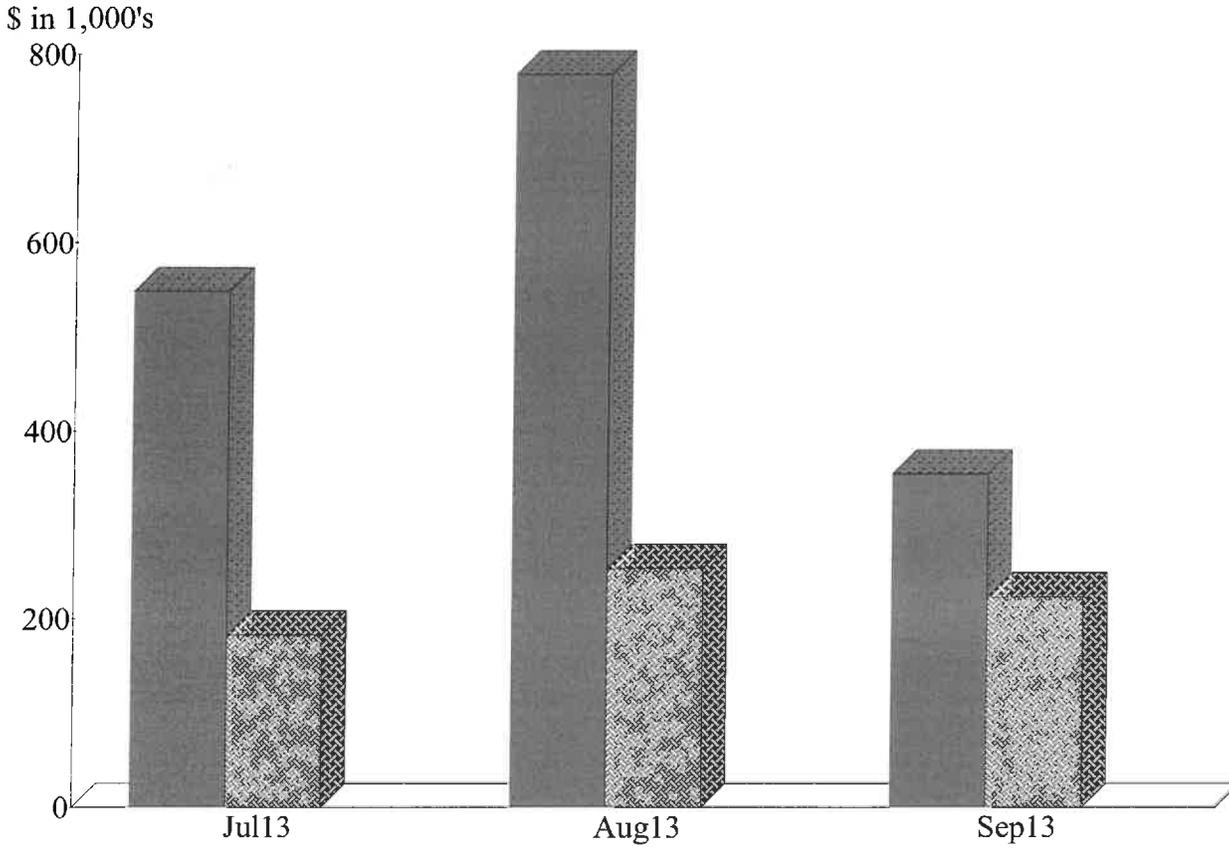
Loans	Loan Amount	Loan Date	Debit Service Reserve	Short Lived Asset Reserve	O&M Reserve	Total Requirement
91-02	\$ 2,304,000.00	6/11/2014	\$ -	\$ 254,000.00	\$ 105,072.00	\$ 359,072.00
93-09*	\$ 91,910.00	9/14/2012	\$ 15,200.64	\$ 561,925.00	\$ 4,116.84	\$ 581,242.48
Brazito Sewer	Pending	Pending	Pending	Pending	65051.75	23,539.00
92-13	\$ 100,000.00	4/26/2012	\$ 18,240.00	\$ -	\$ 5,299.00	\$ 167,062.00
92-19	\$ 606,000.00	4/26/2012	\$ 88,176.00	\$ 54,400.00	\$ 24,486.00	\$ 167,062.00
93-09*	\$ 9,090.00	9/14/2012	\$ 1,503.36	\$ 55,575.00	\$ 407.16	\$ 57,485.52
			\$ 123,120.00	\$ 925,900.00	\$ 204,432.75	\$ 1,355,463.00

Current Requirement

Loans	Loan Amount	Loan Date	Debit Service Reserve Monthly Payment	Short Lived Asset Reserve Monthly Payment	Reserve Monthly Payment	# of Months Funded to Date	Debit Service Reserve	Short Lived Asset Reserve	O&M Reserve	Current Requirement
91-02	\$ 2,304,000.00	6/11/2014	\$ 875.60	\$ 2,178.00	\$ 875.60	5	\$ 4,378.00	\$ 26,133.33	\$ 4,378.00	\$ 34,889.33
93-09	\$ 91,910.00	9/14/2012	\$ 31.67	\$ 4,077.33	\$ 34.31	25	\$ 791.70	\$ 101,933.20	\$ 857.68	\$ 103,582.57
Brazito Sewer	Pending	Pending	Pending	Pending	Pending		Pending			
92-13	\$ 100,000.00	4/26/2012	\$ 38.00	\$ -	\$ 44.00	30	\$ 1,140.00	\$ -	\$ 1,320.00	\$ 2,460.00
92-19	\$ 606,000.00	4/26/2012	\$ 183.70	\$ 495.58	\$ 34.00	30	\$ 5,511.00	\$ 14,867.40	\$ 1,020.00	\$ 21,398.40
93-09	\$ 9,090.00	9/14/2012	\$ 3.13	\$ 403.25	\$ 3.39	25	\$ 78.30	\$ 10,081.31	\$ 84.83	\$ 10,244.43
			\$ 1,132.10	\$ 7,154.16	\$ 991.30	115.00	\$ 11,899.00	\$ 153,015.23	\$ 72,712.25	\$ 237,626.48

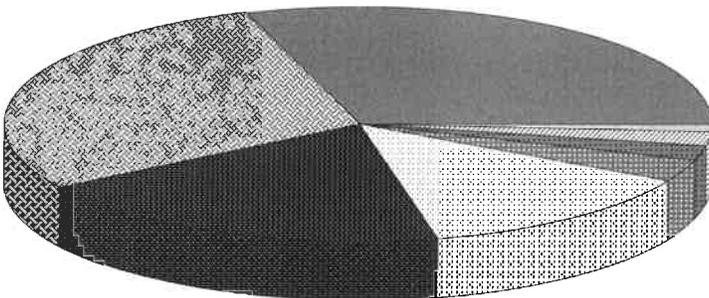
Income and Expense by Month  
July through September 2013

Income  
Expense



Expense Summary  
July through September 2013

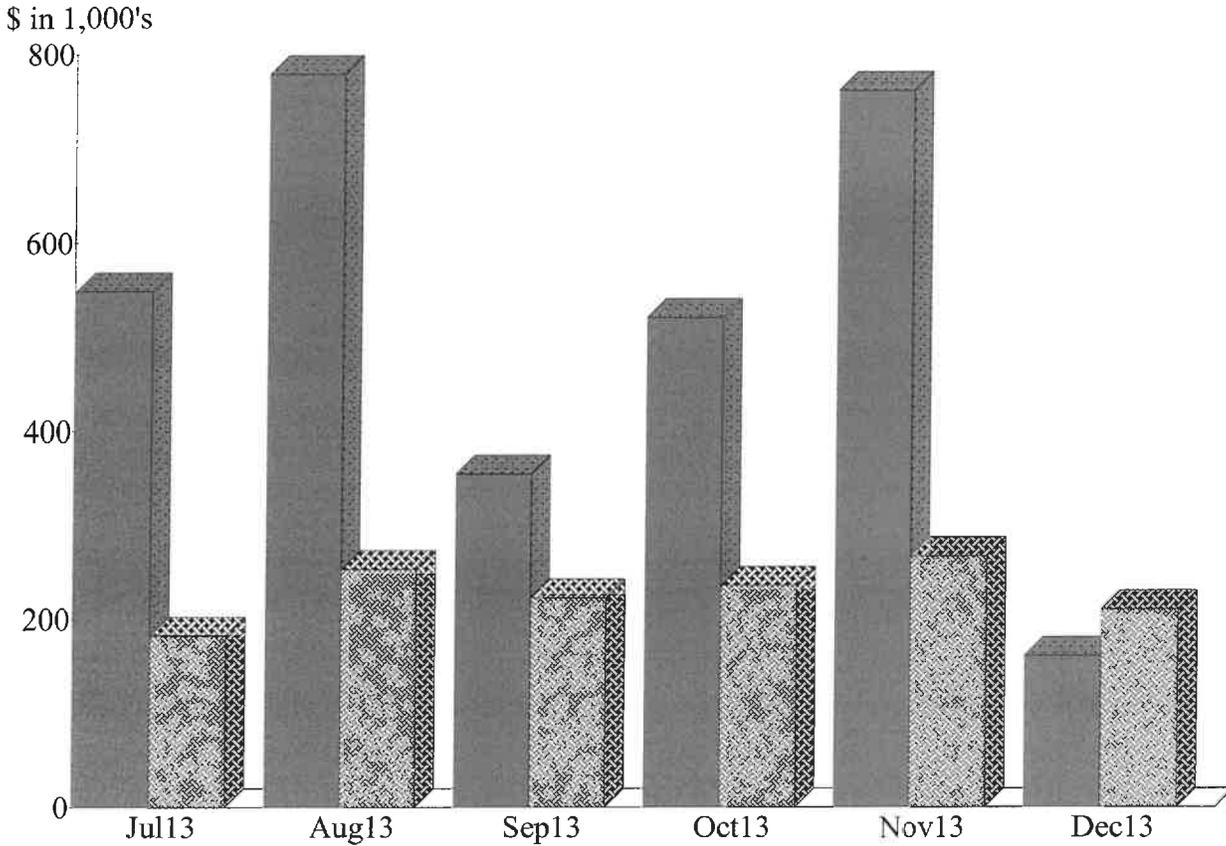
Salaries	30.37%
Depreciation Expense	28.90
Supplies	19.64
Utilities	13.40
Debit Service	3.08
Taxes, Liability, Insurance	2.18
Accounting, Auditing, Legal	2.06
Sewer	0.37
<b>Total</b>	<b>\$657,622.79</b>



By Account

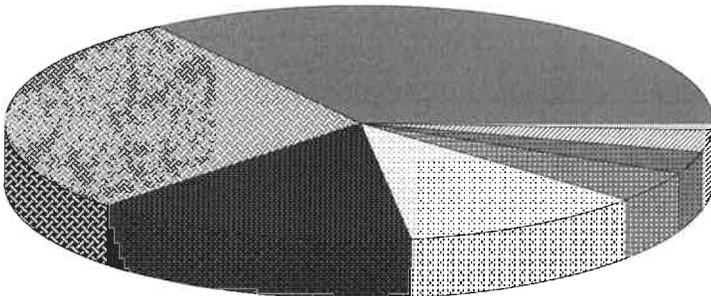
Income and Expense by Month  
July through December 2013

■ Income  
▨ Expense



Expense Summary  
July through December 2013

Salaries	34.72%
Depreciation Expense	27.77
Supplies	15.01
Utilities	11.44
Accounting, Auditing, Legal	4.44
Debit Service	3.09
Taxes, Liability, Insurance	3.03
Sewer	0.49
<b>Total</b>	<b>\$1,369,196.73</b>



By Account

**LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY  
PROJECTS REPORT – 11/12/14 BOARD OF DIRECTORS MEETING**

**Authority Construction Projects:**

**LRG: 11-02.1 -Mesquite Wastewater Project – Gannett Fleming– CONSTRUCTION Stage – Layne Southwest - RD \$7,262,081, CITF \$1,670,257:** Construction was substantially complete at the end of February. The contractor continues to address outstanding issues. We are withholding final payment until the issues have been addressed and a final inspection can be completed. We completed the final inspection of the services on 6/12. There were substantial remaining issues, so the contractor agreed to complete the work and request future approval. The contractor has submitted some of the missing closeout documents, and has assigned a (another) new project manager to expedite the remaining items. The new project manager is in touch with the engineer at least weekly and seems to be making some progress. SMA has completed the record drawings and O&M Manuals and will be producing the final documents in the coming weeks. Still. Again. Video inspections revealed the need for some repair work and some issues where the engineer will recommend reduction in contract price in order to offset the need for additional maintenance in lieu of requiring replacement of lines.

**LRG-11-02.2 – Mesquite-Brazito Sewer Project – Vencor – Pre-Design/Funding Application Stage – NMFA PG/SAP funded Planning, \$30k 2014 SAP, \$540,608 2014 CITF (10% Loan), USDA-RD Loan \$357,000 @ 3.250%, Grant \$1,194,919, Colonias Grants of \$6,356,474 & \$119,407:** We have submitted a Letter of Intent to Meet Conditions and a Request for Obligation of Funds on 9/29/14 that was approved 10/1/14. Grant Agreement for SAP funding has been executed and submitted to NMED-CPB and are pending review/approve. Closing documents for the CITF funds are on today's agenda.

**LRG-11-03 – Interconnect & Looping Project – see 12-01 Authority PER**

**LRG-11-04 – Berino/ Mesquite-Del Cerro Water System Project WTB #223 – Vencor – Construction Stage - Smithco – RD - \$5,420,147/WTB - \$4,371,630:** Progress meeting was held on 11/5/14, Second pay application has been approved and paid, third received by the engineer on 11/4 and has not yet been submitted to us. Contractor is making excellent progress. One customer complaint has been received and handled. Resolution for 2014 CITF funds is on today's agenda.

**LRG-11-05 – Surface Water Treatment Plant WTB #252– Bohannon Huston - Design stage - \$750,000 WTB – 10% Loan 10% Match –** Final Draft report has been reviewed and commented on by Authority. Final draft PER amendment has been reviewed and commented on by NMED-CPB. Based on those comments additional evaluation was requested to justify the project. Proposed amendment #2 to the Engineering Services Agreement has been forwarded to NMED-CPB for review. NMED-CPB has indicated that their concerns have been addressed and they will sign off on the amendment after we sign. The amendment is on today's agenda.

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

**LRG-12-01 – Authority Water System Improvements PER 2013 – Vencor – Planning Stage - CDBG Planning Grant \$50,000, NMFA Planning Grant \$37,500 & \$12,500 Local Match:** PER is a complete, planning grant have both closed.

**Forty-Year Water Plan – CE&M – complete – needs update for new mergers:** pending NM-OSE comments/approval.

**LRG-13-02 – System-wide Information Technology Standardization - \$175,000 NM STB:** Monthly reporting is up to date. RFP selection documentation was submitted to NMED-CPB on 9/17/14 for billing software purchase. Contract Proposal has been received from Tyler Technologies, reviewed by our attorney and submitted to NMED-CPB for review/approval, and comments were received on 10/9/14. Contract has been revised by Tyler we are submitting that with a response to comments to NMED-CPB. Grant Agreement for 2014 SAP for SCADA project has been submitted to NMED-CPB and is pending review and approval.

**LRG-13-03 – Water System Purchase Project – for RFP – Planning Stage - \$37,500 NMFA Planning Grant – on DWSRLF Priority List:** Appraisal has been received and is under review at NM Taxation & Revenue Department. Engineering Evaluation was approved by NMED-CPB on 9/8/14. Appraisal was approved by NM Taxation & Revenue on 10/16/14. Submitted closing checklist to NMFA on 10/17/14 and they schedule a closing date, hopefully the next board meeting date.

**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:** Timberline Electric programmers have been working through some two issues with SCADA internal problems remotely and should be on-site 11/11/14 & 11/12/14. Some additional SCADA work has been requested that will probably exceed the available project funds by about \$1,300. Final Construction meeting with USDA RD was held 7/23/14. Close-out documents have been received from Morrow. Operations Manager met with the engineer on-site on 9/10/14 and contacted Timber Line.

**LRG-13-01 – Brazito Water System Improvements – Souder, Miller & Associates. – Design Phase - \$523,354 NM CITF Grant, \$58,150 Loan, \$58,150 Match Requirement, 2014 CITF \$157,986 (10% loan):** Ms. Cross with NMED-Drinking Water Bureau has not completed her review of the plan set. Closing documents for the 2014 CITF funds are on today's agenda. Project is ready to bid once NMED-DWB review is completed.

**Other projects:**

**USDA-RD Transfer & Assumption Application Packages:** Application packages for Butterfield Park, Organ & Brazito were submitted 1/7/13 and are still under review at RD at national level. Updated financial information was requested and has been provided. RD is working on these, and we anticipate receiving Letters of Conditions soon.

**Infrastructure Capital Improvements Plan 2016-2020:** Complete and posted on our website.

**Documents Retention & Destruction** – Sorting of old association documents for storage or destruction is ongoing, and staff is implementing approved retention/destruction schedules for LRGPWWA documents. Desert Sands, La Mesa, Vado, Berino, Brazito and Organ files have all been sorted and stored or destroyed. Mesquite records are currently being processed. Butterfield Park is pending.

**Website and Email** – Notices and Board Minutes pages are current. Operations page and Consumer Education page have been added to the site. Other updates are ongoing.

**Training** – Joan and I attended the NM Infrastructure Conference October 28-30<sup>th</sup>.

**Lower Rio Grande Water Users Organization** – Regional Water Plan Update meeting was held while we were at the Infrastructure Conference

**RCAC Work Group on Regional Authority Legislation** – Draft legislation was presented to the Water & Natural Resources Committee on October 7<sup>th</sup> and has been discussed with the NMFA Oversight Committee.

**Funding Applications Pending:**

- Three 2014 Colonias Infrastructure Trust Fund applications have been approved for funding with a 10% loan component, and resolutions are on today's agenda:
  - Mesquite-Brazito Sewer Project - \$540,608 total
  - Waterline Extension Project – Design Build (includes Veterans Rd., Bosque area & Berino/Mesquite-Del Cerro shortfall) - \$882,430 total
  - Waterline Extension Project – Brazito (funding shortfall from 2012 CITF Project) - \$157,896 total
  
- Grant Agreements for three 2014 Capital Outlay (SAP) appropriations have been executed and are pending NMED-CPB approval:
  - Mesquite Brazito Sewer Project \$30,000
  - Information Technology Project \$130,000
  - Waterline Extensions in Berino area \$152,150

## Lower Rio Grande Public Water Works Authority Colonias Infrastructure Trust Fund Awards

<b>Project/Status</b>	<b>Award Date</b>	<b>##</b>	<b>Total</b>	<b>Loan</b>	<b>Grant</b>	<b>Not Yet Spent</b>
Mesquite-Brazito Sewer Project Execute closing docs 11/12/14	6/4/2014	#3161-CIF	\$ 540,608.00	\$ 54,060.80	\$ 486,547.20	\$ 540,608.00
Brazito Water System Project Execute closing docs 11/12/14	6/4/2014	#3155-CIF	\$ 157,896.00	\$ 15,789.60	\$ 142,106.40	\$ 157,896.00
Waterline Extension Project Execute closing docs 11/12/14	6/4/2014	#3156-CIF	\$ 1,034,580.00	\$ 103,458.00	\$ 931,122.00	\$ 1,034,580.00
	2014 TOTAL		\$ 1,733,084.00	\$ 173,308.40	\$ 1,559,775.60	\$ 1,733,084.00

## BOND DEBT SERVICE

Lower Rio Grand Public Water Works Authority  
3161-CIF, LRGPWWA, Colonias Infrastructure Project

Period Ending	Principal	Interest	Debt Service	Annual Debt Service
06/01/2015	1,251		1,251	1,251
06/01/2016	2,780		2,780	2,780
06/01/2017	2,780		2,780	2,780
06/01/2018	2,780		2,780	2,780
06/01/2019	2,780		2,780	2,780
06/01/2020	2,780		2,780	2,780
06/01/2021	2,780		2,780	2,780
06/01/2022	2,780		2,780	2,780
06/01/2023	2,780		2,780	2,780
06/01/2024	2,779		2,779	2,779
06/01/2025	2,779		2,779	2,779
06/01/2026	2,779		2,779	2,779
06/01/2027	2,779		2,779	2,779
06/01/2028	2,779		2,779	2,779
06/01/2029	2,779		2,779	2,779
06/01/2030	2,779		2,779	2,779
06/01/2031	2,779		2,779	2,779
06/01/2032	2,779		2,779	2,779
06/01/2033	2,779		2,779	2,779
06/01/2034	2,780		2,780	2,780
	54,061	0	54,061	54,061

## BOND SOLUTION

Lower Rio Grand Public Water Works Authority  
3161-CIF, LRGPWWA, Colonias Infrastructure Project

Period Ending	Proposed Principal	Proposed Debt Service	Total Adj Debt Service
06/01/2015	1,251	1,251	1,251
06/01/2016	2,780	2,780	2,780
06/01/2017	2,780	2,780	2,780
06/01/2018	2,780	2,780	2,780
06/01/2019	2,780	2,780	2,780
06/01/2020	2,780	2,780	2,780
06/01/2021	2,780	2,780	2,780
06/01/2022	2,780	2,780	2,780
06/01/2023	2,780	2,780	2,780
06/01/2024	2,779	2,779	2,779
06/01/2025	2,779	2,779	2,779
06/01/2026	2,779	2,779	2,779
06/01/2027	2,779	2,779	2,779
06/01/2028	2,779	2,779	2,779
06/01/2029	2,779	2,779	2,779
06/01/2030	2,779	2,779	2,779
06/01/2031	2,779	2,779	2,779
06/01/2032	2,779	2,779	2,779
06/01/2033	2,779	2,779	2,779
06/01/2034	2,780	2,780	2,780
	54,061	54,061	54,061

BOND DEBT SERVICE

Lower Rio Grand Public Water Works Authority  
 3156-CIF, LRGPWWA, Colonias Infrastructure Project

Period Ending	Principal	Interest	Debt Service	Annual Debt Service
06/01/2015	2,394		2,394	2,394
06/01/2016	5,320		5,320	5,320
06/01/2017	5,320		5,320	5,320
06/01/2018	5,319		5,319	5,319
06/01/2019	5,319		5,319	5,319
06/01/2020	5,319		5,319	5,319
06/01/2021	5,319		5,319	5,319
06/01/2022	5,319		5,319	5,319
06/01/2023	5,319		5,319	5,319
06/01/2024	5,319		5,319	5,319
06/01/2025	5,319		5,319	5,319
06/01/2026	5,319		5,319	5,319
06/01/2027	5,319		5,319	5,319
06/01/2028	5,319		5,319	5,319
06/01/2029	5,319		5,319	5,319
06/01/2030	5,319		5,319	5,319
06/01/2031	5,319		5,319	5,319
06/01/2032	5,319		5,319	5,319
06/01/2033	5,319		5,319	5,319
06/01/2034	5,320		5,320	5,320
	103,458	0	103,458	103,458

BOND SOLUTION

Lower Rio Grand Public Water Works Authority  
 3156-CIF, LRGPWWA, Colonias Infrastructure Project

Period Ending	Proposed Principal	Proposed Debt Service	Total Adj Debt Service
06/01/2015	2,394	2,394	2,394
06/01/2016	5,320	5,320	5,320
06/01/2017	5,320	5,320	5,320
06/01/2018	5,319	5,319	5,319
06/01/2019	5,319	5,319	5,319
06/01/2020	5,319	5,319	5,319
06/01/2021	5,319	5,319	5,319
06/01/2022	5,319	5,319	5,319
06/01/2023	5,319	5,319	5,319
06/01/2024	5,319	5,319	5,319
06/01/2025	5,319	5,319	5,319
06/01/2026	5,319	5,319	5,319
06/01/2027	5,319	5,319	5,319
06/01/2028	5,319	5,319	5,319
06/01/2029	5,319	5,319	5,319
06/01/2030	5,319	5,319	5,319
06/01/2031	5,319	5,319	5,319
06/01/2032	5,319	5,319	5,319
06/01/2033	5,319	5,319	5,319
06/01/2034	5,320	5,320	5,320
	103,458	103,458	103,458

BOND DEBT SERVICE

Lower Rio Grand Public Water Works Authority  
 3155-CIF, LRGPWWA, Colonias Infrastructure Project

Period Ending	Principal	Interest	Debt Service	Annual Debt Service
06/01/2015	365		365	365
06/01/2016	812		812	812
06/01/2017	812		812	812
06/01/2018	812		812	812
06/01/2019	812		812	812
06/01/2020	812		812	812
06/01/2021	812		812	812
06/01/2022	812		812	812
06/01/2023	812		812	812
06/01/2024	812		812	812
06/01/2025	812		812	812
06/01/2026	812		812	812
06/01/2027	812		812	812
06/01/2028	812		812	812
06/01/2029	812		812	812
06/01/2030	812		812	812
06/01/2031	811		811	811
06/01/2032	811		811	811
06/01/2033	811		811	811
06/01/2034	812		812	812
	15,790	0	15,790	15,790

BOND SOLUTION

Lower Rio Grand Public Water Works Authority  
 3155-CIF, LRGPWWA, Colonias Infrastructure Project

Period Ending	Proposed Principal	Proposed Debt Service	Total Adj Debt Service
06/01/2015	365	365	365
06/01/2016	812	812	812
06/01/2017	812	812	812
06/01/2018	812	812	812
06/01/2019	812	812	812
06/01/2020	812	812	812
06/01/2021	812	812	812
06/01/2022	812	812	812
06/01/2023	812	812	812
06/01/2024	812	812	812
06/01/2025	812	812	812
06/01/2026	812	812	812
06/01/2027	812	812	812
06/01/2028	812	812	812
06/01/2029	812	812	812
06/01/2030	812	812	812
06/01/2031	811	811	811
06/01/2032	811	811	811
06/01/2033	811	811	811
06/01/2034	812	812	812
	15,790	15,790	15,790



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

*[Remainder of page intentionally left blank.]*

**LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY  
RESOLUTION NO. FY2015-12**

A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF A COLONIAS INFRASTRUCTURE PROJECT FUND LOAN/GRANT AGREEMENT BY AND AMONG THE NEW MEXICO COLONIAS INFRASTRUCTURE BOARD (“CIB”) AND THE NEW MEXICO FINANCE AUTHORITY (“FINANCE AUTHORITY,” AND COLLECTIVELY WITH THE CIB, THE “LENDERS/GRANTORS”) AND THE LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY (THE “BORROWER/GRANTEE”), FOR THE BENEFIT OF THE COLONIA OF BRAZITO, IN THE TOTAL AMOUNT OF \$157,896, EVIDENCING AN OBLIGATION OF THE BORROWER/GRANTEE TO UTILIZE THE LOAN/GRANT AMOUNT SOLELY FOR THE PURPOSE OF FINANCING THE COSTS OF COMPLETION OF CONSTRUCTION TO REPLACE AND INSTALL MAIN WATERLINES, WATER MAINS, FIRE HYDRANTS AS WELL AS UPGRADES TO PIPES, WHICH PROJECT WAS INITIATED BY FINANCE AUTHORITY LOAN/GRANT NO. 2791-CIF, AND SOLELY IN THE MANNER DESCRIBED IN THE LOAN/GRANT AGREEMENT; PROVIDING FOR ACCEPTANCE OF A GRANT AMOUNT OF \$142,106 AND PAYMENT OF THE LOAN AMOUNT OF \$15,790 SOLELY FROM THE NET SYSTEM REVENUES OF THE JOINT WATER AND WASTEWATER SYSTEM OF THE BORROWER/GRANTEE; CERTIFYING THAT THE LOAN/GRANT AMOUNT, TOGETHER WITH OTHER FUNDS AVAILABLE TO THE BORROWER/GRANTEE, IS SUFFICIENT TO COMPLETE THE PROJECT; APPROVING THE FORM OF AND OTHER DETAILS CONCERNING THE LOAN/GRANT AGREEMENT; RATIFYING ACTIONS HERETOFORE TAKEN; REPEALING ALL ACTION INCONSISTENT WITH THIS RESOLUTION; AND AUTHORIZING THE TAKING OF OTHER ACTIONS IN CONNECTION WITH THE EXECUTION AND DELIVERY OF THE LOAN/GRANT AGREEMENT.

Capitalized terms used in the following preambles and not defined in the preambles have the same meaning as defined in this Resolution unless the context requires otherwise.

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

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

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

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

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

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

WHEREAS, the Borrower/Grantee has determined that it is in the best interests of the Borrower/Grantee and the Colonia that the Borrower/Grantee enter into an Agreement with the Lenders/Grantors to borrow fifteen thousand seven hundred ninety dollars (\$15,790) from the Lenders/Grantors and to accept a grant in the amount of one hundred forty-two thousand one hundred six dollars (\$142,106) from the Lenders/Grantors to finance the costs of the Project, this project being more particularly described in the Term Sheet; and

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

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

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

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

WHEREAS, the Governing Body hereby determines that (i) the Local Match is now available to the Borrower/Grantee to complete the Project; or (ii) that the Governing Body will take such steps as are necessary to obtain the Local Match within six (6) months after the Closing Date; and

WHEREAS, the Borrower/Grantee acknowledges that, in the event that it is unable to provide the Local Match within six (6) months after the Closing Date, the Loan/Grant Agreement shall, at the option of the CIB and the Finance Authority, terminate and be of no further force or effect; and

WHEREAS, the Borrower/Grantee has met the requirements of Executive Order 2013-006 and has or will meet prior to the first disbursement of any portion of the Loan/Grant Amount, the Conditions and readiness to proceed requirements established for the portion of the Loan/Grant Amount disbursed or caused to be disbursed by the Finance Authority and the CIB; and

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

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

Section 1. Definitions. Capitalized terms defined in the foregoing preambles, if not defined in this Section 1, shall have the same meaning as stated in the preambles, unless the context clearly requires otherwise. As used in this Resolution, the following terms shall, for all purposes, have the meanings herein specified, unless the context clearly requires otherwise (such meanings to be equally applicable to both the singular and the plural forms of the terms defined): “Agreement” or “Loan/Grant Agreement” means the Loan/Grant Agreement and any amendments or supplements thereto, including the exhibits attached thereto.

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

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

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

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

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

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

“Eligible Fees for Other Professional Services” means the fees and costs incurred for other professional services necessary to the completion of the Project including, but not limited

to, services provided by accounting and auditing firms, hydrologists and surveyors. Such fees may not exceed five percent (5%) of the Loan/Grant Amount.

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

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

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

“Expenses” means the costs of the Lenders/Grantors of originating and administering the Loan/Grant, and includes Borrower/Grantee’s Eligible Architectural, Engineering and Construction Management Fees, Eligible Fees for Other Professional Services, Eligible Legal Costs and Eligible Fiscal Agent Fees to the extent allowed under the Act, the Rules, other applicable statutes and rules, and applicable Policies.

“Finance Authority” means the New Mexico Finance Authority.

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

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

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

“Grant” or “Grant Amount” means the amount provided to the Borrower/Grantee as a grant pursuant to the Loan/Grant Agreement for the purpose of funding the Project, and equals one hundred forty-two thousand one hundred six dollars (\$142,106).

“Gross Revenues” means all income and revenues directly or indirectly derived by the Borrower/Grantee from the operation and use of the System for any particular Fiscal Year or period to which term is applicable.

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

“Lenders/Grantors” means the CIB and the Finance Authority.

“Loan” or “Loan Amount” means the amount provided to the Borrower/Grantee as a loan pursuant to the Loan/Grant Agreement for the purpose of funding the Project, and equals fifteen thousand seven hundred ninety dollars (\$15,790).

“Loan/Grant” or “Loan/Grant Amount” means the amount provided to the Borrower/Grantee as the Grant Amount and borrowed by the Borrower/Grantee as the Loan Amount pursuant to the Agreement for the purpose of funding the Project. The value of the Loan/Grant equals one hundred fifty-seven thousand eight hundred ninety-six dollars (\$157,896).

“Local Match” means the amount determined pursuant to the Policies to be provided by the Borrower/Grantee which includes the total value of the soft or hard match (each as defined in the Policies) which, in combination with the Loan/Grant Amount and other monies available to the Borrower/Grantee, is sufficient to complete the Project. The Local Match is fifteen thousand seven hundred ninety dollars (\$15,790).

“Net System Revenues” means the Gross Revenues of the water and wastewater utility system owned and operated by the Borrower/Grantee minus Operation and Maintenance Expenses, indirect charges, amounts expended for capital replacement and repairs, required set asides for debt and replacement requirements, and any other payments from the Gross Revenues reasonably required for operation of the water and wastewater utility system for any particular Fiscal Year or period to which such term is applicable.

“NMAC” means the New Mexico Administrative Code.

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

“Operation and Maintenance Expenses” means all reasonable and necessary current expenses of the System, for any particular Fiscal Year or period to which such term is applicable, paid or accrued, related to operating, maintaining and repairing the System.

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

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

“Political Subdivision of the State” means a municipality, a county, water and sanitation district, an association organized and existing pursuant to the Sanitary Projects Act, NMSA

1978, § 3-29-1 through § 3-29-21, as amended, or any other entity recognized by statute as a political subdivision of the State.

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

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

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

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

“Resolution” means this Resolution as it may be supplemented or amended from time to time, pursuant to Section 12.

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

“State” means the State of New Mexico.

“System” means the joint water and wastewater utility system created by NMSA 1978, § 73-26-1, as amended, of the Borrower/Grantee, owned and operated by the Borrower/Grantee, and of which the Project, when completed, will form part.

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

“Useful Life” means the period during which the Project is expected to be usable for the purpose for which it was acquired and constructed.

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

Section 3. Authorization of the Project and the Loan/Grant Agreement. The acquisition and completion of the Project and the method of funding the Project through

execution and delivery of the Loan/Grant Agreement are hereby authorized and ordered. The Project is for the benefit and use of the Borrower/Grantee and the Colonia and the public the Borrower/Grantee serves.

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

A. The Project is needed to meet the needs of the Borrower/Grantee and the Colonia and the public the Borrower/Grantee serves.

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

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

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

E. Together with the Loan/Grant Amount, and other amounts available to the Borrower/Grantee, the Local Match is now available to the Borrower/Grantee, and, in combination with the Loan/Grant Amount, the Local Match and other amounts available to the Borrower/Grantee, will be sufficient to complete the Project and pay Expenses.

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

G. The Borrower/Grantee has or will acquire title to or easements or rights of way on the real property upon which the Project is being constructed or located prior to the disbursement of any portion of the Loan/Grant Amount for use for construction.

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

A. Authorization. This Resolution has been adopted by the affirmative vote of at least a majority of all of the members of the Governing Body. For the purpose of protecting the public health, conserving the property, and protecting the general welfare and prosperity of the public served by the Borrower/Grantee and acquiring and completing the Project, it is hereby declared necessary that the Borrower/Grantee execute and deliver the Loan/Grant Agreement evidencing the Borrower/Grantee's acceptance of the Grant Amount of one hundred forty-two thousand one hundred six dollars (\$142,106) and borrowing the Loan Amount of fifteen

thousand seven hundred ninety dollars (\$15,790) to be utilized solely for the purpose of completing the Project and paying Expenses, and solely in the manner and according to the restrictions set forth in the Loan/Grant Agreement, the execution and delivery of which is hereby authorized. The Borrower/Grantee shall use the Loan/Grant Amount to finance the acquisition and completion of the Project and to pay Expenses.

B. Detail. The Loan/Grant Agreement shall be in substantially the form of the Loan/Grant Agreement presented at the meeting of the Governing Body at which this Resolution was adopted. The Grant shall be in the amount of one hundred forty-two thousand one hundred six dollars (\$142,106) and the Loan shall be in the amount of fifteen thousand seven hundred ninety dollars (\$15,790). Interest on the Loan Amount shall be zero percent (0%) per annum of the unpaid principal balance of the Loan Amount.

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

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

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

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

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

C. CIB and Finance Authority Not Responsible. Borrower/Grantee shall apply the funds derived from the Loan/Grant Agreement as provided therein and in particular Article V of the Loan/Grant Agreement. Neither the CIB nor the Finance Authority shall in any manner be responsible for the application or disposal by the Borrower/Grantee or by its officers of the funds derived from the Loan/Grant Agreement or of any other funds held by or made

available to the Borrower/Grantee in connection with the Project. Lenders/Grantors shall not be liable for the refusal or failure of any other agency of the State to transfer any portion of the Loan/Grant Amount in its possession, custody and control to the Finance Authority for disbursement to the Borrower/Grantee, or to honor any request for such transfer or disbursement of the Loan/Grant Amount.

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

Section 10. Lien on Pledged Revenues. Pursuant to the Loan/Grant Agreement, the Loan/Grant Agreement constitutes an irrevocable lien (but not an exclusive lien) upon the Pledged Revenues to the extent of the Loan Amount, which lien shall be subordinate to any lien on the Pledged Revenues existing on the Closing Date and, further, shall be subordinate to all other indebtedness secured or that may in the future be secured by the Pledged Revenues, except, however, that the lien shall be on parity with any other lien, present or future, for the repayment of any other loan provided to the Borrower/Grantee by the Lenders/Grantors pursuant to the Colonias Infrastructure Act or the Water Project Finance Act, NMSA 1978, §§ 72-4A-1 through 72-4A-10, as amended.

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

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

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

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

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

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

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

*[Remainder of page intentionally left blank.]*

[Form of Notice of Adoption of Resolution for Publication]  
LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY  
Notice of Adoption of Resolution

Notice is hereby given of the title and of a general summary of the subject matter contained in Resolution No. FY2015-12, duly adopted and approved by the Board of Directors of the Lower Rio Grande Public Water Works Authority on November 12, 2014. A complete copy of the Resolution is available for public inspection during normal and regular business hours in the office of the Secretary, at 325 Holguin Road, Vado, NM 88072.

The title of the Resolution is:

**LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY  
RESOLUTION NO. FY2015-12**

A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF A COLONIAS INFRASTRUCTURE PROJECT FUND LOAN/GRANT AGREEMENT BY AND AMONG THE NEW MEXICO COLONIAS INFRASTRUCTURE BOARD (“CIB”) AND THE NEW MEXICO FINANCE AUTHORITY (“FINANCE AUTHORITY,” AND COLLECTIVELY WITH THE CIB, THE “LENDERS/GRANTORS”) AND THE LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY (THE “BORROWER/GRANTEE”), FOR THE BENEFIT OF THE COLONIA OF BRAZITO, IN THE TOTAL AMOUNT OF \$157,896, EVIDENCING AN OBLIGATION OF THE BORROWER/GRANTEE TO UTILIZE THE LOAN/GRANT AMOUNT SOLELY FOR THE PURPOSE OF FINANCING THE COSTS OF COMPLETION OF CONSTRUCTION TO REPLACE AND INSTALL MAIN WATERLINES, WATER MAINS, FIRE HYDRANTS AS WELL AS UPGRADES TO PIPES, WHICH PROJECT WAS INITIATED BY FINANCE AUTHORITY LOAN/GRANT NO. 2791-CIF, AND SOLELY IN THE MANNER DESCRIBED IN THE LOAN/GRANT AGREEMENT; PROVIDING FOR ACCEPTANCE OF A GRANT AMOUNT OF \$142,106 AND PAYMENT OF THE LOAN AMOUNT OF \$15,790 SOLELY FROM THE NET SYSTEM REVENUES OF THE JOINT WATER AND WASTEWATER SYSTEM OF THE BORROWER/GRANTEE; CERTIFYING THAT THE LOAN/GRANT AMOUNT, TOGETHER WITH OTHER FUNDS AVAILABLE TO THE BORROWER/GRANTEE, IS SUFFICIENT TO COMPLETE THE PROJECT; APPROVING THE FORM OF AND OTHER DETAILS CONCERNING THE LOAN/GRANT AGREEMENT; RATIFYING ACTIONS HERETOFORE TAKEN; REPEALING ALL ACTION INCONSISTENT WITH THIS RESOLUTION; AND AUTHORIZING THE TAKING OF OTHER ACTIONS IN CONNECTION WITH THE EXECUTION AND DELIVERY OF THE LOAN/GRANT AGREEMENT.

A general summary of the subject matter of the Resolution is contained in its title.

This notice constitutes compliance with NMSA 1978, § 6-14-6, as amended.

[End of Form of Notice of Adoption for Publication]

PASSED, APPROVED AND ADOPTED THIS 12TH DAY OF NOVEMBER, 2014.

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

By \_\_\_\_\_  
Roberto Nieto, Chairman

ATTEST:

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

*[Remainder of page intentionally left blank.]*

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

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

Those Voting Aye:

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Those Voting Nay:

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Those Absent:

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

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

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

By \_\_\_\_\_  
Roberto Nieto, Chairman

ATTEST:

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

*[Remainder of page intentionally left blank.]*

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

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

1. The foregoing pages are a true, perfect, and complete copy of the record of the proceedings of the Board of Directors of the Borrower/Grantee (the “Governing Body”), had and taken at a duly called regular meeting held at the 325 Holguin Road, Vado, NM, on November 12, 2014 at the hour of 9:00 a.m., insofar as the same relate to the adoption of Resolution No. FY2015-12 and the execution and delivery of the proposed Loan/Grant Agreement, a copy of which is set forth in the official records of the proceedings of the Governing Body kept in my office. None of the action taken has been rescinded, repealed, or modified.

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

3. Notice of the meeting was given in compliance with the permitted methods of giving notice of meetings of the Governing Body as required by the State Open Meetings Act, NMSA 1978, § 10-15-1, as amended, including the Borrower/Grantee's open meetings Resolution No. 2014-16, adopted and approved on May 21, 2014 in effect on the date of the meeting.

IN WITNESS WHEREOF, I have hereunto set my hand this 19th day of December, 2014.

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

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

**EXHIBIT "A"**

Notice of Meeting, Meeting Agenda and Minutes.



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

*[Remainder of page intentionally left blank.]*

**LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY  
RESOLUTION NO. FY2015-13**

A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF A COLONIAS INFRASTRUCTURE PROJECT FUND LOAN/GRANT AGREEMENT BY AND AMONG THE NEW MEXICO COLONIAS INFRASTRUCTURE BOARD (“CIB”) AND THE NEW MEXICO FINANCE AUTHORITY (“FINANCE AUTHORITY,” AND COLLECTIVELY WITH THE CIB, THE “LENDERS/GRANTORS”) AND THE LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY (THE “BORROWER/GRANTEE”), FOR THE BENEFIT OF THE COLONIAS OF THE COMMUNITIES OF VADO, LA MESA, BERINO AND MESQUITE, IN THE TOTAL AMOUNT OF \$1,034,458, EVIDENCING AN OBLIGATION OF THE BORROWER/GRANTEE TO UTILIZE THE LOAN/GRANT AMOUNT SOLELY FOR THE PURPOSE OF FINANCING THE COSTS OF DESIGN AND CONSTRUCTION OF WATERLINES UP TO THE PRIVATE PROPERTY LINE WITHIN PUBLIC RIGHTS OF WAY AND THROUGHOUT VARIOUS ROADWAYS TO CONNECT HOMES IN SEVERAL COMMUNITIES THAT ARE NOT CURRENTLY SERVED BY THE WATER SYSTEM OWNED AND OPERATED BY THE BORROWER/GRANTEE, AND SOLELY IN THE MANNER DESCRIBED IN THE LOAN/GRANT AGREEMENT; PROVIDING FOR ACCEPTANCE OF A GRANT AMOUNT OF \$931,122 AND PAYMENT OF THE LOAN AMOUNT OF \$103,458 SOLELY FROM THE NET SYSTEM REVENUES OF THE JOINT WATER AND WASTEWATER SYSTEM OF THE BORROWER/GRANTEE; CERTIFYING THAT THE LOAN/GRANT AMOUNT, TOGETHER WITH OTHER FUNDS AVAILABLE TO THE BORROWER/GRANTEE, IS SUFFICIENT TO COMPLETE THE PROJECT; APPROVING THE FORM OF AND OTHER DETAILS CONCERNING THE LOAN/GRANT AGREEMENT; RATIFYING ACTIONS HERETOFORE TAKEN; REPEALING ALL ACTION INCONSISTENT WITH THIS RESOLUTION; AND AUTHORIZING THE TAKING OF OTHER ACTIONS IN CONNECTION WITH THE EXECUTION AND DELIVERY OF THE LOAN/GRANT AGREEMENT.

Capitalized terms used in the following preambles and not defined in the preambles have the same meaning as defined in this Resolution unless the context requires otherwise.

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

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

WHEREAS, the Borrower/Grantee is a Political Subdivision of the State, being a legally and regularly created, established, organized and existing public water works authority under the general laws of the State and more specifically, NMSA 1978, § 73-26-1 (2009); and

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

WHEREAS, there exists within the service area of the Borrower/Grantee, the Colonias, communities that have been designated as a Colonia within the meaning of the Act; and

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

WHEREAS, the Borrower/Grantee has determined that it is in the best interests of the Borrower/Grantee and the Colonias enter into an Agreement with the Lenders/Grantors to borrow one hundred three thousand four hundred fifty-eight dollars (\$103,458) from the Lenders/Grantors and to accept a grant in the amount of nine hundred thirty-one thousand one hundred twenty-two dollars (\$931,122) from the Lenders/Grantors to finance the costs of the Project, this project being more particularly described in the Term Sheet; and

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

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

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

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

WHEREAS, the Governing Body hereby determines that (i) the Local Match is now available to the Borrower/Grantee to complete the Project; or (ii) that the Governing Body will take such steps as are necessary to obtain the Local Match within six (6) months after the Closing Date; and

WHEREAS, the Borrower/Grantee acknowledges that, in the event that it is unable to provide the Local Match within six (6) months after the Closing Date, the Loan/Grant Agreement shall, at the option of the CIB and the Finance Authority, terminate and be of no further force or effect; and

WHEREAS, the Borrower/Grantee has met the requirements of Executive Order 2013-006 and has or will meet prior to the first disbursement of any portion of the Loan/Grant Amount, the Conditions and readiness to proceed requirements established for the portion of the Loan/Grant Amount disbursed or caused to be disbursed by the Finance Authority and the CIB; and

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

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

Section 1. Definitions. Capitalized terms defined in the foregoing preambles, if not defined in this Section 1, shall have the same meaning as stated in the preambles, unless the context clearly requires otherwise. As used in this Resolution, the following terms shall, for all purposes, have the meanings herein specified, unless the context clearly requires otherwise (such meanings to be equally applicable to both the singular and the plural forms of the terms defined): “Agreement” or “Loan/Grant Agreement” means the Loan/Grant Agreement and any amendments or supplements thereto, including the exhibits attached thereto.

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

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

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

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

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

“Eligible Architectural, Engineering and Construction Management Fees” means the fees and costs associated with the architectural, engineering and construction project management

costs for services rendered to the Borrower/Grantee for the transaction of the Project and those directly associated with the Project, in an amount up to twelve percent (12%) of the Loan/Grant Amount.

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

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

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

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

“Expenses” means the costs of the Lenders/Grantors of originating and administering the Loan/Grant, and includes Borrower/Grantee’s Eligible Architectural, Engineering and Construction Management Fees, Eligible Fees for Other Professional Services, Eligible Legal Costs and Eligible Fiscal Agent Fees to the extent allowed under the Act, the Rules, other applicable statutes and rules, and applicable Policies.

“Finance Authority” means the New Mexico Finance Authority.

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

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

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

“Grant” or “Grant Amount” means the amount provided to the Borrower/Grantee as a grant pursuant to the Loan/Grant Agreement for the purpose of funding the Project, and equals nine hundred thirty-one thousand one hundred twenty-two dollars (\$931,122).

“Gross Revenues” means all income and revenues directly or indirectly derived by the Borrower/Grantee from the operation and use of the System for any particular Fiscal Year or period to which term is applicable.

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

“Lenders/Grantors” means the CIB and the Finance Authority.

“Loan” or “Loan Amount” means the amount provided to the Borrower/Grantee as a loan pursuant to the Loan/Grant Agreement for the purpose of funding the Project, and equals one hundred three thousand four hundred fifty-eight dollars (\$103,458).

“Loan/Grant” or “Loan/Grant Amount” means the amount provided to the Borrower/Grantee as the Grant Amount and borrowed by the Borrower/Grantee as the Loan Amount pursuant to the Agreement for the purpose of funding the Project. The value of the Loan/Grant equals one million thirty-four thousand four hundred fifty-eight dollars (\$1,034,458).

“Local Match” means the amount determined pursuant to the Policies to be provided by the Borrower/Grantee which includes the total value of the soft or hard match (each as defined in the Policies) which, in combination with the Loan/Grant Amount and other monies available to the Borrower/Grantee, is sufficient to complete the Project. The Local Match is one hundred three thousand four hundred fifty-eight dollars (\$103,458).

“Net System Revenues” means the Gross Revenues of the water and wastewater utility system owned and operated by the Borrower/Grantee minus Operation and Maintenance Expenses, indirect charges, amounts expended for capital replacement and repairs, required set asides for debt and replacement requirements, and any other payments from the Gross Revenues reasonably required for operation of the water and wastewater utility system for any particular Fiscal Year or period to which such term is applicable.

“NMAC” means the New Mexico Administrative Code.

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

“Operation and Maintenance Expenses” means all reasonable and necessary current expenses of the System, for any particular Fiscal Year or period to which such term is applicable, paid or accrued, related to operating, maintaining and repairing the System.

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

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

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

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

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

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

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

“Resolution” means this Resolution as it may be supplemented or amended from time to time, pursuant to Section 12.

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

“State” means the State of New Mexico.

“System” means the joint water and wastewater utility system created by NMSA 1978, 73-26-1 (2009), the enabling statute of the Borrower/Grantee, which creates the system owned and operated by the Borrower/Grantee, and of which the Project, when completed, will form part.

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

“Useful Life” means the period during which the Project is expected to be usable for the purpose for which it was acquired and constructed.

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

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

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

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

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

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

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

E. Together with the Loan/Grant Amount, and other amounts available to the Borrower/Grantee, the Local Match is now available to the Borrower/Grantee and, in combination with the Loan/Grant Amount, the Local Match and other amounts available to the Borrower/Grantee will be sufficient to complete the Project and pay Expenses.

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

G. The Borrower/Grantee has or will acquire title to or easements or rights of way on the real property upon which the Project is being constructed or located prior to the disbursement of any portion of the Loan/Grant Amount for use for design or construction.

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

A. Authorization. This Resolution has been adopted by the affirmative vote of at least a majority of all of the members of the Governing Body. For the purpose of protecting the public health, conserving the property, and protecting the general welfare and prosperity of the public served by the Borrower/Grantee and acquiring and completing the Project, it is hereby declared necessary that the Borrower/Grantee execute and deliver the Loan/Grant Agreement

evidencing the Borrower/Grantee's acceptance of the Grant Amount of nine hundred thirty-one thousand one hundred twenty-two dollars (\$931,122) and borrowing the Loan Amount of one hundred three thousand four hundred fifty-eight dollars (\$103,458) to be utilized solely for the purpose of completing the Project and paying Expenses, and solely in the manner and according to the restrictions set forth in the Loan/Grant Agreement, the execution and delivery of which is hereby authorized. The Borrower/Grantee shall use the Loan/Grant Amount to finance the acquisition and completion of the Project and to pay Expenses.

B. Detail. The Loan/Grant Agreement shall be in substantially the form of the Loan/Grant Agreement presented at the meeting of the Governing Body at which this Resolution was adopted. The Grant shall be in the amount of nine hundred thirty-one thousand one hundred twenty-two dollars (\$931,122) and the Loan shall be in the amount of one hundred three thousand four hundred fifty-eight dollars (\$103,458). Interest on the Loan Amount shall be zero percent (0%) per annum of the unpaid principal balance of the Loan Amount.

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

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

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

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

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

C. CIB and Finance Authority Not Responsible. Borrower/Grantee shall apply the funds derived from the Loan/Grant Agreement as provided therein and in particular Article V of the Loan/Grant Agreement. Neither the CIB nor the Finance Authority shall in any

manner be responsible for the application or disposal by the Borrower/Grantee or by its officers of the funds derived from the Loan/Grant Agreement or of any other funds held by or made available to the Borrower/Grantee in connection with the Project. Lenders/Grantors shall not be liable for the refusal or failure of any other agency of the State to transfer any portion of the Loan/Grant Amount in its possession, custody and control to the Finance Authority for disbursement to the Borrower/Grantee, or to honor any request for such transfer or disbursement of the Loan/Grant Amount.

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

Section 10. Lien on Pledged Revenues. Pursuant to the Loan/Grant Agreement, the Loan/Grant Agreement constitutes an irrevocable lien (but not an exclusive lien) upon the Pledged Revenues to the extent of the Loan Amount, which lien shall be subordinate to any lien on the Pledged Revenues existing on the Closing Date and, further, shall be subordinate to all other indebtedness secured or that may in the future be secured by the Pledged Revenues, except, however, that the lien shall be on parity with any other lien, present or future, for the repayment of any other loan provided to the Borrower/Grantee by the Lenders/Grantors pursuant to the Colonias Infrastructure Act or the Water Project Finance Act, NMSA 1978, §§ 72-4A-1 through 72-4A-10, as amended.

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

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

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

Section 14. Severability Clause. If any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or

unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

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

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

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

*[Remainder of page intentionally left blank.]*

*[Form of Notice of Adoption of Resolution for Publication]*

Lower Rio Grande Public Water Works Authority  
Notice of Adoption of Resolution

Notice is hereby given of the title and of a general summary of the subject matter contained in Resolution No. FY2015-13, duly adopted and approved by the Board of Directors of the Lower Rio Grande Public Water Works Authority on November 12, 2014. A complete copy of the Resolution is available for public inspection during normal and regular business hours in the office of the Secretary, at 325 Holguin Road, Vado, NM 88072.

The title of the Resolution is:

**LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY  
RESOLUTION NO. FY2015-13**

A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF A COLONIAS INFRASTRUCTURE PROJECT FUND LOAN/GRANT AGREEMENT BY AND AMONG THE NEW MEXICO COLONIAS INFRASTRUCTURE BOARD (“CIB”) AND THE NEW MEXICO FINANCE AUTHORITY (“FINANCE AUTHORITY,” AND COLLECTIVELY WITH THE CIB, THE “LENDERS/GRANTORS”) AND THE LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY (THE “BORROWER/GRANTEE”), FOR THE BENEFIT OF THE COLONIAS OF THE COMMUNITIES OF VADO, LA MESA, BERINO AND MESQUITE, IN THE TOTAL AMOUNT OF \$1,034,458, EVIDENCING AN OBLIGATION OF THE BORROWER/GRANTEE TO UTILIZE THE LOAN/GRANT AMOUNT SOLELY FOR THE PURPOSE OF FINANCING THE COSTS OF DESIGN AND CONSTRUCTION OF WATERLINES UP TO THE PRIVATE PROPERTY LINE WITHIN PUBLIC RIGHTS OF WAY AND THROUGHOUT VARIOUS ROADWAYS TO CONNECT HOMES IN SEVERAL COMMUNITIES THAT ARE NOT CURRENTLY SERVED BY THE WATER SYSTEM OWNED AND OPERATED BY THE BORROWER/GRANTEE, AND SOLELY IN THE MANNER DESCRIBED IN THE LOAN/GRANT AGREEMENT; PROVIDING FOR ACCEPTANCE OF A GRANT AMOUNT OF \$931,122 AND PAYMENT OF THE LOAN AMOUNT OF \$103,458 SOLELY FROM THE NET SYSTEM REVENUES OF THE JOINT WATER AND WASTEWATER SYSTEM OF THE BORROWER/GRANTEE; CERTIFYING THAT THE LOAN/GRANT AMOUNT, TOGETHER WITH OTHER FUNDS AVAILABLE TO THE BORROWER/GRANTEE, IS SUFFICIENT TO COMPLETE THE PROJECT; APPROVING THE FORM OF AND OTHER DETAILS CONCERNING THE LOAN/GRANT AGREEMENT; RATIFYING ACTIONS HERETOFORE TAKEN; REPEALING ALL ACTION INCONSISTENT WITH THIS RESOLUTION; AND AUTHORIZING THE TAKING OF OTHER ACTIONS IN CONNECTION WITH THE EXECUTION AND DELIVERY OF THE LOAN/GRANT AGREEMENT.

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

*[End of Form of Notice of Adoption for Publication]*

PASSED, APPROVED AND ADOPTED THIS 12TH DAY OF NOVEMBER, 2014.

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

By \_\_\_\_\_  
Roberto Nieto, Chairman

ATTEST:

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

*[Remainder of page intentionally left blank.]*

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

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

Those Voting Aye:

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Those Voting Nay:

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Those Absent:

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

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

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

By \_\_\_\_\_  
Roberto Nieto, Chairman

ATTEST:

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

*[Remainder of page intentionally left blank.]*

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

I, Santos Ruiz, the duly qualified and acting Secretary of the Lower Rio Grande Public Water Works Authority (the "Borrower/Grantee"), do hereby certify:

1. The foregoing pages are a true, perfect, and complete copy of the record of the proceedings of the Board of Directors of the Borrower/Grantee (the "Governing Body"), had and taken at a duly called regular meeting held at 325 Holguin Road, Vado, NM 88072, on November 12, 2014 at the hour of 9:30 a.m., insofar as the same relate to the adoption of Resolution No. FY2015-13 and the execution and delivery of the proposed Loan/Grant Agreement, a copy of which is set forth in the official records of the proceedings of the Governing Body kept in my office. None of the action taken has been rescinded, repealed, or modified.

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

3. Notice of the meeting was given in compliance with the permitted methods of giving notice of meetings of the Governing Body as required by the State Open Meetings Act, NMSA 1978, § 10-15-1, as amended, including the Borrower/Grantee's open meetings Resolution No. 2014-16, adopted and approved on May 21, 2014 in effect on the date of the meeting.

IN WITNESS WHEREOF, I have hereunto set my hand this 19th day of December, 2014.

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

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

**EXHIBIT "A"**

Notice of Meeting, Meeting Agenda and Minutes.



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

*[Remainder of page intentionally left blank.]*

**LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY  
RESOLUTION NO. FY2015-14**

A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF A COLONIAS INFRASTRUCTURE PROJECT FUND LOAN/GRANT AGREEMENT BY AND AMONG THE NEW MEXICO COLONIAS INFRASTRUCTURE BOARD (“CIB”) AND THE NEW MEXICO FINANCE AUTHORITY (“FINANCE AUTHORITY,” AND COLLECTIVELY WITH THE CIB, THE “LENDERS/GRANTORS”) AND THE LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY (THE “BORROWER/GRANTEE”), FOR THE BENEFIT OF THE COLONIA OF MESQUITE AND THE COLONIA OF BRAZITO, IN THE TOTAL AMOUNT OF \$540,608, EVIDENCING AN OBLIGATION OF THE BORROWER/GRANTEE TO UTILIZE THE LOAN/GRANT AMOUNT SOLELY FOR THE PURPOSE OF FINANCING THE COSTS OF THE DESIGN PHASE OF MESQUITE AND BRAZITO WASTEWATER INFRASTRUCTURE TO TIE INTO THE DONA ANA COUNTY TRUNK LINE INCLUDING DESIGN OF COLLECTION SYSTEM AND LIFT STATIONS, AND ACQUISITION OF EASEMENTS INCLUDING PREPARATION, FILING AND VERIFYING OF EXISTING EASEMENTS, AND SOLELY IN THE MANNER DESCRIBED IN THE LOAN/GRANT AGREEMENT; PROVIDING FOR ACCEPTANCE OF A GRANT AMOUNT OF \$486,547 AND PAYMENT OF THE LOAN AMOUNT OF \$54,061 SOLELY FROM THE NET SYSTEM REVENUES OF THE JOINT WATER AND WASTEWATER SYSTEM OF THE BORROWER/GRANTEE; CERTIFYING THAT THE LOAN/GRANT AMOUNT, TOGETHER WITH OTHER FUNDS AVAILABLE TO THE BORROWER/GRANTEE, IS SUFFICIENT TO COMPLETE THE PROJECT; APPROVING THE FORM OF AND OTHER DETAILS CONCERNING THE LOAN/GRANT AGREEMENT; RATIFYING ACTIONS HERETOFORE TAKEN; REPEALING ALL ACTION INCONSISTENT WITH THIS RESOLUTION; AND AUTHORIZING THE TAKING OF OTHER ACTIONS IN CONNECTION WITH THE EXECUTION AND DELIVERY OF THE LOAN/GRANT AGREEMENT.

Capitalized terms used in the following preambles and not defined in the preambles have the same meaning as defined in this Resolution unless the context requires otherwise.

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

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

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

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

WHEREAS, there exists within the service area of the Borrower/Grantee, the Colonias, communities that have been designated as Colonias within the meaning of the Act; and

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

WHEREAS, the Borrower/Grantee has determined that it is in the best interests of the Borrower/Grantee and the Colonias that the Borrower/Grantee enter into an Agreement with the Lenders/Grantors to borrow fifty-four thousand sixty-one dollars (\$54,061) from the Lenders/Grantors and to accept a grant in the amount of four hundred eighty-six thousand five hundred forty-seven dollars (\$486,547) from the Lenders/Grantors to finance the costs of the Project, this project being more particularly described in the Term Sheet; and

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

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

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

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

WHEREAS, the Governing Body hereby determines that (i) the Local Match is now available to the Borrower/Grantee to complete the Project; or (ii) that the Governing Body will take such steps as are necessary to obtain the Local Match within six (6) months after the Closing Date; and

WHEREAS, the Borrower/Grantee acknowledges that, in the event that it is unable to provide the Local Match within six (6) months after the Closing Date, the Loan/Grant Agreement shall, at the option of the CIB and the Finance Authority, terminate and be of no further force or effect; and

WHEREAS, the Borrower/Grantee has met the requirements of Executive Order 2013-006 and has or will meet prior to the first disbursement of any portion of the Loan/Grant Amount, the Conditions and readiness to proceed requirements established for the portion of the Loan/Grant Amount disbursed or caused to be disbursed by the Finance Authority and the CIB; and

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

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

Section 1. Definitions. Capitalized terms defined in the foregoing preambles, if not defined in this Section 1, shall have the same meaning as stated in the preambles, unless the context clearly requires otherwise. As used in this Resolution, the following terms shall, for all purposes, have the meanings herein specified, unless the context clearly requires otherwise (such meanings to be equally applicable to both the singular and the plural forms of the terms defined):

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

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

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

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

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

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

“Eligible Architectural, Engineering and Construction Management Fees” means the fees and costs associated with the architectural, engineering and construction project management

costs for services rendered to the Borrower/Grantee for the transaction of the Project and those directly associated with the Project.

“Eligible Fees for Other Professional Services” means the fees and costs incurred for other professional services necessary to the completion of the Project including, but not limited to, services provided by accounting and auditing firms, hydrologists and surveyors.

“Eligible Fiscal Agent Fees” means fees and costs incurred by a fiscal agent for the administration of Project funds, including the collection and reporting of Project information as required by the Agreement.

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

“Eligible Legal Costs” means legal fees and costs for services rendered by legal counsel on behalf of the Borrower/Grantee for transaction of the Project and those directly associated with the Qualified Project.

“Expenses” means the costs of the Lenders/Grantors of originating and administering the Loan/Grant, and includes Borrower/Grantee’s Eligible Architectural, Engineering and Construction Management Fees, Eligible Fees for Other Professional Services, Eligible Legal Costs and Eligible Fiscal Agent Fees to the extent allowed under the Act, the Rules, other applicable statutes and rules, and applicable Policies.

“Finance Authority” means the New Mexico Finance Authority.

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

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

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

“Grant” or “Grant Amount” means the amount provided to the Borrower/Grantee as a grant pursuant to the Loan/Grant Agreement for the purpose of funding the Project, and equals four hundred eighty-six thousand five hundred forty-seven dollars (\$486,547).

“Gross Revenues” means all income and revenues directly or indirectly derived by the Borrower/Grantee from the operation and use of the System for any particular Fiscal Year or period to which term is applicable.

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

“Lenders/Grantors” means the CIB and the Finance Authority.

“Loan” or “Loan Amount” means the amount provided to the Borrower/Grantee as a loan pursuant to the Loan/Grant Agreement for the purpose of funding the Project, and equals fifty-four thousand sixty-one dollars (\$54,061).

“Loan/Grant” or “Loan/Grant Amount” means the amount provided to the Borrower/Grantee as the Grant Amount and borrowed by the Borrower/Grantee as the Loan Amount pursuant to the Agreement for the purpose of funding the Project. The value of the Loan/Grant equals four hundred eighty-six thousand five hundred forty-seven dollars (\$486,547).

“Local Match” means the amount determined pursuant to the Policies to be provided by the Borrower/Grantee which includes the total value of the soft or hard match (each as defined in the Policies) which, in combination with the Loan/Grant Amount and other monies available to the Borrower/Grantee, is sufficient to complete the Project. The Local Match is fifty-four thousand sixty-one dollars (\$54,061).

“Net System Revenues” means the Gross Revenues of the water and wastewater utility system owned and operated by the Borrower/Grantee minus Operation and Maintenance Expenses, indirect charges, amounts expended for capital replacement and repairs, required set asides for debt and replacement requirements, and any other payments from the Gross Revenues reasonably required for operation of the water and wastewater utility system for any particular Fiscal Year or period to which such term is applicable.

“NMAC” means the New Mexico Administrative Code.

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

“Operation and Maintenance Expenses” means all reasonable and necessary current expenses of the System, for any particular Fiscal Year or period to which such term is applicable, paid or accrued, related to operating, maintaining and repairing the System.

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

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

“Political Subdivision of the State” means a municipality, a county, water and sanitation district, an association organized and existing pursuant to the Sanitary Projects Act, NMSA

1978, § 3-29-1 through § 3-29-21, as amended, or any other entity recognized by statute as a political subdivision of the State.

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

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

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

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

“Resolution” means this Resolution as it may be supplemented or amended from time to time, pursuant to Section 12.

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

“State” means the State of New Mexico.

“System” means the joint water and wastewater utility system created by NMSA 1978, § 73-26-1, as amended, of the Borrower/Grantee, owned and operated by the Borrower/Grantee, and of which the Project, when completed, will form part.

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

“Useful Life” means the period during which the Project is expected to be usable for the purpose for which it was acquired.

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

Section 3. Authorization of the Project and the Loan/Grant Agreement. The acquisition and completion of the Project and the method of funding the Project through

execution and delivery of the Loan/Grant Agreement are hereby authorized and ordered. The Project is for the benefit and use of the Borrower/Grantee and the Colonias and the public the Borrower/Grantee serves.

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

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

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

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

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

E. Together with the Loan/Grant Amount, and other amounts available to the Borrower/Grantee, the Local Match is now available to the Borrower/Grantee, or is expected to become available to the Borrower/Grantee within six (6) months after the Closing Date, and, in combination with the Loan/Grant Amount, the Local Match and other amounts available to the Borrower/Grantee, will be sufficient to complete the Project and pay Expenses.

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

G. The Borrower/Grantee and the other Qualified Entities that are participants in the Project has or will acquire title to or easements or rights of way on the real property upon which the Project is being constructed or located.

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

A. Authorization. This Resolution has been adopted by the affirmative vote of at least a majority of all of the members of the Governing Body. For the purpose of protecting the public health, conserving the property, and protecting the general welfare and prosperity of the public served by the Borrower/Grantee and by the other Qualified Entities involved in the Project and acquiring and completing the Project, it is hereby declared necessary that the Borrower/Grantee execute and deliver the Loan/Grant Agreement evidencing the

Borrower/Grantee's acceptance of the Grant Amount of four hundred eighty-six thousand five hundred forty-seven dollars (\$486,547) and borrowing the Loan Amount of fifty-four thousand sixty-one dollars (\$54,061) to be utilized solely for the purpose of completing the Project and paying Expenses, and solely in the manner and according to the restrictions set forth in the Loan/Grant Agreement, the execution and delivery of which is hereby authorized. The Borrower/Grantee shall use the Loan/Grant Amount to finance the acquisition and completion of the Project and to pay Expenses.

B. Detail. The Loan/Grant Agreement shall be in substantially the form of the Loan/Grant Agreement presented at the meeting of the Governing Body at which this Resolution was adopted. The Grant shall be in the amount of four hundred eighty-six thousand five hundred forty-seven dollars (\$486,547) and the Loan shall be in the amount of fifty-four thousand sixty-one dollars (\$54,061). Interest on the Loan Amount shall be zero percent (0%) per annum of the unpaid principal balance of the Loan Amount.

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

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

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

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

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

C. CIB and Finance Authority Not Responsible. Borrower/Grantee shall apply the funds derived from the Loan/Grant Agreement as provided therein and in particular Article V of the Loan/Grant Agreement. Neither the CIB nor the Finance Authority shall in any

manner be responsible for the application or disposal by the Borrower/Grantee or by its officers of the funds derived from the Loan/Grant Agreement or of any other funds held by or made available to the Borrower/Grantee in connection with the Project. Lenders/Grantors shall not be liable for the refusal or failure of any other agency of the State to transfer any portion of the Loan/Grant Amount in its possession, custody and control to the Finance Authority for disbursement to the Borrower/Grantee, or to honor any request for such transfer or disbursement of the Loan/Grant Amount.

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

Section 10. Lien on Pledged Revenues. Pursuant to the Loan/Grant Agreement, the Loan/Grant Agreement constitutes an irrevocable lien (but not an exclusive lien) upon the Pledged Revenues to the extent of the Loan Amount, which lien shall be subordinate to any lien on the Pledged Revenues existing on the Closing Date and, further, shall be subordinate to all other indebtedness secured or that may in the future be secured by the Pledged Revenues, except, however, that the lien shall be on parity with any other lien, present or future, for the repayment of any other loan provided to the Borrower/Grantee by the Lenders/Grantors pursuant to the Colonias Infrastructure Act or the Water Project Finance Act, NMSA 1978, §§ 72-4A-1 through 72-4A-10, as amended.

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

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

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

Section 14. Severability Clause. If any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or

unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

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

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

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

*[Remainder of page intentionally left blank.]*

*[Form of Notice of Adoption of Resolution for Publication]*

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

Notice is hereby given of the title and of a general summary of the subject matter contained in Resolution No. FY2015-14, duly adopted and approved by the Board of Directors of the Lower Rio Grande Public Water Works Authority on November 12, 2014. A complete copy of the Resolution is available for public inspection during normal and regular business hours in the office of the Secretary, at 325 Holguin Road, Vado, NM 88072.

The title of the Resolution is:

**LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY  
RESOLUTION NO. FY2015-14**

A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF A COLONIAS INFRASTRUCTURE PROJECT FUND LOAN/GRANT AGREEMENT BY AND AMONG THE NEW MEXICO COLONIAS INFRASTRUCTURE BOARD (“CIB”) AND THE NEW MEXICO FINANCE AUTHORITY (“FINANCE AUTHORITY,” AND COLLECTIVELY WITH THE CIB, THE “LENDERS/GRANTORS”) AND THE LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY (THE “BORROWER/GRANTEE”), FOR THE BENEFIT OF THE COLONIA OF MESQUITE AND THE COLONIA OF BRAZITO, IN THE TOTAL AMOUNT OF \$540,608, EVIDENCING AN OBLIGATION OF THE BORROWER/GRANTEE TO UTILIZE THE LOAN/GRANT AMOUNT SOLELY FOR THE PURPOSE OF FINANCING THE COSTS OF THE DESIGN PHASE OF MESQUITE AND BRAZITO WASTEWATER INFRASTRUCTURE TO TIE INTO THE DONA ANA COUNTY TRUNK LINE INCLUDING DESIGN OF COLLECTION SYSTEM AND LIFT STATIONS, AND ACQUISITION OF EASEMENTS INCLUDING PREPARATION, FILING AND VERIFYING OF EXISTING EASEMENTS, AND SOLELY IN THE MANNER DESCRIBED IN THE LOAN/GRANT AGREEMENT; PROVIDING FOR ACCEPTANCE OF A GRANT AMOUNT OF \$486,547 AND PAYMENT OF THE LOAN AMOUNT OF \$54,061 SOLELY FROM THE NET SYSTEM REVENUES OF THE JOINT WATER AND WASTEWATER SYSTEM OF THE BORROWER/GRANTEE; CERTIFYING THAT THE LOAN/GRANT AMOUNT, TOGETHER WITH OTHER FUNDS AVAILABLE TO THE BORROWER/GRANTEE, IS SUFFICIENT TO COMPLETE THE PROJECT; APPROVING THE FORM OF AND OTHER DETAILS CONCERNING THE LOAN/GRANT AGREEMENT; RATIFYING ACTIONS HERETOFORE TAKEN; REPEALING ALL ACTION INCONSISTENT WITH THIS RESOLUTION; AND AUTHORIZING THE TAKING OF OTHER ACTIONS IN CONNECTION WITH THE EXECUTION AND DELIVERY OF THE LOAN/GRANT AGREEMENT.

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

*[End of Form of Notice of Adoption for Publication]*

PASSED, APPROVED AND ADOPTED THIS 12TH DAY OF NOVEMBER, 2014.

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

By \_\_\_\_\_  
Roberto Nieto, Chairman

ATTEST:

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

*[Remainder of page intentionally left blank.]*

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

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

Those Voting Aye:

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Those Voting Nay:

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Those Absent:

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

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

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

By \_\_\_\_\_  
Roberto Nieto, Chairman

ATTEST:

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

*[Remainder of page intentionally left blank.]*

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

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

1. The foregoing pages are a true, perfect, and complete copy of the record of the proceedings of the Board of Directors of the Borrower/Grantee (the “Governing Body”), had and taken at a duly called regular meeting held at the 325 Holguin Road, Vado, NM, on November 12, 2014 at the hour of 9:00 a.m., insofar as the same relate to the adoption of Resolution No. FY2015-14 and the execution and delivery of the proposed Loan/Grant Agreement, a copy of which is set forth in the official records of the proceedings of the Governing Body kept in my office. None of the action taken has been rescinded, repealed, or modified.

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

3. Notice of the meeting was given in compliance with the permitted methods of giving notice of meetings of the Governing Body as required by the State Open Meetings Act, NMSA 1978, § 10-15-1, as amended, including the Borrower/Grantee's open meetings Resolution No. 2014-16, adopted and approved on May 21, 2014 in effect on the date of the meeting.

IN WITNESS WHEREOF, I have hereunto set my hand this 19th day of December, 2014.

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

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

**EXHIBIT "A"**

Notice of Meeting, Meeting Agenda and Minutes.

October 9, 2014

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

RE: LRGPWWA Water Treatment Plant and Related Facilities  
Contract Amendment #2 – Additional Services during Planning Phase

Dear Ms. Nichols:

Bohannon Huston, Inc., (BHI) is pleased to provide this amendment to our current engineering services contract with the Lower Rio Grande Public Water Works Authority (Authority). This amendment is intended to provide additional planning services related to providing additional justification on why an alternative brackish groundwater source should be pursued during periods when surface water is unavailable from the irrigation district.

I have attached the following documents:

- 1) Supplemental "Attachment I" addendum which identifies the additional Planning effort necessary and the detailed Exhibit A scope. This specifically will be used cumulative with the past Planning effort attachments already on record.
- 2) Supplemental Exhibit A which is the Scope of Work.
- 3) Supplemental man-hour fee estimate. This spreadsheet highlights the individual work effort of BHI, CDM and JSAI.
- 4) BHI Custom Amendment #2 form to see clear breakdown of changes on contract value and invoices.

Please sign both copies of the two agreements enclosed and return one copy to BHI. If you have any questions, please contact me directly at 575-532-8670. Thank you and we look forward to finally working with you on this project.

Sincerely,



Matthew R. Thompson, PE  
Sr. Vice President

Engineering ▲

Spatial Data ▲

Advanced Technologies ▲

## ATTACHMENTS

(Please check the appropriate box and include applicable Exhibit)

- ATTACHMENT I** - Compensation for Engineering Services During the Planning Phase
- ATTACHMENT II** - Compensation for Engineering Services During the Design Phase
- ATTACHMENT III** - Compensation for Engineering Services During the Construction Phase
- ATTACHMENT IV** - Compensation for Engineering Services During the Operation Phase

1. As set forth in the AGREEMENT FOR ENGINEERING SERVICES dated the 16 day of July, 2012 by and between the Lower Rio Grande PWWA, the OWNER, and Bohannon Huston Inc., the ENGINEER, the OWNER and ENGINEER agree this \_\_\_\_\_ day of October, 2014 that the OWNER shall compensate the ENGINEER for services described in Section B and Section C and further described in

- EXHIBIT A** – Planning Services scope of work and cost proposal
- EXHIBIT B** – Design Services scope of work and cost proposal
- EXHIBIT C** – Construction Services scope of work and cost proposal
- EXHIBIT D** – Operational Services scope of work and cost proposal

2. Compensation for ENGINEERING SERVICES shall be by the

- LUMP SUM** method of payment. The total amount of compensation for ENGINEERING SERVICES, as described in the appropriate EXHIBIT, shall not exceed \$98,491, excluding gross receipt tax and reimbursables.
- STANDARD HOURLY RATE WITH MAXIMUM** method of payment. The total amount of hourly charges, excluding gross receipt tax and reimbursables, for ENGINEERING SERVICES as described in the appropriate EXHIBIT shall not exceed \$\_\_\_\_\_ without prior written approval of the OWNER, with Funding Agency concurrence.

3. Compensation for ADDITIONAL ENGINEERING SERVICES (provided by the engineer upon written authorization from the Owner and concurrence of the funding agency), shall be by the

- LUMP SUM** method of payment. The total amount of compensation for ADDITIONAL ENGINEERING SERVICES, as described in the appropriate EXHIBIT, shall not exceed \$\_\_\_\_\_, excluding gross receipt tax and reimbursables.
- STANDARD HOURLY RATE WITH MAXIMUM** method of payment. The total amount of hourly charges, excluding gross receipt tax and reimbursables, for ADDITIONAL ENGINEERING SERVICES as described in the appropriate EXHIBIT shall not exceed \$\_\_\_\_\_ without prior written approval of the OWNER with Funding Agency concurrence.

Attachment- Page # 1

4. The amount of compensation shall not change unless the scope of services to be provided

by the ENGINEER changes and this Agreement is formally amended according to Section A-5. Contract Time under Section B. and for the purpose of Section A.8 shall be See Exhibit A calendar days (or as specified in the Attachments or Exhibits).

5. The OWNER and ENGINEER agree that as mutually agreeable, reasonable Liquidated Damages for delay (but not as a penalty), ENGINEER shall pay OWNER fifty dollars (\$50.00) (minimum fifty dollars [\$50.00] per day) for each calendar day that expires after the Contract Time specified in the Agreement (See attached project schedule - Gantt chart, bar chart, etc.) until the Work is complete and accepted by the OWNER. OWNER shall have no more than ten (10) calendar days to accept or reject the Work.

6. The ENGINEER agrees to obtain and maintain, at the ENGINEER's expense, such insurance as will protect the ENGINEER from claims under the Workman's Compensation Act and such comprehensive general liability and automobile insurance as will protect the OWNER and the ENGINEER from all claims for bodily injury, death, or property damage which may arise from the performance by the ENGINEER, or by the ENGINEER's employees, for the ENGINEER's functions and services required under this Agreement. Such insurance shall be in an amount not less than \$1,000,000 for injury to any one person and \$1,000,000 on account of any one accident and in the amount of not less than \$0 for property damage. The ENGINEER further agrees to procure and maintain professional liability (errors and omissions) insurance in an amount not less than \$2,000,000 per claim and in the aggregate. Prior to commencement of any work, the ENGINEER shall furnish to the OWNER a certificate that complies with this paragraph. The certificate shall provide that the policy shall not be canceled until at least ten (10) calendar days prior written notice shall have been given to the OWNER. ENGINEER shall provide annual updates of the certificate to demonstrate the policy remains in effect for the duration of this Agreement.

7. OWNER shall pay ENGINEER applicable gross receipt taxes and reimbursable expenses at the rates set forth in the appropriate EXHIBIT. The amounts payable to ENGINEER for reimbursable expenses will be the project related internal expenses, such as mileage, per diem and reproduction, actually incurred or allocated by ENGINEER, plus all invoiced external reimbursable expenses, including consultants, allocable to the project, the latter multiplied by a factor of 1.05. Reimbursable expenses shall not exceed the estimate in the EXHIBIT without prior written approval of the OWNER, with Funding Agency concurrence.

8. The method for interim or partial payments, such as milestone or time & materials, shall be: monthly

9. Signatures

IN WITNESS THEREOF, the parties hereto have executed, or caused to be executed, by their duly authorized officials, this Agreement in triplicate on the respective dates indicated below.

ATTEST: \_\_\_\_\_  
Type Name \_\_\_\_\_  
Title \_\_\_\_\_  
Date \_\_\_\_\_

OWNER: \_\_\_\_\_  
By \_\_\_\_\_  
Type Name \_\_\_\_\_  
Title \_\_\_\_\_  
Date \_\_\_\_\_

ATTEST: Michelle Brown  
Type Name Michelle Brown  
Title Administrative Assistant  
Date Oct 9, 14

ENGINEER: Bohannon Huston, Inc.  
By [Signature]  
Type Name Matthew R. Thompson  
Title Senior Vice President

Address 425 S. Telshor Blvd. C103  
Las Cruces. NM 88011  
Date 10-9-14

REVIEWED: FUNDING AGENCY  
NAME: \_\_\_\_\_  
By \_\_\_\_\_  
Type Name \_\_\_\_\_  
Date \_\_\_\_\_

## **EXHIBIT A – AMENDMENT 2**

### **Additional Engineering Services during the Planning Phase Scope of Work and Fee Proposal**

#### **Lower Rio Grande Public Water Works Authority Surface Water and Brackish Groundwater Project**

This Exhibit A defines the additional scope of services, fees and schedule for providing Additional Engineering Services during the Planning Phase for the Lower Rio Grande Public Water Works Authority (OWNER) Surface Water and Brackish Water Project.

The original Scope of Services for Engineering Services during the Planning Phase for the project consisted of evaluating treatment process for a surface water treatment plant and presenting the results of the evaluation in a Preliminary Engineering Report (PER) Addendum. The OWNER had prepared a Preliminary Engineering Report (PER) for the project in 2011 that was approved by the Funding Agency and the OWNER. However, deficiencies were identified in the treatment process evaluation and the recommended project portions of the PER by both the Funding Agency and the OWNER.

Amendment 1 to the original Scope of Services was issued in November 2013 to include a task for a Hydrogeologic and Well Siting Study and an evaluation of the feasibility of utilizing brackish groundwater resources in the area. Amendment 1 also included a preliminary evaluation of brackish water treatment processes, and options for concentrate disposal. The results of the study and evaluation were included in the PER Addendum along with the evaluation of treatment processes for the surface water treatment plant.

A Draft PER Addendum was submitted to the OWNER and Funding Agency in May 2014. The Draft PER Addendum contained technical evaluations of the alternatives being considered and brief descriptions of the project planning area, population growth and water demands and the need for the project. However these project planning elements were taken from the 2011 PER and were not updated to be specific to this particular project.

Comments were received from the Funding Agency on June 19, 2014. During discussions with the OWNER and Funding Agency on the review comments, it became apparent that the PER Addendum needed additional, project specific planning elements in order to define the need for the project and for the project to receive approval to move into future phases

Based on direction and concurrence provided by the OWNER and the Funding Agency, the Draft PER Addendum will be revised to include the following additional planning elements to justify the proposed project:

- Updated projected population of the service area
- Projected water demands
- Water rights
- Condition and operation of the existing system
- Impacts of increased groundwater pumping on the existing shallow aquifer
- Water quality

- Climate change impacts
- Additional evaluation of concentrate disposal options
- Adding a new, no action alternative

These additional planning elements will be added to the Draft PER Addendum dated May 2014 and submitted to the OWNER and Funding Agency for review and approval. The PER Addendum will be changed to an PER for the Surface Water and Brackish Groundwater Project.

## **I. SCOPE OF WORK – ADDITIONAL PLANNING SERVICES**

### **Task 1: Project Management, Communications, and Meetings**

ENGINEER will provide additional communications with the OWNER, coordination, meetings and project management during the additional evaluations.

**Approach:** The ENGINEER will provide the following services associated with this task:

- Meet with the OWNER during monthly progress meetings to keep the OWNER informed of the project's progress and obtain additional input and direction.
- Project management activities including management of subcontracts, project accounting, scheduling and budget tracking, and maintenance of project files.

#### **Assumptions:**

- Three additional progress meetings will be held due to the additional work being added to the scope. Two meetings are assumed to being conducted by conference call and one in person.
- Additional meetings have been included in other tasks.

#### **Deliverables:**

- Monthly progress reports – delivered via e-mail
- Monthly progress meeting agenda and minutes – delivered via e-mail
- Monthly invoices for ENGINEER's services

### **Task 2: Preliminary Engineering Report Revisions**

The ENGINEER will perform additional planning evaluations to be included in the PER. The additional evaluations consist of including information required in Sections 1-3 of the USDA Bulletin 1780-2 dated April 14, 2013. These sections consist of Project Planning, Existing Facilities, and Need for Project.

In addition, the ENGINEER will include a No Action Alternative in Section 4 (Alternatives Considered) and will evaluate additional concentrate disposal options including use of concentrate and disposal to the sanitary sewer system.

ENGINEER will also perform groundwater modeling to assess the long term effects of development of groundwater resources in the OWNER's service area. This evaluation is described separately in Task 3. The results of the groundwater modeling will be included in Section 2 of the PER Addendum as described below.

**Approach:**

The PER for the Surface Water and Brackish Groundwater Project will be organized as follows using information prepared previously in the Draft PER Addendum dated May 2014 and revised to include additional planning elements and evaluations. The additional tasks to be performed by the ENGINEER are hi-lighted below:

1) PROJECT PLANNING

- a) Location
- b) Environmental Resources Present
- c) Population Trends
- d) Community Engagement

2) EXISTING FACILITIES

- a) Location Map
- b) History of LRGPWVA system and facilities including system operations
- c) Condition of Existing Facilities (including shallow groundwater aquifer)
- d) Financial Status of Existing Facilities
- e) Water Rights

3) NEED FOR PROJECT

- a) Health Sanitation and Security
- b) Aging Infrastructure
- c) Reasonable Growth
- d) Long Term Impacts on Existing Aquifer
- e) Effects of Climate Change

4) Alternatives Considered

- a) No Action Alternative
- b) Surface Water Alternative
- c) Brackish Water Alternative
- Additional Concentrate Disposal Options (uses of concentrate, disposal to sanitary sewer)

5) Selection of an Alternative

6) Proposed Project

***Assumptions:***

- The Rural Utility Service (RUS) 1780-2 dated April 2013 outline for PERs as modified above will be used to revise the OWNER's existing PER Addendum dated May 2014.
- The Recommended Project section of the PER will present the recommended project (surface water or brackish groundwater) and the necessary steps to move forward with developing the project. Additional studies, such as an exploratory well for the brackish water alternative, are needed to fully develop each alternative to a point where the recommended project is fully defined.
- The PER will not contain a discussion on Water/Energy/Waste Audits (none performed) or Sustainability Considerations (too early to define these type of processes),
- The No Action Alternative will consist of an evaluation of constructing additional wells in the shallow aquifer to meet future demands.
- Existing Sections 4-6 of the Draft PER Addendum concerning the surface water and brackish groundwater alternatives will be revised to address comments from the Funding Agency received on June 19, 2014.
- Additional concentrate disposal options will consist of evaluating beneficial uses of concentrate and disposal to the sanitary sewer. The evaluation of the impacts of concentrate disposal on the existing South Central Wastewater Treatment Facility will be included in this evaluation.
- The Owner of the local wastewater treatment facility (Camino Real Regional Utility Authority) will provide information on the existing treatment plant including volumes of treatment units, hydraulic profile, current flows and loads (avg., peak), design flows and loads (avg, peak) and plans for future expansion.
- OWNER will provide information on the existing sanitary sewer including size from point of introduction from the proposed RO treatment plant to the wastewater treatment plant and current and planned future flows into that portion of the system.
- Climate change effects will be based on existing documents prepared by the United States Bureau of Reclamation for the Rio Grande Basin and Technical Report 45 prepared by New Mexico State University titled, "Climate Change and its Implications for New Mexico's Water Resources and Economic Opportunities".
- The long term impacts on the existing shallow aquifer due to increased pumping will be based on the results of Ground Water Modeling described in Task 3.
- Information on Water Rights will be obtained from OWNER's Preliminary Engineering Report for the Purchase of Water Rights dated July 31, 2013.
- Information on future growth and water demands will be obtained from OWNER's Preliminary Engineering Report for the Purchase of Water Rights dated July 31, 2013.

- OWNER will provide water production and consumption information for the past three years.
- OWNER will provide available information on static water levels measured at the existing wells.
- OWNER will provide information on the existing water system (number and types of customers, interconnections, future plans for expansion, interconnections, water quality as required)
- The OWNER and Funding Agency will provide written review comments on the Draft PER within 45 calendar days.
- The Draft PER will be reviewed by the Funding Agency and the New Mexico Environment Department –Drinking Water Bureau. ENGINEER will contact the Ground Water Quality Bureau (GWQB) about the project and determine if they want to review the PER. If the GWQB wants to review the PER, a copy will be sent to them for review.
- One meeting with OWNER at OWNER’s office to discuss Draft PER
- One conference call with NMED-CPB to discuss review comments on Draft PER.

***Deliverables:***

- Draft PER
- Final PER

**Task 3: Groundwater Modeling**

The ENGINEER will perform groundwater modeling to assess long term impacts from the development of groundwater resources in the LRGPWWA service area. This task will be performed by subconsultant John Shomaker and Associates (JSAI) JSAI has performed previous groundwater modeling work for the OWNER using the New Mexico Office of the State Engineer (NMOSE) Lower Rio Grande Administrative Model to simulate groundwater pumping in the area.

***Approach:***

- ENGINEER’s approach to this task is as follows:
- Update the NMOSE model with new applications filed with and approved by the NMOSE within the last four years in the areas that will affect the aquifer in the LRGPWWA service area.
- Run the NMOSE model for low, average, and above average flow conditions in the Rio Grande
- Run model simulations using the updated model and OWNERs future water demand
- Evaluate drawdown results from model simulations

- Provide a discussion of developing brackish water as a redundant source of supply in the event the shallow groundwater aquifer becomes depleted due to increased pumping
- Summarize results of groundwater flow monitoring in a technical memorandum that will be included in the PER.

***Deliverables:***

- Draft Groundwater Modeling Technical Memorandum
- Final Groundwater Modeling Technical Memorandum

**II. FEES**

Compensation for services of ENGINEER, also including direct costs reimbursables, and subcontracted services for providing Additional Engineering Services during the Planning Phase will be on the following basis. **All amounts shown are exclusive of New Mexico Gross Receipts Tax.**

The lump sum amount for Additional Engineering Services during the Planning Phase is **\$98,491**. Invoicing will be based on percent complete of work associated with each task.

- **Task 1: Project Management, Communications, and Meetings** - Lump Sum Amount of **\$10,853**.
- **Task 2: PER Revisions** - Lump Sum Amount of **\$51,408**
- **Task 3 : Groundwater Modeling** – Lump Sum Amount of **\$36,230**

**III. SCHEDULE**

The time periods for the performance of ENGINEER's services are as follows:

- **Task 1: Project Management, Communications, and Meetings** - All activities to be completed within 75 calendar days of ENGINEER's receipt of written notice to proceed (NTP) from OWNER.
- **Task 2: Preliminary Engineering Report Revisions**- Preliminary Engineering Report Addendum to be completed within 75 calendar days of NTP from OWNER.
- **Task 3: Groundwater Modeling** – Groundwater Modeling and Technical Memorandum to be completed within 45 calendar days of NTP from OWNER

Attachment II-A  
Amendment 2 - Additional Engineering Services during Planning  
LRGPWMA Surface and Brackish Water Project PER

Surface and Brackish Water Project PER		CDM Hours and Labor Budget													BHI Labor Budget		Other		Subconsultants		Total Budget
Project Tasks	Contract Officer Hours	Senior Technical Specialist Hours	Project Manager Hours	Prof. V Hours	Prof. IV Hours	Prof. I Hours	Senior Technical Consultant Hours	Designer Drafting Hours	Contract Admin Hours	Clerical Hours	CDM Labor Totals Hours	CDM Labor Totals \$	SVP Hours	BHI Labor Total \$	Direct Costs \$	Firms		Total \$			
																Firms	Total				
1 Project Management	6		24		8				12		4	54	5	8	\$1,800	\$500			\$	\$8,622	
2 PER Reviews	2	20	95	0	50	148	8	0	0	4	340	\$46,774	6	\$1,350	\$900	0	0	\$0	\$47,674		
2A Project Planning	0	0	6	0	0	20	0	0	0	0	26	\$3,000	0	\$0	\$0	0	0	\$0	\$3,000		
Environmental Resources			2			8					10	\$1,128		\$0					\$1,128		
Population Trends			2			8					10	\$1,128		\$0					\$1,128		
Community Engagement			2			4					6	\$744		\$0					\$744		
Existing Facilities	0	0	8	0	16	32	0	0	0	0	56	\$6,624	0	0	\$0	\$0	\$0	\$0	\$6,624		
History of System and Facilities			2		4	8					14	\$1,656		\$0					\$1,656		
Condition of Existing Facilities			2		4	8					14	\$1,656		\$0					\$1,656		
Financial Status			2		4	8					14	\$1,656		\$0					\$1,656		
Water Rights			2		4	8					14	\$1,656		\$0					\$1,656		
2C Need for Project	0	0	10	0	0	32	0	0	0	0	42	\$4,872	0	0	\$0	0	0	\$0	\$4,872		
Health Sanitation and Security			2			4					6	\$744		\$0					\$744		
Aging Infrastructure			2			6					8	\$936		\$0					\$936		
Reasonable Growth			2			8					10	\$1,128		\$0					\$1,128		
Impacts on Aquifer			2			6					8	\$936		\$0					\$936		
Climate Change			2			8					10	\$1,128		\$0					\$1,128		
2D Alternative Considered	0	12	50	0	24	40	0	0	0	0	126	18,468	0	0	0	0	0	0	18,468		
No Action Alternative			2		12	24					44	\$5,378		\$0					\$5,378		
Additional Concentrate Disposal Options			10		12	16					82	\$13,090		\$0					\$13,090		
2E QA/QC	2	4	8				8				22	\$4,430		\$0	\$300				\$4,630		
Draft PER			12		6	16				2	38	\$5,026		\$0	\$300				\$5,226		
Workshop with Owner			12								12	\$2,160	6	\$1,350	\$300				\$2,460		
2F Final PER			2		4	8					18	\$2,194		\$0	\$200				\$2,394		
3 Groundwater Modeling	3	2	6							2	11	\$2,105		\$1,400					\$3,505		
CDM / JSAI TOTAL	11	22	125	0	58	148	8	0	12	8	405	\$57,001		\$1,400					\$58,401		
BHI Labor TOTAL	13												14	\$3,150					\$3,150		
BHI Subconsultant Markup (5%)																			\$4,540		
AMENDMENT #2 TOTAL	13																		\$98,491		

Camp Dresser & McKee Inc.



## ENGINEERING SERVICES AGREEMENT AMENDMENT #2

Project: Lower Rio Grande Public Water Works Authority  
Water Treatment Facility

BHI Project No.: 20130306

Engineer: Bohannon-Huston, Inc.  
425 S. Telshor Blvd., Suite C-103  
Las Cruces, NM 88011-8237

Contract No.:  
Amendment No.: 2  
Date: October/9/2014

Reason and Justification for Amendment: (use additional sheets, if necessary)

**See attached Exhibit A: Due to the request by NMED for additional project justification information and updating report information to match current available utility projection data, this additional effort as described has been identified.**

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The Engineer is authorized to provide the following described services:

(See attached Exhibit A.)

### FEE SCHEDULE MODIFICATION

Description	Previous Contract Amount	Amendment #2 Modification	Revised Contract Amount
Phase 11: Exhibit A Task 1 - Project Management, Communication, and	\$16,209	\$10,853	\$27,062
Phase 21: Exhibit A Task 2 - PER Addendum Revisions	\$73,558	\$51,408	\$124,966
Phase 99: Reimbursable Expenses	\$20.91		\$20.91
Phase 23: Hydrogeologic and Well Siting Study	\$52,085		\$52,085
New Phase 24: Exhibit A Task 3 - Groundwater Modeling		\$36,230	\$36,230
<b>TOTAL</b>	<b>\$141,872.91</b>	<b>\$98,491</b>	<b>\$240,363.91</b>

All fees are exclusive of New Mexico Gross Receipts Tax.

### TIME SCHEDULE MODIFICATION

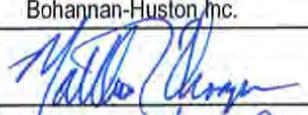
(See attached Exhibit A)

AGREED AND RECOMMENDED:

APPROVED:

Engineer: Bohannon-Huston, Inc. \_\_\_\_\_

Owner: LRGPWWA \_\_\_\_\_

By:  \_\_\_\_\_

By: \_\_\_\_\_

Title: Service Vice President \_\_\_\_\_

Title: \_\_\_\_\_

10-9-14



United States Department of Agriculture  
Rural Development  
State of New Mexico

October 30, 2014

Robert M. Nieto, Board Chairman  
Lower Rio Grande Public Water Works Authority  
25 Holguin Road  
Vado, NM 88072

Re: Lower Rio Grande Public Water Works Authority (LRGPWWA)  
Mesquite/Brazito Sewer Project  
(Owner/Engineer Agreement)

Dear Mr. Nieto;

I have reviewed the proposed Engineering Agreement between the LRGPWWA and VENCOR Engineering, LLC. The agreement used the EJCDC E-500 document format.

I find the agreement signed by you on October 15, 2014 and by Hector R. Vasquez, P.E. CEO/President, VENCOR Engineering, LLC on April 10, 2014 is acceptable (RD Concurrence).

The total compensation for services are itemized and detailed in Exhibit C of the Agreement in the amount of \$800,885.07. The compensation amount can change if services or GRT changes occur during the development of this project. Exhibit K of the agreement shall be used for any changes to this contract if signed by both parties and concurred with by USDA Rural Development (New Mexico State Office).

If you have any questions, feel free to contact me. Thank you.

Sincerely,

A handwritten signature in blue ink that reads "Robert J. Garcia".

Robert J. Garcia, P.E., Engineer  
USDA – New Mexico Rural Development

xc: Sandra Alarcon, Loan Specialist, USDA-RD Las Cruces Office  
Clyde Hudson, Area Director, USDA-RD Las Cruces Office  
Martin Lopez, General Manager, LRGPWWA  
Karen Nichols, Projects Manager, LRGPWWA  
Hector R. Vasquez, P.E., CEO/President, VENCOR Engineering, LLC

6200 Jefferson NE • Suite 255 • Albuquerque, NM 87109  
505-761-4950 • Fax - 505-761-4976 • TDD - 505-761-4938

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Washington, DC 20250-9410 or call 800-795-3272 (voice) or 202-720-6382 (TDD)

This is **EXHIBIT K**, consisting of **2** pages, referred to in and part of the **Agreement between Owner and Engineer for Professional Services** dated **April 10, 2014**.

## AMENDMENT TO OWNER-ENGINEER AGREEMENT

### Amendment No. 1

#### 1. *Background Data:*

- a. Effective Date of Owner-Engineer Agreement: April 10, 2014
- b. Owner: Lower Rio Grande Public Water Works Authority (LRGPWWA)
- c. Engineer: VENCOR Engineering, LLC (VENCOR)
- d. Project: LRGPWWA Mesquite/Brazito Sewer Project

#### 2. *Description of Modifications:*

- a. Engineer shall perform or furnish the following Additional Services:
  - **Additional Engineering Services – Planning Phase: Preliminary Engineering Report (PER) Revisions.** VENCOR will revise PER dated June 2012 as follows: 1) report will be reorganized to meet the March 2014 USDA PER format criteria; 2) USDA/RD review comments will be addressed; 3) Financial Information will be updated; and 4) copies of Final Report in hard copy and/or electronic format will be provided to Owner and USDA/RD.
  - **Additional NMGR**T. Effective July 1, 2014 NMGR T rate for Las Cruces increased to 7.9375% from 7.5625%. NMGR T will be adjusted on pending Engineering Services totaling \$744,576.47.
- b. The Scope of Services currently authorized to be performed by Engineer in accordance with the Agreement and previous amendments, if any, is modified as follows: **none noted.**
- c. The responsibilities of Owner are modified as follows: **none noted.**
- d. For the Additional Services or the modifications to services set forth above, Owner shall pay Engineer the following additional or modified compensation:
  - **Additional Engineering Services – Planning Phase: PER Revisions = \$26,092.44** (plus \$2,071.09 NMGR T @ 7.9375%).
  - **Additional NMGR T per 2a above= \$2,792.16** (\$744,576.47 @ 7.9375% new rate less \$744,576.47 @ 7.5625% old rate).

- e. The schedule for rendering services is modified as follows:
  - **Additional Engineering Services – Planning Phase.** PER Revisions to be completed by **9/22/2014**.
- f. Other portions of the Agreement (including previous amendments, if any) are modified as follows: **none noted**.

3. Agreement Summary (Reference only):

a. Original Agreement amount:	\$ 800,885.07
b. Net change for prior amendments:	\$ 0.00
c. This amendment amount:	\$ 30,955.69
d. Adjusted Agreement amount:	\$ 831,840.76

The foregoing Agreement Summary is for reference only and does not alter the terms of the Agreement, including those set forth in Exhibit C.

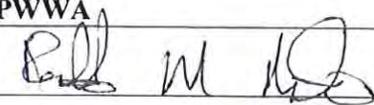
Owner and Engineer hereby agree to modify the above-referenced Agreement as set forth in this Amendment. All provisions of the Agreement not modified by this or previous Amendments remain in effect. The Effective Date of this Amendment is **October 14, 2014**.

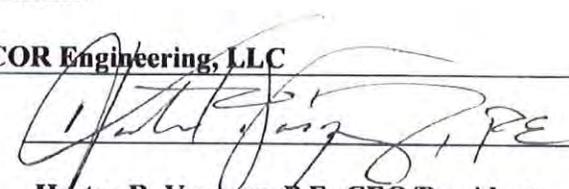
**OWNER:**

**ENGINEER:**

LRGPWWA

VENCOR Engineering, LLC

By: 

By: 

Title: Roberto M. Nieto/Board Chairman

Title: Hector R. Vasquez, P.E.-CEO/President

Date

Date

Signed: 10/15/14

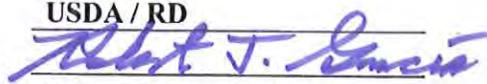
Signed: 10/14/2014

AGENCY CONCURRENCE

Agency:

USDA / RD

By (Signature):



Typed Name:

Robert J. Garcia, P.E.

Title:

Engineer

Date:

10/30/2014



## LICENSE AND SERVICES AGREEMENT

This License and Services Agreement is made between Tyler Technologies, Inc. and Client.

WHEREAS, Client selected Tyler to license the software products and perform the services set forth in the Investment Summary and Tyler desires to perform such actions under the terms of this Agreement;

NOW THEREFORE, in consideration of the foregoing and of the mutual covenants and promises set forth in this Agreement, Tyler and Client agree as follows:

### SECTION A – DEFINITIONS

- **“Agreement”** means this License and Services Agreement.
- **“Business Travel Policy”** means our business travel policy. A copy of our current Business Travel Policy is attached as Schedule 1 to Exhibit B.
- **“Client”** means Lower Rio Grande Valley Public Water Works Authority.
- **“Defect”** means a failure of the Tyler Software to substantially conform to the functional descriptions set forth in our written proposal to you, or their functional equivalent. Future functionality may be updated, modified, or otherwise enhanced through our maintenance and support services, and the governing functional descriptions for such future functionality will be set forth in our then-current Documentation.
- **“Developer”** means a third party who owns the intellectual property rights to Third Party Software.
- **“Documentation”** means any online or written documentation related to the use or functionality of the Tyler Software that we provide or otherwise make available to you, including instructions, user guides, manuals and other training or self-help documentation.
- **“Effective Date”** means the date on which your authorized representative signs the Agreement.
- **“Force Majeure”** means an event beyond the reasonable control of you or us, including, without limitation, governmental action, war, riot or civil commotion, fire, natural disaster, or any other cause that could not with reasonable diligence be foreseen or prevented by you or us.
- **“Investment Summary”** means the agreed upon cost proposal for the software, products, and services attached as Exhibit A.
- **“Invoicing and Payment Policy”** means the invoicing and payment policy. A copy of our current Invoicing and Payment Policy is attached as Exhibit B.
- **“Maintenance and Support Agreement”** means the terms and conditions governing the provision of maintenance and support services to all of our customers. A copy of our current Maintenance and Support Agreement is attached as Exhibit C.
- **“Support Call Process”** means the support call process applicable to all of our customers who have licensed the Tyler Software. A copy of our current Support Call Process is attached as Schedule 1 to Exhibit C.
- **“Third Party End User License Agreement(s)”** means the end user license agreement(s), if any, for the Third Party Software attached as Exhibit D.
- **“Third Party Hardware”** means the third party hardware, if any, identified in the Investment Summary.

- **“Third Party Products”** means the Third Party Software and Third Party Hardware.
- **“Third Party Software”** means the third party software, if any, identified in the Investment Summary.
- **“Tyler”** means Tyler Technologies, Inc., a Delaware corporation.
- **“Tyler Software”** means our proprietary software and related interfaces identified in the Investment Summary and licensed to you through this Agreement.
- **“we”, “us”, “our”** and similar terms mean Tyler.
- **“you”** and similar terms mean Client.
- **“NMED”, “the Department”** means **New Mexico Environment Department**

## SECTION B – SOFTWARE LICENSE

### 1. License Grant and Restrictions.

- 1.1 We grant to you a license to use the Tyler Software for your internal business purposes only, in the scope of the internal business purposes disclosed to us as of the Effective Date. You may make copies of the Tyler Software for backup and testing purposes, so long as such copies are not used in production and the testing is for internal use only. Your rights to use the Tyler Software are perpetual but may be revoked if you do not comply with the terms of this Agreement.
- 1.2 The Documentation is licensed to you and may be used and copied by your employees for internal, non-commercial reference purposes only.
- 1.3 You may not: (a) transfer or assign the Tyler Software to a third party; (b) reverse engineer, decompile, or disassemble the Tyler Software; (c) rent, lease, lend, or provide commercial hosting services with the Tyler Software; or (d) publish or otherwise disclose the Tyler Software or Documentation to third parties.
- 1.4 The license terms in this Agreement apply to updates and enhancements we may provide to you or make available to you through your Maintenance and Support Agreement.
- 1.5 The right to transfer the Tyler Software to a replacement hardware system is included in your license. You will give us advance written notice of any such transfer and will pay us for any required or requested technical assistance associated with such transfer.
- 1.6 We reserve all rights not expressly granted to you in this Agreement. The Tyler Software and Documentation are protected by copyright and other intellectual property laws and treaties. We own the title, copyright, and other intellectual property rights in the Tyler Software and the Documentation. **The Tyler Software is licensed, not sold.**

### 2. License Fees. You agree to pay us the license fees in the amounts set forth in the Investment Summary. Those amounts are payable in accordance with our Invoicing and Payment Policy.

### 3. Escrow. We maintain an escrow agreement with a third party under which we place the source code for each major release of the Tyler Software. You may be added as a beneficiary to the escrow agreement by completing a standard beneficiary enrollment form and paying the annual beneficiary fee set forth in the Investment Summary. You will be responsible for maintaining your ongoing status as a beneficiary, including payment of the then-current annual beneficiary fees. Release of source code for the Tyler Software is strictly governed by the terms of the escrow agreement.

4. Limited Warranty. We warrant that the Tyler Software will be without Defect(s) as long as you have a Maintenance and Support Agreement in effect. If the Tyler Software does not perform as warranted, we will use all reasonable efforts, consistent with industry standards, to cure the Defect as set forth in the Maintenance and Support Agreement.

## SECTION C – PROFESSIONAL SERVICES

1. Services. We will provide you the various implementation-related services itemized in the Investment Summary. You will receive those services according to our industry-standard implementation plan, which outlines roles and responsibilities in calendar and project documentation. We will finalize that documentation with you upon execution of this Agreement.
2. Professional Services Fees. You agree to pay us the professional services fees in the amounts set forth in the Investment Summary. Those amounts are payable in accordance with our Invoicing and Payment Policy. You acknowledge that the fees stated in the Investment Summary are good-faith estimates of the amount of time and materials required for your implementation. We will bill you the actual fees incurred based on the in-scope services provided to you.
3. Additional Services. The Investment Summary contains the scope of services and related costs (including programming and/or interface estimates) required for the project based on our understanding of the specifications you supplied. If additional work is required, or if you use or request additional services, we will provide you with an addendum or change order, as applicable, outlining the costs for the additional work. The price quotes in the addendum or change order will be valid for thirty (30) days from the date of the quote.
4. Cancellation. We make all reasonable efforts to schedule our personnel for travel, including arranging travel reservations, at least two (2) weeks in advance of commitments. Therefore, if you cancel services less than two (2) weeks in advance (other than for Force Majeure or breach by us), you will be liable for all (a) non-refundable expenses incurred by us on your behalf, and (b) daily fees associated with cancelled professional services if we are unable to reassign our personnel. We will make all reasonable efforts to reassign personnel in the event you cancel within two (2) weeks of scheduled commitments.
5. Services Warranty. We will perform the services in a professional, workmanlike manner, consistent with industry standards. In the event we provide services that do not conform to this warranty, we will re-perform such services at no additional cost to you.
6. Site Access and Requirements. At no cost to us, you agree to provide us with full and free access to your personnel, facilities, and equipment as may be reasonably necessary for us to provide implementation services, subject to any reasonable security protocols or other written policies provided to us. You further agree to provide a reasonably suitable environment, location, and space for the installation of the Tyler Software and Third Party Products, including, without limitation, sufficient electrical circuits, cables, and other reasonably necessary items required for the installation and operation of the Tyler Software and Third Party Products.
7. Client Assistance. You acknowledge that the implementation of the Tyler Software is a cooperative process requiring the time and resources of your personnel. You agree to use all reasonable efforts to cooperate with and assist us as may be reasonably required to meet the agreed upon project deadlines and other milestones for implementation. This cooperation includes at least working with us to schedule

the implementation-related services outlined in this Agreement. We will not be liable for failure to meet any deadlines and milestones when such failure is due to Force Majeure or to the failure by your personnel to provide such cooperation and assistance (either through action or omission).

#### **SECTION D – MAINTENANCE AND SUPPORT**

This Agreement includes the period of free maintenance and support services identified in the Invoicing and Payment Policy. If you have purchased ongoing maintenance and support services, and continue to make timely payments for them according to our Invoicing and Payment Policy, we will provide you with maintenance and support services for the Tyler Software under the terms of our standard Maintenance and Support Agreement.

If you have opted not to purchase ongoing maintenance and support services for the Tyler Software Products, the Maintenance and Support Agreement does not apply to you. Instead, you will only receive ongoing maintenance and support on the Tyler Software Products on a time and materials basis. In addition, you will:

- (i) receive the lowest priority under our Support Call Process;
- (ii) be required to purchase new releases of the Tyler Software Products, including fixes, enhancements and patches;
- (iii) be charged our then-current rates for support services, or such other rates that we may consider necessary to account for your lack of ongoing training on the Tyler Software Products;
- (iv) be charged for a minimum of two (2) hours of support services for every support call; and
- (v) not be granted access to the support website for the Tyler Software Products or the Tyler Community Forum;

#### **SECTION E – THIRD PARTY PRODUCTS**

1. Third Party Hardware. We will sell, deliver, and install onsite the Third Party Hardware, if you have purchased any, for the price set forth in the Investment Summary. Those amounts are payable in accordance with our Invoicing and Payment Policy.
2. Third Party Software. Upon payment in full of the Third Party Software license fees, you will receive a non-transferable license to use the Third Party Software and related documentation for internal business purposes only. Your license rights to the Third Party Software will be governed by the Third Party End User License Agreement(s).
  - 2.1 We will install onsite the Third Party Software. The installation cost is included in the installation fee in the Investment Summary.
  - 2.2 If the Developer charges a fee for future updates, releases, or other enhancements to the Third Party Software, you will be required to pay such additional future fee.
  - 2.3 The right to transfer the Third Party Software to a replacement hardware system is governed by the Developer. You will give us advance written notice of any such transfer and will pay us for any required or requested technical assistance associated with such transfer.

### 3. Third Party Products Warranties.

3.1 We are authorized by each Developer to grant or transfer the licenses to the Third Party Software.

3.2 The Third Party Hardware will be new and unused, and upon payment in full, you will receive free and clear title to the Third Party Hardware.

3.3 You acknowledge that we are not the manufacturer of the Third Party Products. We do not warrant or guarantee the performance of the Third Party Products. However, we grant and pass through to you any warranty that we may receive from the Developer or supplier of the Third Party Products.

4. Maintenance. If you have a Maintenance and Support Agreement in effect, you may report defects and other issues related to the Third Party Software directly to us, and we will (a) directly address the defect or issue, to the extent it relates to our interface with the Third Party Software; and/or (b) facilitate resolution with the Developer, unless that Developer requires that you have a separate, direct maintenance agreement in effect with that Developer. In all events, if you do not have a Maintenance and Support Agreement in effect with Tyler, you will be responsible for resolving defects and other issues related to the Third Party Software directly with the Developer.

## **SECTION F – INVOICING AND PAYMENT; INVOICE DISPUTES**

1. Invoicing and Payment. We will invoice you the fees for the license(s), products, and services in the Investment Summary per our Invoicing and Payment Policy, subject to Section F(2).

2. Invoice Disputes. If you believe any delivered product or service does not conform to the warranties in this Agreement, you will provide us with written notice within fifteen (15) days of your receipt of the applicable invoice. The written notice must contain sufficient detail of the issues you contend are in dispute. We will provide a written response to you that will include either a justification of the invoice, an adjustment to the invoice, or a proposal addressing the issues presented in your notice. We will work together as may be necessary to develop an action plan that outlines reasonable steps to be taken by each of us to resolve any issues presented in your notice. You may only withhold payment of the amount(s) actually in dispute until we complete the action items outlined in the plan. If we are unable to complete the action items outlined in the action plan because of your failure to complete the items agreed to be done by you, then you will remit full payment of the invoice. We reserve the right to suspend delivery of all services, including maintenance and support services, if you fail to pay an invoice not disputed as described above.

## **SECTION G – TERMINATION**

1. For Cause. You may terminate this Agreement for cause in the event we don't cure, or create a mutually agreeable action plan to address, a material breach of this Agreement within forty-five (45) days of receiving a written notice of the alleged breach. You agree to comply with Section I(3), Dispute Resolution, prior to termination. In the event of termination for cause, you will pay us for all undisputed fees and expenses related to the software, products, and/or services you have received, or we have incurred or delivered, prior to the effective date of termination.

2. Lack of Appropriations In the event of any termination under Paragraph 2(a) or 2(b) below, you will pay us for all undisputed fees and expenses related to the services you have received, or we have incurred or delivered, prior to the effective date of termination. You will not be entitled to a refund or offset of

previously paid fees. You will not use a termination for lack of appropriations as a substitute for termination for convenience.

a. If you should not appropriate or otherwise make available funds sufficient to purchase, lease, operate, or maintain the products or services set forth in this Agreement, you may unilaterally terminate this Agreement upon thirty (30) days written notice to us. In the event of termination due to a lack of appropriations, you will pay us for all undisputed fees and expenses related to the software, products, and/or services you have received, or we have incurred or delivered, prior to the effective date of termination. You will not be entitled to a refund or offset of previously paid license and other fees. You will not use a termination for lack of appropriations as a substitute for termination for convenience.

b. The terms of this Agreement are contingent upon sufficient appropriations and authorization being made by the Legislature of New Mexico for the performance of this Agreement. If sufficient appropriations and authorizations are not made by the Legislature, you may immediately terminate this Agreement by giving us written notice of such termination. Your decision as to whether sufficient appropriations are available shall be accepted by us and shall be final. We hereby waive any rights to assert an impairment of contract claim against you or the NMED or the State of New Mexico in the event of immediate or Early Termination of this Agreement by you or the Department.

3. Force Majeure. Either party has the right to terminate this Agreement if a Force Majeure event suspends performance of scheduled tasks for a period of forty-five (45) days or more. In the event of termination due to Force Majeure, you will pay us for all undisputed fees and expenses related to the software, products, and/or services you have received, or we have incurred or delivered, prior to the effective date of termination. You will not be entitled to a refund or offset of previously paid license and other fees.

## **SECTION H – INDEMNIFICATION, LIMITATION OF LIABILITY AND INSURANCE**

### **1. Intellectual Property Infringement Indemnification.**

1.1 We will defend you against any third party claim(s) that the Tyler Software infringes that third party's patent, copyright, or trademark, or misappropriates its trade secrets, and will pay the amount of any resulting adverse final judgment (or settlement to which we consent). You must notify us promptly in writing of the claim and give us sole control over its defense or settlement. You agree to provide us with reasonable assistance, cooperation, and information in defending the claim at our expense.

1.2 Our obligations under this Section H(1) will not apply to the extent the claim or adverse final judgment is based on your: (a) use of a previous version of the Tyler Software and the claim would have been avoided had you installed and used the current version of the Tyler Software; (b) combining the Tyler Software with any product or device not provided, contemplated, or approved by us; (c) altering or modifying the Tyler Software, including any modification by third parties at your direction or otherwise permitted by you; (d) use of the Tyler Software in contradiction of this Agreement, including with non-licensed third parties; or (e) willful infringement, including use of the Tyler Software after we notify you to discontinue use due to such a claim.

1.3 If we receive information concerning an infringement or misappropriation claim related to the Tyler Software, we may, at our expense and without obligation to do so, either: (a) procure for you the right to continue its use; (b) modify it to make it non-infringing; or (c) replace it with a functional equivalent, in which case you will stop running the allegedly infringing Tyler Software immediately.

1.4 If, as a result of an infringement or misappropriation claim, your use of the Tyler Software is enjoined by a court of competent jurisdiction, in addition to paying any adverse final judgment (or settlement to which we consent), we will, at our option, either: (a) procure the right to continue its use; (b) modify it to make it non-infringing; (c) replace it with a functional equivalent; or (d) terminate your license and refund the license fees paid for the infringing Tyler Software. This section provides your exclusive remedy for third party copyright, patent, or trademark infringement and trade secret misappropriation claims.

2. Property Damage and Personal Injury Indemnification.

2.1 We will indemnify and hold harmless you and your agents, officials, and employees from and against any and all direct claims, losses, liabilities, damages, costs, and expenses (including reasonable attorney's fees and costs) for personal injury or property damage to the extent caused by our negligence or willful misconduct.

2.2 To the extent permitted by applicable law, you will indemnify and hold harmless us and our agents, officials, and employees from and against any and all direct claims, losses, liabilities, damages, costs, and expenses (including reasonable attorney's fees and costs) for personal injury or property damage to the extent caused by your negligence or willful misconduct.

3. **DISCLAIMER. EXCEPT FOR THE EXPRESS WARRANTIES PROVIDED IN THIS AGREEMENT AND TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, WE HEREBY DISCLAIM ALL OTHER WARRANTIES AND CONDITIONS, WHETHER EXPRESS, IMPLIED, OR STATUTORY, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTIES, DUTIES, OR CONDITIONS OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.**

4. **LIMITATION OF LIABILITY. EXCEPT AS OTHERWISE EXPRESSLY SET FORTH IN THIS AGREEMENT, OUR LIABILITY FOR DAMAGES ARISING OUT OF THIS AGREEMENT, WHETHER BASED ON A THEORY OF CONTRACT OR TORT, INCLUDING NEGLIGENCE AND STRICT LIABILITY, SHALL BE LIMITED TO THE LESSER OF (A) YOUR ACTUAL DIRECT DAMAGES OR (B) THE AMOUNTS PAID BY YOU UNDER THIS AGREEMENT. THE PRICES SET FORTH IN THIS AGREEMENT ARE SET IN RELIANCE UPON THIS LIMITATION OF LIABILITY. THE FOREGOING LIMITATION OF LIABILITY SHALL NOT APPLY TO CLAIMS THAT ARE SUBJECT TO SECTIONS H(1) AND H(2).**

5. **EXCLUSION OF CERTAIN DAMAGES. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, IN NO EVENT SHALL WE BE LIABLE FOR ANY SPECIAL, INCIDENTAL, PUNITIVE, INDIRECT, OR CONSEQUENTIAL DAMAGES WHATSOEVER, EVEN IF WE HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.**

6. Insurance. During the course of performing services under this Agreement, we agree to maintain the following levels of insurance: (a) Commercial General Liability of at least \$1,000,000; (b) Automobile Liability of at least \$1,000,000; (c) Professional Liability of at least \$1,000,000; and (d) Workers Compensation complying with applicable statutory requirements. We will add you as an additional insured and provide you with copies of certificates of insurance upon written request.

**SECTION I – GENERAL TERMS AND CONDITIONS**

1. Additional Products and Services. You may purchase additional products and services at the rates set forth in the Investment Summary for twelve (12) months from the Effective Date, and thereafter at our then-

current list price, by executing a mutually agreed addendum. The terms of this Agreement will control any such additional purchase(s), unless otherwise specifically provided in the addendum.

2. Optional Items. Pricing for any listed optional products and services in the Investment Summary will be valid for twelve (12) months from the Effective Date.
3. Dispute Resolution. You agree to provide us with written notice within thirty (30) days of becoming aware of a dispute. You agree to cooperate with us in trying to reasonably resolve all disputes, including, if requested by either party, appointing a senior representative to meet and engage in good faith negotiations with our appointed senior representative. Senior representatives will meet at your office within thirty (30) days of the written dispute notice, unless otherwise agreed. All meetings and discussions between senior representatives will be deemed confidential settlement discussions not subject to disclosure under Federal Rule of Civil Procedure 408 or any similar applicable state rule. If we fail to resolve the dispute, either of us may assert our respective rights and remedies in a court of competent jurisdiction. Nothing in this section shall prevent you or us from seeking necessary injunctive relief during the dispute resolution procedures.
4. Taxes. The fees in the Investment Summary do not include any taxes, including, without limitation, sales, use, or excise tax. If you are a tax-exempt entity, you agree to provide us with a tax-exempt certificate. Otherwise, we will pay all applicable taxes to the proper authorities and you will reimburse us for such taxes. If you have a valid direct-pay permit, you agree to provide us with a copy. For clarity, we are responsible for paying our income taxes, both federal and state, as applicable, arising from our performance of this Agreement.
5. Nondiscrimination. We will not discriminate against any person employed or applying for employment concerning the performance of our responsibilities under this Agreement. This discrimination prohibition will apply to all matters of initial employment, tenure, and terms of employment, or otherwise with respect to any matter directly or indirectly relating to employment concerning race, color, religion, national origin, age, sex, sexual orientation, ancestry, disability that is unrelated to the individual's ability to perform the duties of a particular job or position, height, weight, marital status, or political affiliation. We will post, where appropriate, all notices related to nondiscrimination as may be required by applicable law.
6. E-Verify. We have complied, and will comply, with the E-Verify procedures administered by the U.S. Citizenship and Immigration Services Verification Division for all of our employees assigned to your project.
7. Subcontractors. We will not subcontract any services under this Agreement without your prior written consent, not to be unreasonably withheld.
8. No Assignment. Neither party may assign this Agreement without the prior written consent of the other party; provided, however, that your consent is not required in the event we have a change of control.
9. Force Majeure. Neither party will be liable for delays in performing its obligations under this Agreement to the extent that the delay is caused by Force Majeure; provided, however, that within ten (10) business days of the Force Majeure event, the party whose performance is delayed provides the other party with written notice explaining the cause and extent thereof, as well as a request for a reasonable time extension equal to the estimated duration of the Force Majeure event.

10. No Intended Third Party Beneficiaries. This Agreement is entered into solely for the benefit of you and us. No third party will be deemed a beneficiary of this Agreement, and no third party will have the right to make any claim or assert any right under this Agreement. This provision does not affect the rights of third parties under any Third Party End User License Agreement(s).
11. Entire Agreement; Amendment. This Agreement represents the entire agreement between you and us with respect to the subject matter hereof, and supersedes any prior agreements, understandings, and representations, whether written, oral, expressed, implied, or statutory. This Agreement may only be modified by a written amendment signed by an authorized representative of each party.
12. Severability. If any term or provision of this Agreement is held invalid or unenforceable, the remainder of this Agreement will be considered valid and enforceable to the fullest extent permitted by law.
13. No Waiver. In the event that the terms and conditions of this Agreement are not strictly enforced by either party, such non-enforcement will not act as or be deemed to act as a waiver or modification of this Agreement, nor will such non-enforcement prevent such party from enforcing each and every term of this Agreement thereafter.
14. Independent Contractor. We are an independent contractor for all purposes under this Agreement.
15. Notices. All notices or communications required or permitted as a part of this Agreement must be in writing and will be deemed delivered upon the earlier of the following: (a) actual receipt by the receiving party; (b) upon receipt by sender of a certified mail, return receipt signed by an employee or agent of the receiving party; (c) upon receipt by sender of proof of email delivery; or (d) if not actually received, five (5) days after deposit with the United States Postal Service authorized mail center with proper postage (certified mail, return receipt requested) affixed and addressed to the other party at the address set forth on the signature page hereto or such other address as the party may have designated by proper notice. The consequences for the failure to receive a notice due to improper notification by the intended receiving party of a change in address will be borne by the intended receiving party.
16. Client Lists. You agree that we may identify you by name in client lists, marketing presentations, and promotional materials.
17. Confidentiality. Both parties recognize that their respective employees and agents, in the course of performance of this Agreement, may be exposed to confidential information and that disclosure of such information could violate rights to private individuals and entities, including the parties. Confidential information is nonpublic information that a reasonable person would believe to be confidential and includes, without limitation, personal identifying information (*e.g.*, social security numbers) and trade secrets, each as defined by applicable state law. Each party agrees that it will not disclose any confidential information of the other party and further agrees to take all reasonable and appropriate action to prevent such disclosure by its employees or agents. The confidentiality covenants contained herein will survive the termination or cancellation of this Agreement. This obligation of confidentiality will not apply to information that:
  - (a) is in the public domain, either at the time of disclosure or afterwards, except by breach of this Agreement by a party or its employees or agents;
  - (b) a party can establish by reasonable proof was in that party's possession at the time of initial disclosure;
  - (c) a party receives from a third party who has a right to disclose it to the receiving party; or

(d) is the subject of a legitimate disclosure request under the open records laws or similar applicable public disclosure laws governing this Agreement; provided, however, that in the event you receive an open records or other similar applicable request, you will give us prompt notice and otherwise perform the functions required by applicable law.

- 18. Business License. In the event a local business license is required for us to perform services hereunder, you will promptly notify us and provide us with the necessary paperwork and/or contact information so that we may timely obtain such license.
- 19. Governing Law. This Agreement will be governed by and construed in accordance with the laws of New Mexico and venue shall lie in Dona Ana County New Mexico or the United States District Court for the District of New Mexico, without regard to its rules on conflicts of law.
- 20. Multiple Originals and Signatures. This Agreement may be executed in multiple originals, any of which will be independently treated as an original document. Any electronic, faxed, scanned, photocopied, or similarly reproduced signature on this Agreement or any amendment hereto will be deemed an original signature and will be fully enforceable as if an original signature.
- 21. Contract Documents. This Agreement includes the following exhibits:

- Exhibit A      Investment Summary
- Exhibit B      Invoicing and Payment Policy  
                    Schedule 1: Business Travel Policy
- Exhibit C      Maintenance and Support Agreement  
                    Schedule 1: Support Call Process
- Exhibit D      Statement of Work

IN WITNESS WHEREOF, a duly authorized representative of each party has executed this Agreement as of the date(s) set forth below.

Tyler Technologies, Inc.  
Local Government Division

Lower Rio Grande Valley Public Water Works Auth.

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Address for Notices:

Tyler Technologies, Inc.  
5519 53<sup>rd</sup> Street  
Lubbock, Texas 79414  
Attention: Brett Cate

Address for Notices:

Lower Rio Grande Valley Public Water Works  
325 Holguin Road  
Vado, New Mexico 88072  
Attention: Martin Lopez





## **Investment Summary**

The following Investment Summary details the software, products, and services to be delivered by Tyler Technologies, Inc. to Lower Rio Grande Valley Public Water Works Authority under your License and Services Agreement. This Investment Summary is effective as of the Effective Date. Capitalized terms not otherwise defined will have the meaning assigned to such terms in your License and Services Agreement.

## Investment Summary

Martin Lopez  
Lower Rio Grande Public Water Works Authority



<b>Prepared for:</b>  <b>Contact Person:</b> <b>Address:</b>  <b>Phone:</b> <b>Fax:</b> <b>Email:</b>	<b>Lower Rio Grande Public Water Works Authority</b>  Martin Lopez 325 Holguin Rd Vado, NM 88072 (575)233-3947  martin.lopez@lrgauthority.org	<b>Contract ID # :</b>	2014-0247
		<b>Issue Date:</b>	09/24/14
		<b>Sales Rep:</b>	D. Snow
		<b>Tax Exempt:</b>	Yes / No

Product, Service & Equipment	Software License Payments			As Delivered	Totals	Annual Fees
	Upon Execution	Upon Available Download Date	Upon Earlier Of*			
<b>Total Applications Software</b>	18,224	43,736				15,510
License Fees - INCODE Financial Suite			2,825		18,831	
License Fees - INCODE Personnel Management Suite			1,780		11,869	
License Fees - INCODE Customer Relationship Management Suite			4,837		32,244	
License Fees - INCODE Document Management Suite			1,493		9,950	
<b>Total Professional Services</b>						
Implementation				46,500	46,500	
Project Management & Final Implementation				11,204	11,204	
Data Conversion				23,500	23,500	
<b>Annual Services</b>						
Tyler On Demand - Tyler U						1,475
<b>Totals</b>	<b>18,224</b>	<b>43,736</b>	<b>10,934</b>	<b>81,204</b>	<b>154,098</b>	<b>16,985</b>

\* Earlier of first use of Tyler Software in live production or 180 days from the date the Tyler Software is made available for downloading.

Please Note: Travel expenses will be billed as incurred.

## Software Licenses

Martin Lopez

Lower Rio Grande Public Water Works Authority

September 24, 2014



Application Software	QTY	Hours	Estimated Services	License Fee	Estimated Services	Annual Fee
<b>Incode Financial Management Suite</b>				18,831	19,000	3,804
Core Financials <i>(General Ledger, Budget Prep, Bank Recon, Accounts Payable)</i>		60	7,500			
Purchasing		24	3,000			
Fixed Assets		16	2,000			
Inventory Control		32	4,000			
Project Accounting		12	1,500			
Financial Consulting Services		8	1,000			
<b>Incode Personnel Management Suite</b>				11,869	6,000	2,063
Personnel Management		24	3,000			
Employee Self Service <i>(Number of FTE Employees)</i> <i>(Employee Portal)</i>	50	24	3,000			NC
Electronic Time Clock Interface (Generic - Import Only)		Included	Included			
<b>Incode Customer Relationship Management Suite</b>				32,244	17,500	7,155
Utility CIS System		60	7,500			
Third Party Charge Import Utility (Generic Interface)		Included	Included			
Utility Payment Import (Generic Interface)		Included	Included			
Utility Handheld Meter-Reader Interface		Included	Included			
Cashiering <i>(Support Credit/Debit Cards via ETS, PCI Compliant)</i>		8	1,000			
Credit Card processing via Authorize.Net		Included	Included			
Work Orders		60	7,500			
Miscellaneous Accounts Receivable		12	1,500			
<b>Incode Content/Document Management Suite</b>				9,950	4,000	2,488
<b>Incode Printing and Reporting Solutions</b>						
Standard Forms Package <i>(4 Overlays for Financials, 4 Overlays for Court, 5 Overlays for CRM, 1 Logo)</i>		Included	Included			
Secure Signatures <i>(includes 2 signatures)</i>		Included	Included			
<b>Output Director</b>						
Output Director <i>(Base Engine, Print Output Channel, Tyler Content Management Output Channel, Email Output Channel)</i>		8	1,000			
<b>Content Management</b>						
Tyler Content Manager Standard Edition (TCM SE) <i>(Unlimited Full &amp; Retrieval Licenses, Multiple Scan Stations, Advanced OCR, Content Manager for Incode Applications)</i>		24	3,000			
<b>Professional Services</b>					11,204	
Final Implementation		40	5,000			
Project Management			6,204			
<b>Incode Application Subtotal</b>		372	46,500	72,894	46,500	15,510
<b>Professional Services</b>		40	11,204		11,204	
<b>Application and System Software Total</b>		412	57,704	72,894	57,704	15,510

## Professional Services

Martin Lopez  
Lower Rio Grande Public Water Works Authority  
September 24, 2014



Conversion Services	QTY	Programming Fee	Hours	Estimated Services	Conversion Fee
<b>Financial Applications</b>					10,000
<b>General Ledger</b>		3,000	8	1,000	
- Chart of Accounts - No History					
- Budget (2 years)					
- Summarized History (2 years)					
Transaction History - Each Year	1	2,500	8	1,000	
<b>Accounts Payable</b>		2,000	4	500	
- Vendor Master Info, address, primary contact					
- 1099 Balances (current year)					
<b>Utility Billing</b>					13,500
<b>Utility - CIS</b>		10,000	28	3,500	
- Contacts/Properties/Accounts					
- Service meter info - meter inventory					
- Transaction/Consumption/Read History (2 Years)					
- Metered services (1 metered service)					
<b>Conversion Services Total</b>		<b>17,500</b>	<b>48</b>	<b>6,000</b>	<b>23,500</b>

**Note:**

**Financial data conversion consists of current year plus 2 years history.**

**Utility Billing conversion data consists of current year plus 2 years history.**

## Tyler On Demand - Tyler U

Martin Lopez  
Lower Rio Grande Public Water Works Authority  
September 24, 2014



Service	Annual Fee
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### Tyler On Demand - Tyler U

Tyler U Subscription	1,475
<ul style="list-style-type: none"><li>- E-learning courses available for all employees during the subscription period</li><li>- Unlimited access to hundreds of e-learning courses spanning the entire suite of Tyler applications</li><li>- Unlimited access to on-demand Continuing Professional Education credit courses certified by NASBA standards</li><li>- Unlimited access to Government compliance courses such as HIPAA Compliance, Red Flag Rules, and Workplace Harassment Prevention</li><li>- Available 24/7</li><li>- New courses created continually</li></ul>	

*Tyler Technologies, Inc. is registered with the National Association of State Boards of Accountancy (NASBA) as a sponsor of continuing professional education on the National Registry of CPE Sponsors. State boards of accountancy have final authority on the acceptance of individual courses for CPE credit. Complaints regarding registered sponsors may be submitted to the National Registry of CPE Sponsors through its website: [www.learningmarket.org](http://www.learningmarket.org)*

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Tyler Online Training Center Total
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1,475
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## **Invoicing and Payment Policy**

Tyler Technologies, Inc. will provide you with the software, products, and services set forth in the Investment Summary of your License and Services Agreement. Capitalized terms not otherwise defined will have the meaning assigned to such terms in your License and Services Agreement.

**Invoicing:** We will invoice you for the applicable license fees, products, and services in the Investment Summary as set forth below. Your rights to dispute any invoice are set forth in your License and Services Agreement.

### 1. Tyler Software.

1.1 *License Fees:* License fees are invoiced as follows: (a) 25% on the Effective Date; (b) 60% on the date when we make the applicable Tyler Software available to you for downloading (the "Available Download Date"); and (c) 15% on the earlier of first use of the Tyler Software in live production or (180) days after the Available Download Date.

1.2 *Maintenance and Support Fees:* Maintenance and support fees are waived through the earlier of (a) ninety (90) days after use of the Tyler Software in live production; or (b) one hundred eighty (180) days after the Available Download Date. Subsequent maintenance and support fees, at Tyler's then-current rates, are invoiced annually in advance on the anniversary of that earlier-of date.

### 2. Professional Services.

2.1 *Implementation and Other Professional Services (including training):* Implementation and other professional services (including training) are billed at hourly rates and invoiced as delivered.

2.2 *Requested Modifications to the Tyler Software:* Requested modifications to Tyler Software are invoiced 50% upon delivery of specifications and 50% upon delivery of the applicable modification. You must report any failure of the modification to conform to the specifications within thirty (30) days of delivery; otherwise, the modification will be deemed to be in compliance with the specifications after the 30-day window has passed.

### 3. Third Party Products.

3.1 *Third Party Software License Fees:* License fees for Third Party Software are invoiced when we make it available to you for downloading.

3.2 *Third Party Software Maintenance:* The first year maintenance for the Third Party Software is invoiced when we make it available to you for downloading.

3.3 *Third Party Hardware:* Third Party Hardware costs are invoiced upon delivery.



4. **Expenses.** The service rates in the Investment Summary do not include travel expenses. Expenses will be billed as incurred and only in accordance with our then-current Business Travel Policy, plus a 10% travel agency processing fee. Our current Business Travel Policy is attached to this Exhibit B at Schedule 1. Copies of receipts will be provided on an exception basis for an administrative fee. Receipts for mileage or miscellaneous items less than twenty-five dollars are not available.

**Payment.** Payment for undisputed invoices is due within forty-five (45) days of the invoice date. Maintenance and support fees are due on each anniversary of the Available Download Date. We prefer to receive payments electronically. Our electronic payment information is:

Bank: Wells Fargo Bank, N.A.  
420 Montgomery  
San Francisco, CA 94104  
ABA: 121000248  
Account: 4124302472  
Beneficiary: Tyler Technologies, Inc. – Operating



## **Business Travel Policy**

### **1. Air Travel**

#### **A. Reservations & Tickets**

Tyler's Travel Management Company (TMC) will provide an employee with a direct flight within two hours before or after the requested departure time, assuming that flight does not add more than three hours to the employee's total trip duration and the fare is within \$100 (each way) of the lowest logical fare. If a net savings of \$200 or more (each way) is possible through a connecting flight that is within two hours before or after the requested departure time and that does not add more than three hours to the employee's total trip duration, the connecting flight should be accepted.

Employees are encouraged to make advanced reservations to take full advantage of discount opportunities. Employees should use all reasonable efforts to make travel arrangements at least two (2) weeks in advance of commitments. A seven day advance booking requirement is mandatory. When booking less than seven days in advance, management approval will be required.

Except in the case of international travel where a segment of continuous air travel is scheduled to exceed six hours, only economy or coach class seating is reimbursable.

#### **B. Baggage Fees**

Reimbursement of personal baggage charges are based on trip duration as follows:

- Up to five days = one checked bag
- Six or more days = two checked bags

Baggage fees for sports equipment are not reimbursable.

### **2. Ground Transportation**

#### **A. Private Automobile**

Mileage Allowance – Business use of an employee's private automobile will be reimbursed at the current IRS allowable rate, plus out of pocket costs for tolls and parking. Mileage will be calculated by using the employee's office as the starting and ending point, in compliance with IRS regulations. Employees who have been designated a home office should calculate miles from their home.

B. Rental Car

Employees are authorized to rent cars only in conjunction with air travel when cost, convenience, and the specific situation reasonably require their use. When renting a car for Tyler business, employees should select a “mid-size” or “intermediate” car. “Full” size cars may be rented when three or more employees are traveling together. Tyler carries leased vehicle coverage for business car rentals; additional insurance on the rental agreement should be declined.

C. Public Transportation

Taxi or airport limousine services may be considered when traveling in and around cities or to and from airports when less expensive means of transportation are unavailable or impractical. The actual fare plus a reasonable tip (15-18%) are reimbursable. In the case of a free hotel shuttle to the airport, tips are included in the per diem rates and will not be reimbursed separately.

D. Parking & Tolls

When parking at the airport, employees must use longer term parking areas that are measured in days as opposed to hours. Park and fly options located near some airports may also be used. For extended trips that would result in excessive parking charges, public transportation to/from the airport should be considered. Tolls will be reimbursed when receipts are presented.

3. Lodging

Tyler’s TMC will select hotel chains that are well established, reasonable in price, and conveniently located in relation to the traveler's work assignment. Typical hotel chains include Courtyard, Fairfield Inn, Hampton Inn, and Holiday Inn Express. If the employee has a discount rate with a local hotel, the hotel reservation should note that discount and the employee should confirm the lower rate with the hotel upon arrival. Employee memberships in travel clubs such as AAA should be noted in their travel profiles so that the employee can take advantage of any lower club rates.

“No shows” or cancellation fees are not reimbursable if the employee does not comply with the hotel’s cancellation policy.

Tips for maids and other hotel staff are included in the per diem rate and are not reimbursed separately.

4. Meals and Incidental Expenses

Employee meals and incidental expenses while on travel status are in accordance with the federal per diem rates published by the General Services Administration. Incidental expenses include tips to maids, hotel staff, and shuttle drivers and other minor travel expenses. Per diem rates are available at [www.gsa.gov/perdiem](http://www.gsa.gov/perdiem).

A. Overnight Travel

For each full day of travel, all three meals are reimbursable. Per diems on the first and last day of a trip are governed as set forth below.

Departure Day

Depart before 12:00 noon	Lunch and dinner
Depart after 12:00 noon	Dinner

Return Day

Return before 12:00 noon	Breakfast
Return between 12:00 noon & 7:00 p.m.	Breakfast and lunch
Return after 7:00 p.m.*	Breakfast, lunch and dinner

\*7:00 p.m. is defined as direct travel time and does not include time taken to stop for dinner

The reimbursement rates for individual meals are calculated as a percentage of the full day per diem as follows:

- Breakfast 15%
- Lunch 25%
- Dinner 60%

B. Same Day Travel

Employees traveling at least 100 miles to a site and returning in the same day are eligible to claim lunch on an expense report. Employees on same day travel status are eligible to claim dinner in the event they return home after 7:00 p.m.\*

\*7:00 p.m. is defined as direct travel time and does not include time taken to stop for dinner

5. Internet Access – Hotels and Airports

Employees who travel may need to access their e-mail at night. Many hotels provide free high speed internet access and Tyler employees are encouraged to use such hotels whenever possible. If an employee's hotel charges for internet access it is reimbursable up to \$10.00 per day. Charges for internet access at airports are not reimbursable.



## **Maintenance and Support Agreement**

Tyler Technologies, Inc. will provide you with the following maintenance and support services for the Tyler Software licensed to you. Capitalized terms not otherwise defined will have the meaning assigned to such terms in your License and Services Agreement.

1. **Term.** We provide maintenance and support services on an annual basis. The initial term commences on the earlier of (a) ninety (90) days after use of Tyler Software in live production; or (b) one hundred eighty (180) days from the date when we make the applicable Tyler Software available to you for downloading (the "Available Download Date") and remains in effect for one (1) year. The term will renew automatically for additional one (1) year terms unless terminated in writing by either party at least thirty (30) days prior to the end of the then-current term.
2. **Maintenance and Support Fees.** Your initial maintenance and support fees for the Tyler Software licensed to you are listed in the Investment Summary of your Agreement. Those amounts are payable in accordance with our Invoicing and Payment Policy. We reserve the right to suspend maintenance and support services if you fail to pay undisputed maintenance and support fees within sixty (60) days of the due date. We will reinstate maintenance and support services only if you pay all past due maintenance and support fees, including all fees for the periods during which services were suspended.
3. **Maintenance and Support Services.** As long as you are trained on the Tyler Software, and timely pay your maintenance and support fees, we will, consistent with our then-current Support Call Process:
  - 3.1 perform our maintenance and support obligations in a professional, good, and workmanlike manner, consistent with industry standards, to conform the Tyler Software to the warranty set forth in your Agreement; provided, however, that if you modify the Tyler Software without our consent, our obligation to provide maintenance and support services on and warrant the Tyler Software will be void;
  - 3.2 provide telephone support during our established support hours;
  - 3.3 maintain personnel that are sufficiently trained to be familiar with the Tyler Software and Third Party Software in order to provide maintenance and support services;
  - 3.4 provide you with a copy of all releases to the Tyler Software (including updates and enhancements) that we make generally available without additional charge to customers who have a maintenance and support agreement in effect; and
  - 3.5 support prior releases of the Tyler Software in accordance with our then-current release life cycle policy.

4. Client Responsibilities. We will use all reasonable efforts to perform any maintenance and support services remotely. Currently, we use a third-party secure unattended connectivity tool called Bomgar, as well as GotoAssist by Citrix. Therefore, you agree to maintain a high-speed internet connection capable of connecting us to your PCs and server(s). You agree to provide us with a login account and local administrative privileges as we may reasonably require to perform remote services. We will, at our option, use the secure connection to assist with proper diagnosis and resolution, subject to any reasonably applicable security protocols. If we can't resolve a support issue remotely, we may be required to provide onsite services. In such event, you agree to provide us with full and free access to the Tyler Software, working space, adequate facilities within a reasonable distance from the equipment, and use of machines, attachments, features, or other equipment reasonably necessary for us to provide the maintenance and support services, all at no charge to us. We strongly recommend that you also maintain a VPN for backup connectivity purposes.
  
5. Excluded Services. Maintenance and support fees do not include fees for the following services: (a) initial installation or implementation of the Tyler Software; (b) onsite maintenance and support (unless Tyler cannot remotely correct a defect in the Tyler Software); (c) application design; (d) other consulting services; (e) maintenance and support of an operating system or hardware; (f) support outside our normal business hours as listed in our then-current Support Call Process; or (g) installation, training services, or third party product costs related to a new release. Requested maintenance and support services beyond those outlined in this section will be billed to you at our then current rates. We do not guarantee resolution of a Defect in a version of the Tyler Software Products older than one version behind the then-current release. We reserve the right to decline support calls from users who have not received the required training on the Tyler Software.
  
6. Current Support Call Process. Our current Support Call Process for the Tyler Software is attached to this Exhibit C at Schedule 1.



## Incode Customer Support

### **1 About Incode Customer Support**

#### Support Availability

Product	Days of the Week	Hours of Operation
Incode Customer Support	Monday - Friday	7 a.m. to 7 p.m. (Central)
Tyler Public Safety Support	Monday - Friday	7 a.m. to 7 p.m. (Central)

Incode Customer Support consists of four functional areas:

- Financial Modules – General Ledger, Accounts Payable, Payroll, Fixed Assets, Budgeting, Check Reconciliation, etc.
- CIS/CRM Modules – CIS includes Utility Billing, Cash Collections, Handhelds, and Service Orders; CRM includes Accounts Receivable, Business License, Building Projects, Call Center, Cemetery Records, and Sales Tax.
- Court Case Management
- Tyler Public Safety (TPS)

Each functional area consists of four levels of personnel: (1) Front line Customer Support Representatives are assisted by (2) Advisors – senior representatives – and both are managed by (3) Team Leaders. These Team Leaders report to the (4) Support Group Managers.

### **2 Contacting Incode Customer Support**

Incode Customer Support can be contacted by

1. Email – Great for low priority and project-type issues
2. Chat – Useful for quick help and allows you to do other tasks while we resolve your issue
3. Internet – Best for low priority and project-type issues
4. Telephone – Great for complex questions

#### **2.1 Email Support at [Incode.Support@tylertech.com](mailto:Incode.Support@tylertech.com)**

1. From any Incode window, click **Help** on the menu bar and select *Support > Email* to open an email message with this address. The email message must contain the following information:
  - Area of support (use the list above as a reference for functional areas)
  - Question
  - Priority
    - Priority 1 – Critical (system is currently down)
    - Priority 2 – High (need immediate assistance)
    - Priority 3 – Medium (respond within one day)
    - Priority 4 – Non-critical



**tyler**  
technologies

## **Statement of Work**

***Software and Implementation Services***

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*Prepared for:*

***Lower Rio Grande Public Water Works Authority***

*Prepared by:*

Tyler Technologies, Inc.  
[www.tylertechnologies.com](http://www.tylertechnologies.com)

**September 23, 2014**

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## **PROJECT SCOPE & SUMMARY**

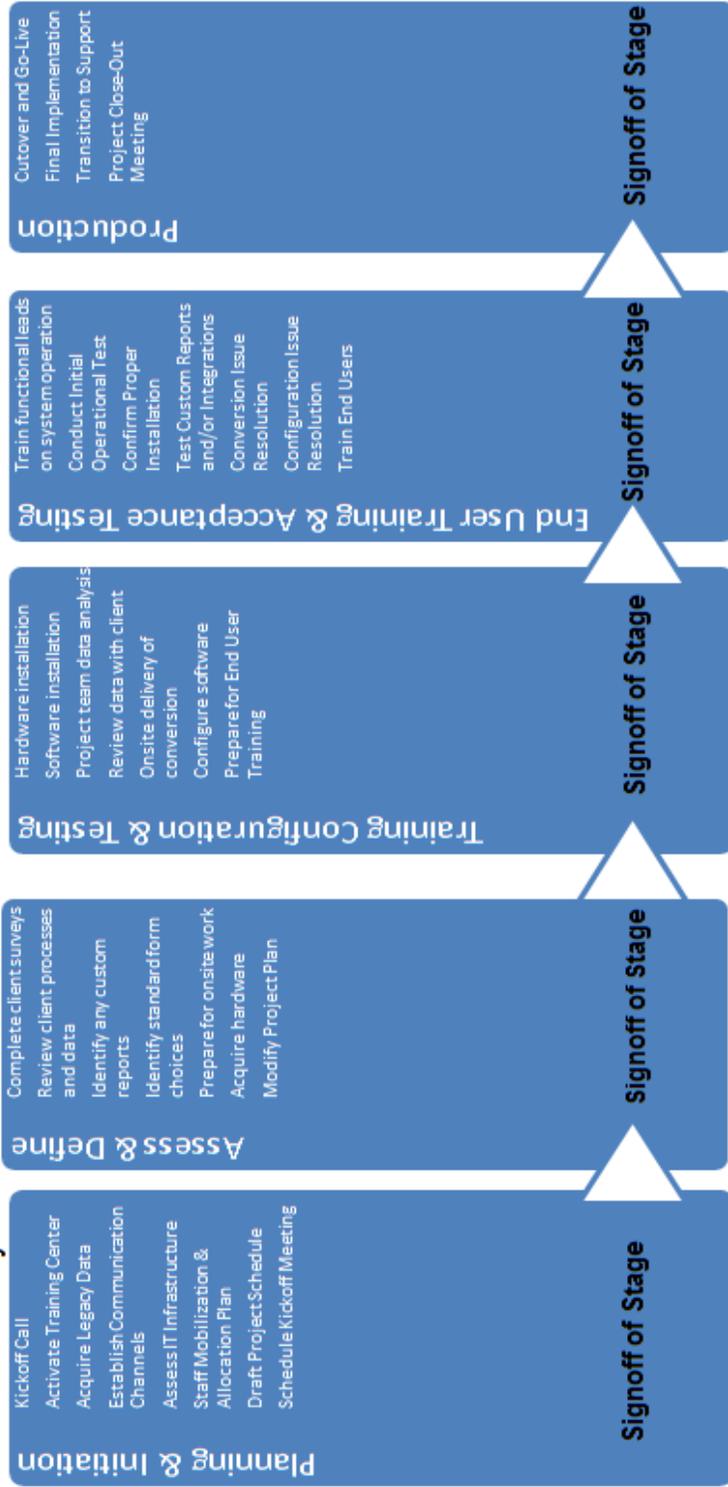
The software and services purchased are outlined in the Investment Summary Section of the Agreement.

Any standard interfaces purchased are listed in the Investment Summary section of the Agreement and detailed in SOW Attachment D – Standard Interfaces. It is important for the Client to read the portion of the Attachment related to each interface purchased to understand its full functionality.

Data conversion services and other professional services hours included in the Investment summary are estimates. Additional analysis will be performed during the Assess & Define stage to provide definitive pricing.

# Implementation Stages

Tyler provides a well-defined multi-stage roadmap which can be applied to a single phase project or to projects with multiple phases. For multi-phase projects, the stages are repeated as necessary.



Each stage, as established above, is designed to provide a point at which a full review of the stage objectives is assessed for completeness. When a stage is complete, a Work-Acknowledgement Form (see SOW Attachment A- (Sample) Work Acknowledgement Form) is completed and signed by the Client signifying acceptance of that stage and the beginning of the next stage. Each stage is dependent on the results of the previous stage and therefore, each stage of the methodology cannot begin until the previous stage is completed and approved.

## DATA CONVERSION

The goal of the data conversion process is to transfer information from one or more legacy systems into the Tyler system in an accurate and verifiable manner. Verification of the data conversion consists of comparing the on screen data elements and management reports of each system. As such, very little is done in the conversion process to “fix” the data. Inconsistencies or corruption in the original data will carry over to the new system – these issues should be identified and resolved by the Client before final data conversion on the legacy system(s) or shortly after “going live” on the Tyler system.

Attachment E – Conversion Detail of this document provides detailed information on Data Conversion if conversion is included in your Investment Summary.

## INVOICING AND CLIENT SIGNOFFS

Tyler invoicing and payment terms are detailed in the Payment Terms section of the Agreement. In addition to responsibility for the payment of all invoicing outlined in the Agreement, Client is responsible for signing off on the hours consumed in accordance with project requirements. An approved Change Order is required if additional hours are needed or scope is changed.

## KEY PROJECT ASSUMPTIONS

- Client and Tyler shall review their responsibilities before work begins to ensure that Services can be satisfactorily completed.
- Client will provide Tyler with access to its equipment, systems, and personnel to the extent needed to complete the defined Services.
- Client will provide work space for Tyler Services for work completed on Client premises.
- Tyler shall initially implement the most current version of the Tyler software at the time of the contract signing. During the implementation Tyler will provide newer releases of the software that meet or exceed the version available at contract signing. After Go-Live, the Client is responsible for installing newer releases. Release notes are provided for all new versions.
- Client will maintain primary responsibility for the scheduling of Client employees and facilities in support of project activities.
- Client shall provide Tyler with network access for remote installation and testing through industry standards such as Virtual Private Network (VPN) or other secure access methods.
- Client will allow users to access the following websites to ensure adequate access to Support resources:
  - help.tyleru.com
  - tyleru.com
  - tylertech.com
  - tylercommunity.tylertech.com
- Client will provide/purchase/acquire the appropriate hardware, software and infrastructure assets to support all purchased Tyler software products in both support/testing and production environments.
- Client is responsible for proper site preparation, hardware, software and network configuration in accordance with Tyler specifications.
- Client has, or will provide, access licenses and documentation of existing system to any 3<sup>rd</sup> party system software which Tyler will be required to read, write or exchange data.

- Client has, or will provide, a development/testing environment for data conversion and interface testing as they are developed by Tyler.
- Tyler shall be responsible for implementing a functioning version of the application software (assuming Client has installed the proper hardware, software, and networking devices).
- Tyler will provide Client with status reports that outline the tasks completed. Tyler will also provide details regarding the upcoming tasks that need to be completed during the coming weeks, the resources needed (from Client) to complete the tasks, a current or updated version of the project plan, and a listing of any issues that may be placing the project at risk (e.g., issues that may delay the project or jeopardize one or more of the production dates) as needed.

## OUT OF SCOPE

- Tyler software is sold as COTS (commercial off the shelf) software. Any custom development such as; changes to source code, additional interface development, legacy or other imports are not within the scope of this agreement:

**Custom Programming** - Tyler products will be implemented “off the shelf” without customization, except as purchased and then detailed in Attachment F-Customizations. Any additional customizations identified or requested will be quoted as requested. Unless otherwise agreed, these customizations will be designed, developed, implemented, and tested during the Final Implementation phase (“post go live”). If there are no customizations in the Agreement, there will not be an Attachment F to this document.

**Custom Modifications** - Custom modifications are changes to the functionality of existing Tyler software products. These changes may involve the addition of new fields to a screen, the enhancement or automation of a process, or the creation of a new module. Software modifications are not within the scope of this agreement except as detailed in Attachment F-Customizations. If there are no customizations to the software, there will be no Attachment F to this document.

Tyler will make every effort to design custom modifications so that they can be leveraged by more than just one Client. This focus will affect the approach to designing, developing, and deploying new functionality so that we may benefit the largest population of users possible.

**Custom interfaces** – Custom interfaces involve the development of a standard, repeatable process for transferring information into or out of the Tyler software. These interfaces may take the form of a user-initiated import/export program, an API, or a web service. There are no custom interfaces included in the scope of the agreement unless detailed in Attachment F-Customizations.

**Custom Reports** –Custom Reports involve the development of new reports that are not offered as part of the standard reporting package and modifications to existing reports. There are no custom reports included in the scope of the agreement unless detailed in Attachment F-Customizations.

- Resource hours that extend scope. (Additional hours must be approved through a Change Order.)
- Any undocumented requirements. Undocumented requirements include requirements not specified in this Statement of Work and associated attachments.
- Post System Acknowledgement Configuration. System Acknowledgement requirements are met at the completion of End User Training and User Acceptance Testing stage. Any changes requested of the Tyler implementation team to alter the configuration, post acknowledgement of these milestones, must be documented through a Change Order and may incur additional costs. Client may have access to

built-in configuration tools, so, when available, is free to reconfigure or create new configuration as required or desired. If assistance using these tools is required, additional change orders may apply.

## RISK / MITIGATION STRATEGY

### Unavailability/Incompatibility of Staff

**Risk:** Tyler recognizes that individuals assigned to projects may become unavailable due to various causes. Further, Tyler recognizes that individuals sometimes clash for reasons of incompatibility. Tyler schedules team members based on all the projects to which those individuals are assigned. Unavailability may occur due to unforeseen circumstances such as family matters or the employee's departure from Tyler employment. Incompatibility creates intolerance in project objectives and tasks and creates unnecessary delays and can lead to project failure if not corrected.

**Mitigation:** In the event a Tyler project member is determined to be unavailable, a Tyler manager will consult with Client on alternatives such as a temporary replacement or substitute of the person. Likewise a similar response is expected from the Client if their team member is unavailable.

Incompatibility is addressed first through attempts to resolve the compatibility issues between individuals. Failing resolution, team members must be replaced. In the event a Tyler team member is determined to be incompatible, Tyler will replace with a new team member and provide time to orient to the project before assuming their respective responsibilities.

### Client Staff unavailability

**Risk:** Delays in the project timeline will occur if appropriate Client staff is unavailable to meet with or respond to Tyler for timely decisions and or directions.

**Mitigation:** Client should ensure that staff assigned to this project is given sufficient priority and authority to work with Tyler while completing other Client responsibilities in a timely fashion. Decisions must be made in hours and days, not weeks.

### Scope Changes

**Risk:** Poorly defined projects always take longer than expected or cost more than expected because of poorly defined scope at the beginning of the project.

**Mitigation:** Both parties must ensure that the scope of the project is well stated and completely defined to the best of each party's knowledge. Functional requirements should be reviewed carefully to ensure completeness. Change Orders are required to document any subsequent impact on schedule and/or costs.

### Activity Focus

**Risk:** Activity Focus is the risk that minor activities consume time that should otherwise be dedicated to major activities of the project, with the end result of time and/or costs overrunning budget. This risk is sometimes associated with efforts that lead to scope changes. Examples include meetings of little substance or that go longer than they need, or time consumed investigating undocumented functionality or other activities not in scope.

**Mitigation:** Project Managers for both Parties must guard themselves to avoid focus drift by ensuring the focus is squarely on meeting deadlines, services, and configuration requirements of the implementation as planned and documented in the planning, assessment and definition stages.

## Incomplete Legacy, Interface Documentation

**Risk:** During the project certain third party documentation will be required for such tasks as interface development and import of legacy data and others.

**Mitigation:** Client should ensure that APIs, specific documentation, or file specifications for interfacing to other systems is available to Tyler and that legacy data imports are known in advance of need.

## Achievable Goals

**Risk:** The expectations of this project are set too high or are not explicit or clear to Client Staff and thus not communicated to Tyler through Functional Requirements and clearly stated scope.

**Mitigation:** The parties must ensure, through the Contract and Task Orders, that the goals of the project are explicit, well defined and attainable, and that both parties have “signed off” on the requirements.

## Technology Age

**Risk:** This risk is highly dependent on the choice of Tyler products and whether the Client is hosting any of those products. If the Client will be hosting its own servers, the technology utilized should be robust to enough to meet the Client’s needs for several years into the future. Technology that barely meets minimum requirements today will be insufficient as the system and its needs grow.

**Mitigation:** Tyler will assist Client in determining optimal technology and plans to guard against premature obsolescence.

## CRITICAL SUCCESS FACTORS

In order to successfully execute the services described herein, there are several critical success factors for the project that must be closely monitored. These factors are critical in setting expectations between the Client and Tyler, identifying and monitoring project risks, and promoting strong project communication.

- **Knowledge Transfer** - While Tyler cannot guarantee specific expertise for Client staff as a result of participating in the project, Tyler shall make reasonable efforts to transfer knowledge to the Client. It is critical that Client personnel participate in the analysis, configuration and deployment of the Tyler software in order to ensure success and to transfer knowledge across the organization. After completion of the production phase, the Client will be responsible for administering the configuration and introduction of new processes in the Tyler system.
- **Dedicated Client Participation** – Tyler fully understands that Client staff members have daily responsibilities that shall compete with the amount of time that can be dedicated to the Tyler implementation project. However, it is critical that the Client understands and acknowledges that its staff must be actively involved throughout the entire duration of the project as defined in the Project Plan. Tyler shall communicate any insufficient participation of Client and Tyler resources, as well as the corresponding impact(s), through Project Status Reports.
- **Acknowledgement Process** – Acknowledgment must be based on criteria. The objectives and tasks of each stage of a project provide the basic criteria by which to judge acceptance of a stage is to be granted. Within each stage additional criteria will be developed by team members on which to judge future stages. For example, User Acceptance Testing will be based on criteria developed in earlier stages.

As resources are consumed, Tyler shall provide the Client with a Work Acknowledgement Form (see Attachment A-(Sample) Work Acknowledgement Form) to formalize receipt. The Work

Acknowledgment Form is subsequently signed by the appropriate Client stakeholder(s), and faxed or emailed to Tyler. Timely and honest acceptance is required to maintain project momentum. Failure to properly establish acceptance criteria or failure to accept a properly completed stage will cause delays in the project.

In an effort to ensure quality and complete satisfaction with each stage of the project, Tyler's professional services division has established the following rule: A Signed Work Acknowledgement Form (see Attachment A) is required upon completion and Client-acknowledgement of the resources consumed on the project. Stage signoff is also required before proceeding to the next stage in the process.

- **Managing Project Scope** - In an effort to implement the project on time and within budget, both Tyler and Client agree to limit the software and professional services to only those items identified in this Statement of Work. Expanded scope results in additional costs.

Change orders or contract addendums for additional items outside the scope of the defined project requirements must be submitted in advance and signed by project stakeholders before work can be accomplished on those items. Likewise, reductions of the defined scope will also require a Change Order.

## FUTURE AMENDMENTS TO SCOPE

Future changes in the project scope, beyond the capability of a Change Order, will assume the appropriate processes outlined in this Statement of Work and in the Agreement, unless future scope changes require a different or modified process. If no new Statement of Work is required, then new functionality and payment requirements are provided for in an amendment to the initial Agreement.

## PROJECT MANAGEMENT

Tyler performs ongoing project management services throughout the implementation in order to plan and monitor execution of the project. Project Management includes the following tasks:

- Project plan
- Project document management
- Issue log management and escalation
- Status reporting
- Change order management
- Resource management
- Executive project oversight via Executive Sponsor and Project Review Committee

By mutual agreement some project management tasks are shared between the Tyler Project team and the Client Project Manager/Stakeholders.

## STAFFING

Every reasonable effort is made to maintain a consistent project team from Tyler for the duration of the project. Should the Client have concerns related to assigned resources, those concerns should be submitted to the Tyler Project Manager or Tyler Management Staff for review and consideration. Tyler will make staffing decisions based on appropriate skill set and other soft skills of resources deemed compatible to the success of the project.

## PROJECT SCHEDULE

Upon execution of the contract, the parties will subsequently collaborate during the project planning and initiation stage to determine a start date for services to be rendered. Upon initiation of these services, Tyler shall work with Client to collaboratively define a baseline or preliminary project schedule/plan. Given the fact that project schedules are working documents that change over the course of the project, Tyler shall work closely with Client to update, monitor, agree, and communicate any required changes to the project schedule.

## Development Tools

No special development tools are required for the Tyler software. Tyler source code is not accessible (unless through the requirements of an Escrow Agreement).

The configuration tools are built into the software, and the Client has full access. The Tyler implementation staff will use these same configuration tools to set up the system with the Client. The Client will receive training on the use of these tools.

Third party report writers (i.e. Crystal Reports) – Some clients may choose to use a third party report writer like Crystal Reports to create/modify their own reports. The Client is responsible for the procurement of a license of this third party report writer. Tyler does not provide training or assistance on the creation of such reports and recommends this function be reserved for System Administrator or designated staff who have the skills and necessary access, and who understand the application databases.

## Documentation

### Tyler-provided documentation

Over the course of the 5stage implementation lifecycle, the Tyler project team will provide stage-specific documentation in a range of formats (both editable and non-editable). Examples include:

- Data Collection docs (MS Excel and/or MS Word) for configuration
- Training Documentation Templates (MS Word and MS PowerPoint)
- Release Notes for Service Packs (PDF)
- Other documentation as required for the specifics of the project.

### Client-provided documentation

A definitive list of Client-provided documentation is not possible until all aspects of the implementation are determined, usually in the beginning stages of the project. Certainly, Client's assistance in completing the Tyler-provided forms and requests for configuration information is essential to a successful project. The Tyler Project Manager will provide the Client with detail of the documentation necessary for each product to be successfully implemented. The list below is a sample of the types of documentation that is likely to be requested.

Documentation originated by the Client includes:

- Application Programming Interface documents (API's) for any third-party software system to which the Tyler software will interface and exchange data.
- Legacy system data documentation and data in a format suitable for conversion into the Tyler System (please see section titled Data Conversion).
- Workflow documentation on the Client's current business processes
- Copies of pertinent ordinances or other controlling authorities

- Fee Schedules
- Copies of existing forms and other documents presented to the public and expected to be derived from the Tyler Software.

## SOW ATTACHMENTS LISTING

### **SOW Attachment A - (Sample) Work Acknowledgement Form**

This form provides the means for the Client to accept work provided or provide reason for denial of a work.

### **SOW Attachment B - (Sample) Change Order Form**

Any change in the project must have a completed and approved Change Order.

### **SOW Attachment C - Hardware / Software Requirements**

This document provides the recommended hardware/software requirements for the Tyler system. Performance using systems which do not meet these requirements may not have expected performance levels.

### **SOW Attachment E - Conversion Detail**

Provides a description of the conversion process and legacy data specifications for each application suite.



**Attachment B- Change Order Form**

**Change Order Form**

**Client:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Generated By:** \_\_\_\_\_

**Authorized**

**By:** \_\_\_\_\_

**Change Overview:**

--

**Narrative Description of Change:**

--

**Impact of Change:**

**Schedule Impact:** Delay of milestone & sub-tasks on Tyler Technologies Implementation Project Plan including:

Task	Proposed Date Changes

**Cost Impact:**

Original Contract Price	COs to Date	This CO	New Contract Price

**Revision No.:** \_\_\_\_\_

*No changes may be made to this project without the agreement of the Project Manager(s), and must be approved by the Project Director. Submit endorsed Change Order to the Tyler Technology Project Manager*

Date Approved	Comments	Approved By	Signature
	Martin Lopez, LRGPWWA		
	NMED-CPB		



Empowering people who serve the public<sup>®</sup>

# Incode V.X Solution

## SYSTEM REQUIREMENTS

Tyler’s software is designed to operate on networks and operating systems that meet certain requirements. Systems that do not meet the required specifications may not provide reliable or adequate performance, and Tyler cannot guarantee acceptable results.

### SITE ASSESSMENT

Your site’s system requirements are contingent upon several factors. Tyler uses a point system to help determine which specifications and configurations work best for your site. This document will help Tyler determine which setup is best for you.

For each of the following applications that your site will use, indicate your site’s quantity for each application variable. Each quantity has a pre-determined Point Value in parentheses, which is used to tabulate your “Total Point Value” below.

<b>CIS</b>		# of accounts	NA (0)
			1–5,000 accounts (4)
			5,001–25,000 (6)
			25,001+ (10)
<b>Court</b>		# of violations per year	NA (0)
			1–10,000 violations (3)
			10,001–60,000 (6)
			60,001–150,000 (11)
<b>Financials</b>	AP	# of vendors	NA (0)
			1–1,000 vendors (1)
	FA	# of assets	1,001–3,000 (2)
			3,001+ (3)
		# of funds	NA (0)
			1–200 assets (1)
			201–1,000 (2)
			1,001+ (3)
		# of funds	NA (0)
			1–25 funds (1)
			26–100 (2)
			101+ (3)

	PY	# of employees	NA (0) 1–100 employees (1) 101–250 (2) 251+ (3)
<b>Tax</b>		# of parcels	NA (0) 1–20,000 parcels (3) 20,001–40,000 (6) 40,001+ (10)
<b>TCM</b>		# of documents processed per year	NA (0) 1–12,000 documents (1) 12,001–50,000 (2) 50,001+ (5)

**Total Point Value**

## SERVER SPECIFICATIONS

For the following table, use your Total Point Value from above to determine which specifications are required for your site’s business needs.

- The single server configuration is denoted as “Single”.
- Dual server configurations are broken into Application Server (AS) and Database Server (DB) requirements.

Component	Requirement	Specifications					
		TOTAL POINT VALUE					
		1–5	6–10		11–30		31+
		Single	AS	DB	AS	DB	
<b>Processor</b>	Xeon Quad Core (GHz) <sup>1</sup>	•	•	•	•	•	Contact Tyler for custom specifications.
<b>Memory</b>	GB RAM	16	8	16	16	32	
<b>Available Disk Space<sup>2,3</sup></b>	Bus 1	100 GB	100 GB	100 GB	100 GB	100 GB	
	Bus 2	500 GB	500 GB	1 TB	500 GB	3 TB	

<sup>1</sup> If running in a virtual environment, four virtual cores are needed.

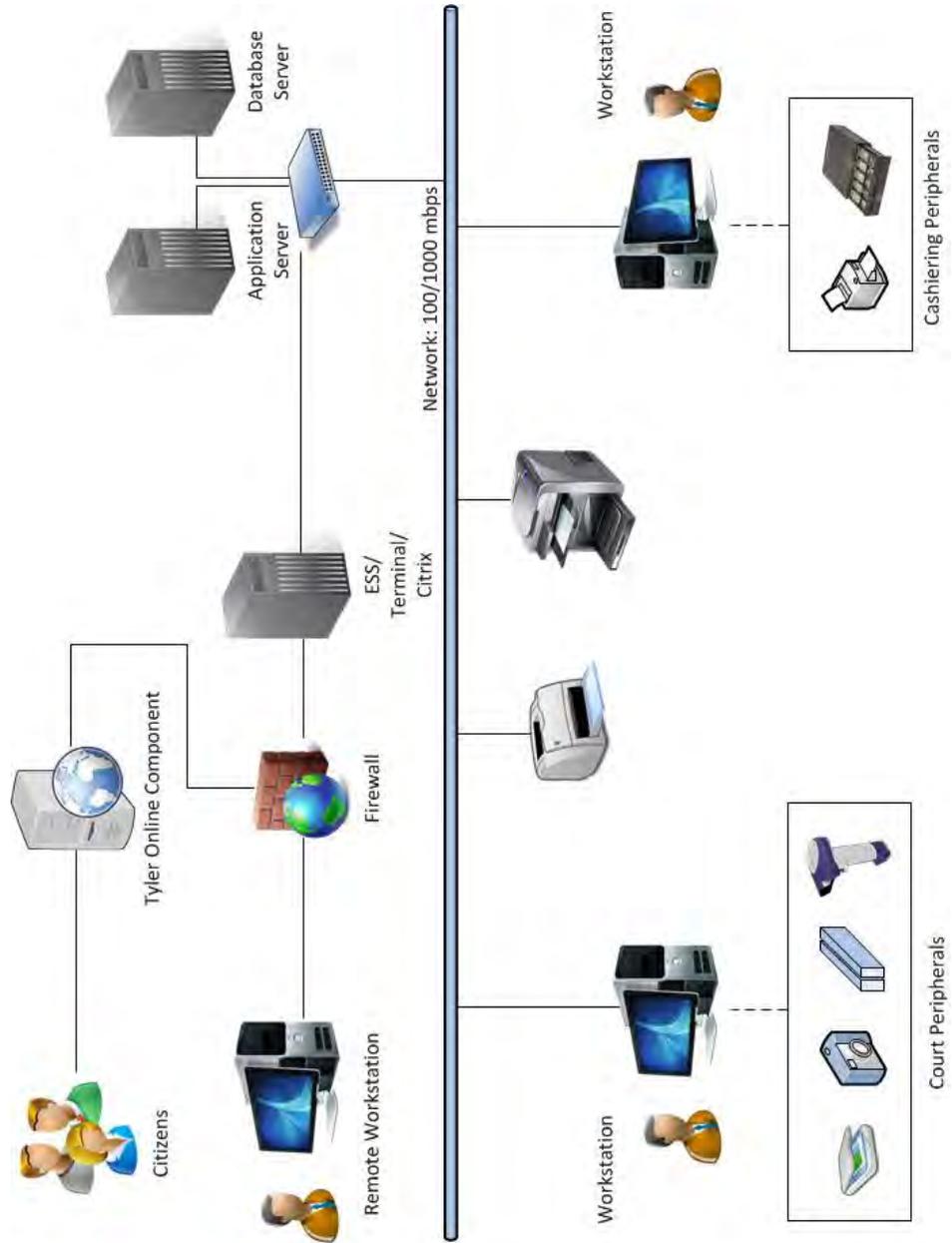
<sup>2</sup> Tyler’s standard maintenance plan includes an automatic backup of your database in this disk space.

<sup>3</sup> If using TCM, these storage requirements may increase. See page 5 for details.

**ESS Users:** If you need external access to ESS, a dedicated server is recommended. This additional server requires the same specifications indicated in the Application Server (AS) column based on your Total Point Value.

# REQUIREMENTS

## Configuration Diagram



## Server Configuration

Component	Requirement	
<b>General Server</b>	Dedicated Server	
	MS Windows Certified Server <sup>4</sup>	
	Removable Media (for backups)	
	Gigabit Ethernet	
<b>Operating System</b>	MS Windows 2008 R2 Server (x64) Standard or Enterprise	
<b>Database Component</b>	MS SQL Server 2008 (x64) Standard or Enterprise <sup>5</sup>	
<b>Network Environment</b>	Domain w/Active Directory Services	
	Internet Information Services (IIS) 7	
	.NET 3.5 Framework	
<b>Hard Drive Arrays</b>	For OS	SAS RAID1
	For SQL, Transaction Logs, DB files, and V.X program files	SAS RAID5 or SAS RAID10

<sup>4</sup> Nationally recognized brand

<sup>5</sup> If running a dual server configuration, this is only needed on the database server.

## Workstation

Component	Requirement
<b>Hardware</b>	Microsoft Windows Certified PC <sup>6</sup>
<b>Processor</b>	Pentium Core 2 Duo
<b>Memory</b>	4 GB RAM
<b>Disk Space</b>	10 GB available
<b>Operating System</b>	Windows XP Professional or Windows 7 Professional <sup>7</sup>
<b>Network</b>	100/1000 mbps Ethernet
<b>Network Environment</b>	Workstation is a member of the Domain <sup>8</sup>
<b>Graphics</b>	128 Dedicated Graphics—Running 1280x1024 <sup>9</sup>

<sup>6</sup> Nationally recognized brand

<sup>7</sup> Windows 95/98/ME, XP Home, and Vista Home editions and workgroup or peer-to-peer networks are not supported.

<sup>8</sup> Tyler's V.X servers and workstations must authenticate with and be members of a Microsoft Active Directory network. Workgroup and peer-to-peer networks are not supported.

<sup>9</sup> The V.X application windows are not fully visible at resolutions lower than 1280x1024.

## Remote Workstation

Tyler requires a remote access solution such as Citrix or Windows Terminal Services for any workstations accessing the server with a direct connection of less than 100 mbps full-duplex. For best results, remote workstations should run Citrix or Terminal Services over a permanent VPN tunnel.

## Peripherals

### Cashiering Equipment

Equipment	Model
Receipt Printer	Epson 6000 or Epson 950
Cash Drawer	Media Plus Automated Cash Drawer
Barcode Scanner Utilities	Symbol LS2208
Card Swiper	Magtek Mini Swipe Reader

Workstations designated as Cashiering stations require parallel ports for Epson TM-U950P Receipt Validation Printers. Epson TM-H6000III Thermal Receipt Printers require USB ports and can be configured for Ethernet with optional adapters. An approved ETS-encrypted mag stripe reader is required for card reading.

### Court Equipment

Equipment	Model
Signature Pad	Topaz Signature Pad T-L462
Camera	Logitech C310HD WebCam

### Printer Compatibility

Many V.X users print forms and reports directly from the application to their printers. We recommend using laser printers because they offer universal compatibility for all applications.

Printer Type	Reports	Forms	Additional Criteria
Any Laser Printer <sup>10</sup>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	PCL 5 or above

<sup>10</sup>Dot matrix printers are not supported. HP Printers are highly recommended.

### Scanner Compatibility

If you are using TCM, TWAIN compatible scanners are required. You can use any TWAIN compatible scanner; however, if it's not listed in the chart below, you may have reduced functionality.

Scanner Brand	Scanner Model
Canon	<ul style="list-style-type: none"><li>DR-5010C</li><li>DR-2510C</li><li>DR-4010C</li><li>DR-3010C</li><li>DR-M160</li></ul> <ul style="list-style-type: none"><li>DR-X10C</li><li>DR-7550C</li><li>DR-6050C</li><li>DR-9050C</li></ul>

<b>Fujitsu</b>	<ul style="list-style-type: none"> <li>• fi-6110</li> <li>• fi-6670</li> <li>• fi-6770</li> <li>• fi-6240Z</li> </ul>	<ul style="list-style-type: none"> <li>• fi-6130Z</li> <li>• fi-6140Z</li> <li>• fi-6230Z</li> </ul>
<b>Graphlex</b>	<ul style="list-style-type: none"> <li>• CS500 Pro<sup>11</sup></li> </ul>	
<b>Hewlett Packard (HP)</b>	<ul style="list-style-type: none"> <li>• ScanJet 8250<sup>11</sup></li> <li>• ScanJet 8350<sup>11</sup></li> <li>• ScanJet 8390<sup>11</sup></li> </ul>	
<b>Panasonic</b>	<ul style="list-style-type: none"> <li>• KV-S2045C<sup>11</sup></li> </ul>	
<b>Xerox</b>	<ul style="list-style-type: none"> <li>• Documate 152<sup>11</sup></li> </ul>	

<sup>11</sup> Not fully supported – These scanners have not been tested in our lab. They are in use by one or more customers and may have issues that have not been reported.

## TCM STORAGE REQUIREMENT

TCM requires disk space beyond the basic Specifications listed on page 2. The additional storage requirement is calculated using several factors: the number of pages processed a year, the types of images processed, your site’s expected growth rate, and a buffer, which protects you from unforeseen changes to these factors.

Image storage requirements must be calculated on a client-by-client basis and the amount of storage required is determined in pre-sales technical discussions. Since TCM can vary widely, it is good practice to discuss your specific storage needs with Tyler.

To help you calculate your site’s storage needs, the following Lossless Compression table illustrates the file size associated each of the 10 different Image Types.

### Lossless Compression

Image Type			File Size
DIMENSIONS/ FILE TYPE	COLOR	DPI	
<b>8.5 x 11 TIFF</b>	B&W	200	.05 MB
		300	.1 MB
		600	.4 MB
	Grayscale	200	100 MB
		300	6 MB
		600	24 MB
	Color	200	12 MB
		300	24 MB
		600	96 MB
<b>8.5 x 11 PDF<sup>12</sup></b>	B&W	(Page)	1.3 MB

<sup>12</sup> This PDF estimate is based upon the average-size document generated directly from a Tyler application. It does not include embedded fonts and is simply a representative sample.

### Estimating Storage Requirements

To estimate your storage needs, use your site’s records and the previous table.

For each Image Type shown above that your site will store, identify the following values:

- Number of pages processed a year<sup>13</sup> \_\_\_\_\_
- Respective file size for the Image Type (MB) \_\_\_\_\_

- C. Number of Years of Storage \_\_\_\_\_
- D. Growth Rate (% as decimal value) \_\_\_\_\_
- E. Conversions Only: Existing Database Size (MB) \_\_\_\_\_
- F.  $A \times B \times C$  \_\_\_\_\_
- G.  $D \times F$  \_\_\_\_\_
- H.  $E + F + G$  \_\_\_\_\_ Base Number

<sup>13</sup> If your site only tracks the number of documents per year, multiply that number by 5 to get your page-based number for calculating Tyler's storage requirements. The standard document size for most Tyler applications is 5 pages.

**Standard Recommendation**

- To replicate data, multiply your Base Number x 2: \_\_\_\_\_ MB

**Backup Recommendation**

- To dump the database to disk, multiply your Base Number x 3: \_\_\_\_\_ MB

**RECOMMENDED BACKUP PROCEDURES**

Developing a consistent backup strategy is a vital part of any organization's business continuity plan. A good backup plan ensures that you do not lose the hard work and time you invested in data entry if a hardware failure or natural disaster occurs. A plan such as this is easy to develop and usually easy to implement. This section outlines the steps you should take to properly back up your V.X data.

**Rotating Tapes**

First, establish a good tape rotation for your backups. Tyler recommends that you use, at a minimum, the following 6-tape rotation:

Week 1				
M	T	W	Th	F1
Week 2				
M	T	W	Th	F2

This rotation is sufficient for most customers because it allows you to go back a few business days to find files. However, if you feel you need a little more protection, you can use a different set of tapes for Mon-Thurs of Week 2, and/or you can keep a Fri 3 and Fri 4 tape so that you have a month's worth of Friday backups. We also recommend that you periodically (monthly, quarterly, etc.) pull a tape permanently out of rotation to store off site.

**We do NOT recommend the use of differential or incremental backups.** Performing a full backup of the entire V.X folder every night will allow you to restore files without having to use a series of tapes to perform the restore. This turns a restore process into a much more manageable and less time-consuming process.

## Backing Up Your SQL Database

For customers who use Microsoft SQL for the V.X database, there are additional backup requirements for your V.X software. In addition to backing up the \DATA folder (and others mentioned above), you must also back up your Microsoft SQL databases. For V.X, the default databases should consist of at least Tyler\_Configuration, Tyler\_QBE, and Tyler\_Financials.

There are a few different methods for backing up your SQL database.

- **SQL Backup Function:** The Microsoft SQL Server 2008 R2 Management Studio has built-in backup tools that can cause SQL to dump the V.X database to a backup file in the SQL default backup folder while the SQL services are running. This location is:

C:\Program Files\Microsoft SQL Server\MSSQL\Backup\\*

\* The Microsoft SQL Server installation path may vary slightly per installation.

- **Third-Party Backup Agent:** This method requires that you have some sort of third-party backup program (e.g., Symantec Backup Exec, Brightstor ARC Serve, etc.) which uses a SQL backup agent. These special backup agents allow the Microsoft SQL databases to be backed up while they are online.
- **Script:** You can create a script which stops the Microsoft SQL Server service before a normal tape backup and restarts it after the tape backup is complete. This allows you to back up the \*.mdf and \*.ldf files (the database and transaction log, respectively) in:

C:\Program Files\Microsoft SQL Server\MSSQL\data directory\*

If you choose this route, Tyler can assist you with creating this script at the time of the V.X software installation.

## Other Directories in the V.X Folder

For V.X, you need to backup C:\Program Files\Tyler Technologies\*. As we add features and functionality to our software, the number and size of the applications and runtimes needed to run our applications will continue to grow.

## Watching for Signs of Failure

Monitor your backup's status every morning. If there is a noticeable problem, such as an error light blinking on your tape drive, a tape being ejected without your knowledge, or an error message displaying about your backup, please contact us or your IT staff so that the problem can be resolved quickly.

## Accepting Responsibility

Having good backups of V.X data is your responsibility. However, Tyler Technologies offers additional services that can help monitor your local backups, transmit your data to off-site locations, and even provide access to your V.X software and data over the Internet in case of disaster or serious equipment failure at your site.

## Disaster Recovery

In case of system failure due to unforeseen disaster, Tyler recommends that you have a Business Continuity Plan, which should include a disaster recovery service. Tyler offers a

disaster recovery service for an additional fee. If you haven't already purchased this plan, contact Technical Services or Sales at 1-800-646-2633 for more information.

# Financial Conversion Summary

This document is a summary of what is included in the standard conversion for Tyler Technologies Financial Suite. This is not a complete description; for a complete description, please refer to the *Tyler Technologies Financial Data Conversion Specification* document available upon request.

## Client Responsibilities

- Data in Tyler's Standard Data Layouts or approved formats
- Provide data definitions
- Provide matching reports
- Provide screen shots
- Review conversion prior to go-live

## Data Conversion

Each area of the financial conversion has different options depending on the level of data to be converted. Each option has a different cost associated with it. Certain options cannot be converted unless other options are purchased. Full dependencies are detailed in the *Financial Data Conversion Specification* document.

## General Ledger

Standard Conversion Includes:

- Fund and account lists
- Summarized history for current fiscal year plus two prior fiscal years
- Budgets and budget adjustments for current fiscal year plus two prior fiscal years

Additional Options:

- Additional summarized history and budgets (fee per fiscal year)
- Transaction history stored in Historical Legacy Views
- Transaction history (fee per fiscal year)

## Accounts Payable

Standard Conversion Includes:

- Vendor master information, address, primary contact
- 1099 balances provided by client for current year

Additional Options:

- Vendor notes and additional contacts
- Detailed history stored in Historical Legacy Views
- Detailed vendor invoice history, payable items and distribution (fee per fiscal year)
- Additional vendor sets (fee per set)

## Personnel Management (Payroll and Human Resources)

Standard Conversion Includes:

- Basic employee information – employee master, address, primary contact, standard dates (i.e., hire, birth, leave, termination), standard phones (i.e., work, home, cell), direct deposit, position, retirement, deductions and taxes
- Current year leave balances
- Current year detailed employee pay history such as paycheck, earnings, earning distribution, deductions and taxes OR current year quarterly summarized history

Additional Options:

- Dependent details, additional contacts, notes, additional dates (e.g., anniversaries, seniority), additional phones (e.g., spouse, fax)
- Direct deposit detailed history
- Additional payroll set (fee per set)
- Additional detailed employee pay history stored in Historical Legacy Views
- Additional years of employee pay history (fee per year)
- Human Resources data such as certifications, discipline, education, grievances, reviews, photos, training, and workers compensation (custom quote)

## Fixed Assets

Standard Conversion Includes:

- Asset information, improvements
- Accumulated totals, no history

## Project Accounting

Standard Conversion Includes:

- Open Projects, project accounts and project notes
- Open project account budgets
- Open project account detail

## Inventory

Standard Conversion Includes:

- Inventory items, item locations and item vendors

## Applications not converted

- Work Orders
- Bank Reconciliation
- Employee Self Services/Time & Attendance
- Purchase Order

## Custom Conversion Services

The following are a few examples of items that are **not included** in the standard conversion and can be addressed through custom conversion services:

- Combining/splitting of GL account numbers
- Converting records with counts lower than 50 for Personnel Management, 100 for Fixed Assets and 250 for all other modules
- Cross referencing beyond Tyler Technologies' defined standardized codes
- Running more than 3 standard conversions
- Data cleaning; including but not limited to name clean-up and data fixes
- Converting from multiple sources of data

- Tyler Technologies assisting in data extraction from your existing system
- Tyler Technologies defining file layouts if not provided
- Changing configuration after sign-off

## Data Extract

The standard conversion includes converting from a single source of data. If data is stored in multiple databases or data is provided in multiple formats custom conversion services may be required.

If unable to provide the data in Tyler's Standard Data Layouts your data will need to be provided in **one** of the following formats:

- Microsoft SQL Server database
- Microsoft Access database
- Delimited ASCII text files (pipe "|" delimited is preferred)
- Excel spreadsheets – with flat data, not grouped like a report

The screen shots and matching reports need to be provided to Tyler Technologies at the same time as the data. To ensure the reports accurately represent the data, staff should exit the software prior to pulling the data and restrict processing of any transactions until after the reports have been generated. If the reports don't accurately represent the data an additional data pull may be required, which could result in a delay in the schedule.

It is important to understand that the conversion will not "rehabilitate" old data. The conversion process does not clean up or correct problems in old data; data is converted one for one. For example, if the current system allowed punctuation, the new software will also display data with the exact same punctuation after the conversion. If data manipulation is desired, please contact your Project Manager to assist in preparing a work order for these services.

- Your contact information
  - Screen prints or attachments (as necessary)
2. Your email will be received and logged by Incode Support, and an incident number will be assigned. You will receive an email reply from Incode Support with the incident number.

## **2.2 Chat with a Support representative online at [www.tylertech.com](http://www.tylertech.com).**

Log in to tylertech.com and click **Client Support > Incode > Live Support** to chat with a Support team member via instant message. Just click on the area of support needed and follow the prompts.

## **2.3 Create a Support incident online at [www.tylertech.com](http://www.tylertech.com).**

Log in to tylertech.com and click **Online Support Incidents > Enter Online Support Incidents > Add a new support incident**. Follow the prompts to log a new incident with Incode Support. You will receive an incident number after you click **Submit**.

## **2.4 Call Support toll-free at 1-800-646-2633.**

- Press 1 for Support
  - Press 1 for Incode Support (Financials, Cash Collections, Utility Billing, Citizen Services, and Municipal Court)
    - Press 1 for Financials
    - Press 2 for Cash Collections
    - Press 3 for Utility Billing
    - Press 4 for Citizen Services
    - Press 5 for Municipal Court
  - Press 2 for Tyler Public Safety
  - Press 3 for Imaging Support (Tyler Content Manager)
  - Press 4 for Version 10 Support (V.X Financials, V.X CRM, and V.X Court)
    - Press 1 for V.X Financials Support
    - Press 2 for V.X CRM Support (Cashiering and Utility Billing)
    - Press 3 for V.X Court
  - Press 0 for an Operator
- Press 2 for an Existing Incident

The average hold time is approximately 5 minutes. This time may increase at critical times such as fiscal year end, quarter end, and calendar year end due to the volume of calls received.

## **3 Incident Management and Escalation**

Incode Support takes great pride in serving our clients and being responsive to support issues. Exceeding our clients' expectations is our constant goal. We closely monitor all support metrics and report them to Executive Management on a weekly basis. In addition, our Support Team Leaders monitor Support response and resolution times on a daily basis.

There may be times when support incidents need more attention or a faster response. We encourage our clients to communicate the level of urgency or priority of support issues so that we can respond to incidents appropriately. A support incident can be escalated by any of the following methods:

1. Use any of the support channels mentioned in the “Contacting Incode Customer Support” section above to request an escalation.
2. Access the client support portal at [www.tylertech.com](http://www.tylertech.com).
  - a. Click **Online Support Incidents**.
  - b. In the incident grid, click the incident you need to escalate to open it.
  - c. Mark the **Escalate the priority of this incident** checkbox at the bottom of the incident detail page. This sends an email notifying the Support team to escalate the incident.
3. Alternatively, you can escalate the support incident through the management channels outlined below.

Module(s)/Area(s)	Staff Member	Title	Direct Line
Incode Financials	Cathy Curtis	Team Leader	806.791.8251
V.X Financials	Michele Nickerson	Financial Support Manager	207.356.9348
Incode CIS/CRM	Steve Roberts	Team Leader	806.791.8247
V.X CRM	Audrey Salazar	Technical Lead	806.791.8258
Court/Tyler Public Safety	Rita Ewings	Court/TPS Support Manager	806.791.8237
V.X Court	Amanda Hogan	Team Leader	806.791.8265
Public Safety	David Watson	Team Leader	806.791.8228
Property Tax	Heidi Thompson	Operations Manager	806.791.8249
Software Support	Michele Nickerson	Financial Support Manager	207.356.9348
Technical Support	Michael Lao	Technical Services Support Manager	806.791.8231
Installs and Upgrades	Michael Hoffmann	Technical Services Deployment Manager	806.791.8230
Support	Bryan Thompson	Director of Support	806.791.8226
Executive Management	Dane Womble	Chief Operating Officer	806.791.8220

Please do not hesitate to use any of these escalation methods so that we may better serve you.

## **4 Additional Resources on**

- Click **Online Support Incidents** to look up ALL previous requests made by your site (regardless of how the request was submitted).
- Access the Tyler Community and hover over the **Incode** menu button to expand the dropdown. Select the appropriate software suite (Financials, CIS/CRM, Court, TPS, etc.).
  - The **Search** feature allows you to look for content on certain topics or to answer specific questions.
  - The **Blog** highlights helpful tips and tricks and other valuable information related to your software.
  - The **Library** includes documents covering a wide range of topics (e.g., release notes, tax preparation documents, Connect documents).
  - The **Wiki** contains FAQs and additional help content.
  - The **Forum** provides an area where you can ask a question of our staff or of other Tyler Community members. This is a great way to share information, get the opinion of fellow Tyler clients, and have questions answered quickly.

**Tyler Holiday Schedule**

Tyler observes many of the same holidays our clients do. In order to allow our staff time away from work our offices will be closed on the holidays listed below. There will be no support coverage on these days.

New Year's Day	Thanksgiving Day
Memorial Day	Day after Thanksgiving
Independence Day	Christmas Eve
Labor Day	Christmas Day