



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

Date: 12/13/16

Time: 9:30 AM

Places: La Mesa Office

Event: WTPWWA Regular Board Meeting

Signature	Print Name, Title, Company or Agency Represented	Contact Information	Email Address
<i>[Signature]</i>	MARTIN LOPEZ	575-621-2193	llopez@rgaauthority.org
<i>[Signature]</i>	MILVE LOPEZ	(575) 635-3521	mike.lopez@rgaauthority.org
Mike McMullen	MICHAEL McSPURNA	970-302-7852	
<i>[Signature]</i>	wake 7.05.	575-642-7474	
<i>[Signature]</i>	Step Holstein	575-635-9807	sholstein@p.cof
<i>[Signature]</i>	KAREN SMITH	n 382 5982	same
<i>[Signature]</i>	MARTIN LOPEZ	571-3028	MARTIN LOPEZ@rgaauthority.org
<i>[Signature]</i>	Karen Nichols	915-203-2057	KAREN.NICHOLS@mesathority.org
Virginia Gomez	Virginia Gomez	(575) 634-0276	
<i>[Signature]</i>	Jennifer Hill		jhill@stephens.com
<i>[Signature]</i>	Kyle Hill	505 353 9113	khill@obakphen.com
<i>[Signature]</i>	Kathie Jackson	(575) 640-4330	Kathie.jackson@rgaauthority.org

# LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY

## Minutes—REGULAR BOARD OF DIRECTORS MEETING

9:30 a.m. Tuesday, December 13, 2016 at our La Mesa Office

NOTE: Minutes are a DRAFT until approved & signed by the Board of Directors

- I. **Call to Order, Roll Call to Establish Quorum:** Chairman John Holguin, representing District #4, called the meeting to order at 9:31 a.m. and called the roll. Mr. Raymundo Sanchez representing District #1 was absent, District #2 is vacant, Ms. Virginia Gomez, representing District #3 was present, Mr. Roberto Nieto representing District #5 was absent, Mr. Mike McMullen representing District #6 was present, and Mr. Furman Smith representing District #7 was present. Staff members present were General Manager Martin Lopez, Projects Manager Karen Nichols, Operations Manager Mike Lopez and Projects Specialist Liza Lopez. Kathi Jackson, Finance Manager, arrived at 11:17 am. Also present was P.J. Smith, and Jennifer Hill and Liie Hill, engineers with D.B. Stephens and Associates.
- II. **Pledge of Allegiance:** Mr. John Holguin led the pledge.
- III. **Motion to approve the Agenda:** There were no changes to the Agenda. Mr. McMullen made the motion to approve the Agenda and Mr. Smith seconded the motion. The motion passed with none opposed.
- IV. **Motion to approve the minutes of the October 19, 2016 Regular Board Meeting:** Mr. McMullen made the motion to approve the Minutes of the October 19, 2016 LRGPWWA Regular Board Meeting. Mr. Smith seconded the motion and it passed with none opposed.
- V. **Guest Presentations:** Jennifer Hill and Liie Hill, engineers with D.B. Stephens and Associates presented the draft LRGPWWA Water Conservation Plan to the Board. They also discussed the survey that was sent out to LRGPWWA members in conjunction with the Draft Water Conservation Plan. Both of these documents can be found on the LRGPWWA website.
- VI. **Public Input:** None
- VII. **Managers' Reports:**
  - A. **General Manager:** Mr. Martin Lopez provided a written report and stood for questions. He advised the Board that the LRGPWWA Operations Department had received a Mutual Aid Request from the Town of Mesilla for repairs to their water system, which will be invoiced.
  - B. **Projects:** Ms. Karen Nichols provided a written report and stood for questions. She told the Board that she and Mr. Martin Lopez gave a presentation to the Water Trust Board on the submitted funding applications on November 30, 2016, and that the applications had cleared the first stage of authorization. She informed the Board that the SCADA project was out to bid and that the bid opening would be held on the afternoon of 12/13/2016. The RFP Committee will meet on 12/20/16 to assess the qualifications portion of the bids. She also told the Board that the executed agreement for SAP funds had been received and that LRGPWWA staff was working toward procuring GPS equipment for the LRGPWWA Operations Department. Mr. John Holguin inquired about the Waterline Extension/Veteran's Rd. Project. Ms. Karen Nichols told him that the engineer had been instructed to designate the two roads where there are easement issues as deductive alternates and proceed to get the project out to bid.
  - C. **Operations:** Mr. Mike Lopez provided a written report and stood for questions. Mr. Smith asked Mr. Mike Lopez how the Arroyo Well was operating and Mr. Mike Lopez told him it was up and running fine. He informed the Board that AdEdge was shipping a new under-drain on Friday, 12/16/2016 and that it should be installed next week. He also advised the Board that LRGPWWA

Operations staff would be participating in a “road-e-o” sponsored by Dona Ana County on Friday, December 16, 2016, and invited the Board to attend.

- D. **Finance:** Ms. Kathi Jackson arrived at the Board Meeting at 11:17 am, having been detained by the ongoing audit. She went over each amended item (IX B. through IX F.) with the Board, noting where changes had been made.

VIII. **Unfinished Business:** None

IX. **New Business:**

- A. **Motion to approve Amended Sewer Contract between the LRGPWWA and Dona Ana County:**  
Mr. Smith made the motion to approve the amended contract and Mr. McMullen seconded the motion and it passed with none opposed.
- B. **Motion to adopt Resolution FY2017-10 adopting amended FY2016 1<sup>st</sup> Quarter Budget (this item followed Item X):**  
Mr. McMullen made the motion to adopt Resolution FY2017-10 and Mr. Smith seconded the motion. The motion carried with none opposed.
- C. **Motion to adopt Resolution FY2017-11 adopting amended FY2016 2nd Quarter Budget (this item followed Item X):**  
Mr. McMullen made the motion to adopt Resolution FY2017-11 and Mr. Smith seconded the motion. The motion carried with none opposed.
- D. **Motion to adopt Resolution FY2017-12 adopting amended FY2016 3rd Quarter Budget (this item followed Item X):**  
Mr. McMullen made the motion to adopt Resolution FY2017-12 and Mr. Smith seconded the motion. The motion carried with none opposed.
- E. **Motion to adopt Resolution FY2017-13 adopting amended FY2016 4th Quarter Budget (this item followed Item X):**  
Mr. McMullen made the motion to adopt Resolution FY2017-13 and Mr. Smith seconded the motion. The motion carried with none opposed.
- F. **Motion to adopt Resolution FY2017-14 adopting amended FY2016 Final Budget (this item followed Item X):**  
Mr. McMullen made the motion to adopt Resolution FY2017-14 and Mr. Smith seconded the motion. The motion carried with none opposed.
- G. **Motion to authorize the General Manager to verify and sign Governing Body Certificate of Annual Inventory Count:**  
Mr. Martin Lopez explained that this motion authorized him to verify and sign the Inventory Count on behalf of the Board. Mr. Smith made the motion to authorize the General Manager to verify and sign the Inventory Count. Mr. McMullen seconded the motion and it passed with none opposed.
- H. **Motion to approve amendment to the LRGPWWA Customer Service Policy, Sections 3.D and 3.E, changing meter accuracy allowances from 2% to 3%:**  
Mr. Smith made the motion to approve the amendment to the LRGPWWA Customer Service Policy and Mr. McMullen seconded the motion. The motion passed with none opposed.
- I. **Motion to adopt the LRGPWWA Fixed Assets Policy:**

Mr. Martin Lopez explained to the Board that the auditors required clearly developed procedures for identifying and categorizing fixed assets. Mr. McMullen made the motion to adopt the Fixed Assets Policy and Ms. Gomez seconded the motion. The motion carried with none opposed.

**J. Motion to approve amendment to the LRGPWWA Employee Policy Manual, Section 16.A, adjusting the percentage of health insurance premiums LRGPWWA will pay for coverage of employees' eligible dependents:**

Mr. Martin Lopez told the Board that employees' health insurance premiums had risen by 20.5% for 2017. He provided the Board with a spreadsheet outlining what the costs would be to both the employees and the Authority. Mr. McMullen made the motion to adjust the percentage of the premium paid by the Authority for employees' dependents to 80%. Mr. Smith seconded the motion and it passed with none opposed.

**K. Motion to convene in closed session pursuant to NMSA 1978 10-15-1 H.7- threatened or pending litigation, and NMSA 1978 10-15-1 H.8 regarding the acquisition of real property or water rights:**

Mr. McMullen made the motion to convene in closed session and Mr. Smith seconded the motion. The motion passed with none opposed, and the Board convened in closed session at 10:51 a.m. Roll Call Vote: District #1 (Mr. Sanchez) was absent; #2 is vacant; #3 Ms. Gomez voted yes; #4 (Mr. Holguin) voted yes; #5 (Mr. Nieto) was absent; #6 (Mr. McMullen) voted yes; and #7 (Mr. Smith) voted yes.

**L. Motion to reconvene in open session:** Mr. McMullen made the motion to reconvene in open session at 11:02 a.m. and Mr. Smith seconded the motion. The motion passed with none opposed.

**Statement by the Chair that the matters discussed in the closed meeting were limited only to those specified in the motion for closure:** Mr. Holguin made the statement that the matters discussed were limited only to those specified in the motion for closure.

**M. Action, if any, related to the matters discussed in closed session:**

Mr. Smith made the motion to approve the acquisition of the necessary easements on Jacquez and Camino Santo and Mr. McMullen seconded the motion. The motion passed with none opposed.

**X. Other discussion and agenda items for next meeting: 9:30 a.m. Wednesday, January 18, 2017 at the La Mesa Office:**

- A.** Have any Board Members participated in training? If so, please provide a copy of your certificate to staff.
- B.** Audit Approval
- C.** The Draft Water Conservation Plan will be presented for discussion at a public meeting on December 13, 2016 at 6:30 pm at the La Mesa Office. Please let us know if you are planning to attend so that we can post a Notice of Potential Quorum.
- D.** Board Work Session on the Draft Water Conservation Plan will be at the Vado Office on December 14, 2016 at 9:30 am.
- E.** Transfer of water rights for a subdivision in Berino
- F.** Potential Board training opportunities in June 2017

**XI. Adjourn:** Mr. Smith made the motion to adjourn. Mr. McMullen seconded the motion and it carried unanimously. Mr. Holguin declared the meeting adjourned at 11:23 a.m.

**Minutes approved January 18, 2017**

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John Holguin, Chairman (District 4)

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Michael McMullen, Vice-Chairman (District 6)

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**VACANT**  
(District 2)

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**ABSENT**  
Raymundo Sanchez (District 1)

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Virginia Gomez, Secretary (District 3)

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**ABSENT**  
Roberto Nieto (District 5)

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Furman Smith (District 7)

# LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY

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

9:30 a.m. Tuesday, December 13, 2016 at our La Mesa Office, 521 St. Valentine, La Mesa, NM

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. Sanchez) \_\_\_\_, #2 (Vacant) \_\_\_\_, #3 (Ms. Gomez) #4 (Mr. Holguin) \_\_\_\_, # 5 (Mr. Nieto) \_\_\_\_, #6 (Mr. McMullen) \_\_\_\_, #7 (Mr. Smith) \_\_\_\_
- II. Pledge of Allegiance
- III. Motion to approve the Agenda
- IV. Motion to approve the minutes of the October 19, 2016 Regular Board Meeting
- V. Guest Presentations- Jennifer Hill and Lie Hill with DB Stephens will be presenting the Water Conservation Plan Draft
- VI. Public Input—15 minutes are allotted for this item, 3 minutes per person
- VII. Managers' Reports
  - A. General Manager
  - B. Projects
  - C. Operations
  - D. Finance
- VIII. Unfinished Business- NONE
- IX. New Business
  - A. Motion to approve Amended Sewer Contract between the LRGPWWA and Dona Ana County
  - B. Motion to adopt Resolution FY2017-10 adopting amended FY 2016 1<sup>st</sup> Quarter Budget Report
  - C. Motion to adopt Resolution FY-2017-11 adopting amended FY2016 2<sup>nd</sup> Quarter Budget Report
  - D. Motion to adopt Resolution FY2017-12 adopting amended FY2016 3<sup>rd</sup> Quarter Budget Report
  - E. Motion to adopt Resolution FY2017-13 adopting amended FY2016 4<sup>th</sup> Quarter Budget Report
  - F. Motion to adopt Resolution FY2017-14 adopting amended FY2016 Final Budget Report
  - G. Motion to authorize the General Manager to verify and sign Governing Body Certificate of Annual Inventory Count
  - H. Motion to approve Amendment to the LRGPWWA Customer Service Policy, Sections 3.D and 3.E, changing meter accuracy allowances from 2% to 3%.
  - I. Motion to adopt the LRGPWWA Fixed Assets Policy
  - J. Motion to approve Amendment to the LRGPWWA Employee Policy Manual, Section 16.A, adjusting the percentage of health insurance premiums LRGPWWA will pay for coverage of employees' eligible dependents.
  - K. Motion to convene in closed session pursuant to NMSA 1978 10-15-1 H.7-threatened or pending litigation, and NMSA 1978 10-15-1 H.8 regarding the acquisition of real property or water rights.Roll Call Vote: District #1 (Mr. Sanchez) \_\_\_\_, #2 (Vacant) \_\_\_\_, #3 (Ms. Gomez) \_\_\_\_, #4 (Mr. Holguin) \_\_\_\_, #5 (Mr. Nieto) \_\_\_\_, #6 (Mr. McMullen) \_\_\_\_, #7(Mr. Smith) \_\_\_\_
  - L. 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.
  - M. Motion, if any to approve the acquisition of easements necessary to the completion of the Waterline Extension Project.
- X. Other discussion and agenda items for next meeting at 9:30 a.m. Wednesday, January 18, 2016 at the La Mesa Office:
  - A. Have any Board Members participated in training? If so, please give us a copy of your certificate.
  - B. Audit Approval
  - C. The Draft Water Conservation Plan will be presented for discussion at a Public Meeting on December 13, 2016, at 6:30 pm at the La Mesa office. Please let us know if you are planning to attend so that we can post a Notice of Potential Quorum.
  - D. Board Work Session on the Draft Water Conservation Plan will be at the Vado Office on December 14, 2016 at 9:30 am.

## **XI. Adjourn**

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

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

# LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY

## Minutes—REGULAR BOARD OF DIRECTORS MEETING

9:30 a.m. Wednesday, October 19, 2016 at our East Mesa Office, 9774 Butterfield Park Blvd.

NOTE: Minutes are a DRAFT until approved & signed by the Board of Directors

- I. **Call to Order, Roll Call to Establish Quorum:** Chairman John Holguin, representing District #4, called the meeting to order at 9:34 a.m. and called the roll. Mr. Raymundo Sanchez representing District #1 was absent, Ms. Alma Boothe representing District #2 was absent, Virginia Gomez, representing District #3 was present, Mr. Roberto Nieto representing District #5 was absent, Mr. Mike McMullen representing District #6 was present, and Mr. Furman Smith representing District #7 was present. Staff members present were General Manager Martin Lopez, Finance Manager Kathi Jackson, Projects Manager Karen Nichols, and Projects Specialist Liza Lopez. Also present were Josh Smith, LRGPWWA Attorney, and Matt Dyer and Dan Robillard, engineers with Parkhill, Smith & Cooper.
- II. **Pledge of Allegiance:** Mr. John Holguin led the pledge.
- III. **Motion to approve the Agenda:** There were no changes to the Agenda. Mr. Smith made the motion to approve the Agenda and Mr. McMullen seconded the motion. The motion passed with none opposed.
- IV. **Motion to approve the minutes of the September 21, 2016 Regular Board Meeting:** Mr. McMullen made the motion to approve the Minutes of the September 21, 2016 LRGPWWA Regular Board Meeting. Mr. Smith seconded the motion and it passed with none opposed.
- V. **Guest Presentations:** None
- VI. **Public Input:** None
- VII. **Managers' Reports:**
  - A. **General Manager:** Mr. Martin Lopez provided a written report and stood for questions. He discussed the Dona Ana UDC Meetings he had attended and told the Board that the proposed changes to the Uniform Development Code do not impact the LRGPWWA. Mr. Holguin asked Mr. Martin Lopez who would be attending the NM Infrastructure Finance Conference and Mr. Martin Lopez advised him that he, Karen Nichols, Kathi Jackson, and Liza Lopez would all be attending the conference. Mr. Holguin then asked about the NM Water Resources Research Institute Conference, which was held in early October in Silver City. Mr. Martin Lopez discussed the Conference presentations, advising the Board that the Conference had been informative, and that a variety of interesting speakers had participated.
  - B. **Projects:** Ms. Karen Nichols provided a written report and stood for questions. She introduced Matt Dyer and Dan Robillard, engineers with Parkhill, Smith & Cooper, who updated the Board on the acquisition of easements for the Waterline Extension Project. They told the Board that 7 out of 10 easements had been executed and they were trying to contact a landowner on Jacquez Road in regards to one of these easements; however, they have been unsuccessful so far. Matt Dyer told the Board that the design schedule of this project had gone fine but that this project was running approximately 3 months behind on the construction schedule due to these easement negotiations. Mr. Holguin asked Mr. Dyer if the LRGPWWA needed approval from all of the landowners to proceed with the project, and asked how much longer the LRGPWWA should wait before proceeding with the Waterline Extension Project. Mr. Martin Lopez stated that he hoped to begin construction within a month. Ms. Karen Nichols pointed out that the project is not seriously delayed, and Mr. Matt Dyer told the Board that without the procurement of this easement on Jacquez Road a minimum of 8 potential customers who do want water service would be unable to connect to the system. Ms. Karen Nichols then told the Board about the funding applications she

had completed and submitted to the Water Trust Board. Mr. Holguin asked Ms. Karen Nichols about the NMFA Oversight Committee meeting she had attended with Mr. Martin Lopez. Ms. Nichols told him they had presented an informational Power Point presentation on the proposed changes to the LRGPWWA Statutes, and that the presentation had gone well. Ms. Karen Nichols advised the Board that the next opportunity to be heard would be at the Water and Natural Resources Committee Meeting and that the LRGPWWA would be requesting endorsement from this committee.

- C. **Operations:** Mr. Mike Lopez was unable to attend the meeting but provided the Board with a written report. Mr. Martin Lopez stood for questions. Mr. Smith asked Mr. Martin Lopez how the Arroyo Well was operating and Mr. Martin Lopez told him it was up and running fine. Mr. Holguin asked Mr. Martin Lopez what Green Sand was and Mr. Martin Lopez advised him that it was a media used to remove arsenic from water.
- D. **Finance:** Ms. Kathi Jackson provided a Statement of Budget, Income and Equity to the Board and stood for questions. She went over the Statement with the Board and talked about noteworthy expenditures. She advised the Board that two new LRGPWWA Staff members had been hired: Jennifer Border, who is in Accounting; and Justine Williams, who is in Inventory.

VIII. **Unfinished Business:** None

IX. **New Business:**

- A. **Motion to approve Resolution FY-2017-09- First Quarter Budget:**  
Mr. McMullen made the motion to adopt Resolution FY-2017-09, approving the FY-2017 first quarter budget. Ms. Gomez seconded the motion and it passed with none opposed.
- B. **Motion to accept Ms. Alma Boothe's resignation as Director for District #2 and as Secretary of the LRGPWWA Board effective immediately following the adjournment of this meeting, and active recruitment of a new Director for District 2:**  
Mr. McMullen made the motion to accept Ms. Alma Boothe's resignation as Director for District #2 and to pursue active recruitment of a new Director. Mr. Smith seconded the motion and it passed with none opposed.
- C. **Appointment of Acting Secretary of the LRGPWWA Board of Directors:**  
Martin Lopez advised the Board that an acting Secretary would need to be appointed to attest to the Chairman's signatures, due to the resignation of Ms. Alma Boothe, who had been the Board Secretary. Mr. Smith made the motion to appoint Ms. Virginia Gomez, Director for District #3, as Acting Secretary. Mr. McMillen seconded the motion and it passed with none opposed.
- D. **Appointment of new member of LRGPWWA Disposal Committee in accordance with NMSA 1978-13-6-1 B(1):**  
Mr. Martin Lopez explained to the Board that due to the passing of former board member Calli Tellez, the Disposal Committee was short one member. Mr. McMullen made the motion to appoint Mr. Furman Smith, Director of District #7, to serve on the Disposal Committee. Ms. Gomez seconded the motion and it passed with all in favor.

- X. Motion to convene in closed session pursuant to NMSA 1978 10-15-1 H.2 to discuss a limited personnel matter regarding the General Manager's evaluation and position reclassification:**
- A.** Mr. Holguin made the motion to convene in closed session and Mr. Smith seconded the motion. The motion passed with none opposed, and the Board convened in closed session at 10:25 a.m. Roll Call Vote: District #1 (Mr. Sanchez) was absent; #2 (Ms. Boothe) was absent; #3 Ms. Gomez voted yes; #4 (Mr. Holguin) voted yes; #5 (Mr. Nieto) was absent; #6 (Mr. McMullen) voted yes; and #7 (Mr. Smith) voted yes.
  - B. Motion to reconvene in open session:** Mr. McMullen made the motion to reconvene in open session at 10:34 a.m. and Mr. Smith seconded the motion. The motion passed with none opposed.
  - C. Statement by the Chair that the matters discussed in the closed meeting were limited only to those specified in the motion for closure:** Mr. Holguin made the statement that the matters discussed were limited only to those specified in the motion for closure.
  - D. Action, if any, related to the matters discussed in closed session:** Mr. Smith made the motion to approve the reclassification of Mr. Martin Lopez's employment status and Mr. McMullen seconded the motion. The motion passed with none opposed.
- XI. Other discussion and agenda items for next meeting: 9:30 a.m. Wednesday, November 16, 2016 at the La Mesa Office:**
- A.** Have any Board Members participated in training? If so, please provide a copy of your certificate to staff.
  - B.** Audit Approval- Audit is due by December 16, 2016
  - C.** Board Elections next year for four districts
  - D.** Resolutions for budget amendments
  - E.** Approval of sewer project as amended
- XII. Adjourn:** Mr. Smith made the motion to adjourn. Mr. McMullen seconded the motion and it carried unanimously. Mr. Holguin declared the meeting adjourned at 10:41 a.m.

**Minutes approved December 13, 2016**

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John Holguin, Chairman (District 4)

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Michael McMullen, Vice-Chairman (District 6)

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**VACANT**  
(District 2)

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**ABSENT**  
Raymundo Sanchez (District 1)

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Virginia Gomez, Secretary (District 3)

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**ABSENT**  
Roberto Nieto (District 5)

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Furman Smith (District 7)

**LRGPWWA**  
**Manager's Report**  
**December 13, 2016**

- ) Presented our proposed statute changes to the Water and Natural Resources Committee-received their endorsement
- ) Will be equipping all customer service booths with conversation recording capabilities
- ) I am getting cost estimates to record phone conversations for office phones, particularly the customer service phones
- ) Will be closing offices on December 23<sup>rd</sup> and 30<sup>st</sup> due to high staff requested leave
- ) New operations employees: Bernardo Venegas and Ricardo Navarro
- ) Authorized JJ and Mike to make up part of a NM Water & Wastewater Committee to evaluate (housekeeping) water and wastewater facilities throughout New Mexico-paid by NMWWA
- ) Authorized JJ to continue to serve on NMWWA Board of Directors
- ) Authorized Mike to continue to serve on NMWWA SW Section of Board of Directors
- ) Operations received a Mutual Aid Request from the Town of Mesilla

**LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY  
PROJECTS REPORT – 12/13/16**

**Authority Construction Projects:**

**LRG-11-02.2 – Mesquite-Brazito Sewer Project – Bohannon Huston, Inc. – LOC-Design 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** Area base mapping and all utility locates and supplemental field planimetrics completed. Preliminary land acquisition activities are underway, and are focusing on the lift station sites to identify property that can be acquired. One lift station land tract is to be granted, two lift station land tracts are planned to be purchased, and the fourth will require condemnation. Critical easements necessary for specific pipeline routes have been defined and property owner negotiations are underway. 60% Preliminary Design has been submitted.

**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:** Final payments have been made to the engineer and contractor, close-out documents have been executed and submitted to USDA-RD and NMED-CPB. LRGPWVA contributed an additional \$14,097.94 to the project to pay a portion of the cost of the new lines in the Joy Drive area (Quarterhorse, Burlson & Dreams Dr.). Project is complete and finalized.

**LRG-11-05 – South Valley Water Supply & Treatment Project WTB #252– Bohannon Huston - Design stage - \$750,000 WTB – 10% Loan 10% Match:** 100% Final Design for well, treatment and tank completed on October 26th. These final documents were submitted to NMED Drinking Water Bureau with a water supply modification application for review and approval. The NMOSE Emergency Authorization to drill a new well has been approved. NMED DWB application has re-submitted for review. Intent is to have NMED-DWB reviews complete by end of January 2017. We made a presentation to the Water Trust Board on the funding application for the construction phase; they will act on November 30<sup>th</sup>.

**LRG-17-01 – Water Master Plan:** We gave a presentation for the Water Trust Board on the funding application on November 3<sup>rd</sup>, they will act to approve projects for legislative authorization on the 30<sup>th</sup>.

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

**LRG-15-01 – System-wide Information Technology Standardization - SCADA - \$130,000 NM SAP & \$90,000 NM SAP – Molzen Corbin Associates:** MCA responded to NMED-CPB comments on final plans & specifications. Project is out to bid, non-mandatory pre-bid conference was held 11/30/16 with one participant. Bid Opening is 12/13/16, RFP Committee meets on 12/20/16 to assess the qualifications portion of the bids.

**LRG-15-01 – System-wide Information Technology Standardization – Equipment Purchase - \$37,500 NM SAP – In-House/Gamwell Tech:** Executed grant agreement for SAP funds has been received. Staff is working with software and IT consultants to target equipment purchases.

**LRG-13-03 – Valle Del Rio Water System Project – RFP/Planning/Design Stage - \$1,197,708 DWSRLF funding - \$898,281 principal forgiveness – 299,427 loan repayment – Souder, Miller & Associates:** Preliminary Engineering Report review comments were received from NMED-CPB on July 13, 2016. SMA has received approval from NMED-CPB for the PER. SMA has submitted preliminary design drawings to LRGPWWA and received comments. SMA is currently addressing LRGPWWA's comments and has met with Mike and JJ from LRGPWWA to gather additional information for the wells to properly size new pumps. SMA is continuing to work on finalizing the plan set and contract documents.

**LRG-13-01 – Brazito Water System Improvements – Souder, Miller & Associates. – Construction Phase - Western Building & Development - \$523,354 NM CITF Grant, \$58,150 Loan, \$58,150 Match Requirement, 2014 CITF \$157,986 (10% loan):** SMA attended a meeting with Mike and JJ to obtain information needed to properly calibrate the model. The information has been gathered and the Hydraulic Model will be completed by the end of November.

**LRG-14-01 – Waterline Extension Project (incl. Veterans Road) – Design/Build - \$882,430 CITF incl. 10% Loan – Parkhill, Smith & Cooper - Monthly Project Update:** October 2016 Progress: Received NM DOT approval of three permits for NM HWY 28, contingent upon Contractor selection, on 10/6/16. Completed easement documents for Barrio Rd. submitted to Dona Ana County for property record. With Board input, decision was made to give some time appropriating the remaining easements before removing the affected streets from the project. November 2016 Progress: Made contact with Mr. Provencio for Jacquez Rd. Decision made to move forward to bidding project with Camino Santo & Jacquez Roads as a deductive alternate. Made second contact with Mr. Ramon Rivas & Mr. Frank Valdez for the two easements required for Camino Neither gentlemen sounded very promising about signing the easement documents needed for Camino Santo. Planned Activities for December 2016: Submittal of DAC Utility Permits for Berino Extensions dependent upon completion of easement acquisitions, Package, Seal, and Issue Addendum #1 for bid announcement, advertise project, and begin the bid phase.

#### **Other projects:**

**Infrastructure Capital Improvements Plan 2018-2022:** ICIP is finalized.

**Documents Retention & Destruction** – Sorting of old association documents for storage or destruction is ongoing, and staff is implementing approved retention/destruction schedules for LRGPWWA documents. No shredding for this period. Delivery of documents from the East Mesa Office for sorting and storage or shredding is still pending. We are picking up project files from Rural Development as well.

**Website and Email** – Notices and Board Minutes pages are current. Other updates are ongoing.

**Training** – Liza and I attended the Infrastructure Conference at the end of October and an EPA Emergency Preparedness webinar on 11/9/16.

**Lower Rio Grande Water Users Organization** – nothing new to report

**EBID Surface Water Plant:** - Our Source Water Protection Plan is complete. No news from EBID.

**2017 Legislature:** Martin and I presented our bill at the 11/21/16 meeting of the Water & Natural Resources Committee in Santa Fe, and they voted to sponsor it. Rick Martinez provided a copy of the bill to the banking industry lobbyist in an effort to work out any opposition prior to the session. I will begin the reporting bills that come up in the Legislature after the beginning of the pre-file period starting 12/15/16.

**As Needed Engineering Services:** Currently we have 2 active Task Orders: 1. DB Stephen to update our Water Conservation Plan: Presentation of Draft Plan will be on the December Agenda. **Public meeting has been set for 6:30 pm Tuesday, 12/13/16 at the La Mesa Office and 9:30 am at the Vado Office.** 2. Huit Zollars to prepare bid documents for tank inspections. Ray De La Vega has suggested an approach to this using remote operated vehicles instead of human divers that will minimize inspection cost so we can get all of the tanks inspected and prioritize sediment removal and coating repair/replacement or cathodic protection. Vencor Engineering evaluation of the feasibility of moving an existing booster to give us the ability to move water from La Mesa to the elevated tank was terminated because it was determined to be unfeasible and that addressing this need will require a larger project.

**Data Gathering for Water Audit:** Water audits are now a requirement, and after working with BECC & DB Stephens on our first audit and working with our staff on the second, I'm working on a revision of our tracking spreadsheet for water usage and sales and other data necessary for a water audit. Will be meeting with other departments to finalize this revision and determine procedures in preparation for the 2016 water audit.

**2017 Board Election:** I have started working on some of the documents for the election, and Angie is working on inputting members' districts into Tyler. Liza will assist with that after today's minutes and board packet are finalized and posted on the website. Once we have a count for each district, we will issue an as-needed engineering services task order to have the election maps updated. District boundaries will definitely need to be expanded due to recent construction, and may or may not need to be shifted to equalize the number of voters in each district.

## Lower Rio Grande PWWA

### Operators Report

December 13, 2016

#### System Problems and Repairs

- ) Backflow inspections are current.(Mesquite District)
- ) We have started a rodding program for our collection systems in Mesquite and the East Mesa.
- ) Overtime has been down; the weekends have been quiet.
- ) JJ and I went on tour for the Southwest section on the 7th, 8th, and 9<sup>th</sup>.
- ) We had 1 new service for the month of November.
- ) We are still waiting for Adage as they are re-designing a better under drain.
- ) We replaced a valve that was not fully closing on W. Joy and Dreams Dr.
- ) We replaced a fire hydrant on East Joy and Hwy 478; the steamer cap was frozen.
- ) We replaced a fire hydrant on O'Hara and Venadito that was run over.
- ) We replaced a fire hydrant on Lechuga Rd. that was broken down below.

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

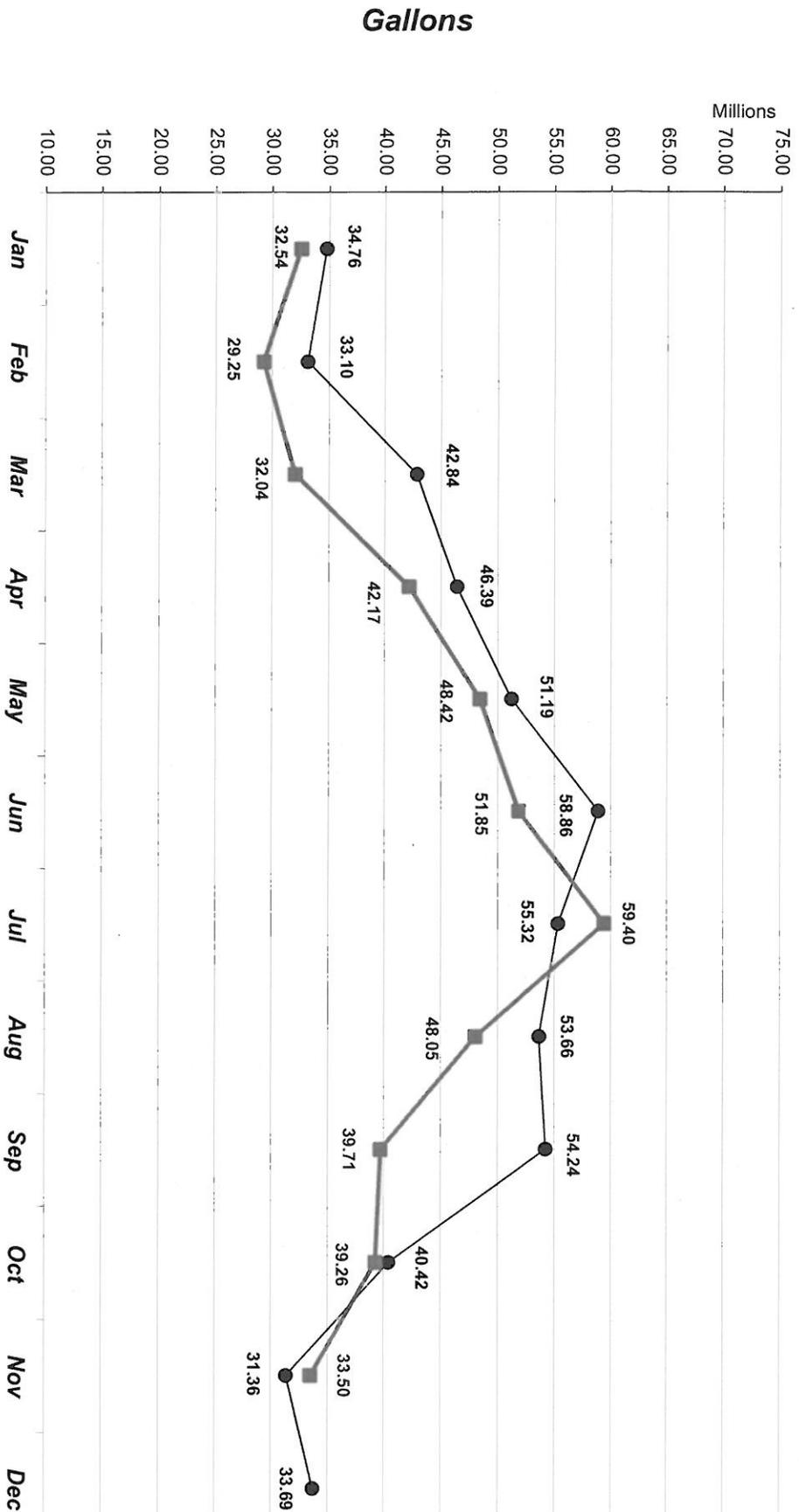
**Mesquite district Wetlands:** Demo continues.

**Mesquite Sewer Report.** Due in January 2017

**Chlorine:** No problems.

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

# Lower Rio Grande PWWA Water Production Report



2015 Production    
  2016 Production

**AGREEMENT BY DOÑA ANA COUNTY AND THE LOWER RIO GRANDE PUBLIC WORKS AUTHORITY FOR PROVISION OF WASTEWATER TREATMENT FOR LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY CUSTOMERS WITHIN THE BRAZITO AND MESQUITE WATER AND WASTEWATER SERVICE AREAS**

**THIS AGREEMENT** is entered into on this 13th day of December, 2016 between the COUNTY OF DOÑA ANA, a political subdivision of the State of New Mexico, and the LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY, a New Mexico political subdivision-special district.

**WHEREAS**, Doña Ana County (“County”) is a political subdivision of the State of New Mexico created, organized and operating under New Mexico law; and

**WHEREAS**, the County has created, organized and is operating a county-wide water and wastewater utility under various New Mexico statutes and has adopted ordinances pertaining thereto; and

**WHEREAS**, the Lower Rio Grande Public Works Authority (“Authority”) is a member-owned community water system, independent public body and political subdivision of the State created under NMSA 1978 § 73-26-1 et seq. (2009) doing business as a water and wastewater utility in southern Doña Ana County; and

**WHEREAS**, the Authority has entered into an Agreement with the Brazito Mutual Domestic Water Consumers Association (“Brazito”) (dated January 23, 2012) to construct, operate and maintain a wastewater system (“System”) located within the Brazito Water and Wastewater service area for the purpose of supplying wastewater collection services to Brazito’s customer /members and other customers within Brazito’s service area. (A map of the Brazito service area is attached hereto as Exhibit A.); and

**WHEREAS**, the County and the Mesquite Mutual Domestic Water Consumers and Mutual Sewage Works Association (“Mesquite Association”) entered into an agreement in 2006 (County Contract No. 06-222) pursuant to which the County has been receiving and treating wastewater flow from the Mesquite Associations Wastewater system in the Mesquite Association’s service area at the County’s Vado plant; and

**WHEREAS**, Under the authority of NMSA 1978, §73-26-1 and effective June 19, 2009, the Mesquite Domestic Water Consumers and Mutual Sewage Works Association became a part of and has been replaced by the Lower Rio Grande Public Works Authority as the wastewater service provider for the communities of Mesquite and Brazito. (a map of the service areas is attached hereto).

**WHEREAS**, Under the authority of NMSA 1978, §73-26-1 and NMSA 1978, §3-29-1 the Brazito Mutual Domestic Water Consumers Association became a part of and has been replaced by the Lower Rio Grande Public Water Works Authority.

**WHEREAS**, the Authority and the County desire to merge the existing 2006 Mesquite Agreement, into this Agreement for the purpose of updating the name of the proper contracting parties and for the purpose of efficiency of the service and bookkeeping arrangements between the proper contracting parties.

**WHEREAS**, the County has constructed and is operating the South-Central Wastewater Treatment Plant located in Vado with the capacity to receive and treat the wastewater flow generated by the members of the Brazito Mutual Domestic Water Consumers Association.

**WHEREAS**, the Authority and the County desire to enter into an agreement pursuant to which the Authority will additionally send the wastewater flows from the Brazito system to the County's Plant for treatment; and

**NOW, THEREFORE**, the County and the Authority, in consideration of the premises set forth above and of the mutual covenants set forth below, hereby enter into this Agreement upon the following terms and conditions:

### **TERMS AND CONDITIONS**

1. The County agrees to take and treat at its South-Central Wastewater Treatment Plant and the Authority agrees to send to said plant all wastewater flows generated by the Authority's provision of wastewater services to its present and future customer base in the Brazito and Mesquite service areas.
2. With the effective date of this Agreement, the Agreement (No. 06-222) between the County and the Mesquite Association is hereby cancelled and superseded by this Agreement.
3. County Compensation, Billing, and Payment: The Authority shall pay the following to the County for the wastewater flow treatment services to be rendered hereunder:
  - (A) A onetime charge of \$300.00 per connection;
  - (B) \$2.54 per month per Authority customer connection for flow charge;
  - (C) In addition, \$1.40 per 1000 gallons for volume charges;
  - (D) The rates and charges set forth in A, B and C above are effective as of the date of this contract. From that date, the rates and charges set forth in (A) (B) and (C) above may be increased annually by the same percentage the County increases the rates of its residential customers according to increases in the Consumer Price Index produced by the Bureau of Labor Statistics. The percentage increase shall be based upon the All Urban Consumer (CPI-U) for all Items Category, U.S. City Average (or if said index is no longer published, an appropriate successor index), and shall be based upon the most recent period available. The result will be that at the time of connection by the Authority to the County Wastewater System, the

rates and charges in effect and to be paid by the Authority for services shall be the dollar numbers noted in A, B and C as increased annually by the CPI-U;

- (E) Further, the rates and charges set forth in (A), (B) and (C) above shall be increased to reflect any system-wide rate changes made by the County to its wastewater services rates and charges made subsequent to the signing of this Agreement.
- (F) The County shall bill the Authority monthly as the single customer for the prior month of flow and volume charges;
- (G) Applicable New Mexico Gross Receipts Taxes shall be added to the amounts billed;
- (H) The Authority shall make payment to the County for those charges within thirty (30) days of receipt of the monthly invoice; and
- (I) Invoices not paid within thirty (30) days, as provided-for above, shall be considered delinquent and unpaid balances shall accrue interest at one and one-half percent (1 ½ % per month).

4. **Number of Project Connections:**

- (A) The design capacity of the Authority's force main is 200,000 gallons per day. Because the Authority will have a single metered connection to the County wastewater treatment facilities, the number of connections will be limited by the capacity of the force main, which capacity should serve approximately 1400 residential customers.
- (B) If the Authority decides to expand the capacity of the force main above 200,000 gallons per day, the Authority will have to negotiate a new agreement with the County. The County does not guarantee that it will accept additional wastewater discharge in excess of the capacity of the force main as presently designed.

5. **Notification of Customer Base:** Within thirty (30) days of connection to the County's wastewater system, the Authority shall provide the County with a list of the names and addresses of all existing customers who will connect to the wastewater system providing flow treatment at the County's plant. Further, the Authority shall provide the County with the names and addresses of all new connections to the wastewater system providing flow to the County's plant for treatment within thirty (30) days of such new connection. The Authority shall also notify the County of those members who discontinue service.

6. **Customer Base:** All customers who hook-up to the Authority's wastewater system and, subject-to service territory divisions as set-forth in paragraph 4 above, all future customers who hook-up to that system shall remain customers of the Authority unless the parties determine otherwise in a writing approved by the Parties.

7. **Wastewater Flow Meter:** The Authority shall be responsible for the provision of, installation of and maintenance of a flow meter at that place where the Authority wastewater collection line ends and the County's collection line to its wastewater plant begins.
8. **Return Flow Credits:** Return flow credits, if any, associated with water placed in the Authority's Wastewater Collection System from customers residing in the Authority's service areas shall be claimed by the Authority consistent with its policies and agreements with other entities.
9. **Compliance with Law:**
  - (A) With regard to wastewater discharges into the County's plant, the Authority shall comply with the terms and conditions of the County's wastewater ordinance and regulations set forth in Doña Ana County Code §§ 319–349, as amended, particularly with those provisions pertaining to prohibited discharges industrial liquid waste and wastewater pretreatment, and with all other applicable state and federal regulations.
  - (B) The Authority will comply with NMSA 1978, § 73-26-1 (2009) as amended and will provide the County with written notice if the Authority intends to sell or otherwise dispose of all or any part of its wastewater collection system, or decides to expand its general service area that could potentially increase the number of wastewater connections to the system.
10. **Final Plans Approval:**
  - (A) The Authority will provide the County with copies of accurate as-built drawings of the Brazito and Mesquite wastewater collection systems, including the collection system, lift system, and force main.
  - (B) Final Plans as they relate to the connection to the County's collection line rather than the collection lines themselves, must be approved by the County and in accordance with County specifications.
11. **Operation and Maintenance, Repair and Replacement:** The County shall have no obligation to operate and maintain or to repair, or replace, or expand any part of the Authority's wastewater system. The Authority shall have no obligation to operate and maintain or to repair, or replace, or expand any part of the County's wastewater system.
12. **Authority Violations; Remedies:** The Authority agrees that, as a condition for accepting wastewater from the Authority, the County is authorized to take any of the following actions as is required:
  - (A) To disconnect or refuse to connect or reconnect wastewater utility service for any of the following reasons:
    - (i) failure to meet the applicable provisions of County ordinances;

- (ii) violation of the regulations pertaining to County wastewater utility service;
    - (iii) non-payment of wastewater utility bills;
    - (iv) vacancy of service premises; and/or
    - (v) Other material breach of this Agreement.
  - (B) To pursue any other collection remedies in accordance with applicable law.
13. **Books and Records:** The parties shall keep their own respective books and records. This Agreement shall not be construed to mandate additional books and records of either party, except that the Authority shall maintain an accurate up-to-date record of all the Brazito and Mesquite customers receiving wastewater services and their physical addresses. Records of both parties specific to this Agreement shall be open for inspection and audit as provided by law.
14. **Duration of Agreement:** This Agreement shall be for twenty-five (25) years unless terminated in accordance with paragraph 15. The Agreement may be renewed upon the mutual agreement of the parties. New terms may be negotiated.
15. **Termination:**
- (A) This Agreement may be terminated by the County for non-payment by the Authority of bills rendered by the County, and/or for any other of the Agreement violations as set forth in Section 11 above, but only after notice of delinquency to the Authority with a thirty (30) day notice to cure followed by a failure to cure.
  - (B) This Agreement may be terminated by either party by providing five (5) years in advance written notice of termination to the other party.
16. **Insurance:** Each party shall separately maintain all-risk property coverage and commercial general liability coverage that would apply to the activities of each as contemplated by the Agreement.
17. **Dispute Resolution:** In the event that a dispute arises with respect to any of the provisions contained in this Agreement or any other matter affecting this Agreement relationship between the County and the Authority, the parties agree that, prior to filing any court action to enforce the Agreement or rights under the Agreement, they will use the services of mediator. The mediator shall either be certified as a mediator or shall have experience as a mediator. In the event the parties have not agreed to a mediator within three days of written notice to the other regarding the dispute, then a list of five potential mediators will be obtained from the Court or other professional association, and the parties shall use a striking process until a mediator is agreed upon. If both parties agree in writing, they may use the mediation process set forth in the New Mexico

Mediation Procedures Act (§§ 44-7B-1 through 44-7B-6). Each party shall be responsible for its respective mediation costs.

18. **Liability:**

(A) Neither the County nor the Authority shall be responsible for liability incurred as a result of the other party's acts or omissions in connection with this Agreement. Any liability incurred in connection with this Agreement is subject to the immunities and limitations of the New Mexico Tort Claims Act, §§ 41-4-1 *et seq.*, NMSA 1978, as amended, and any other New Mexico sovereign immunity statute.

(B) No elected or appointed official, employee, servant, agent, or law enforcement officer of the County or of the Authority shall be held personally liable under this Agreement or any extension of or renewal thereof because of its enforcement or attempted enforcement, provided they are acting within the course and scope of their employment or governmental duty and responsibility.

19. **Governing Law and Venue:** This Agreement shall be interpreted under laws of the State of New Mexico. The venue for any suit brought upon this Agreement shall lie in the District Court of Doña Ana County, New Mexico and or the Federal Court, District of New Mexico.

20. **Scope of Agreement:** This Agreement contains the entire understanding between the parties concerning the subject matter hereof. No prior understandings, whether verbal or written, between the parties or their agents are enforceable unless included in this Agreement.

21. **Severability:** It is hereby declared to be the intention of the parties that the articles, sections, and sub-sections of this Agreement are severable, and if any article, section or subsection of this Agreement shall be declared unconstitutional or illegal by the valid judgment or decree of any court of competent jurisdiction, such unconstitutionality or illegality shall not affect any of the remaining sections, subsections and articles of this Agreement, since the same would have been entered into by the parties without such invalid portion.

22. **Third Party Beneficiary:** It is specifically agreed between the parties that this Agreement is not intended by the parties or by any provisions of the Agreement to create in any member(s) of the public status as a third party beneficiary of the Agreement, or to authorize anyone not a party to the Agreement to maintain a suit(s) for wrongful death(s), injury(ies) to person(s), damage(s) to property(ies), or any other cause(s) of action whatsoever pursuant to the provisions of this Agreement.

23. **Notices:** All notices to be given under this Agreement shall be given by certified mail, return receipt requested or by personal delivery to:
- |                        |                     |
|------------------------|---------------------|
| DAC                    | LRGPWWA             |
| County Manager and     | General Manager and |
| County Utility Manager | Operations Manager  |
| 845 N. Motel Blvd.     | 325 Holguin Rd.     |
| Las Cruces, NM 88007   | Vado, NM 88072-7220 |
24. **Amendment:** This Agreement may be amended with the consent of the parties, but said amendment must be in writing and approved by the governing body of each party.
25. **Successors and Assigns:** The parties hereby agree that the terms of this Agreement and any amendment thereto shall extend to and be binding upon their successors, assigns, and transferees.
26. **Signatory Representation:** The County and the Authority represent that the signatories to this Agreement have been officially authorized by their respective Boards to sign the Agreement.
27. **Effective Date:** This Agreement shall become effective upon the date of signature of the last party to sign.  
 In witness whereof, the Parties have executed this Agreement on the dates indicated below.

**DOÑA ANA COUNTY**

\_\_\_\_\_

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

ATTEST:

\_\_\_\_\_

**LOWER RIO GRANDE PUBLIC WATER  
WORKS AUTHORITY**

\_\_\_\_\_

John Holguin, Board Chairman

Date: December 13, 2016

ATTEST:

\_\_\_\_\_

Virginia Gomez, Secretary



# LOWER RIO GRANDE

## Public Water Works Authority

[www.lrgauthority.org](http://www.lrgauthority.org)

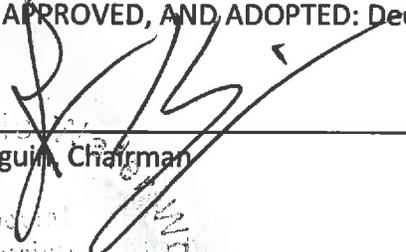
### Resolution #FY2017-10

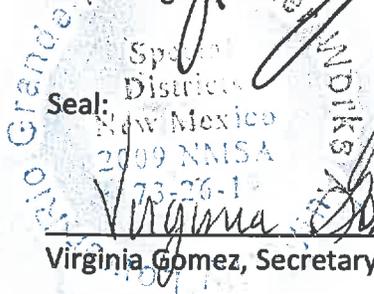
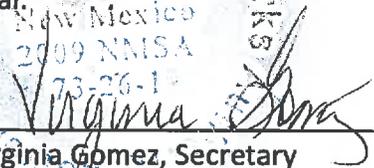
### Amended Budget for 1st Quarter Fiscal Year 2016

**Whereas**, in order to comply with Sections 6-6-1 and 6-6-2 NMSA 1978 and to apply for CDBG funding, the Board of Directors wishes to adopt and pass a resolution to approve the amended FY2016 First Quarter Budget on December 13, 2016.

**Therefore**, be it resolved, the Board of Directors adopts and passes this resolution to approve the amended FY2016 First Quarter Budget officially approved on December 13, 2016.

PASSED, APPROVED, AND ADOPTED: December 13, 2016.

  
\_\_\_\_\_  
John Holguin, Chairman

  
Seal: Rio Grande Public Water Works Authority  
New Mexico  
2009 NMSA  
73-26-1  
  
\_\_\_\_\_  
Virginia Gomez, Secretary

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

Schedule 1

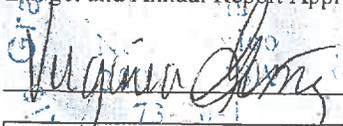
Name  
LowerRioGrandePublicWaterWorksAuthority

Address PO Box 2646  
Anthony, NM 88021  
Amended 1st Quarter FY2016

(1) OPERATING INCOME	PRIOR YEAR Actual (2)	ANNUAL BUDGET		For the 07-01-2015 Months Ended 09-30-2015		
		BEG 07-01-2015	END 06-30-2016 (3)	CURRENT YEAR		Actual YTD (Over) Under Budget Col. 3 - 5 = 6 (6)
		Actual Data		Current Quarter (4)	Year To Date (5)	
1. Water Revenue	1,962,958	2,246,000	767,533	767,533	1,478,467	
2. Sewer Revenue	135,000	135,000	41,138	41,138	93,862	
3. Interest	300	300	146	146	154	
4.					0	
5. Miscellaneous					0	
6. Less: Allowances and Deductions					0	
7. Total Operating Income (Add lines 1 through 6)	2,098,258	2,381,300	808,817	808,817	1,572,483	
<b>OPERATING EXPENSES</b>						
8. Salaries, Labor	1,224,949	1,301,077	261,807	261,807	1,039,270	
9. Accounting, Legal	95,925	90,925	36,214	36,214	54,711	
10. Taxes, Insurance	93,500	167,339	19,366	19,366	147,973	
11. Utilities	258,400	258,400	85,310	85,310	173,090	
12. Supplies	437,500	455,720	97,128	97,128	358,592	
13. Lab, Chemical, Sewer	115,387	71,500	13,261	13,261	58,239	
14. Debt Service	356,942	356,942	13,049	13,049	343,893	
15. Interest					0	
16. Depreciation	760,000	984,485			984,485	
17. Total Operating Expense (Add Lines 8 through 16)	3,342,603	3,686,388	526,135	526,135	3,160,253	
18. NET OPERATING INCOME (LOSS) (Line 7 less 17)	-1,244,345	-1,305,088	282,682	282,682	-1,587,770	
<b>NONOPERATING INCOME</b>						
19. Water	312,958	313,103	13,680	13,680	299,423	
20. Sewer	5,000	7,500	0	0	7,500	
21. Total Nonoperating Income (Add 19 and 20)	317,958	320,603	13,680	13,680	306,923	
22. NET INCOME (LOSS) (Add lines 18 and 21)	-926,387	-984,485	296,362	296,362	-1,280,847	
23. Equity Beginning of Period	926,387	984,485			984,485	
24. Trf to Reserve			-296,362	-296,362	296,362	
25. Trf from Reserve					0	
26. Equity End of Period (Add lines 22 through 25)	0	0	0	0	0	

Budget and Annual Report Approved by Governing Body

Quarterly Reports Certified Correct

  
Secretary

12-13-16  
Date

  
Appropriate Official

12/13/16  
Date

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0015 and 0572-0137. The time required to complete this information collection is estimated to average 2-1 2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.



# LOWER RIO GRANDE

## Public Water Works Authority

[www.lrgauthority.org](http://www.lrgauthority.org)

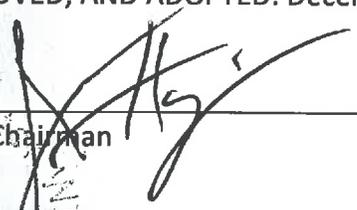
### Resolution #FY2017-11

### Amended Budget for 2nd Quarter Fiscal Year 2016

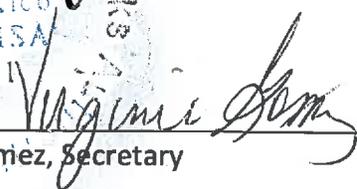
**Whereas**, in order to comply with Sections 6-6-1 and 6-6-2 NMSA 1978 and to apply for CDBG funding, the Board of Directors wishes to adopt and pass a resolution to approve the amended FY2016 Second Quarter Budget on December 13, 2016.

**Therefore**, be it resolved, the Board of Directors adopts and passes this resolution to approve the FY2016 Second Quarter Amended Budget officially approved on December 13, 2016.

PASSED, APPROVED, AND ADOPTED: December 13, 2016.

  
\_\_\_\_\_  
John Holguin, Chairman

Seal: Special  
Districts  
New Mexico  
2009 NMSA  
73-26-1

  
\_\_\_\_\_  
Virginia Gómez, Secretary

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

Schedule 1

Name LowerRioGrandePublicWaterWorksAuthority

Address PO Box 2646 Anthony NM 88012  
AMENDED 2nd QUARTER REPORT

(1) OPERATING INCOME	PRIOR YEAR Actual (2)	ANNUAL BUDGET BEG 07-01-2015 END 03-30-2016 (3)	For the 10-01-2015 Months Ended 12-31-2015		
			CURRENT YEAR		Actual YTD (Over) Under Budget Col. 3 - 5 = 6 (6)
			Actual Data		
			Current Quarter (4)	Year To Date (5)	
1. Water Revenue	1,962,958	2,246,000	571,789	1,339,322	906,678
2. Sewer Revenue	135,000	135,000	36,491	77,629	57,371
3. Interest	300	300	152	298	2
4.					0
5. Miscellaneous					0
6. Less: Allowances and Deductions					0
7. Total Operating Income (Add lines 1 through 6)	2,098,258	2,381,300	608,432	1,417,249	964,051
<b>OPERATING EXPENSES</b>					
8. Salaries, Labor	1,224,949	1,301,077	301,763	563,570	737,507
9. Accounting, Legal	95,925	90,925	33,116	69,330	21,595
10. Taxes, Insurance	93,500	167,339	20,084	39,450	127,889
11. Utilities	258,400	258,400	52,342	137,652	120,748
12. Supplies	437,500	455,720	88,297	185,425	270,295
13. Lab, Chem. Sewer	115,387	71,500	10,346	23,606	47,894
14. Debt Service	356,942	356,942	13,049	26,098	330,844
15. Interest					0
16. Depreciation	760,000	984,485			984,485
17. Total Operating Expense (Add Lines 8 through 16)	3,342,603	3,686,388	518,997	1,045,131	2,641,257
18. NET OPERATING INCOME (LOSS) (Line 7 less 17)	-1,244,345	-1,305,088	89,435	372,118	-1,677,206
<b>NONOPERATING INCOME</b>					
19. Water	312,958	313,103	12,364	22,977	290,126
20. Sewer	5,000	7,500	0	0	7,500
21. Total Nonoperating Income (Add 19 and 20)	317,958	320,603	12,364	22,977	297,626
22. NET INCOME (LOSS) (Add lines 18 and 21)	-926,387	-984,485	101,799	395,095	-1,379,580
23. Equity Beginning of Period	926,387	984,485			984,485
24. Trfrs. to Reserve			-101,799	-395,095	395,095
25. Trfrs. from Reserve					0
26. Equity End of Period (Add lines 22 through 25)	0	0	0	0	0

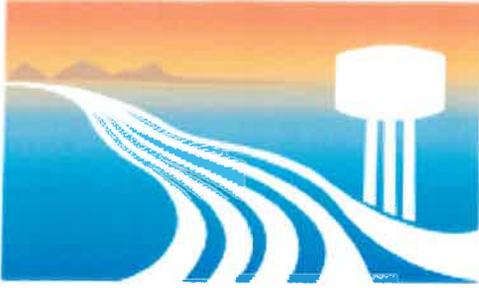
Budget and Annual Report Approved by Governing Body

Quarterly Reports Certified Correct

Secretary *[Signature]* Date 12-13-16

Appropriate Official *[Signature]* Date 12/13/16

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0015 and 0572-0137. The time required to complete this information collection is estimated to average 2-1 2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.



# LOWER RIO GRANDE

## Public Water Works Authority

[www.lrgauthority.org](http://www.lrgauthority.org)

### Resolution #FY2017-12 Amended 3<sup>rd</sup> Quarter Budget for Fiscal Year 2016

**Whereas**, in order to comply with Sections 6-6-1 and 6-6-2 NMSA 1978 and to apply for CDBG funding, the Board of Directors wishes to adopt and pass a resolution to approve the amended FY2016 Third Quarter Budget on December 13, 2016.

**Therefore**, be it resolved, the Board of Directors adopts and passes this resolution to approve the FY2016 Third Quarter Amended Budget officially approved on December 13, 2016.

PASSED, APPROVED, AND ADOPTED: December 13, 2016.

\_\_\_\_\_  
John Holguin, Chairman

Special  
Seal: Districts  
New Mexico  
2009 NMSA  
73-26

WORKS

\_\_\_\_\_  
Virginia Gomez, Secretary

Lower Rio Grande

2007 NMSA

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

Schedule I

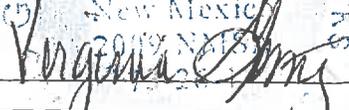
Name  
LowerRioGrandePublicWaterWorksAuthority

Address PO Box 2646 Anthony NM 88012  
AMENDED 3RD QUARTER REPORT

(1) <u>OPERATING INCOME</u>	PRIOR YEAR <u>Actual</u> (2)	ANNUAL BUDGET		For the 01-01-2016 Months Ended 03-31-2016	
		BEG 07-01-2015	END 03-30-2016 (3)	CURRENT YEAR	
		Actual Data		Actual YTD (Over) Under Budget Col. 3 - 5 = 6 (6)	
			Current Quarter (4)	Year To Date (5)	
1. Water Revenue	1,962,958	2,246,000	527,488	1,866,810	379,190
2. Sewer Revenue	135,000	135,000	31,756	109,385	25,615
3. Interest	300	300	192	490	-190
4.					0
5. Miscellaneous					0
6. Less: Allowances and Deductions					0
7. Total Operating Income (Add lines 1 through 6)	2,098,258	2,381,300	559,436	1,976,685	404,615
<u>OPERATING EXPENSES</u>					
8. Salaries, Labor	1,224,949	1,301,077	377,617	941,187	359,890
9. Accounting, Legal	95,925	90,925	27,944	97,274	-6,349
10. Taxes, Insurance	93,500	167,339	22,786	62,236	105,103
11. Utilities	258,400	258,400	73,165	210,817	47,583
12. Supplies	437,500	455,720	102,978	288,403	167,317
13. Lab, Chem. Sewer	115,387	71,500	17,614	41,220	30,280
14. Debt Service	356,942	356,942	36,465	62,563	294,379
15. Interest					0
16. Depreciation	760,000	984,485			984,485
17. Total Operating Expense (Add Lines 8 through 16)	3,342,603	3,686,388	658,569	1,703,700	1,982,688
18. NET OPERATING INCOME (LOSS) (Line 7 less 17)	-1,244,345	-1,305,088	-99,133	272,985	-1,578,073
<u>NONOPERATING INCOME</u>					
19. Water	312,958	313,103	3,925	29,969	283,134
20. Sewer	5,000	7,500	68	68	7,432
21. Total Nonoperating Income (Add 19 and 20)	317,958	320,603	3,993	30,037	290,566
22. NET INCOME (LOSS) (Add lines 18 and 21)	-926,387	-984,485	-95,140	303,022	-1,287,507
23. Equity Beginning of Period	926,387	984,485			984,485
24. Trns. to Reserve				-303,022	303,022
25. Trns. from Reserve			95,140		0
26. Equity End of Period (Add lines 22 through 25)	0	0	0	0	0

Budget and Annual Report Approved by Governing Body

Quarterly Reports Certified Correct

  
Secretary

12-13-16  
Date

  
Appropriate Official

12/13/16  
Date

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0015 and 0572-0137. The time required to complete this information collection is estimated to average 2-1 2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.



# LOWER RIO GRANDE

## Public Water Works Authority

[www.lrgauthority.org](http://www.lrgauthority.org)

### Resolution #FY2017-13

### Amended Budget for 4th Quarter Fiscal Year 2016

**Whereas**, in order to comply with Sections 6-6-1 and 6-6-2 NMSA 1978 and to apply for CDBG funding, the Board of Directors wishes to adopt and pass a resolution to approve the amended FY2016 Fourth Quarter Budget on December 13, 2016.

**Therefore**, be it resolved, the Board of Directors adopts and passes this resolution to approve the FY2016 Fourth Quarter Amended Budget officially approved on December 13, 2016.

PASSED, APPROVED, AND ADOPTED: December 13, 2016.

\_\_\_\_\_  
John Holguin, Chairman

Seal:  
Special  
Districts  
New Mexico  
2009 NMSA  
73-26-1

\_\_\_\_\_  
Virginia Gomez, Secretary

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

Schedule I

Name  
LowerRioGrandePublicWaterWorksAuthority

Address PO Box 2646 Anthony NM 88012  
AMENDED 4th Quarter

(1) OPERATING INCOME	PRIOR YEAR Actual (2)	ANNUAL BUDGET		For the 04-01-2016 Months Ended 06-30-2016		
		BEG 07-01-2015	END 06-30-2016 (3)	CURRENT YEAR		Actual YTD (Over) Under Budget Col. 3 - 5 = 6 (6)
		Actual Data		Current Quarter (4)	Year To Date (5)	
1. Water Revenue	1,962,958	2,508,117	760,501	2,627,311	-119,194	
2. Sewer Revenue	135,000	148,898	35,216	144,601	4,297	
3. Interest	300	650	160	650	0	
4.					0	
5. Miscellaneous					0	
6. Less: Allowances and Deductions					0	
7. Total Operating Income (Add lines 1 through 6)	2,098,258	2,657,665	795,877	2,772,562	-114,897	
<b>OPERATING EXPENSES</b>						
8. Salaries, Labor	1,224,949	1,257,431	316,158	1,257,345	86	
9. Accounting, Legal	95,925	119,922	22,883	120,157	-235	
10. Taxes, Insurance	93,500	79,518	17,282	79,518	0	
11. Utilites	258,400	277,844	67,027	277,844	0	
12. Supplies	437,500	354,709	66,306	354,709	0	
13. Lab, Chem. Sewer	115,387	53,318	12,098	53,318	0	
14. Debt Service	356,942	229,420	294,379	356,942	-127,522	
15. Interest					0	
16. Depreciation	760,000	984,485			984,485	
17. Total Operating Expense (Add Lines 8 through 16)	3,342,603	3,356,647	796,133	2,499,833	856,814	
18. NET OPERATING INCOME (LOSS) (Line 7 less 17)	-1,244,345	-698,982	-256	272,729	-971,711	
<b>NONOPERATING INCOME</b>						
19. Water	312,958	169,937	16,981	46,950	122,987	
20. Sewer	5,000	4,498	4,430	4,498	0	
21. Total Nonoperating Income (Add 19 and 20)	317,958	174,435	21,411	51,448	122,987	
22. NET INCOME (LOSS) (Add lines 18 and 21)	-926,387	-524,547	21,155	324,177	-848,724	
23. Equity Beginning of Period	926,387	984,485		-324,177	1,308,662	
24. Trns. to Reserve			-21,155		0	
25. Trns. Frm Reserve					0	
26. Equity End of Period (Add lines 22 through 25)	0	459,938	0	0	459,938	

Budget and Annual Report Approved by Governing Body

Quarterly Reports Certified Correct

*Virginia Gomez*  
Secretary  
Date 12-13-16

*[Signature]*  
Appropriate Official  
Date 12/13/16

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0015 and 0572-0137. The time required to complete this information collection is estimated to average 2-12 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.



# LOWER RIO GRANDE

## Public Water Works Authority

[www.lrgauthority.org](http://www.lrgauthority.org)

### Resolution #FY2017-14

### Amended Final Budget for Fiscal Year 2016

**Whereas**, in order to comply with Sections 6-6-1 and 6-6-2 NMSA 1978 and to apply for CDBG funding, the Board of Directors wishes to adopt and pass a resolution to approve the amended FY2016 Final Budget on December 13, 2016.

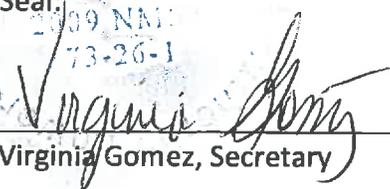
**Therefore**, be it resolved, the Board of Directors adopts and passes this resolution to approve the FY2016 Final Amended Budget officially approved on December 13, 2016.

PASSED, APPROVED, AND ADOPTED: December 13, 2016.

  
\_\_\_\_\_  
John Holguin, Chairman

Special  
District

New Mexico  
Seal:  
2009 NMSA  
73-26-1

  
\_\_\_\_\_  
Virginia Gomez, Secretary

12-13-16

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

Schedule 1

Name LowerRioGrandePublicWaterWorksAuthority

Address PO Box 2646 Anthony NM 88012  
AMENDED FY2016 Budget

(1) <u>OPERATING INCOME</u>	<u>PRIOR YEAR</u> <u>Actual</u> (2)	ANNUAL BUDGET		For the <u>07-01-2015</u> Months Ended <u>06-30-2016</u>		
		BEG <u>07-01-2015</u>		CURRENT YEAR		Actual YTD (Over) Under Budget Col. 3 - 5 = 6 (6)
		END <u>06-30-2016</u> (3)		Actual Data		
			Current Quarter (4)	Year To Date (5)		
				<i>New Amount</i>	<i>Change</i>	
1. Water Revenue	1,962,958	2,246,000	2,627,311	2,627,311	-381,311	
2. Sewer Revenue	135,000	135,000	144,601	144,601	-9,601	
3. Interest	300	300	650	650	-350	
4.					0	
5. Miscellaneous					0	
6. Less: Allowances and Deductions					0	
7. Total Operating Income (Add lines 1 through 6)	2,098,258	2,381,300	2,772,562	2,772,562	-391,262	
<u>OPERATING EXPENSES</u>						
8. Salaries, Labor	1,224,949	1,301,077	1,257,345	1,257,345	43,732	
9. Accounting, Legal	95,925	90,925	120,157	120,157	-29,232	
10. Taxes, Insurance	93,500	167,339	79,518	79,518	87,821	
11. Utilities	258,400	258,400	277,844	277,844	-19,444	
12. Supplies	437,500	455,720	354,709	354,709	101,011	
13. Lab, Chem. Sewer	115,387	71,500	53,318	53,318	18,182	
14. Debt Service	356,942	249,861	249,861	249,861	0	
15. Interest		107,081	107,081	107,081	0	
16. Depreciation			0		0	
17. Total Operating Expense (Add Lines 8 through 16)	2,582,603	2,701,903	2,499,833	2,499,833	202,070	
18. NET OPERATING INCOME (LOSS) (Line 7 less 17)	-484,345	-320,603	272,729	272,729	-593,332	
<u>NONOPERATING INCOME</u>						
19. Water	312,958	313,103	46,950	46,950	266,153	
20. Sewer	5,000	7,500	4,498	4,498	3,002	
21. Total Nonoperating Income (Add 19 and 20)	317,958	320,603	51,448	51,448	269,155	
22. NET INCOME (LOSS) (Add lines 18 and 21)	-166,387	0	324,177	324,177	-324,177	
23. Equity Beginning of Period	926,387	984,485	-324,177	-324,177	1,308,662	
24. Tfrs. to Reserve					0	
25. Tfrs. from Reserve					0	
26. Equity End of Period (Add lines 22 through 25)	760,000	984,485	0	0	984,485	

Budget and Annual Report Approved by Governing Body

Quarterly Reports Certified Correct

*Virginia Gomez*  
Secretary  
Date 12-13-16

*[Signature]*  
Appropriate Official  
Date 12/13/16

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0015 and 0572-0137. The time required to complete this information collection is estimated to average 2-1 2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.



# LOWER RIO GRANDE

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## Public Water Works Authority

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325 Holguin Road Box C Vado, New Mexico 88072 (575) 233-5742

### 3. METERING FACILITIES.

- A. Metering of Water Service.** Water service will be metered at each individual dwelling or place of business. Multiple dwellings **shall not** be connected to one service connection unless as outlined in the **Additional Minimum Policy**. Meter facilities shall be installed by the Authority.
- B. Metering Facilities/ Tampering.** Metering facilities shall be installed, owned and maintained by the Authority and shall be paid for by the Member. These shall consist of service clamp, corporation stop, service line, meter yoke, meter box, backflow device, and meter. Metering facilities are for the sole use of the Authority. **A violation of this policy is grounds for a penalty (See FEE SCHEDULE—Attachment #2) or disconnection of service at any facility in service for the Member. Tampering with meter facilities is a violation of Authority Policy and in some cases a violation of State and/or Federal law which may be reported to the appropriate law enforcement agency and prosecuted.**
- C. Location of Metering Facilities.** Metering facilities shall be located at the main line or at the member's property line. In special cases where this is not practical, the location shall be agreed upon jointly by the General Manager or Designee and the Member. Should the location be within the member's property, he/she shall grant the Authority an easement of right-of-way and the right of ingress and egress to said property for the purposes of servicing or removing the metering facilities.
- D. Meter Accuracy.** Water meters, where errors do not exceed two (2%) percent fast or slow, shall be considered as being within the allowable limits of accuracy for billing purposes. Whenever a meter in service is tested and found to have over-registered more than ~~2%~~ **three percent (3%)**, the LRGPWWA shall adjust the Member's bill for the excess amount paid as determined by the percentage in excess of ~~two (2%)~~ **three percent (3%)**. In the event error percentage cannot be determined, the Member's bill will be adjusted to the usage for the same month in the previous year. An adjustment will not be made if the excess amount paid is less than \$5.00.

**E. Meter Testing.** Meter testing requested by Members will be performed without cost to the Member, if the meter is found to be off in excess of ~~two (2%)~~ three percent (3%). Otherwise, the Member for whom the required testing was made will be charged for the cost of making the test.

**F. Meter Reading.** Meters will be read by the Authority on a regular monthly schedule, and different areas of the system may be on different meter reading and billing cycles. If a meter cannot be read, the Authority will bill the Member for the average water used during the prior three months until such time as adjustments can be made for actual water used.

#### **4. BILLING AND PAYMENT FOR WATER/SEWER SERVICE.**

**A. Dates:**

**Bill Date** Cycle #1 bills are sent on the 1<sup>st</sup> of the month. Additional Cycles may be added as needed due to growth of the customer base.

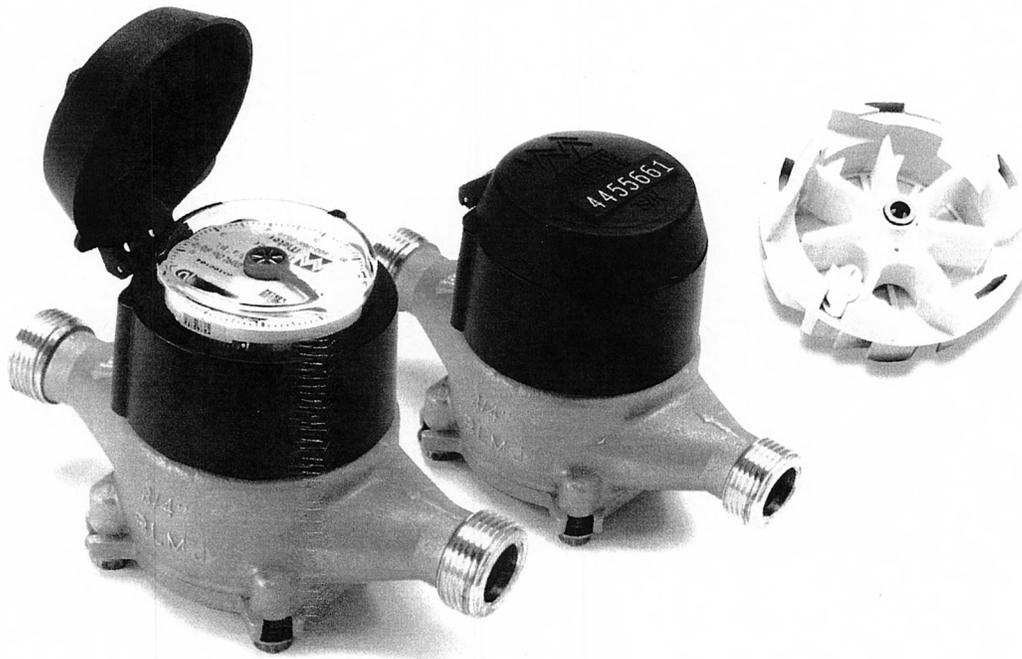
**Due date** is twenty-five days after the billing date for the cycle. Cycle #1 bills are sent on the 1<sup>st</sup> of the month, and the due date is the 25<sup>th</sup>. Additional Cycles may be added as needed due to growth of the customer base.

**Overdue date** is 3:00 p.m. on the due date.

**Delinquency date** is thirty (30) days after the bill date

**Fees for Disconnection of Service, Bad Checks, Meter Tampering, and Open or Close Water Service After Hours** are due immediately and are subject to overdue and delinquent penalties.

**B. Billing of Water/Sewer Service.** All Authority Members are subject to at least the minimum water and minimum sewer charges as soon as water/sewer service is available, as defined in "Water/Sewer Service". The Authority shall bill the membership **monthly** for water/sewer service from actual meter readings and/or at the rates set forth on the approved water/sewer rate schedule



Master Meter's Multi-Jet meter exceeds the AWWA C708 standard. With sensitivity to measure water flowing as low as 1/8 gallon per minute and accuracy unaffected by common particulates and build-up that would freeze other types, you can count on our Multi-Jet technology.

#### Technical Specifications:

**AWWA Standard** - Meets or exceeds all sections of AWWA Standard C-708, most recent revision. Compliant with SDWA, NSF ANSI 372 and NSF ANSI 61 standards.

**Register** - Standard Direct Read, DIALOG® 3G AMR System registers, AccuLinx Encoder, and IP 68 Electrical Output registers available. Together, an integrated and migratable technology environment is attained; direct, proximity (touch), mobile AMR, and Fixed Network AMI.

**Register Sealing** - Direct Read and DIALOG registers are permanently sealed with a scratch resistant glass lens, stainless steel base and wrap-around gasket to prevent intrusion of dirt or moisture.

#### Features & Benefits:

- Rugged basket strainer built from advanced polymer materials for superior wear mitigation.
- Proprietary design produces smooth, laminar flow profile for improved accuracy
- Award-winning DIALOG 3G register design houses all vital components — encoder, RF transmitter, battery and antennae — safely within the register's stainless steel and tempered glass enclosure. Free of external wires, components and connections — the #1 cause of field related issues on competitive designs.
- Assures compliance with the Safe Drinking Water Act (SDWA).
- Measures with only one moving part that is hydrodynamically balanced on a sapphire bearing to preserve accuracy and promote a positive bottom line.
- Exceptional performance in passing entrained solids and operating in environments with high mineral content.
- Clean, elegant measurement design is highly sensitive to leaks and low flow while limiting wear for excellent revenue protection.



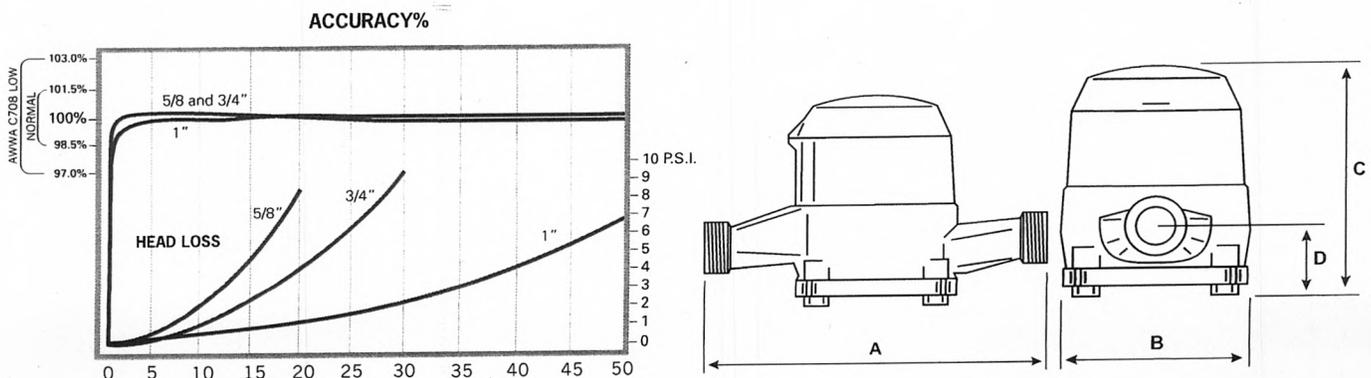
**Technical Specs (Cont'd):**

- **Register Unit** - Registration available in U.S. gallons, cubic feet or cubic meters.
- **Test Circle** - Large center sweep hand with one hundred (100) clearly marked gradations on the periphery of the dial face (available on Direct Read and DIALOG 3G registers).
- **Design/Operation** - Velocity-type flow measurement. Water that is evenly distributed by multiple converging inlet ports flows past an impeller in the measuring chamber, creating an impeller velocity directly proportional to water flow rate. The meter's register integrates that velocity into totalized flow. An inherent advantage for this design is unparalleled wear mitigation leading to sustained revenues. The register assembly is removable under line pressure permitting seamless, simplified upgrades in reading technology.

- **Strainer** - A rugged, 360-degree advance polymer basket strainer protects the critical measuring element from damage. The unique strainer design smoothes the flow of water entering into the meter creating a laminar flow that is gentle on the meter's internal components. Tough materials operating in a smooth, balanced environment enable the meters to perform more accurately over time. Utilities' investments last longer while capturing more revenue.
- **Measuring Chamber** - The measuring chamber housing and measurement element are built with an advanced synthetic polymer. Measurement surfaces are not wear surfaces, providing sustained accuracy despite the presence of entrained solids in the water. A long life, synthetic sapphire bearing serves as a wear surface with radially balanced water flows. The chamber housing is constructed in two parts to allow access to the impeller. Bottom plates available in Bronze, Cast Iron (CI) or Engineered Plastic.

METER OPERATING CHARACTERISTIC/DIMENSION	5/8"	3/4" x 7-1/2"	3/4" x 9"	3/4" x 9" x 1"	1"
Flow Rating (gpm)	20	30	30	30	50
Continuous Flow (gpm)	15	20	20	20	30
Normal Flow Range (gpm)	1-20	2-30	2-30	2-30	3-50
Extended Low Flow (gpm)	1/4	1/2	1/2	1/2	3/4
Maximum Working Pressure (psi)	150	150	150	150	150
Maximum Working Temperature (F)	120	120	120	120	120
Length (A below)	7-1/2"	7-1/2"	9"	9"	10-3/4"
Width (B below)	3-5/8"	3-5/8"	3-5/8"	3-5/8"	4"
Height, standard register with lid (C below)	5"	5"	5"	5"	5-1/4"
Height, bottom to center line (D below)	1-1/2"	1-1/2"	1-1/2"	1-1/2"	1-3/4"
Weight (lbs)	3.95	4.0	4.1	4.6	5.25
Packed To Carton	6	6	6	4	4
Carton Weight (lbs)	25.1	25.4	26	19.8	22.4

**Accuracy and Head Loss Chart**





This gravimetric test bench was used to analyze mechanical and electronic meter accuracy for this study at the Utah Water Research Laboratory in Logan, Utah. Photo courtesy of Utah Water Research Laboratory.

non-registration meters and made recommendations on when to consider replacement of low-registration meters.

Although these studies all focus on water meter accuracy relating to various factors, their main focus is on the commonly used mechanical meters. This study is intended to add an analysis of electronic meters to the research available. Recently electronic meters have become better known and are continuing to gain popularity. During a water conservation showcase in San Francisco, Calif., Arthur Burns—a representative from a company<sup>1</sup> that manufactures electronic meters—discussed the advancements in metering technology. Burns (2011) explained the benefit of having proven and trusted technology among mechanical meters but acknowledged the disadvantage of low-flow performance limitations among those same meters. He addressed the benefits of electronic meters—no moving parts to wear out over time, no maintenance, unaffected by particles in water, better high-flow durability, and better low-flow accuracy. He also discussed the challenges for different electronic meter types, most dealing with a power requirement. He concluded that mechanical meters are still good, but there is compelling evidence to consider new technologies (Burns 2011).

The previously discussed studies reveal differences in meter accuracy based on a variety of factors including, but not limited to, meter size, type, manufacturer, age, water quality, and installation; however, there is a lack of electronic meter accuracy data for utility managers on which to base purchases. This study stands to fill that void. Accuracy is important, and limitations of different technologies should be addressed.

**TEST PROCEDURE**

To analyze the low-flow accuracy of the meters, laboratory results were compared with the AWWA standards for minimum flow (AWWA 2012). Minimum required flow rates and accuracy ranges are listed in Table 1. Since electronic meters have been introduced, AWWA has not released applicable standards for all types of electronic meters, so these meters were evaluated using available standards for positive-displacement, single-jet, and multi-jet meters, against which the electronic meters compete for market presence.

Six meter types were tested at various flow rates using a gravimetric test bench at the Utah Water Research Laboratory in Logan, Utah (see the photograph on this page). Flow rates comprised AWWA maximum, intermediate, and minimum flows, as well as flows lower than the AWWA minimum. Tested meter types included oscillating-piston, nutating-disc, multi-jet, single-jet, and electronic meters. Both ultrasonic and electromagnetic meters were tested during this study and will be referred to separately as EM1 and EM2 in no particular order, or combined as EM. The electronic meters were combined to preserve anonymity of manufacturers since there is only one manufacturer of each type. Among all the types of meters, two sizes were tested: 3/4 in. and 5/8 in. x 3/4 in. Table 2 lists the number of meters tested by type and size. All meters were in new condition and received under contract through various entities.

This research was a result of several studies and as such had limited sample sizes. Sample sizes were smaller for multi-jet,

**TABLE 1** AWWA accuracy standards for minimum flow rates<sup>a</sup>

Meter Type	Meter Size		Accuracy Range %	
	5/8 in. x 3/4 in. gpm	3/4 in. gpm	Lower	Upper
EM <sup>b</sup>	NA	NA	NA	NA
ND	1/4	1/2	95	101
OP	1/4	1/2	95	101
MJ	1/4	1/2	97	103
SJ	1/4	1/2	95	101.5

Source: Utah Water Research Laboratory

EM—electronic meter, MJ—multi-jet, NA—not applicable, ND—nutating disc, OP—oscillating piston, SJ—single jet

<sup>a</sup>AWWA 2012

<sup>b</sup>Ultrasonic and electromagnetic meters are combined and referred to as EM. No standards exist, so accuracy was evaluated using positive displacement, single-jet, and multi-jet standards.

**TABLE 2** Sample size by meter type

Meter Type	Meter Size		Total
	5/8 in. x 3/4 in.	3/4 in.	
EM1 <sup>a</sup>	9	3	12
EM2	9	3	12
ND	54	27	81
OP	34	21	55
MJ	12	6	18
SJ	3	3	6

Source: Utah Water Research Laboratory

EM—electronic meter, MJ—multi-jet, ND—nutating disc, OP—oscillating piston, SJ—single jet

<sup>a</sup>Ultrasonic and electromagnetic meters are referred to separately as EM1 and EM2 in no particular order.

**LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY (LRGPWWA)  
CAPITAL ASSETS POLICY**

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## 1. DEFINITIONS

**State Procurement Statute**-CHAPTER 13 Public Purchases and Property; Article: 1; Procurement: 13-1-1 through 13-1-199. NMSA 1978

**Capital Asset Definition** (aka, Fixed Asset) - An asset definition was established for the asset management plan (see definition below). To be considered a capital asset, it must meet at least one of the following criteria:

- ) Has a value greater than \$5,000
- ) Has a useful life greater than one year
- ) Is critical to the delivery of process, compliance of regulatory standards, and/or provision of staff safety

All of the Authority's capital assets were identified using the above criteria. These criteria helped to distinguish an asset from a component (See definition below). Only those assets that fulfill these criteria will be included in the capital assets register.

**Capital Asset Hierarchy** - An asset hierarchy helps to efficiently and effectively organize a large volume of assets in the capital asset register. It provides a parent and child relationship between asset records and allows information (i.e. cost and asset valuation) to be presented at all levels of the hierarchy. At the higher level, the Authority's assets are grouped into Water System, Sewer System and General. Water System is further classified into Linear Assets (e.g. pipes, hydrants, valves) and Facility Assets (i.e. wells, pump stations, pressure reducing stations). Sewer System is classified into linear assets (e.g., pipes, manholes, lift stations). General Assets are assets that cannot be allocated to strictly Water System or Sewer System (i.e., office buildings, vehicles, etc.)

**Components** - A Component is an essential part of an asset which may be removed and replaced to extend the life of the asset. Components are usually an expensive piece of equipment with a separate, depreciable life. A Component is a part of an asset that needs to be identified separately from its parent asset. Reasons for identifying the component separately may include a different useful life, maintenance regime or the risk and criticality of the component.

***Example:** Water System (Parent)>Well (Child)>Pump/Motor (Component) - A well could have a useful life of 80 years but the pump and motor required to draw the water up from the well may only last for 5 years. You wouldn't abandon the well and drill a new one just because the motor went out. You would replace the motor and continue using the well. Therefore, the motor would be a component and would be added to the parent asset as the child with a separate, depreciable life.*

**Asset Management Plan** - An Asset Management Plan is a tactical plan for managing an organizations infrastructure and other assets to foster more efficient use of financial and physical resources.

**Note:** Asset management plans have only recently become a requirement to obtain funding and meet reporting requirements with state agencies. The Authority has developed an Asset Management Plan. The Plan is in a transitional phase due to the recentness of the requirement. Mutual Domestic were not required to keep detailed records so in many cases none exist. The Authority was formed through the merger of many small Mutual Domestic Water systems that were run by volunteers and lacked records. After the formation of the Authority in 2009 newly acquired assets and maintenance records have been documented. In 2016, in an effort to establish an accurate Fixed Asset Inventory, the Authority with the assistance of a third-party

(RPC CPA's), has verified and documented the existence of all Fixed Assets owned by the Authority that are still in use and has established values for items that lacked documentation. Fully depreciated items and items that have been disposed of or replaced have been removed from the Fixed Assets listing and the accounting records. Appropriate entries have been made into the accounting records to reflect the changes and a detailed Fixed Assets inventory has been entered into the accounting system.

Where records were available, the Fixed Assets have been broken down into parent, child, and component sections to form the basis of the Asset Management Plan. Where records were not available, the Fixed Assets were recorded based on the information on hand and the professional judgment of the General Manager and other experts. Any new items will be added using current record keeping requirements, and as old items are depreciated and disposed of they will be removed, improving the usefulness of the Asset Management Plan.

**Acquisition Cost** – Capital assets should be recorded and reported at their historical costs, which include the vendor's invoice (plus the value of any trade-in or allowance, if reflected on the invoice), plus sales tax, initial installation cost (excluding in-house labor), modifications, attachments, accessories or apparatus necessary to make the asset usable and render it into service. Historical costs also include ancillary charges such as freight and transportation charges, site preparation costs and professional fees.

**Merger Asset** – A Merger Asset acquired through a merger shall be recorded at cost with accumulated depreciation. If there is no supporting documentation available at the time of merger the merger asset will be assessed for age and condition and be recorded at fair market value. A remaining useful life will be established and the asset will be depreciated accordingly.

**Donated Asset** – Donations are defined as voluntary contributions of resources to a government entity by a non-governmental entity. Donations should be reported at fair value at the time of acquisition plus ancillary charges, if any. Fair value equals the amount at which an asset could be exchanged in a current transaction between willing parties.

Donations must be recorded and reported at fair value on the date of acquisition based on a reasonable market study. Recipients of donated capital assets will recognize the donation and related revenue when the transaction is complete and the assets are received, providing all eligibility requirements have been met. Promises of capital asset donations should be recognized as receivables and revenues (net of estimated uncollectible amounts) when all applicable eligibility requirements have been met, providing that the promise is verifiable and the resources are measurable, with the probability of collection.

In some cases, donated capital assets are given with the stipulation (time requirement) that the assets cannot be sold, disbursed or consumed until a specified number of years have passed or a specific event has occurred. For such cases, the capital asset should be reported in the statement of Net Assets as "Net Assets—Restricted" as long as the restrictions or time requirements remain in effect.

**Additions and Improvements** - Capital outlays that increase the capacity or efficiency of the asset should be recorded as additions and improvements. A change in capacity increases the level of service provided by an asset.

*Example: a new pump can be added to a well. A change in efficiency maintains the same service level, but at a reduced cost, or a SCADA system could be reengineered so that it monitors the tank's changes at reduced cost.*

**Maintenance Costs** – Costs that allow an asset to continue to be used during its originally established useful life. Maintenance costs should be expensed in the period incurred.

**Preservation Costs** – Costs that are generally considered to be those outlays that extend the useful life of a capital asset beyond its original estimated useful life, but do not increase the capacity or efficiency of an asset. Preservation costs should be capitalized.

**Land** - The surface or crust of the earth, which can be used to support structures, and may be used to grow crops, grass, shrubs, and trees. Land is characterized as having an unlimited life (indefinite) and is not depreciated. Donated land should be treated like donated assets and is not depreciated.

**Land Improvements** – Betterments, site preparation, and site improvements (other than buildings) that ready land for its intended use. The costs associated with improvements to land are added to the cost of the land and are not depreciated.

**Building** - A structure that is permanently attached to the land with a foundation, has a roof, is partially or completely enclosed by at least three walls, and has one utility other than electricity. It is not intended to be transportable or moveable and is used for housing people, animals, plants, or equipment.

**Building Improvements** - Capital events that increase the value of a building. A building improvement should be capitalized as a betterment and recorded as an addition of value to the existing building if the expenditure for the improvement is at the capitalization threshold (i.e. adding square footage, or any improvements that decrease the age of the structure such as new windows).

**Computation of Gain or Loss from Sale Assets** - To compute a gain or loss, proceeds received must be subtracted from the asset's net book value and in accordance with federal regulations.

*Example:*

<i>Asset's Historical Cost</i>	<i>\$10,000</i>
<i>Less Accumulated Depreciation</i>	<i>(7,000)</i>
<i>Net Book Value</i>	<i>3,000</i>
<i>Subtract Proceeds Received</i>	<i>(2,000)</i>
<i>Loss from Sale of Asset</i>	<i>1,000</i>

**Net Book Value** - Asset's historical cost less the accumulated depreciation

**Computer Software** – Software developed or obtained for Internal Use (SOP 98-1). Minor software purchases are defined as purchases between the cost of \$5,000 and \$50,000, and are depreciated over five years. Major software purchases are defined as purchases over \$50,000 and are depreciated over 10 years.

**Capitalization of Software Cost** – Software implementation generally involves three phases. These phases and their characteristics are as follows:

- Ñ Preliminary Project – when conceptual formulation of alternatives, the evaluation of alternatives, determination of existence of needed technologies and final selection from among the alternatives is made.
- Ñ Application Development/Implementation Phase – Design of chosen path including software configuration and software interfaces, coding, installation of computer hardware, testing, including parallel processing phase, costs of training, employee and consultant travel expenses and consultant fees.
- Ñ Post-Implementation/Operation Phase – training and application maintenance activities incurred after phase two is complete.

Costs associated with the Preliminary Project and the Post-Implementation/Operating Phases should be expensed as incurred. Internal and external costs associated with the application development phase should be capitalized. Costs to develop or obtain software that allows for access or conversion of old data by new information systems should also be capitalized. General and administrative costs and overhead expenditures associated with software development should not be capitalized as costs of internal use software.

Capitalization of costs should begin when the Preliminary Project Phase is complete and the Authority's management has implicitly or explicitly authorized or commits to funding the software project with the intent it will be completed and used to perform its planned functions. Capitalization should cease no later than the time at which substantial testing is complete and the software is ready for its intended purpose or rendered in service.

**Vehicles** – anything with a VIN number or that is drivable or towable, or that has to be registered with the State Motor Vehicle Department or Department of Transportation to be driven on public road ways (i.e. trucks, cars, trailers, backhoes, sewer jetter).

**Machinery & Equipment** – Equipment used out in the field such as trenchers, power washers, saws, power and hand tools, compressors, generators, riding lawn mowers (Not drivable or towable on public roadways).

**Furniture & Fixtures**- Equipment used in an office setting such as copy machines, printers, appliances, computer equipment, security systems, etc.

**Equipment** – Movable tangible assets to be used for operations, the benefits of which extend beyond one year from the date of acquisition and rendered into service. Improvements or additions to existing equipment that constitute a capital outlay or increase the value or life of the asset, and which have an acquisition cost of \$5,000 or more, should be capitalized as betterments and recorded as additions of value to the existing assets. (Office equipment should be recorded as part of Furniture and Fixtures)

This \$5,000 threshold is mandated by New Mexico State Statute. The Authority also elects to change the threshold to reflect the State Auditor's mandated threshold changes. Equipment with a short service life, such as personal computers, which will be technologically obsolete within a short period of time, is depreciated over five years. Equipment with a long service life, between 6 and 7 years, and not subject to technological obsolescence is depreciated over 7 years.

**Leased Equipment** - Leased equipment should be capitalized if the lease agreement meets any one of the following criteria:

- ) The lease transfers ownership of the property to the lessee at the end of the lease term.
- ) The lease contains a bargain purchase option.
- ) The lease term is equal to 75 percent or more of the estimated economic life of the leased property.
- ) The present value of the minimum lease payments at the inception of the lease, excluding executory costs, equals at least 90 percent of the fair value of the leased property.

Leases that do not meet any of the above requirements should be recorded as an operating lease.

**Infrastructure** – Assets that are long-lived capital assets that are normally stationary in nature and can be preserved for a significantly greater number of years than most capital assets. Infrastructure assets are often linear and continuous in nature. The Authority's two infrastructure subsystems are:

1. Water System
2. Sewer System

**Infrastructure Improvements** – Improvements are events that materially extend the useful life or increase the value of the infrastructure, or both. Infrastructure improvements should be capitalized as a betterment and recorded as an addition of value to the infrastructure if the improvement or addition of value is at the capitalization threshold (\$5,000) or increases the life or value of the assets by 25 percent of the original cost or life period.

**Infrastructure Modified Approach** - The modified approach is an alternative to reporting depreciation for infrastructure assets that requires an asset management system, documentation that assets are being preserved at or above a condition level established by the government and depreciation is not reported.

**Jointly Funded Infrastructure** – Infrastructure paid for jointly by the State and other governmental entities should be capitalized by the entity responsible for future maintenance.

**Leasehold Improvements** – Construction of new buildings or improvements made to existing structures by the lessee, who has the right to use these leasehold improvements over the term of the lease. These improvements will revert to the lessor at the expiration of the lease. Moveable equipment or office furniture that is not attached to the leased property is not considered a leasehold improvement. Refer to section 6 for *Leasehold Improvements Depreciation Methodology*.

**Other Improvements** – Depreciable improvements made to a facility or to land that should be capitalized as betterments if the improvement is at the capitalization threshold or the expenditure increases the life or value of the asset by 25% of the original cost or life period.

**Construction in Progress** – The economic construction activity status of buildings and other structures, infrastructure (water and sewer systems, pipelines, etc.), additions, alterations, reconstruction, installation, and maintenance and repairs, which are substantially incomplete. Once construction is complete the Asset should be moved from CIP to the appropriate Fixed Assets category.

**Disposal of an asset** – An asset which is obsolete or unusable may be disposed of by selling or donating as per State Statute-CHAPTER 13 Public Purchases and Property; Article: 6; Sale of Public Property: 13-6-1 through 13-6.8. NMSA 1978. See Section 5 below for procedure.

## 2. CAPITALIZATION POLICY

### A. Personal Property

1. All equipment and tangible personal property, either purchased or acquired through merger/acquisition by the Authority, regardless of funding source, are added to the Authority's permanent fixed assets inventory records as follows:
  - ) Items with a unit cost of \$5,000.00 and over are capitalized for accounting purposes. Items costing \$5,000.00 and over are subject to annual audit inspection and verification.
  - ) Items that are below the \$5,000 threshold but meet any of the asset definitions above will be capitalized at the discretion of the General Manager and Finance Manager
  - ) Supplies and consumable items (useful life of less than one year) regardless of dollar amount should not be capitalized. Instead, these purchases should be charged to departmental Supplies and Expense accounts.
2. The following components are included in determining the cost of fixed asset items:
  - ) Actual purchase cost (net of any discounts)

- ) Transportation and installation costs
- ) Applicable taxes or transfer fees
- ) Current fair market value (if received by donation or acquired through merger/acquisition)

3. If documentation is not available, the value of donated equipment or equipment acquired through a merger/ acquisition is determined by independent certified appraisal. In the absence of a certified appraisal, the value is determined by the General Manger. All donated property must be received by the Inventory/Procurement department and entered into the accounting records and will then be issued to the receiving department.

#### B. Real Property and Infrastructure

Purchased real property is recorded at cost basis.

In the case of improved property acquired, a reasonable cost allocation method is used in assigning the pro-rata amounts to the building, permanent improvement, and land.

The cost of construction of buildings and infrastructure includes: Architectural fees, legal fees, engineering fees, infrastructure costs, material costs, labor and other costs incurred in the construction process and should be capitalized in the Permanent Plant Fund upon completion of construction. Construction-in-progress is capitalized as of the last day of the fiscal year and is then transferred to Buildings upon completion of the project.

Building improvements are capitalized into the Building and Improvements account when the building's value is increased or its useful life is prolonged (i.e. permanently fixed shelving, and major renovations). Minor renovations, preventive maintenance and repairs are charged to operational supplies and expenses and are not considered capital improvements (i.e. painting, refinishing, damage repairs, etc.).

Permanent improvements to land that are capitalized into the Land Improvements account include, but are not limited to: parking lots, fencing, fixed lighting, major landscaping, surveying, etc.

Merger/ Acquisition - Assets acquired through a merger/acquisition shall be recorded at cost and supporting documentation should be obtained at the time of the merger/acquisition. For most cases, cost is equal to monetary value exchanged plus any associated cost to prepare the asset for its intended use. If there is no supporting documentation available, the asset shall be recorded at fair market value at the time of the transaction.

C. Repairs and Maintenance/ Betterments and Replacements

- J Replacement of component parts that allow the asset to continue to be used or cost more than 25% of the total cost of the asset should be capitalized. Replacement costs should include all overhead costs incurred to replace the component.

*Example: Replacement of the pump and motor in a well; the cost might not meet the 25% but without the replacement the asset would be useless.*

- J Betterments to an asset should be capitalized if the component will improve the asset. The old component should be removed from the accounting records and the new component should be added to the appropriate asset account.

**3. TAGGING AND INVENTORY CONTROL**

All machinery, equipment, furniture and fixtures that are not permanently affixed to the Authority's land or buildings should be tagged and added to the inventory database. Items that are essential to daily operations that are moveable and likely to be lost or misplaced, regardless of the dollar value, should be tagged and issued to personnel for use at the General Manager's discretion. Note: The Authority has many items that don't meet the \$5,000 threshold that are likely to disappear, so tagging them and issuing them to an employee will enable the Authority to be more accountable.

As part of the conversion to the new Accounting and Inventory system the Authority will review all items on hand and decided which items need to be tagged and included in the inventory database. After the items have been tagged they will be issued to employees. The employees will sign for receipt of the items and be responsible for the items until they are returned to the Inventory Specialist. The Inventory Specialist will sign a log or receipt when the items have been returned. Items should be inspected to make sure they are still in good, usable condition before being returned to the warehouse. The Inventory Specialist will make arrangements for repair or replacement if necessary. This information is then added to the inventory database; a unique identification number is assigned and a property tag is generated. The Inventory Control Clerk affixes the property tag to a visible area on each item.

**4. PHYSICAL INVENTORY**

The Finance Manager and Inventory Staff will perform an annual inventory working from a computer-generated report. The Inventory Staff meets with department heads to resolve discrepancies and to attempt to locate missing items.

**5. DISPOSITIONS AND SALES OF THE AUTHORITY'S PROPERTY**

Dispositions and sales of the Authority's property will follow these procedures:

- J A detailed list of what is being disposed of will be prepared by the Inventory Control Clerk and reviewed by the Finance Manager.
- J As the items are identified for sale or disposal the Authority inventory number will be noted and the Authority tag will be removed.
- J A Designated Committee with at least one Authority board member will approve and oversee the disposition of property and recommend disposal to the Authority Board.

- J Authority Board approval is needed for disposal of assets (in the case of auction this needs to be at least 30 days before the sale).
- J All items being sold will be checked to make sure the Authority has clear title. In the case of inventory purchased by a grant, checks will be made to ensure no reimbursement is due to the grant or other regulations.
- J The State Auditor and State Budget Division will be notified of the disposal in writing 30 days prior to the disposal.
- J Dispositions whose fair market value is over \$5,000 may be made through written approval by the State Budget Division.

After disposal, verification of receipts will be made and the assets removed from the Authority's inventory files.

There is an auction file in the vault where all supporting paperwork from an auction or sale is stored. The vault is kept in the General Manager's office.

When there are donations from the Authority to other entities, there must be a list of the items donated and a donation form signed by a representative from the entity receiving the items. When an item is determined to be obsolete or unusable it is transferred to the inventory warehouse via an inventory transfer form. These items, when identified for auction or sale, will then follow procedures found in Section 5.

## **6. DEPRECIATION METHODOLOGY**

### **A. Capital Assets Depreciation**

Capital assets should be depreciated over their estimated useful lives unless they are inexhaustible. The straight-line depreciation method (historical cost divided by useful life) will be used by the Authority. Accumulated depreciation will be summarized and posted to the accounting general ledger by Accounting and Financial Reporting personnel. See appendix A for estimated useful life.

### **B. Leasehold Improvements Depreciation**

Leasehold improvements are capitalized by the lessee and are amortized over the shorter of (1) the remaining lease term, or (2) the useful life of the improvement. Improvements made in lieu of rent should be expensed in the period incurred. If the lease contains an option to renew and the likelihood of renewal is certain, the leasehold improvement should be written off over the life of the initial lease term or useful life of the improvement, whichever is shorter.

## **7. RECONCILIATION ENTRIES TO GENERAL LEDGER**

After the close of each month, reports will be generated for inventory additions to the general ledger and inventory system. These reports will be used to manually reconcile the inventory system to the general ledger.

If a discrepancy exists in the inventory system, the Inventory Clerk will make the adjustment. If there is a discrepancy in the general ledger, a journal entry will be prepared.

After the approval of all adjustments, a journal entry will be made to capitalize inventory acquisitions.

**APPENDIX A**

Class of Asset	Useful Life	Threshold
<b>Land *</b>	N/A	N/A
<b>Land Improvement **</b>		\$50,000
Fences	10	
Paving	20	
Drainage	40	
<b>Buildings &amp; Improvements</b>		\$100,000
Flooring	12	
Construction interior and Roofing	20	
Site Preparation	25	
Flooring Structure, Foundation, Roof Structure, Steel Frame	50	
<b>Water/ Sewer System</b>		\$50,000
Well	40	
Piping	40	
Electrical Controls SCADA	10	
Booster	20	
Tank	40	
Meter	5	
Generators	10	
Lift Station	20	
Hydrants	40	
Pump/ Motor	5	
<b>Machinery &amp; Equipment ***</b>		\$5,000
Short Service Life	5	
Long Service Life	7	
Backhoes	15	
Trailers	10	
<b>Vehicles</b>		\$5,000
Trucks/ Cars	5	
<b>Construction Work in Progress</b>	N/A	CAPITALIZE TO APPROPRIATE CATEGORY WHEN COMPLETED OR PLACED INTO SERVICE

\* Capital assets considered inexhaustible and are not depreciated.

\*\* The useful life of improvements is determined by the economic useful life or term of lease, whichever is shorter.

\*\*\* This threshold is mandated by the NM State Auditor’s Office. The Authority elects to change the threshold to reflect the State Auditor’s mandated threshold changes.

Authorized training is considered to be part of the employees' work week and attendance is mandatory. Employees with specialized licenses or certifications shall make arrangements with their supervisor for attendance and compensation for required training.

**15.01 Water & Wastewater Operators:**

Certified Operators are responsible for maintaining their certification at the level required by their position with the Authority, and failure to do so may result in loss of position and/or termination of employment. The Authority will make every effort to ensure that certified operators attend training to maintain their current certification (at least 30 credit hours every 3 years).

Operators must submit a request sixty (60) days in advance to attend training to their supervisor in order to allow for scheduling and job coverage.

The Authority shall pay applicable fees for a maximum of two certification examinations per level or additional license for obtaining a higher level of certification or additional certification (i.e. Wastewater in addition to Water). A request and completed application form must be submitted at least forty-five (45) days prior to the exam.

**15.02 All Other Training:**

The Authority encourages and shall authorize and provide opportunities for continuing education and training for its staff members related to their employment.

**16. Employee Benefits:**

The Authority has chosen to provide Leave and Paid Holidays (Section 4), Health Insurance, and a Retirement Plan, and encourages employee participation. Insurance coverage and retirement contributions may vary from year to year, and other types of insurance may be made available at the employee's expense. Benefits to Authority employees are provided voluntarily by the Authority, and may be altered or terminated at the Authority's discretion.

Upon approval of the annual budget, benefits will be provided as follows:

A. Health Insurance: One hundred percent (100%) of the eligible employees' premiums will be covered by the Authority, and employees may elect to cover eligible dependents with the Authority paying fifty percent (50%) of that premium.

B. Retirement Plan: The Authority will match employee contributions up to four percent (4%) of each eligible employee's earned base pay. An additional contribution of up to ten percent (10%) of employees earned base pay may be made by the Authority to eligible employees who are employed on the last day of the plan year.

**17. Employee Evaluations:**

Each employee shall receive an annual evaluation. Evaluations shall be performed toward the end of the calendar year, not based on length of employment. Evaluations shall be used for determination of continued employment and compensation. A standardized evaluation form will be utilized. The General Manager's evaluation will be performed by the Board of Directors; all others will be done by management.

**18. Termination of Employment:**

**Health Insurance**

Dependents	Monthly	Annually	Full Amount	Annually
2016 Premium	\$ 2,190.55	\$ 26,286.60		
2017 Premium	\$ 2,636.90	\$ 31,642.80		
Increase	\$ 446.35	\$ 5,356.20		
Current Split (50%)	\$ 1,318.45	\$ 15,821.40		
Increase only (50%)	\$ 223.18	\$ 2,678.10		
Increase Only			Full Amount	
	Monthly	Annually	Monthly	Annually
60% LRGPWWA	\$ 267.81	\$ 3,213.72	\$ 1,582.14	\$ 18,985.68
40% Staff	\$ 178.54	\$ 2,142.48	\$ 1,054.76	\$ 12,657.12
70% LRGPWWA	\$ 312.45	\$ 3,749.34	\$ 1,845.83	\$ 22,149.96
30% Staff	\$ 133.91	\$ 1,606.86	\$ 791.07	\$ 9,492.84
80% LRGPWWA	\$ 357.08	\$ 4,284.96	\$ 2,109.52	\$ 25,314.24
20% Staff	\$ 89.27	\$ 1,071.24	\$ 527.38	\$ 6,328.56
90% LRGPWWA	\$ 401.72	\$ 4,820.58	\$ 2,373.21	\$ 28,478.52
10% Staff	\$ 44.64	\$ 535.62	\$ 263.69	\$ 3,164.28
100% LRGPWWA	\$ 446.35	\$ 5,356.20	\$ 2,636.90	\$ 31,642.80
0% Staff	\$ -	\$ -	\$ -	\$ -

Currently 3 staff have dependents on Plan  
 Staff individually responsible for co-pay, etc.  
 Can be revisited next year