



**LOWER RIO GRANDE**  
Public Water Works Authority  
PO Box 2646 Anthony, New Mexico 88021 (575) 233-5742

# Teleconference Meeting

Page 1 of 1

**Date:** February 23, 2022

**Time:** 9:30 a.m.

**Places:** Online Zoom meeting

**Event:** Special Board Meeting

Name	Company Name	Contact Information Phone Number	Email Address
Martin Lopez	LRG- General Manager	575-233-5742 Ext1004	
Karen Nichols	LRG- Projects Manager	575-233-5742 Ext1018	
Patricia Charles	LRG- Projects Specialist	575-233-5742 Ext1021	
Kathi Jackson	LRG- Finance Manager	575-233-5742 Ext1005	
John Schroder	LRG- Accounting Assistant	575-233-5742 Ext1006	
Mike Lopez	LRG- Operations Manager	575-233-5742 Ext1011	
Esperanza Holguin	LRG- Board Chair	575-644-9543	
Furman Smith	LRG- Board Vice Chair	575-382-5982	
Joe Evaro	LRG- Board Director	575-618-0182	
Paul Smith	LRG- Board Director	505-710-4671	
Glory Juarez	LRG- Board Director	575-494-2750	
luis Molina	Watts CPA	915-799-0994	

# LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY

## Draft Minutes —SPECIAL BOARD OF DIRECTORS MEETING

9:30 a.m. Wednesday, February 23, 2022 ONLINE VIA ZOOM

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

- I. **Call to Order, Roll Call to Establish Quorum:** Board Chair called the meeting to order at 9:30 am. Mr. P Smith representing District #1 was present, District #2 is Vacant, Mr. Evaro representing District #3 was present, Mrs. Holguin representing District #4 was present, District # 5 is Vacant, Mrs. Juarez representing District #6 was present, Mr. F. Smith representing District #7 was present. Staff members present were General Manager Martin Lopez, Projects Manager Karen Nichols, Projects Specialist Patricia Charles, Finance Manager Kathi Jackson, Accounting Assistant John Schroder, Operations Manager Mike Lopez. Guest present was Luis Molina from Watts CPA Firm.
- II. **Pledge of Allegiance:** postponed due to online meeting
- III. **Swearing in and Oath of Office of Newly elected Board Member: Furman Smith, District 7:** Mr. Lopez administered the Oath of Office to Mr. F Smith.
- IV. **Motion to approve Agenda with X. A. move up to follow VI.:** Mr. Evaro made the motion to approve the agenda with X.A move up to VI. Mr. P Smith seconded the motion, the motion passed with all in favor.
- V. **Approval of Minutes: Motion to approve the minutes for: January 19, 2022:** Mr. P Smith made the motion to approve the minutes for January 19, 2022. Mr. F Smith seconded the motion, the motion passed with all in favor.
- VI. **Presentations: FY2021 Audit presentation by Luis Molina, Watts CPA:** Watts CPA has been performing the yearly audit for the last 4-5 years. Mr. Molina is going to discuss the most important parts of the audit. It is the opinion of this firm that the financial statements have been presented fairly in all aspects and ended the year in accordance with accounting principles generally accepted in the United States of America. The Statement of Net Position shows that Capital Assets increased due to upgrades in Valle Del Rio Project and Brazito Sewer Project. Current Liabilities stayed consistent with last years numbers. The only change was the current maturity notes payable because of the RCAC Loan. In the Statement of Revenues, Expenditures and changes in net position there was an increase in the salaries because of the pandemic, there was an increase in sick days used by employees. Capital contributions there was an increase in grant revenues due to USDA and MFA for Valle Del Rio and Brazito Sewer Projects. The Statement of Receipts and Disbursements the Authority stayed within the budget. The Independent Auditors Report on Internal Controls was found to be clear and finding no issues. Schedule of Expenditures of Federal Awards, HIDTA was tested last year. 2021 Audit tested USDA Federal Financial Assistance Water & Waste Disposal Systems for Rural Communities (Valle De Rio Project. Ms. Nichols said a correction was needed in this section, the Community Development Block Grant was a planning grant and did not pass through New Mexico Finance Authority. This grant passed through the New Mexico Dept. of Finance & Administration. Schedule of findings and

questioned costs – Summary of Auditors results: Financial Statements: no material weaknesses identified, no significant deficiencies identified and noncompliance of materials to the financial statements, none noted. Federal Awards: no material weaknesses identified. No significant deficiencies identified. The type of auditor's report issued on compliance for major reports was Unmodified. The next step is to complete the Data Collection form, it is in progress the form is prepared when a single audit is conducted. The report will be sent to Mr. Lopez for his review and once it is approved it will be submitted. Ms. Nichols asked Ms. Jackson if there would be a 5-day waiting period to release the audit. Ms. Jackson said 5 days have already passed so there is no need to wait for the release of the Audit.

**VII. Public Input: None**

**VIII. Managers' Reports:**

- A. General Manager:** Mr. Lopez provided a written report and stood for questions. Mr. Lopez said we had to revert back to the prior Health Plan, due to the lack of doctors within the network. We went back to the original plan. Two of our employees lost a parent last week, we would like to let the board know that some Offices might be closed in order to attend the services. Mrs. Holguin stated the importance of having a good insurance plan for our employees.
- B. Finance:** Ms. Jackson provided a written report and stood for questions. Revenues were \$380,099.67 and Expenditures were \$318,843.35. Most of the surplus for this period has been allocated to pay for expenses on those repairs. She said Mr. Mike Lopez would have the details on the cost of the repairs needed.
- C. Projects:** Ms. Nichols provided a written report and stood for questions. Mesquite-Brazito Sewer Project 2 was bid the funding was about 16.5 million short. We submitted an additional funds application to USDA-RD for cost overrun funding up to 20% of the original funding. She is preparing an application to Colonia's Infrastructure Fund for the max of 5.71 million dollars. We have a recommendation from BHI as to what to construct if we obtain additional funding from USDA-RD. Stern Drive Waterline Extension Project contract ward is on the agenda today. Central Office Building site work is underway, Patty and I have attended the two weekly meetings on site.
- D. Operations:** Mr. Lopez provided a written report and stood for questions. The sewer forced main from Brazito to Mesquite had a sand blockage, we still don't know how sand got in there. We are currently investigating how that happened. It took two weeks to unplug it and will have a substantial invoice from the company that did the work for us. The invoice is about \$38,000.00. We also had a leak at Anthony Drive and Ohara it took us 2 long days to find the leak and repair it. We are having problems with the Venadito Arsenic plant, in vessel B the under drain is broken and we are losing media. It has been at least 10 years since that site was installed, so it is time to replace the media in all three vessels. We have received a bid on this work. We used less water this January than same time last year. Mr. Martin Lopez said we are on the Capital Outlay list to receive \$800,000.00. The Governor has not released her list of money distribution yet and is hoping we might receive some money there.

**IX. Unfinished Business: None**

**X. New Business:**

- A. Motion to approve FY2021 audit:** Mrs. Juarez made the motion to approve the FY2021 Audit. Mr. Evaro seconded the motion, the motion passed with all in favor.
- B. Motion to adopt Resolution FY2022-16 to apply to NM Colonia's Infrastructure Fund for grant/loan funds for the Mesquite-Brazito Sewer Project 2:** Ms. Nichols said she prepared the application to submit and request funding for the maximum amount we are eligible for, which is a percentage of the total amount of funding they receive this year. So far, the total we can receive is 5.715 million dollars. Mr. F Smith made the motion to adopt resolution FY2022-16 to apply to NM Colonia's Infrastructure Fund for grant/loan funds for Mesquite-Brazito Sewer Project 2. Mr. P Smith seconded the motion, the motion passed with all in favor.
- C. Motion to accept the engineer's recommendation for the Stern Drive Line Extension Ph. II Project and award the construction contract to the low bidder:** Ms. Nichols said at the time the agenda was begin prepared we did not have the Bid tabulation; the lowest bidder was DuCross Construction LLC. Mr. F Smith made the motion to accept the engineer's recommendation for the Stern Drive Line Extension PH II Project and award the construction contract to the low bidder. Mr. Evaro seconded the motion, the motion passed with all in favor.
- D. Motion to approve and adopt proposed amendment to Employee Policy Manual:** Mrs. Holguin said the changes proposed are to the time needed to request vacation and/or sick leave. Mr. F Smith made the motion to approve and adopt proposed amendment to Employee Policy Manual. Mr. P Smith seconded the motion, motion passed with all in favor.

**XI. Other discussion and agenda items for next meeting at 9:30 a.m. Wednesday, March 16, 2022**

- A. Have any Board Members participated in training? If so, please give us a copy of your certificate**
- B.** Special meeting might be needed for the Sewer Project funding if we here from USDA-RD with additional funding. Otherwise, we can add it to the March 16, 2022 regular board meeting.

- XII. Motion to Adjourn:** Mr. F Smith made the motion to adjourn the meeting at 10:08 am. Mr. Evaro seconded the motion, the motion passed with all in favor.

**These minutes will be presented to the board for approval on the 16<sup>th</sup> Day of March, 2022 at a regular meeting of the Board of Directors:**

**SEAL:**

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Esperanza Holguin, Board Chair

Attest:

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Joe Evaro, Secretary

DRAFT

# LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY

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

9:30 a.m. Wednesday, February 23, 2022 ONLINE VIA ZOOM

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

- I. Call to Order, Roll Call to Establish Quorum: District #1 (Mr. P. Smith) \_\_, #2 (Vacant) \_\_, #3 (Mr. Evaro) \_\_, #4 (Mrs. Holguin) \_\_, # 5 (Vacant) \_\_, District #6 (Mrs. Juarez) \_\_, #7 (Mr. F. Smith) \_\_
- II. Pledge of Allegiance - postponed due to online meeting
- III. Swearing in and Oath of Office of Newly elected Board Member: Furman Smith, District 7
- IV. Motion to approve Agenda with X. A. move up to follow VI.
- V. Approval of Minutes: Motion to approve the minutes for: January 19, 2022
- VI. Presentations: FY2021 Audit presentation by Luis Molina, Watts CPA
- VII. Public Input - 3 minutes per person
- VIII. Managers' Reports
  - A. General Manager
  - B. Finance
  - C. Projects
  - D. Operations
- IX. Unfinished Business
- X. New Business
  - A. Motion to approve FY2021 audit
  - B. Motion to adopt Resolution FY2022-16 to apply to NM Colonia's Infrastructure Fund for grant/loan funds for the Mesquite-Brazito Sewer Project 2
  - C. Motion to accept the engineer's recommendation for the Stern Drive Line Extension Ph. II Project and award the construction contract to the low bidder
  - D. Motion to approve and adopt proposed amendment to Employee Policy Manual
- XI. Other discussion and agenda items for next meeting at 9:30 a.m. Wednesday, March 16, 2022
  - A. Have any Board Members participated in training? If so, please give us a copy of your certificate

## **XII. Motion to Adjourn**

If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aide or service to attend or participate in the hearing or meeting, please contact the 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

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## Public Water Works Authority

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325 Holguin Road Box C

Vado, New Mexico 88072

(575) 571-3628

## Oath of Office

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

District 7 Term ends Dec. 31, 2025

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Signature

Subscribed and sworn to be this 23<sup>rd</sup> day of February, 2022

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Signature

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Title

My commission/term expires

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# LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY

## Draft Minutes —REGULAR BOARD OF DIRECTORS MEETING

9:30 a.m. Wednesday, January 19, 2022 ONLINE VIA ZOOM

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

- I. **Call to Order, Roll Call to Establish Quorum:** Board Chair called the meeting to order at 9:30 am. Mr. P. Smith representing District #1 was present, District #2 is vacant, Mr. Evaro representing District #3 was present, Mrs. Holguin representing District #4 was present, District # 5 is vacant, Mrs. Juarez representing District #6 was present, Mr. F. Smith representing District #7 was absent. Staff present were General Manager Martin Lopez, Projects Manager Karen Nichols, Projects Specialist Patricia Charles, Finance Manager Kathi Jackson, Accounting Assistant John Schroder, Operations Manager Mike Lopez. Guests present were Lilla Reid and Marty Howell from Souder, Miller & Associates.
- II. **Pledge of Allegiance:** postponed due to online meeting
- III. **Swearing in and Oath of Office of Newly elected Board Members:**  
Jose “Joe” Evaro, District 3, Esperanza “Espy” Holguin, District 4, Furman Smith, District 7  
Mr. Lopez administered the Oath of Office to Mr. Evaro and Mrs. Holguin.
- IV. **Election of LRGPWWA Board Officers:** Mr. Evaro made the motion to keep the same officers and Mr. P Smith seconded the motion. Motion passed with all in favor.  
Chairman: Mr. Holguin will remain Chairman, Mr. F Smith will remain Vice-Chairman and Mr. Evaro will remain Secretary.
- V. **Motion to approve Agenda:** Mrs. Juarez made the motion to approve the agenda. Mr. Evaro seconded the motion, the motion passed with all in favor.
- VI. **Approval of Minutes: Motion to approve the minutes for: Dec. 8, 2021 Regular Board Meeting & Dec. 16, 2021 Special Board Meeting:** Mr. P Smith made the motion to approve the minutes for Dec. 8 and Dec. 16 Board meetings. Mr. Evaro seconded the motion, the motion passed with all in favor.
- VII. **Presentations:** None
- VIII. **Public Input:** None
- IX. **Managers’ Reports**
  - A. **General Manager:** Mr. Lopez provided a written report and stood for questions. We held the Auction on January 14, 2022 made over \$53,000.00 sold a back hoe, 4 trucks and lots of pipe. He allowed Alto De las Flores O & M to use our La Mesa office this month. Their meeting location was auction off by the GISD.

**B. Projects:** Ms. Nichols provided a written report and stood for questions. Regarding the Central Office Building the contractor expected to receive the building permit from NM CID last week and is starting to mobilize to begin construction. Mesquite-Brazito Sewer Project 2- Bid opening will be held on Jan. 20, 2022. Notice of intent to apply for funding has been submitted to the Colonia's Infrastructure Fund. We plan to apply for the maximum amount of 5.7 million for this project. Mesquite Wetlands Closure- Contract with the fencing company has been executed and approved by NMED-CPB to get the fence repaired. The Legislature started yesterday. The Legislative report is available on the Board website. It will be updated daily and updated on the website. Mr. Schroder asked if Wilson & Company had talked to DSI about the new building. Ms. Nichols said yes, they had been talking to each other.

**C. Operations:** Mr. Lopez provided a written report and stood for questions. Water production was at 34.84 million gallons for the month of December 2021.

**D. Finance:** Ms. Jackson provided a written report and stood for questions. We are halfway thru the year and have taken in about 2 million dollars, which puts us ahead on the revenue curve. We have only spent about 47% of expenses. Expenses are at 1.818 million and Revenues are at 1.934 million. The numbers on the income statement are the exact same numbers as on the 2<sup>nd</sup> quarter report that will be reported to the State and acted on later on this agenda.

**X. Unfinished Business:** none

**XI. New Business:**

**A. Motion to approve FY2021 audit:** Chair postponed this item because it is not ready yet.

**B. Motion to adopt Resolution #FY2022-15 Adopting 2<sup>nd</sup> Quarter Budget:** Mrs. Juarez made the motion to adopt Resolution #FY2022-15 adopting 2<sup>nd</sup> quarter budget. Mr. P Smith seconded the motion, the motion passed with all in favor.

**C. Motion to authorize staff to apply to NM Colonia's Infrastructure Fund for Mesquite-Brazito Sewer Project 2:** Ms. Nichols said she had sent out the Notice of intent to apply for the maximum amount of 5.7 million. Mr. Evaro made the motion to authorize staff to apply to NM Colonia's Infrastructure Fund for Mesquite-Brazito Sewer Project 2. Mr. P Smith seconded the motion, the motion passed with all in favor.

**D. Discussion regarding board vacancies:** Mr. Lopez asked the board if we should send out letters or inserts in the billing to notify our communities of the two vacancies (District 2 Berino area and District 5 Mesquite-Del Cerro area. Mrs. Holguin said he knows someone that might be interested in District #2. The person interested resides on Lectuga Road, she asked them to send a letter of interest. She asked if anyone knew of someone else that would be interest in becoming a board member for the LRGPWWA. Mrs. Holguin asked that we notify the communities of the vacancies. Mrs. Holguin asked the Board Members to let Mr. Lopez know of any one who might be interested in participating as Board Members for LRGPWWA. She said it would be nice to have a full board, this would alleviate the pressure of having to attend all meetings.

E. **Motion to convene in closed session pursuant to NMSA 1978 10-15-1 H.7- threatened or pending litigation:** Mrs. Juarez made the motion to convene to closed session. Mr. Evaro seconded the motion, the motion passed with all in favor.

i. **Roll Call Vote:** District #1 (Mr. P. Smith) \_\_YES\_\_, #2 (Vacant) \_\_\_\_, #3 (Mr. Evaro) \_\_YES\_\_, #4 (Mrs. Holguin) \_\_YES\_\_, #5 (Vacant) \_\_\_\_, #6 (Mrs. Juarez) \_\_YES\_\_, #7 (Mr. F. Smith) absent

ii. **Motion to reconvene in open session:** Mr. P Smith made the motion to reconvene in open session. Mrs. Juarez seconded the motion, the motion passed with all in favor.

iii. **Statement by the Chair:** ***The matters discussed in the closed meeting were limited only to those specified in the motion for closure.*** Chair, Mrs. Holguin stated that the matters discussed in the closed meeting were limited only to those specified in the motion for closure.

iv. **Motion, if any related to closed session matters:** None

XII. **Other discussion and agenda items for next meeting at 9:30 a.m. Wednesday, February 16, 2022**

- A. Have any Board Members participated in training? If so, please give us a copy of your certificate
- B. Oath of Office for Mr. F Smith
- C. Motion to approve the FY2021 Audit
- D. Resolution to approve applying to NM Colonia's Funding

XIII. **Motion to Adjourn:** Mrs. Juarez made the motion to adjourn the meeting at 10:01 am. Mr. Evaro seconded the motion, the motion passed with all in favor.

These minutes will be presented to the board for approval on the 23<sup>rd</sup> Day of February, 2022 at a regular meeting of the Board of Directors:

SEAL:

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Esperanza Holguin, Board Chair

Attest:

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Joe Evaro, Secretary

**State of New Mexico**  
**Lower Rio Grande Public**  
**Water Works Authority**

*Basic Financial Statements and  
Required Supplementary Information  
For the Year Ended June 30, 2021  
and Independent Auditor's Report*

**STATE OF NEW MEXICO  
LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY**

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JUNE 30, 2021**

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**STATE OF NEW MEXICO  
LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY**

**BOARD OF DIRECTORS**

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**BOARD OF DIRECTORS**

Esperanza Holguin  
Furman Smith  
Jose Evaro  
Paul Smith  
Henry Magallanez  
Glory Juarez

Chairman  
Vice-Chairman  
Secretary  
Director  
Director  
Director

**ADMINISTRATIVE OFFICIALS**

Martin Lopez  
Kathi Jackson

General Manager  
Finance Manager

# WATTS CPA, P.C.

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## **INDEPENDENT AUDITOR'S REPORT**

To Brian S. Colón, New Mexico State Auditor and  
Members of the Board of Directors  
Lower Rio Grande Public Water Works Authority  
Mesquite, New Mexico

### **Report on Financial Statements**

I have audited the accompanying financial statements of the business-type activities of Lower Rio Grande Public Water Works Authority (the Authority), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents. I also have audited the budgetary comparison presented as supplementary information for the year ended June 30, 2021, as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

### **Auditors' Responsibility**

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Authority's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

### **Opinions**

In my opinion, the financial statements, referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Authority as of June 30, 2021, and the respective changes in financial position and cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in my opinion, the financial statements referred to above present fairly, in all material respects, the budgetary comparisons of the Authority for the year ended June 30, 2021 in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. My opinion on the basic financial statements is not affected by this missing information.

### *Other Information*

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements and the budgetary comparison. The statement of revenues, expenditures and changes in net position by fund is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The statement of revenues, expenditures and changes in net position by fund and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the statement of revenues, expenditures and changes in net position by fund and the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

## **Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, I have also issued my report dated December 10, 2021 on my consideration of the Authority's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Authority's internal control over financial reporting and compliance.

Watts CPA, P.C.

El Paso, Texas  
December 10, 2021



## **BASIC FINANCIAL STATEMENTS**

**STATE OF NEW MEXICO**  
**LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY**

**STATEMENT OF NET POSITION**  
**JUNE 30, 2021**

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**ASSETS:**

Current Assets

Cash and cash equivalents	\$ 544,585
Accounts receivable	1,021,329
Grant receivables	76,068
Inventory	63,906
Prepaid expenses	11,556

Total current assets 1,717,444

Noncurrent assets

Restricted cash	
Customer deposits	89,293
Construction account	582,043
Loan reserve	78,516
Capital assets, net of accumulated depreciation	69,677,035

Total noncurrent assets 70,426,887

Total assets \$ 72,144,331

**LIABILITIES:**

Current Liabilities:

Accounts payable vendors	\$ 178,575
Accounts payable construction	50,592
Gross receipts tax payable	8,566
Accrued payroll	35,130
Accrued interest expense	18,134
Customer meter deposits	89,293
Accrued compensated absences	7,000
Current maturities of notes payable	2,125,146

Total current liabilities 2,512,436

Noncurrent Liabilities:

Compensated absences	66,654
Notes payable	5,687,264

Total noncurrent liabilities 5,753,918

Total liabilities 8,266,354

**NET POSITION:**

Net investment in capital assets	61,864,625
Restricted for debt service	78,516
Restricted for capital projects	582,043
Unrestricted	1,352,793
Total net position	<u>63,877,977</u>

Total liabilities and net position \$ 72,144,331

See accompanying notes to financial statements and independent auditor's report.

**STATE OF NEW MEXICO**  
**LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION**  
**FOR THE YEAR ENDED JUNE 30, 2021**

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Operating Revenues:	
Charges for services	\$ 3,627,341
Other revenues	<u>110,095</u>
Total operating revenues	<u>3,737,436</u>
Operating Expenses:	
Salaries and wages	3,504,937
Employee benefits	369,930
Materials, supplies, tools and chemicals	202,675
Office expenses	321,112
Miscellaneous	12,304
Bank charges	28,794
Insurance	102,729
Maintenance and repairs	214,979
Professional fees	26,385
Travel and entertainment	162
Depreciation	1,783,298
Utilities	<u>253,124</u>
Total operating expenses	<u>6,820,429</u>
Operating loss	<u>(3,082,993)</u>
Non-Operating Revenues (Expenses):	
Grant revenue (See note 9)	2,027,204
Interest income	295
Rental income	28,593
Other income	86,205
Interest expense	<u>(216,417)</u>
Total non-operating revenues	<u>1,925,880</u>
Loss before capital contributions	<u>(1,157,113)</u>
Capital Contributions:	
Grant revenues:	
State	560,267
Federal	<u>2,196,283</u>
Total capital contributions	<u>2,756,550</u>
Change in net position	<u>1,599,437</u>
Net position - beginning of year	<u>62,278,540</u>
Net position - end of year	<u>\$ 63,877,977</u>

See accompanying notes to financial statements and independent auditor's report.

**STATE OF NEW MEXICO  
LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2021**

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Cash Flows From Operating Activities:

Cash received from customers	\$ 3,800,995
Cash payments to employees for services	(3,993,703)
Cash payments to vendors for goods and services	<u>(1,058,531)</u>
<b>Net cash used in operating activities</b>	<u><b>(1,251,239)</b></u>

Cash Flows From Capital and Related Financing Activities:

Purchase and construction of capital assets	(3,391,670)
Payments on notes payable	(275,511)
Payments for interest on notes payable	(216,417)
Proceeds from capital grants	4,804,139
Proceeds from capital loans	<u>496,490</u>
<b>Net cash provided by capital and related financing activities</b>	<u><b>1,417,031</b></u>

Cash Flows From Investing Activities

Interest received	<u>295</u>
<b>Net cash provided by investing activities</b>	<u><b>295</b></u>

Cash Flows From Noncapital Financing Activities:

Miscellaneous income	<u>114,798</u>
<b>Net cash provided by noncapital financing activities</b>	<u><b>114,798</b></u>

**Net increase in cash and cash equivalents** 280,885

Cash and cash equivalents, beginning of year 1,013,552

**Cash and cash equivalents, end of year** **\$ 1,294,437**

CASH ENDING:

Cash	\$ 544,585
Restricted cash	<u>749,852</u>
Total cash reported in statement of net position	<u><b>\$ 1,294,437</b></u>

RECONCILIATION OF OPERATING LOSS TO NET CASH

USED IN OPERATING ACTIVITIES:

Operating loss	\$ (3,082,993)
Adjustment to reconcile operating loss to net cash used in operating activities:	
Depreciation	1,783,298
Change in:	
Accounts receivable	67,687
Inventory	(8,014)
Accounts payable and accrued liabilities	(15,103)
Meter deposits	<u>3,886</u>
<b>Total adjustments</b>	<u><b>1,831,754</b></u>

**Net cash used in operating activities** **\$ (1,251,239)**

See accompanying notes to financial statements and independent auditor's report.

**STATE OF NEW MEXICO  
LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY**

**NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021**

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**1. HISTORY AND ORGANIZATION**

The Lower Rio Grande Public Water Works Authority, the "Authority", was organized in 2009 and commenced operations in November of 2010. The Authority supplies water to occupants and residents within the vicinity of the communities of Mesquite and Vado in Dona Ana County, New Mexico. Sales revenues are generated primarily from water supply sales to domestic and commercial users.

The Authority has a Board of Directors that consists of seven (7) members who are responsible for legislative and fiscal control of the Authority. The Board is also responsible for administrative control of the Authority.

The Lower Rio Grande Public Water Works Authority was formed by the merger of five water systems, Berino MDWC & MSWA, Desert Sands MDWCA, La Mesa MDWCA, Mesquite MDWC & MSWA and Vado MDWCA under state statute NMSA 1978 73-26-1. In 2012, the members of Butterfield Park MDWCA, Organ WSA and Brazito MDWCA voted to merge with the Authority, and in 2016 the Valle Del Rio Water System was acquired. In 2019 the High Valley MDWCA was merged into the Authority.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted (US GAAP) in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing US GAAP for state and local government accounting and financial reporting principles.

**A. Reporting Entity**

The Authority is a special-purpose government created pursuant to statute and is comprised of an elected Board of Directors. The Authority is considered a primary government, since it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments.

In evaluating how to define the Authority for financial reporting purposes, management has considered all potential programs and operations of the Authority. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GASB Statement No. 14, as amended by GASB Statement No. 39 and GASB Statement No. 61. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of the governing board by the Authority, the designation of management, the ability to significantly influence operations, and

accountability for fiscal matters. A second criterion is the scope of public service. Application of this criterion involves considering whether the activity benefits the Authority and/or its users, or whether the activity is conducted within the geographic boundaries of the Authority and is generally available to its users.

A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the Authority is able to exercise oversight responsibilities.

Based upon the application of these criteria, the Authority has no component units.

**B. Basic Financial Statements**

The GASB Statement No. 34 reporting model focus is on either the Authority, as a whole, or major individual funds (within the fund financial statements). The Authority is a single-program government that engages in only business-type activities.

Pursuant to GASB Statement No. 34, governments engaged only in business-type activities present only the financial statements for enterprise funds. For these governments, basic financial statements consist of: (a) enterprise fund financial statements consisting of the statement of net position, the statement of revenues, expenses and changes in net position and the statement of cash flows, and (b) notes to the financial statements. The enterprise fund utilizes an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position and cash flows. All assets and liabilities (whether current or noncurrent) associated with its activities are reported. Enterprise fund equity is classified as net position. When an expense is incurred for purposes for which both restricted and unrestricted assets are available, the Authority first uses restricted resources and then unrestricted resources.

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The accounts of the Authority are organized on the basis of one fund that is considered a separate accounting entity. The operations of the fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, net position, revenues and expenses. Government resources are allocated to and accounted for in the fund based upon the purpose for which spending activities are controlled. In this report, the fund is presented in the financial statements as a proprietary fund.

The *Enterprise Fund* is used to account for operations (a) that are financed and operated in a manner similar to private business enterprise where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Basis of accounting refers to the point at which revenues or expenditures or expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made, regardless of the measurement focus applied. The proprietary fund is accounted for on a flow of economic resources measurement focus and the accrual basis of accounting. The revenues are recognized when earned and expenses are recognized when the liability is incurred or the economic asset is used. Grants and similar

items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**D. Cash and cash equivalents**

The Authority's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the Authority to invest in Certificates of Deposit, obligations of the U.S. Government, and the State Treasurer's Investment Pool.

Investments for the Authority are reported at fair value. The State Treasurer's Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

**E. Restricted Assets**

Restricted assets consist of non-mandatory reserves set aside within the operating account for outstanding customer deposits. These reserves are not required but are separated by management and a separate Construction Account that has been established as required by the Government into which the proceeds of the loan and grant proceeds from the USDA-RUS are deposited. Withdrawals from the Construction Account were and shall be made only on checks signed by the manager of the Authority as authorized by the Board from time to time, and with prior concurrence of the Government. When all construction costs have been paid in full, any balance remaining in the Construction Account may be applied on the loan or used for other authorized purposes that have been approved by the Government and the Construction Account shall be closed. The end of year balance is \$582,043. The Authority also has restricted cash in the amount of \$89,293 that has been classified as restricted for customer deposits and \$78,516 restricted for debt service loan reserve.

**F. Accounts Receivable**

Accounts receivable represents the amounts due from customers' water and sewer accounts. The allowance for doubtful accounts was \$0 at year end. There was no change in the allowance for doubtful accounts during the fiscal year.

**G. Inventory**

Inventory consists of system parts and supplies valued at cost using the first in first out method of accounting. An actual inventory is taken on an annual basis.

**H. Capital Assets**

Capital assets, which include property, plant, and equipment, are defined by the Authority as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Pursuant to the implementation of GASB Statement No. 34, the historical cost of infrastructure assets, (retroactive to 1979) are included as part of the governmental capital assets reported in the government wide statements. Information Technology Equipment including software is being capitalized and included in furniture, fixtures and equipment. Contributed capital assets are recorded at

estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. No interest was included as part of the cost of capital assets under construction.

Depreciation is recorded using the straight-line method based on the estimated useful life of the asset. The following lives are utilized:

Building and improvements	5 years – 40 years
Land improvements	7 years – 20 years
Water and sewer system	5 years – 15 years
Furniture, fixtures, and equipment	5 years – 10 years
Vehicles	5 years – 15 years

#### **I. Operating Revenue and Expenses**

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. They include all revenue and expenses not related to capital and related financing, non-capital financing, or investing activities. Non-operating revenues include grant revenue, rent revenue, other income and interest income.

#### **J. Budgets and Budgetary Accounting**

The Authority follows procedures that are promulgated by the Department of Finance and Administration, Local Government Division (DFA-LGD). Those procedures are as follows:

1. On or before July 1 of each year, the Board of Directors, approves and certifies to the estimated operating budgets for use by the local board pending final approval from the DFA-LGD.
2. After the Board approves the proposed initial budget, it is then submitted to the DFA-LGD for review and certification in time to meet the DFA-LGD deadline of June 1.
3. DFA-LGD returns the approved initial budget on the first Monday in July. Fiscal year-end cash balances and any final budget adjustments are then posted to the initial budget to produce the Authority's final budget, which must be submitted to DFA-LGD by July 30.
4. Upon certification by the DFA-LGD, the budget becomes a legally binding document which does not allow total expenditures in any fund to exceed the amount budgeted.
5. The Board is authorized to make budget revisions with the DFA-LGD's approval.
6. Formal budgetary integration is employed as a management control device during the year.

The budgetary information presented in these financial statements has been properly amended by the Authority's board in accordance with the above procedures. These amendments resulted in no changes to the excess (deficiency) of revenues over expenditures for the current year.



## **K. Net Position**

Net position is reported in three categories: net investment in capital assets, restricted, and unrestricted:

- Net investment in capital assets – This component consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any related debt attributable to the acquisition, construction, or improvement of those assets.
- Restricted net position – Net position is reported as restricted when constraints placed on net position use are either (1) externally imposed by creditors, grantors, contributions or laws or regulations of other governments or (2) imposed by law through constitutional provisions or enabling legislation.
- Unrestricted net position – Net position that does not meet the definition of “restricted” or “net investment in capital assets.”

## **L. Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Significant estimates for the Authority include management’s estimate of the allowance for uncollectible accounts for water sales and depreciation on assets over their estimated useful lives.

## **M. New Accounting Pronouncements**

During the year ended June 30, 2021, the Authority implemented the following new accounting pronouncements which did not have a material effect on the Authority's financial statements:

- *GASB Statement No.93, Replacement of Interbank Offered Rates*
- *GASB Statement No.95, Postponement of the Effective Dates of Certain Authoritative Guidance*
- *GASB Statement No.98, The Annual Comprehensive Financial Report*

The following pronouncements have been issued, but are not yet effective for the year ended June 30, 2021.

- *GASB Statement No.92, Omnibus 2020*
- *GASB Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements*
- *GASB Statement No. 96, Subscription-Based Information Technology Arrangements*
- *GASB Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*

The Authority is evaluating the effect that these statements will have in upcoming years.

## **N. Tax Abatement Disclosures**

The Authority does not have any agreements that require disclosure under *GASB Statement No. 77, Tax Abatement Disclosures*.

### **3. CASH**

State statutes authorize the investment of Authority funds in a wide variety of instruments including certificates of deposit and other similar obligations, state investment pool, money market accounts, and United States Government obligations. The Authority is not aware of any invested funds that did not meet the State investment requirements as of June 30, 2021.

Deposits of funds may be made in interest or non-interest bearing checking accounts in one or more banks or savings and loan associations within the geographical boundaries of the Authority. Deposits may be made to the extent that they are insured by an agency of the United States or collateralized as required by statute.

The rate of interest in non-demand interest-bearing accounts shall be set by the State Board of Finance, but in no case shall the rate of interest be less than one hundred percent of the asked price on United States treasury bills of the same maturity on the day of deposit.

Excess funds may be temporarily invested in securities which are issued by the State or by the United States government, or by their departments or agencies, and which are either direct obligations of the State or the United States or are backed by the full faith and credit of those governments.

The Authority's accounts at an insured depository institution, including all noninterest-bearing transaction accounts, will be insured by the FDIC up to the standard maximum deposit insurance amount of \$250,000 for demand deposit accounts and \$250,000 for time and savings accounts.

Custodial Credit Risk – Custodial credit risk is the risk that in the event of bank failure, the Authority's deposits may not be returned to it. The Authority does not have a policy for custodial credit risk, other than following state statutes as put forth in the Public Money Act (Section 6-10-1 to 6-10-63 NMSA 1978). New Mexico State Statutes require collateral pledged for deposits in excess of the federal deposit insurance to be delivered, or a joint safekeeping receipt be issued, to the Authority for at least one half of the amount on deposit with the institution that is in excess of the federal deposit insurance amount.

As of June 30, 2021, \$1,075,354 of the Authority's bank balance of \$1,325,354 was exposed to custodial credit risk. However, all of the \$1,075,354 was collateralized by securities held by pledging institutions, not in the Authority's name. None of the Authority's deposits were uninsured and uncollateralized at June 30, 2021.

Bank accounts were collateralized as follows:

Total deposits in bank	\$ 1,325,354
Less FDIC coverage	<u>(250,000)</u>
Uninsured public funds	1,075,354
Pledged Collateral held by the pledging bank's trust department or agent in the Authority's name	<u>2,496,734</u>
Uninsured and uncollateralized	<u>\$ -</u>

As of June 30, 2021, the Authority's bank balances were exposed to custodial credit risk. The amount above identified as uninsured of \$1,075,354 is subject to custodial credit risk. This in the risk that in the event of bank failure, the Authority's deposits may not be returned to it. The Authority does not have a deposit policy for custodial credit risk.

The bank account balances were collateralized as shown in the following schedule:

<b>Account</b>	<b>Account Type</b>	<b>Citizens Bank</b>
Operating	Demand	\$ 217,421
Reserve	Demand	582,043
Debt Service	Demand	497,192
Brazito Sewer	Demand	12,080
Brazito Sewer #2	Demand	7,574
NM HIDTA	Demand	827
South Valley Water	Demand	1,750
CDBG	Demand	<u>6,467</u>
Total amounts of deposits		1,325,354
FDIC Coverage		<u>250,000</u>
Total uninsured public funds		1,075,354
Pledged collateral held by the pledging bank's trust department or agent in the Authority's name		<u>2,496,734</u>
Uninsured and uncollateralized		<u>\$ -</u>
50% pledged collateral requirement		\$ 537,677
Total pledged collateral		<u>2,496,734</u>
Pledged collateral exceeding the requirements		<u>\$ 1,959,057</u>

A description of the pledged collateral as of June 30, 2021 is as follows:

Description	CUSIP#	Maturity	Market Value
Citizen's Bank:			
FFCB	N/A	03/22/27	\$ 1,682,392
FHLB	N/A	03/08/2024	<u>814,342</u>
Total Citizen's Bank			<u>\$ 2,496,734</u>

The bank account reconciliations as of June 30, 2021 are as follows:

Account	Account Type	Balance per Bank	Deposits in Transit	Outstanding Checks	Reconciled Balance
Operating	Demand	\$ 217,421	\$ 5,721	\$ 41,254	\$ 181,888
Reserve	Demand	582,043	-	-	582,043
Debt Service	Demand	497,192	-	-	497,192
Brazito Sewer Project	Demand	12,080	-	-	12,080
Brazito Sewer Project #2	Demand	7,574	-	-	7,574
NM HIDTA	Demand	827	-	74,952	(74,125)
South Valley Water	Demand	1,750	-	-	1,750
CDBG	Demand	<u>6,467</u>	<u>-</u>	<u>-</u>	<u>6,467</u>
Total amounts of deposits		<u>\$ 1,325,354</u>	<u>\$ 5,721</u>	<u>\$ 116,206</u>	1,214,869
Cash held by RCAC - Loan reserve					35,875
Cash held by NMFA - Loan reserve					42,642
Petty cash & returned items					<u>1,051</u>
Total cash					<u>\$ 1,294,437</u>
Total as Reported in the Financial Statements:					
Statement of Net Position:					
Cash and cash equivalent					\$ 544,585
Restricted cash					<u>749,852</u>
Total cash per financial statements					<u>\$ 1,294,437</u>

#### 4. ACCOUNTS RECEIVABLE

Accounts receivable consists of water and sewer service billings. Accounts receivable for water and sewer service billings is water and sewer utility revenue billed and unbilled but uncollected. The Authority considers the amount fully collectible and therefore has not estimated an allowance for doubtful accounts. At year-end, accounts receivable totaled \$1,021,329.

## 5. CAPITAL ASSETS

The following is a summary of capital assets and changes occurring during the year ended June 30, 2021. Land, water rights, and construction in progress are not subject to depreciation.

	<b>Beginning Balance</b>	<b>Adjustment /Transfers</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
Business-type capital assets, not being depreciated					
Land, well sites, and easements	\$ 1,036,024	\$ -	\$ -	\$ -	\$ 1,036,024
Water rights	17,645,030	-	-	-	17,645,030
Construction in progress	<u>10,109,244</u>	<u>(9,322,882)</u>	<u>1,642,151</u>	<u>-</u>	<u>2,428,513</u>
<b>Total capital assets, not being depreciated</b>	<u>28,790,298</u>	<u>(9,322,882)</u>	<u>1,642,151</u>	<u>-</u>	<u>21,109,567</u>
Business-type capital assets, being depreciated					
Buildings and improvements	2,340,074	-	11,223	-	2,351,297
Land improvements	346,389	-	-	-	346,389
Water and sewer plant/system	53,924,135	9,343,905	1,558,234	-	64,826,274
Furniture, fixtures, and equipment	618,856	-	40,028	-	658,884
Transportation equipment	<u>1,379,868</u>	<u>-</u>	<u>119,011</u>	<u>-</u>	<u>1,498,879</u>
<b>Total business-type capital assets, being depreciated</b>	<u>58,609,322</u>	<u>9,343,905</u>	<u>1,728,496</u>	<u>-</u>	<u>69,681,723</u>
Less accumulated depreciation for:					
Buildings and improvements	4,323,995	-	1,783,298	-	6,107,293
Land improvements	134,634	-	-	-	134,634
Water and sewer plant/system	14,073,534	-	-	-	14,073,534
Furniture, fixtures, and equipment	166,151	-	-	-	166,151
Transportation equipment	<u>632,643</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>632,643</u>
<b>Total accumulated depreciation</b>	<u>19,330,957</u>	<u>-</u>	<u>1,783,298</u>	<u>-</u>	<u>21,114,255</u>
<b>Total capital assets being depreciated, net</b>	<u>39,278,365</u>	<u>9,343,905</u>	<u>(54,802)</u>	<u>-</u>	<u>48,567,468</u>
<b>Business-type capital assets, net</b>	<u>\$68,068,663</u>	<u>\$ 21,023</u>	<u>\$ 1,587,349</u>	<u>\$ -</u>	<u>\$69,677,035</u>

Depreciation expense for the year ended June 30, 2021 totaled \$1,783,298.

## 6. LONG TERM OBLIGATIONS

During the year ended June 30, 2021, the following changes occurred in the liabilities reported in the Statement of Net Position:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reduction</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
New Mexico Finance Authority Loans (NMFA)	\$ 1,894,879	\$ 358,231	\$ 177,682	\$ 2,075,428	\$ 736,984
United States Department of Agriculture Loans (USDA)	4,043,543	-	76,580	3,966,963	77,574
New Mexico Environmental Department (NMED)	502,841	-	21,249	481,592	22,161
Rural Community Assistance Corporation (RCAC)	<u>1,150,168</u>	<u>138,259</u>	<u>-</u>	<u>1,288,427</u>	<u>1,288,427</u>
Total notes payable	<u>\$ 7,591,431</u>	<u>\$ 496,490</u>	<u>\$ 275,511</u>	<u>\$ 7,812,410</u>	<u>\$ 2,125,146</u>

NMFA Loans: The Authority has entered into ten loan agreements with the New Mexico Finance Authority, wherein the Authority has pledged revenue derived from operations to cover debt service. This revenue is not subject to intercept agreements. The NMFA loans are as follows:

NMFA LowerRio 2: On July 15, 2011, the Authority executed a loan agreement with the New Mexico Finance Authority in the amount of \$790,914. The proceeds of the loan were used to refinance four loans from the United States Department of Agriculture to the following: 1) Mesquite Mutual Domestic Water Consumers and Mutual Sewage Works Association dated February 17, 2009 in the amount of \$307,000, 2) Mesquite Mutual Domestic Water Consumers and Mutual Sewage Works Association dated December 17, 2007 in the amount of \$307,400, 3) Desert Sands Mutual Domestic Water Consumers Association dated November 7, 2006 in the amount of \$50,000 and 4) La Mesa Mutual Domestic Water Consumers Association dated May 16, 2002 in the amount of \$100,000. The loan matures May 1, 2041. The blended interest rate over the term of the loan is 3.443%. Principal and interest are paid annually.

\$ 590,922

NMFA LowerRio 3: On January 20, 2012 the Authority executed a loan agreement with the New Mexico Finance Authority in the amount of \$437,163. The proceeds of the loan were used for replacement of water utility system transmission and distribution upgrades for the Mesquite area and the Berino area to blend water sources to achieve compliance with arsenic standards for drinking water. The loan matures June 1, 2032. The blended interest rate over the term of the loan is 0.250%. Principal and interest are paid annually.

243,192

NMFA DW-4796: On February 22, 2019, the Authority executed a loan agreement with the New Mexico Finance Authority in the amount of \$1,729,692 (however only \$314,109 has been drawn down to date). The proceeds were used for the design and construction of Valle Del Rio Phase 2. The loan matures May 1, 2041. The blended interest rate over the term of the loan is 0.250%. Principal payments are paid annually.

314,109

NMFA LowerRio 6: On March 1, 2013, the Authority executed a loan agreement with the New Mexico Finance Authority in the amount of \$167,025. The proceeds were used for the design and construction of a sewer system to eliminate existing septic system and wetlands treatment plant and replacing it with a gravity collection system connected to the Dona Ana County South Central Regional Treatment Plant. The loan matures June 1, 2033. There is no interest rate for this loan. Principal payments are paid annually.

100,213

NMFA DW-4213: On October 26, 2018, the Authority executed a loan agreement with the New Mexico Finance Authority in the amount of \$3,285,288 compose of \$600,000 disadvantage component loan and \$2,685,288 market component (however only \$338,463 has been drawn down to date). The proceeds were used for the admin building project. The disadvantaged component with a .25% interest and matures on May 1, 2040 and a market component with a 2.00% interest and matures on May 2050. Principal payments are paid annually.

338,463

NMFA CIF-4915: On August 23, 2019, the Authority executed a loan/grant agreement with the New Mexico Finance Authority in the amount of \$247,152. The Authority received ten percent (10%) of its fundig as a loan. The proceeds were used for the E Mesa Water System Improvements Ph I. The loan matures on June 1, 2041. There is no interest rate for this loan. Principal payments are paid annually.

36,982

NMFA CIF-4645: On October 26, 2018, the Authority executed a loan agreement with the New Mexico Finance Authority in the amount of \$29,172. The proceeds were used for the High Valley water improvements. The loan matures on June 1, 2040. There is no interest rate for this loan. Principal payments are paid annually.

29,172

NMFA CIF-4916: On September 27, 2019, the Authority executed a loan/grant agreement with the New Mexico Finance Authority in the amount of \$741,628. The Authority received \$111,244 of its fundig as a loan, however only \$9,123 has been drawn down to date. The loan matures on June 1, 2041. There is no interest rate for this loan. Principal payments are paid annually.

9,123

NMFA LowerRio 13: On February 26, 2016, the Authority executed a loan agreement with the New Mexico Finance Authority in the amount of \$299,427 (on February 23, 2018 a loan amendment for \$150,000 was added to the loan for a total of \$450,927) however only \$447,620 has been drawn down to date. The proceeds were used for the purchase of the Valle Del Rio water system. The loan matures on May 1, 2038. The blended interest rate over the term of the loan is 0.250%. Principal payments are paid annually.

413,252

USDA Loans: The Authority has entered into nine loan agreements with the United States Department of Agriculture (USDA), wherein the Authority has pledged revenue derived from operations to cover debt service. This revenue is not subject to intercept agreements. The USDA loans are as follows:

USDA 91-02: On June 11, 2014, the Authority executed a promissory note with the United States Department of Agriculture in the amount of \$2,304,000. The proceeds were used for the water system project improvements. The note matures on June 11, 2054 and has an interest rate of 3.25% per annum. Installments are paid monthly.	2,025,945
USDA 91-04: On August 20, 2012, the Authority executed a promissory note with the United States Department of Agriculture in the amount of \$471,000. The proceeds were used for the water system project improvements. The note matures on August 20, 2052 and has an interest rate of 2.75% per annum. Installments are paid monthly.	405,498
USDA 92-13 and 92-19: On April 26, 2012, the Authority executed two promissory notes, USDA 92-13 and USDA 92-19 with the United States Department of Agriculture in the amount of \$100,000 and \$606,000 respectively. The proceeds were used to replace the failing sewer main lines and other sewer system improvements. The notes mature on April 26, 2052 and have interest rates of 3.375% and 2% respectively. Installments are paid monthly.	594,081
USDA 93-09: On January 17, 2006, Brazito Mutual Domestic Water Consumers Association executed a promissory note with the United States Department of Agriculture in the amount of \$40,000. The proceeds were used for the water system project improvements. The note matures on January 17, 2046 and accrues an interest rate of 4.250% per annum. Installments are paid monthly.	87,273
USDA 91-14: On October 26, 2009, Brazito Mutual Domestic Water Consumers Association executed a promissory note with the United States Department of Agriculture in the amount of \$222,000. The proceeds were used for the water system project improvements. The note matures on October 26, 2049 and accrues an interest rate of 3.375% per annum. Installments are paid monthly.	182,663
USDA 91-15: On July 23, 2018, the Authority executed a promissory note with the United States Department of Agriculture in the amount of \$357,000. The proceeds were used for the sewer project improvements. The note matures on July 1, 2059 and accrues an interest rate of 3.25% per annum. Installments are paid monthly.	348,239
USDA 91-15: On May 22, 2012, Brazito Mutual Domestic Water Consumers Association executed a promissory note with the United States Department of Agriculture in the amount of \$172,000. The proceeds were used for the water system project improvements. The note matures on June 22, 2052 and accrues an interest rate of 2.750% per annum. Installments are paid monthly.	147,529
USDA 91-02: On August 31, 2000, Butterfield Park MDWC and MSWA executed a promissory note with the United States Department of Agriculture in the amount of \$250,000. The proceeds were used for the water system project improvements. The note matures on September 28, 2040 and accrues an interest rate of 5% per annum. Installments are paid monthly.	175,735
NMED Loans: The Authority has entered into one loan agreements with the New Mexico Environmental Department, wherein the Authority has pledged revenue derived from operations to cover debt service. This revenue is not subject to intercept agreements. The NMED loan is as	



follows:

NMED RIP00024: On September 27, 2018, the Authority executed a promissory note with the New Mexico Environment Department in the amount of \$533,379. The proceeds were used for purchase of land and water rights. The note matures on September 27, 2038 and accrues an interest rate of 2.375% per annum. Installments are paid yearly.

481,592

RCAC Loans: The Authority has entered into ten loan agreements with Rural Community Assistance Corporation, a non for profit corporation, wherein the Authority has pledged revenue derived from operations to cover debt service. This revenue is not subject to intercept agreements. The RCAC loan is follows:

0925-LRWA-022: On August 21, 2018, the Authority executed a promissory note with Rural Community Assistance Corporation in the amount of \$1,427,273. The proceeds were used for the sewer system project improvements. All principal and all accrued and unpaid interest is due and payable not later than (1) the close of Borrower's grant and loan for construction of water system improvements from the United States Department of Agriculture Rural Development, or (2) September 1, 2020 maturity date, whichever is earlier. The accrues an interest rate of 5% per annum. Installments are paid monthly.

1,288,427

Total debt

7,812,410

Less current portion of long-term debt

2,125,146

Total long-term debt

\$ 5,687,264

Following is a summary of principal and interest maturities of long-term liabilities:

<b>Years Ending</b>	<b>Interest</b>	<b>Principal</b>
June 30, 2022	\$ 237,815	\$ 2,125,146
June 30, 2023	169,380	178,934
June 30, 2024	165,208	182,997
June 30, 2025	160,868	187,220
June 30, 2026	156,353	191,615
June 30, 2027 - 2031	707,114	1,047,781
June 30, 2032 - 2036	563,394	1,044,948
June 30, 2037 - 2041	427,378	1,009,165
June 30, 2042 - 2046	239,203	702,260
June 30, 2047 - 2051	122,931	798,277
June 30, 2052 - 2056	21,091	298,278
June 30, 2057 - 2060	2,319	45,789
Total	<u>\$ 2,973,054</u>	<u>\$ 7,812,410</u>

## 7. COMPENSATED ABSENCES

Full time employees earn both 4 hours sick leave and 4 hours vacation each biweekly pay period. Employees may carry over a maximum of 240 hours in each category from calendar year to calendar year. As of June 30, 2021 employees had balances of 1,951 sick leave hours with a value of \$26,521 and 4,167 vacation hours with a value of \$47,133. Upon termination, all accumulated vacation will be paid to the employee. Following is a schedule of changes in compensated absences:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reduction</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
Compensated absences	<u>\$ 73,654</u>	<u>\$ 6,959</u>	<u>\$ 6,959</u>	<u>\$ 73,654</u>	<u>\$ 7,000</u>

## 8. RISK MANAGEMENT

The Authority covers its risk of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees and natural disasters through various insurance policy coverage. The coverage includes workers compensation, general and professional liability, property, and fidelity bonds coverage. The Authority transfers these risks of loss to the insurance carrier except for deductible amounts. Premiums paid on policies for the year June 30, 2021 was \$102,729.

## 9. FISCAL AGENT

The Authority is the fiscal agent for the Southwest Border HIDTA – New Mexico. As part of being the Fiscal Agent, the Authority assumes the administrative and financial responsibilities as required by the grant agreement between the Authority and the Office of National Drug Control Policy. The Authority received grant revenue totaling \$2,027,204 under the grant agreement for the year ended June 30, 2021. See page 24 for a break out of the HIDTA revenue and expenses from the other functions.

## 10. RETIREMENT PLAN

The Authority provides employees the opportunity to participate in a 401(k) plan. The 401(k) is available to employees after completing their 90 day trial period. The Authority matches employee contributions dollar for dollar up to 4% of wages. In addition, the Authority contributes a profit sharing portion to each employee's 401(k), regardless of whether they participate in the voluntary contribution option. Current policy is to contribute up to 10% of the employee's wages towards the profit sharing option and is determined on an annual basis. For the fiscal year ended June 30, 2021, the Authority contributed \$115,270.

## 11. SUBSEQUENT REVIEW

Lower Rio Grande Public Water Works Authority has evaluated subsequent events through December 10, 2021, which is the date the financial statements were available to be issued.

## **SUPPLEMENTARY INFORMATION**

**STATE OF NEW MEXICO  
LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY**

**STATEMENT OF RECEIPTS AND DISBURSEMENTS  
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (BUDGET BASIS)  
FOR THE YEAR ENDED JUNE 30, 2021**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual on Budgetary Basis</b>	<b>Variance With Final Budget Favorable (Unfavorable)</b>
<b>RECEIPTS:</b>				
Operating revenues:				
Charges for services	\$ 3,272,000	\$ 3,403,000	\$ 3,627,341	\$ 224,341
Other revenues	146,000	146,000	110,095	(35,905)
Non-operating revenues				
Other revenue	-	-	114,798	114,798
Interest income	-	-	295	295
Grants and loans	-	-	4,783,754	4,783,754
	<u>3,418,000</u>	<u>3,549,000</u>	<u>8,636,283</u>	<u>5,087,283</u>
Total receipts				
	<u>3,418,000</u>	<u>3,549,000</u>	<u>8,636,283</u>	<u>5,087,283</u>
<b>DISBURSEMENTS:</b>				
Operating expenses:				
Accounting & administration	139,500	124,000	88,442	35,558
Salaries & benefits	1,981,500	1,910,500	1,765,207	145,293
Sewer system	463,500	484,000	98,654	385,346
Materials & supplies	239,500	288,250	548,684	(260,434)
Utilities	270,000	260,000	390,225	(130,225)
Non-operating disbursements				
Debt payments - principal	148,000	284,000	275,511	8,489
Debt payments - interest	176,000	182,500	216,417	(33,917)
	<u>3,418,000</u>	<u>3,533,250</u>	<u>3,383,140</u>	<u>150,110</u>
Total disbursements				
	<u>3,418,000</u>	<u>3,533,250</u>	<u>3,383,140</u>	<u>150,110</u>
Excess receipts over (under) disbursements	<u>-</u>	<u>15,750</u>	<u>5,253,143</u>	<u>5,253,143</u>
Beginning unrestricted cash			<u>20,317,168</u>	
<b>Ending unrestricted cash</b>			<u>\$ 25,570,311</u>	
Reconciliation of budgetary basis to GAAP basis:				
Net excess receipts over (under) disbursements budgetary basis			\$ 5,253,143	
Net expenditure accruals			(43,763)	
Depreciation			(1,783,298)	
HIDTA program			(2,102,156)	
Principal payments on debt			275,511	
Change in net position GAAP basis			<u>\$ 1,599,437</u>	

See accompanying notes to financial statements and independent auditor's report.

**STATE OF NEW MEXICO  
LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION BY  
FUNCTION  
FOR THE YEAR ENDED JUNE 30, 2021**

	<b>Water</b>	<b>Sewer</b>	<b>HIDTA</b>	<b>Total</b>
Operating Revenues:				
Charges for services	\$ 3,388,117	\$ 239,224	\$ -	\$ 3,627,341
Other revenues	109,365	730	-	110,095
Total operating revenues	3,497,482	239,954	-	3,737,436
Operating Expenses:				
Salaries and wages	1,331,781	71,000	2,102,156	3,504,937
Employee benefits	328,193	41,737	-	369,930
Materials, supplies, tools and chemicals	170,608	32,067	-	202,675
Office expenses	241,137	79,975	-	321,112
Miscellaneous	11,074	1,230	-	12,304
Bank charges	25,915	2,879	-	28,794
Insurance	92,456	10,273	-	102,729
Maintenance and repairs	179,061	35,918	-	214,979
Professional fees	23,747	2,638	-	26,385
Travel and entertainment	146	16	-	162
Depreciation	1,458,202	325,096	-	1,783,298
Utilities	231,894	21,230	-	253,124
Total operating expenses	4,094,214	624,059	2,102,156	6,820,429
Operating loss	(596,732)	(384,105)	(2,102,156)	(3,082,993)
Non-Operating Revenues (Expenses):				
Grant revenue	-	-	2,027,204	2,027,204
Interest income	295	-	-	295
Rental income	28,593	-	-	28,593
Other income	86,205	-	-	86,205
Interest expense	(190,195)	(26,222)	-	(216,417)
Total non-operating revenues (expenses)	(75,102)	(26,222)	2,027,204	1,925,880
Loss before capital contributions	(671,834)	(410,327)	(74,952)	(1,157,113)
Capital Contributions:				
Grant revenues:				
State	560,267	-	-	560,267
Federal	1,512,508	683,775	-	2,196,283
Total capital contributions	2,072,775	683,775	-	2,756,550
Change in net position	1,400,941	273,448	(74,952)	1,599,437
Net position - beginning of year	63,482,042	(1,269,879)	66,377	62,278,540
Net position - end of year	\$ 64,882,983	\$ (996,431)	\$ (8,575)	\$ 63,877,977

See accompanying notes to financial statements and independent auditor's report.

## **COMPLIANCE SECTION**

# WATTS CPA, P.C.

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## **INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To Brian S. Colón, New Mexico State Auditor and  
Members of the Board of Directors  
Lower Rio Grande Public Water Works Authority  
Mesquite, New Mexico

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the business-type activities of the Lower Rio Grande Public Water Works Authority as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and the related budget comparisons of the Authority, presented as supplemental information, and have issued my report thereon dated December 10, 2021.

### **Internal Control Over Financial Reporting**

In planning and performing my audit, of the financial statements, I considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, I do not express an opinion on the effectiveness of the Authority's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Authorities's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Watts CPA, P.C.

El Paso, Texas  
December 10, 2021



# WATTS CPA, P.C.

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## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To Brian S. Colón, New Mexico State Auditor and  
Members of the Board of Directors  
Lower Rio Grande Public Water Works Authority  
Mesquite, New Mexico

### **Report on Compliance for Each Major Federal Program**

I have audited the Lower Rio Grande Public Water Works Authority's (the "Authority") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended June 30, 2021. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### ***Management's Responsibility.***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

### ***Auditor's Responsibility***

My responsibility is to express an opinion on compliance for each of the Authority's major federal programs based on my audit of the types of compliance requirements referred to above. I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances.

I believe that my audit provides a reasonable basis for my opinion on compliance for each major federal program. However, my audit does not provide a legal determination of the Authority's compliance.

### ***Opinion on Each Major Federal Program***

In my opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

## Report on Internal Control over Compliance

Management of the Authority, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing my audit of compliance, I considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of the Authority's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

My consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Watts CPA, P.C.

El Paso, Texas  
December 10, 2021

**STATE OF NEW MEXICO  
LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2021**

<b><u>Federal Grantor or Pass-Through Grantor/ Program Title</u></b>	<b><u>CFDA Number</u></b>	<b><u>Federal Expenditures</u></b>	<b><u>Paid to Subrecipients</u></b>	<b><u>Noncash Assistance</u></b>
<b>U.S. Environmental Protection Agency</b>				
Passed through New Mexico Finance Authority				
Capitalization Grants for Drinking Water State				
Revolving Funds*	66.468	\$ 805,656	\$ -	\$ -
Total U.S Environmental Protection Agency		<u>\$ 805,656</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Executive Office of the President</b>				
Direct Executive Office of the President				
High Intensity Drug Trafficking Areas (HIDTA)				
Program	95.001	\$ 2,102,156	\$ -	\$ -
Total Executive Office of the President		<u>\$ 2,102,156</u>	<u>\$ -</u>	<u>\$ -</u>
<b>U.S. Department of Housing and Urban Development</b>				
Passed through New Mexico Finance Authority				
Community Development Block Grants/State's Program	14.228	\$ 41,239	\$ -	\$ -
Total U.S. Department of Housing and Urban				
Development		<u>\$ 41,239</u>	<u>\$ -</u>	<u>\$ -</u>
<b>U.S. Department of Agriculture</b>				
Water and Waste Disposal Systems for Rural				
Communities*	10.760	\$ 1,284,688	\$ -	\$ -
Community Facilities Loans and Grants	10.766	64,700	-	-
Total U.S. Department of Agriculture		<u>\$ 1,349,388</u>	<u>\$ -</u>	<u>\$ -</u>
Total Federal Financial Assistance		<u>\$ 4,298,439</u>	<u>\$ -</u>	<u>\$ -</u>

\* Denotes Major Federal Financial Assistance Program

See independent auditor's report and accompanying notes to schedule of expenditures of federal awards.

**STATE OF NEW MEXICO  
LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2021**

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**Note 1. Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal award activity of the Lower Rio Grande Public Water Works Authority under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, changes in net position or cash flows of the Authority.

**Note 2 Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**Note 3. 10% de minimus Indirect Cost Rate**

The Authority did not elect to use the allowed 10% indirect cost rate.

**Note 4. Federally Funded Insurance**

The Authority has no federally funded insurance.

**STATE OF NEW MEXICO  
LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
JUNE 30, 2021**

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**Section I – Summary of Auditors’ Results**

Financial Statements:

1. Type of auditors’ report issued Unmodified
2. Internal control over financial reporting:
  - a. Material weaknesses identified? No
  - b. Significant deficiencies identified not considered to be material weaknesses? No
  - c. Noncompliance material to the financial statements noted? None Noted

Federal Awards:

1. Internal control over major programs:
  - a. Material weaknesses identified? None Noted
  - b. Significant deficiencies identified not considered to be material weaknesses? No
2. Type of auditors’ report issued on compliance for major programs Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with  
section 2 CFR section 200.516(a)? No

4. Identification of major programs:

CFDA Number	Federal Program
66.468	Drinking Water State Revolving Funds
10.760	Water and Waste Disposal Grants

5. Dollar threshold used to distinguish between type A and type B programs: \$750,000
6. Auditee qualified as low-risk auditee? Yes

**STATE OF NEW MEXICO  
LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
JUNE 30, 2021**

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**CURRENT YEAR FINDINGS:**

**None**

**STATUS OF PRIOR YEAR FINDINGS:**

**None**

**STATE OF NEW MEXICO  
LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY**

**EXIT CONFERENCE  
FOR THE YEAR ENDED JUNE 30, 2021**

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An exit conference was conducted on December 10, 2021 with the following individuals in attendance:

**Lower Rio Grande Public Water Works Authority**

Esperanza Holguin

Martin Lopez

Kathi Jackson

John Schroder

Karen Nichols

Board Chairman

General Manager

Finance Manager

Accounting Assistant

Projects Manager

**Watts CPA, P.C.**

Brad Watts

Shareholder

**Financial Statement Preparation**

The financial statements were prepared by Watts CPA, P.C. from the books and records of the Lower Rio Grande Public Water Works Authority. However, the contents of these financial statements remain the responsibility of the Authority's management.

**LRGPWWA**  
**Manager's Report**  
**February 16, 2022**

- Having our attorney commence the process to change the Zoning Designation at the Vado Farm along with a Special Use Permit to all for the Solar Farm
- Have renewed the Farming agreement at the Vado Farm for another year
- Unfortunately, we had to revert back to prior Health Plan-lack of doctors in the proposed plan. It had been in the budget
- New Horizons Subdivisions in Vado area has begun the preliminary request for water service
- Offices were closed on February 21<sup>th</sup> for President Day





# Income Statement

Group Summary

For Fiscal: FYE 2022 Period Ending: 01/31/2022

AcctNumber	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
<b>Revenue</b>				
40000 - Operating Revenue	3,122,500.00	233,894.93	1,943,501.02	1,178,998.98
40001 - Activation & Connection Fees-Sewer	500.00	0.00	2,133.32	-1,633.32
40002 - Installation Fees	75,000.00	3,674.90	57,757.39	17,242.61
40003 - Activation & Connection Fees-Water	5,000.00	2,575.09	20,365.11	-15,365.11
40004 - Meter Relocation	0.00	150.00	150.00	-150.00
40005 - Backflow Testing	7,000.00	25.00	2,050.00	4,950.00
40006 - Tampering Fee/Line Breaks	0.00	0.00	1,273.94	-1,273.94
40007 - Delinquency Fee	75,000.00	7,650.00	54,300.00	20,700.00
40008 - Penalties-Water	75,000.00	7,597.50	47,584.50	27,415.50
40009 - Membership Fees	5,000.00	450.00	4,850.00	150.00
40010 - Impact Fees	40,000.00	4,283.91	47,658.25	-7,658.25
40011 - Returned Check Fees	500.00	35.00	315.00	185.00
40012 - Credit Card Fees	12,000.00	1,574.00	10,506.00	1,494.00
40013 - Miscellaneous Revenue	200.00	10.00	999.30	-799.30
40015 - Penalties-Sewer	6,000.00	2,730.33	20,942.67	-14,942.67
40016 - Meter Test Fee	0.00	0.00	-30.00	30.00
40017 - Hydrant Meter Rental Fee	5,000.00	250.00	2,250.00	2,750.00
40019 - DAC Trash Coupons	1,000.00	98.00	488.00	512.00
40020 - Miscellaneous Revenue-Sewer	5,000.00	11,880.02	41,096.68	-36,096.68
40025 - DAC Sewer Revenue	0.00	0.00	14,486.01	-14,486.01
45000 - Tower Rent	5,000.00	500.00	3,500.00	1,500.00
45001 - Billing Adjustments-Water	0.00	-1,079.80	-2,282.13	2,282.13
45005 - Fiscal Agent Fees	50,000.00	4,865.47	35,079.90	14,920.10
45010 - Interest	0.00	30.84	205.60	-205.60
45015 - Copy/Fax	100.00	6.25	47.00	53.00
45020 - Other Income	45,000.00	55,414.19	105,507.27	-60,507.27
45022 - Annual Farm Rental	5,000.00	0.00	1,500.00	3,500.00
45025 - Contract Services	40,000.00	4,152.31	27,901.34	12,098.66
45030 - Transfers In	0.00	38,931.73	39,431.73	-39,431.73
49000 - Recovered Bad Debts	0.00	400.00	1,300.00	-1,300.00
Revenue Total:	3,579,800.00	380,099.67	2,484,867.90	1,094,932.10
<b>Expense</b>				
60000 - Cost of Goods Sold-Sewer	1,000.00	0.00	0.00	1,000.00
60001 -Transfers to Reserves	0.00	10,000.00	70,000.00	-70,000.00
60005 - Accounting Fees	500.00	0.00	1,000.00	-500.00
60010 - Audit	14,000.00	0.00	9,356.13	4,643.87
60020 - Bank Service Charges	15,000.00	3,032.72	21,736.93	-6,736.93
60025 - Cash Short/Over	500.00	0.00	231.44	268.56
60026 - Computer Hardware	10,000.00	9.00	6,594.53	3,405.47
60030 - Dues and Subscriptions	3,000.00	1,003.00	4,863.56	-1,863.56

60035 - Engineering Fees	60,000.00	0.00	22,074.09	37,925.91
60045 - Late Fees	1,000.00	0.00	0.00	1,000.00
60050 - Legal Fees	5,000.00	563.22	4,349.92	650.08
60055 - Legal Notices	2,500.00	0.00	651.90	1,848.10
60060 - Licenses & Fees	5,000.00	1,100.00	5,027.59	-27.59
60065 - Meals	2,500.00	3.00	130.73	2,369.27
60075 - Permit Fees	1,500.00	0.00	4,412.18	-2,912.18
60080 - Postage	3,000.00	657.08	1,274.22	1,725.78
60090 - Professional Fees-Other	10,000.00	449.94	449.94	9,550.06
60100 - Professional Development	0.00	13,421.07	73,210.14	-73,210.14
60120 - Retirement Account Fees	6,500.00	0.00	4,290.66	2,209.34
60125 - Easments & Leases	10,000.00	0.00	0.00	10,000.00
60130 - Training	5,000.00	106.49	907.94	4,092.06
60140 - Travel:Airfare Per Diem	3,000.00	0.00	0.00	3,000.00
60150 - Travel:Lodging Per Diem	4,000.00	0.00	483.95	3,516.05
60155 - Travel:Meals Per Diem	2,000.00	0.00	0.00	2,000.00
60160 - Travel:Mileage/Parking Per Diem	1,500.00	0.00	0.00	1,500.00
60165 - Travel:Vehicle Rental Per Diem	1,000.00	0.00	0.00	1,000.00
60600 - Debit Service	148,000.00	6,550.21	46,024.23	101,975.77
60625 - Interest paid to NMED	14,000.00	0.00	0.00	14,000.00
60650 - Interest paid to NMFA	37,000.00	1,258.88	17,084.68	19,915.32
60675 - Interest paid to USDA	125,000.00	10,570.29	92,697.71	32,302.29
63000 - Regular Pay	1,120,000.00	78,194.44	634,896.89	485,103.11
63001 - Overtime	54,500.00	5,159.78	29,666.76	24,833.24
63006 - Holiday Pay	56,500.00	9,806.60	44,481.83	12,018.17
63007 - Sick Pay	50,000.00	3,548.56	38,963.69	11,036.31
63008 - Annual Leave Pay	118,000.00	8,298.22	64,421.65	53,578.35
63010 - 401K 10% Company Contribution	5,000.00	0.00	0.00	5,000.00
63020 - 401K Employee Contribution	2,000.00	0.00	0.00	2,000.00
63040 - Administrative Labor	5,000.00	3,275.40	3,275.40	1,724.60
63070 - Employee Benefits-401K Contrib	168,500.00	3,024.65	24,081.65	144,418.35
63100 - Insurance-Dental	12,500.00	1,086.08	8,024.72	4,475.28
63110 - Insurance-Health	250,000.00	20,253.91	163,804.29	86,195.71
63115 - Salaries: Insurance - Work Comp	15,000.00	2,331.00	8,049.00	6,951.00
63125 - Insurance: Life & Disability	12,500.00	-63.07	-104.19	12,604.19
63130 - Mileage	1,500.00	0.00	0.00	1,500.00
63135 - Drug Testing	500.00	70.00	210.00	290.00
63160 - Payroll Taxes-Medicare	20,500.00	1,570.06	11,827.50	8,672.50
63170 - Payroll Taxes-Social Security	80,500.00	6,713.51	50,573.71	29,926.29
63180 - Payroll Taxes-State Unemploymen	0.00	0.00	1,937.75	-1,937.75
63195 - Taxes, Liability, Insurance: Cobra Fee	0.00	85.00	545.00	-545.00
63200 - Vision Insurance	4,000.00	295.72	2,224.15	1,775.85
64100 - Sewer:DAC Waste Water Flow Charge	50,000.00	14,975.28	42,455.33	7,544.67
64200 - Sewer:Electricity-Sewer	9,000.00	1,485.23	7,716.72	1,283.28
64300 - Sewer:Lab & Chemicals-Sewer	10,000.00	0.00	5,256.93	4,743.07
64500 - Sewer:Supplies & Materials	28,500.00	0.00	0.00	28,500.00
64501 - Pre Paid Tank Site Lease	1,625.00	0.00	1,375.00	250.00
65010 - Automobile Repairs & Maint.	50,000.00	2,803.35	19,220.09	30,779.91
65230 - Computer Maintenance	70,000.00	4,677.95	51,633.20	18,366.80

65240 - Equipment Rental	2,500.00	0.00	732.46	1,767.54
65250 - Fuel	60,000.00	7,293.27	55,434.07	4,565.93
65255 - GPS Insights Charges	7,000.00	570.50	4,002.99	2,997.01
65260 - Kitchen & Cleaning Supplies	1,000.00	0.00	0.00	1,000.00
65270 - Lab Chemicals-Water	5,000.00	420.72	2,520.99	2,479.01
65275 - SCADA Maintenance Fee	2,000.00	0.00	0.00	2,000.00
65276 - Test Equipment Calibration	2,000.00	0.00	0.00	2,000.00
65277 - Generator Maintenance Contract	3,000.00	0.00	5,662.96	-2,662.96
65278 - Meter Testing/Repair/Replacement	61,175.00	0.00	5,706.06	55,468.94
65280 - Lab Chemicals-Water:Chemicals	35,000.00	3,390.93	21,682.40	13,317.60
65300 - Locates	2,500.00	0.00	0.00	2,500.00
65310 - Maint. & Repairs-Infrastructure	65,000.00	16,457.22	84,487.50	-19,487.50
65320 - Maint. & Repairs-Office	12,500.00	2,012.87	15,009.98	-2,509.98
65330 - Maintenance & Repairs-Other	21,500.00	2,648.15	25,258.60	-3,758.60
65340 - Materials & Supplies	94,000.00	2,377.86	24,988.31	69,011.69
65345 - Non Inventory-Consumables	50,000.00	3,869.13	20,763.04	29,236.96
65350 - Office Supplies	10,000.00	1,390.98	7,291.09	2,708.91
65360 - Printing and Copying	47,500.00	5,012.16	33,997.60	13,502.40
65370 - Tool Furniture	10,000.00	1,295.41	23,142.95	-13,142.95
65390 - Uniforms-Employee	15,000.00	2,383.85	9,998.56	5,001.44
65490 - Cell Phone	20,000.00	1,580.21	12,472.43	7,527.57
65500 - Electricity-Lighting	6,000.00	533.58	3,202.37	2,797.63
65510 - Electricity-Offices	15,000.00	1,274.47	8,376.20	6,623.80
65520 - Electricity-Wells	200,000.00	25,265.98	125,253.51	74,746.49
65530 - Garbage Service	3,000.00	224.48	1,396.68	1,603.32
65540 - Natural Gas	3,000.00	297.23	956.29	2,043.71
65550 - Security/Alarm	5,000.00	0.00	3,082.93	1,917.07
65560 - Telephone	20,000.00	1,616.71	11,503.13	8,496.87
65561 - Telstar Maintenance Contract	7,000.00	0.00	0.00	7,000.00
65570 - Wastewater	2,000.00	194.78	1,163.96	836.04
66200 - Insurance-General Liability	90,000.00	21,371.00	82,708.83	7,291.17
66700 - Water Conservation Fee	15,000.00	1,045.29	9,014.39	5,985.61
Expense Total:	3,579,800.00	318,843.35	2,201,199.82	1,378,600.18
Total Surplus (Deficit):	0.00	61,256.32	283,668.08	-283,668.08

**LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY  
PROJECTS REPORT – 2/16/2022**

**LRG-17-01 – Mesquite-Brazito Sewer Project 2 – Bohannon Huston, Inc. – Design Stage – USDA-RD LOC \$15,030,780 (\$6,189,000 Loan/\$8,030,000 Grant)** –29<sup>th</sup> Request for Funds from RCAC bridge loan has been submitted. Bid opening was held on 1/20/22 and two bids were received. As expected, the funding shortfall with the lowest bid (SmithCo) was well over \$10 million. Bridge loan extension request was approved. Resolution to Apply for to the Colonia's Infrastructure Fund is on today's agenda, and an additional funding application (capped at 20% of the project cost) has been submitted to USDA-RD. BHI recommendation based on the RD funding plus the additional funds is to award the base bid (East Organ Rd. area including Calle Picasso, Guerrero, Bar-X, Raging Bull, BBQ, Picnic, El Milagro, Relic, Primos, and Valles) and Bid Alternates 3 & 4 (Minter area plus Hwy 478, Carnation, Memory Lane, Indian Lane). The bid award is pending a funding commitment from RD, so is not on today's agenda. A special meeting may be necessary.

**LRG-11-03 – Interconnect & Looping Project** – see LRG-18-02 for current portion – Stern Drive Line Ext.

**LRG-11-05 – South Valley Water Supply & Treatment Project WTB #252– Bohannon Huston - Construction stage - \$160,000 Loan and \$676,600 Grant RD Funds:** RCAC interim loan is closed and two draws have been submitted, one for reimbursements to the LRGPWWA and one with the first contractor's pay application.

**LRG-17-02 – Central Office Building – Wilson & Co. - DW-4213 \$ 3,586,286.00**  
**- SAP 21-F2723-STB \$1,200,000:** Site work is underway, and two weekly progress meetings have been held.

**Forty-Year Water Plan – CE&M – complete – needs update for new mergers after Brazito combine & commingle:** Currently only includes the initial five systems. Need to complete Brazito combine/commingle before updating.

**LRG-13-03 – Valle Del Rio Water System Project – Construction Stage & Ph. II Design - \$1,197,708 DWSRLF funding - \$898,281 principal forgiveness – 299,427 loan repayment – Souder, Miller & Associates:** Project is on hold pending El Paso Electric Company work to install 3-phase power to the site. EPEC agreement for the service installation has been executed, they were waiting for an NM DOT permit.

**LRG-17-03 –East Mesa Water System Improvements Project – NMFA 3803-PG & 3804-PG \$93,307, 4915-CIF \$207,608 Loan/\$39544 Grant/\$9,562 Match – Design –** All Binding LOC items have been submitted, closing date has yet been set for DWSRLF funds for Phase I construction. Phase II Colonia's funds are available, engineering contract was approved 1/25/22 with PER revision due by 5/3/22.

**LRG-18-01 Ph. II – High Valley Water System Improvements Ph. II & III Project – NMFA 4916-CIF \$630,384 Grant, \$111,244 Loan – Design & Construction – Souder, Miller & Assoc. –** Phase II Change Order 4 to add the wellhouse building to the J29 contract with Ph. III funds was approved on 2/14/22. Engineering Services Agreement for the additional work is pending approval. This will bring in the funds from Phase III to have J-29 complete the High Valley.

**LRG-18-02 – Stern Drive Waterline Extension Project – Design/Build – SMA - \$150,000 SAP** – Contract award is on today's agenda.

**LRG-19-09 – S. Valley Service Area Line Extensions - SMA** –SMA Task Order for community outreach to see where there is interest from potential new customers, and determine whether a PER is needed. SMA has identified potential locations and potential new customers and submitted cost estimates and phasing recommendations after confirming that the work would require a Technical Memo, not a PER. Report has been submitted, and staff review is ongoing.

**LRG-20-01 – Mesquite Wetlands Closure – Plan/Design - BHI - \$250,000 SAP:** Work from CO #3 is finished. Fencing contract is complete. Remainder of funds will be used to purchase a well pump and bailer.

**LRG-21-01 – Vado Area Water System Improvements – Plan/Design/Construct – SMA - \$139,000 SAP 20-E4038-GFR** – Project is complete, final walk-thru is being scheduled. Final Change Order for additional contract time was submitted 2/1/22.

**Other projects:**

**NM 2022 Legislature:** Capital Outlay requests have been submitted for furniture/fixtures/equipment for the Central Operations Facility, iron & manganese treatment for Valle Del Rio, and a vector truck, and High Valley Phase IV water system improvements. \$2 Billion in legislative funding is expected to be available for projects, plus earmarked severance tax bonding capacity estimated at \$64.2 million for water projects and \$32.1 million each for tribal projects in Colonia's. Legislative Report for 2022 is ongoing and will be available at the Directors Only site.

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

**Reporting to Funding Agencies:** Quarterly CIF Reports were submitted for the 2<sup>nd</sup> Quarter; SAP monthly reporting is up to date.

**Documents Retention & Destruction** – Sorting of old association documents for storage or destruction is ongoing, and staff is implementing approved retention/destruction schedules for LRGPWWA documents.

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

**Training** –I attended a cybersecurity webinar on 1/20/22. Patty attended Water Loss Series for Small Water Systems: Importance of Water Auditing" on 01/27/22 and Planning for the Future: Asset Management for Small Systems on 02/10/22.

**As Needed Engineering Services** - Currently we have one active Task Order: Souder, Miller & Associates NM DOT permits for an address on Berino Road. NM DOT permits for an address on Greatview Ct. and one on Vado Dr. have been complete.

**Collection & Lien Procedures** - 309 first notifications, 309 certified letters have been sent and 132 liens have been filed to date. 56 liens have been released following payment in full of the account.

**Water Audits** –Angie has updated her sections of the Water Audit Data spreadsheet for 2021. We will be making sure the rest of the data input is completed and scheduling the audits.

**Rate Study** – Implementation of rate adjustment began July 1, met with Karl Pennock, RCAC, for an update on 2/15/22.

**Cyber Security Assessment** – Final follow-up meeting with Karl Pennock, RCAC, was held on 7/14/21. Our insurance company is requiring training for all employees on phishing & malware, Patty has administered the training for all employees.

**NM Board of Licensure for PEs & Surveyors** – I have been appointed by the Governor to this board and assigned to the Professional Engineering Committee. Attended a board meeting on 1/13/22 and have a committee meeting on 2/18/22.

## **Lower Rio Grande PWWA**

### **Operators Report**

**February 16, 2021**

- Backflow inspections are Current. (Mesquite District)
- For the month of January, we were issued 230 work and service orders.
- For the month of December, we were issued 225 work and service orders.
- For the month of January, we installed 6 new water service connections in the South Valley.
- We had no main or service line breaks at Alto De las Flores.
- We had one main line break at Talavera MDWCA.
- We had Four Main line water break in South valley area.
- We had a huge problem with the Brazito to the Mesquite force main sewer line being plugged up with sand.
- We are having problems with the Venadito Arsenic plant Vessel B the under drain is broken and we are losing media. It has also been more than 10 years since that site first went on line so it is time to replace the media in all three vessels.

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

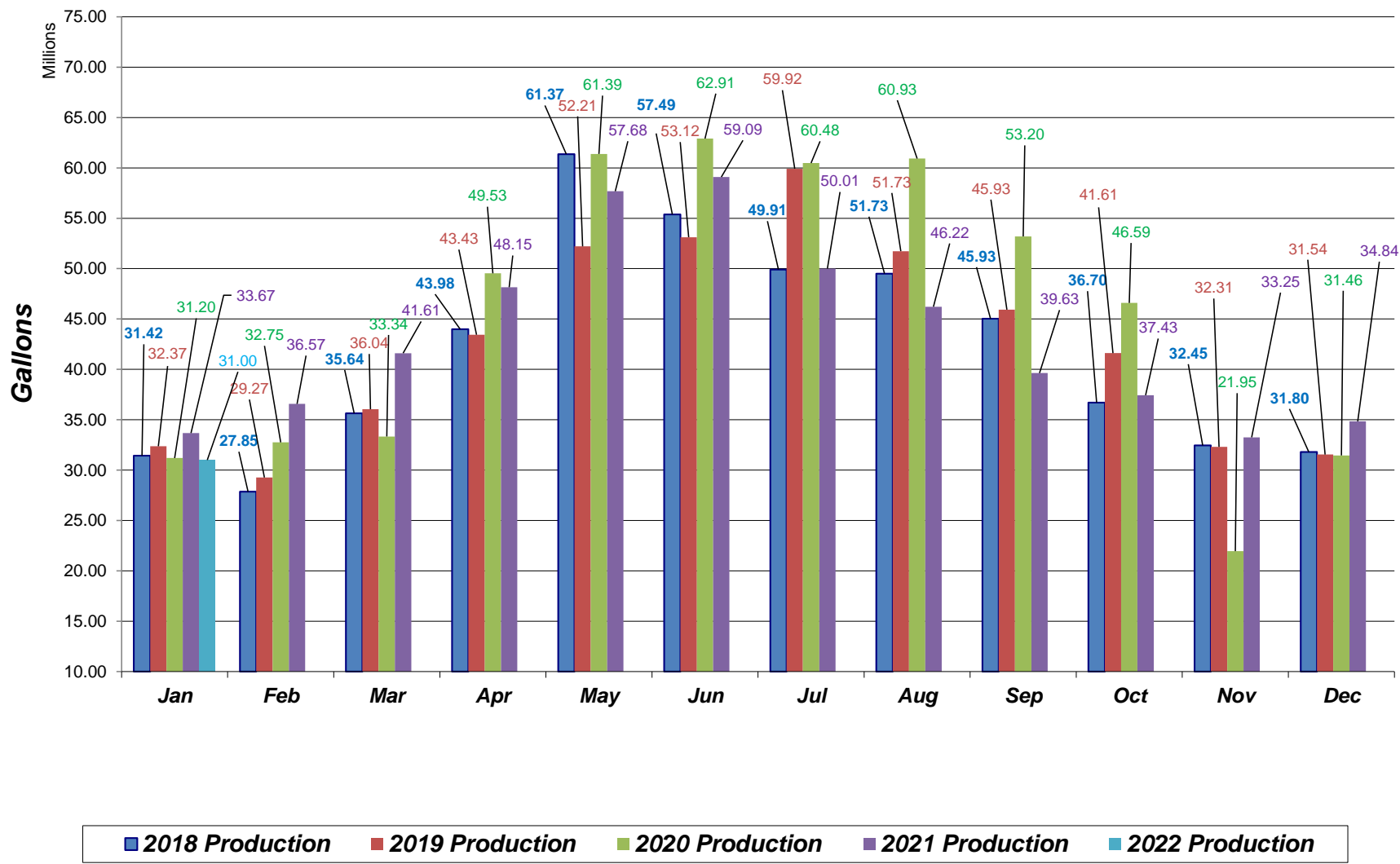
**Mesquite and Organ Sewer Reports.** The Organ Ponds and the Mesquite Wetland Wastewater reports were sent February 1<sup>st</sup>.

**Chlorine:** No problems with the quality of our gas Chlorine or sodium Hypochlorite.

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



# **Lower Rio Grande PWWA Water Production Report**





# **LOWER RIO GRANDE**

## **Public Water Works Authority**

325 Holguin Road

Vado, New Mexico 88072

(575) 233-5742

<http://LRGauthority.org>

### **Resolution Number FY2022-16**

#### **Authorizing Funding Application to New Mexico Colonias Infrastructure Trust Fund Board for Mesquite-Brazito Sewer Project 2**

**WHEREAS**, the Lower Rio Grande Public Water Works Authority (LRGPWWA) is a qualified entity under the Water Project Finance Act, Sections 72-4A-1 through 72-4A-10, and the Lower Rio Grande Public Water Works Authority Board of Directors (Governing Body) is authorized under NMSA 1978 73-26-1 to borrow funds and/or issue bonds for financing of public project for benefit of the LRGPWWA; and

**WHEREAS**, the LRGPWWA has completed a Preliminary Engineering Report (PER) and Environmental Information Document (EID) with Local Government Planning Funds; and

**WHEREAS**, the LRGPWWA has completed the design and construction of the Mesquite-Brazito Sewer Project 1 identified in the PER with funding from USDA Rural Development, New Mexico Colonias Infrastructure Trust Fund, and New Mexico Capital Outlay; and

**WHEREAS**, the LRGPWWA is committed to completing the necessary improvements to its South Valley Wastewater Service Area extending its wastewater collection system to unserved areas of Mesquite and Brazito identified in the PER;

**NOW THEREFORE**, the Board of Directors of the Lower Rio Grande Public Water Works Authority resolves to authorize its officers and staff to prepare and submit a funding application to the New Mexico Colonias Infrastructure Trust Fund Board for construction of the Mesquite-Brazito Sewer Project 2.

**PASSED, APPROVED AND ADOPTED** this 23<sup>rd</sup> day of February, 2022:

**Seal:**

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Esperanza Holguin, Board Chair

**ATTEST:**

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Joe Evaro, Secretary

**LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY  
MESQUITE BRAZITO WASTEWATER SYSTEM PHASE 2  
BID REVIEW CERTIFICATION  
Bid Opening: January 20, 2022**

Bid Item	Description	Unit	Qty	Engineers Estimate		SmithCo Construction Inc.		Spiess Construction Co. Inc	
				Unit Price	Extension	Unit Price	Extension	Unit Price	Extension
BASE BID - Lift Station 16									
General Bid Items									
BB-G1	Mobilization/Demobilization	LS	1	\$ 185,929.00	\$ 185,929.00	\$ 550,000.00	\$ 550,000.00	\$ 600,000.00	\$ 600,000.00
BB-G2	Construction Staking	LS	1	\$ 46,482.00	\$ 46,482.00	\$ 100,000.00	\$ 100,000.00	\$ 42,000.00	\$ 42,000.00
BB-G3	Storm Water Pollution Prevention Plan	LS	1	\$ 17,000.00	\$ 17,000.00	\$ 50,000.00	\$ 50,000.00	\$ 25,000.00	\$ 25,000.00
BB-G4	Traffic Control Plan	LS	1	\$ 52,000.00	\$ 52,000.00	\$ 100,000.00	\$ 100,000.00	\$ 41,000.00	\$ 41,000.00
BB-G5	Utility Relocation	ALW	1	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00
BB-G6	Landscape Replacement	ALW	1	\$ 11,000.00	\$ 11,000.00	\$ 11,000.00	\$ 11,000.00	\$ 11,000.00	\$ 11,000.00
BB-G7	Materials Testing	ALW	1	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00
Subtotal for Items BB-G1-BB-G7					\$ 342,411.00		\$ 841,000.00		\$ 749,000.00
Collection Bit Items									
BB-C1	Lift Station 16	LS	1	\$ 520,000.00	\$ 520,000.00	\$ 1,400,000.00	\$ 1,400,000.00	\$ 905,000.00	\$ 905,000.00
BB-C2	Dewatering	LS	1	\$ 337,350.00	\$ 337,350.00	\$ 10,000.00	\$ 10,000.00	\$ 150,000.00	\$ 150,000.00
BB-C3	8"PVC SAS	LF	7900	\$ 9.00	\$ 71,100.00	\$ 15.00	\$ 118,500.00	\$ 13.00	\$ 102,700.00
BB-C4	10" PVC SAS	LF	5940	\$ 12.00	\$ 71,280.00	\$ 20.00	\$ 118,800.00	\$ 20.00	\$ 118,800.00
BB-C5	Trenching -5-12 ft	LF	9340	\$ 33.00	\$ 308,220.00	\$ 50.00	\$ 467,000.00	\$ 92.00	\$ 859,280.00
BB-C6	Trenching 12-16 ft	LF	4400	\$ 52.00	\$ 228,800.00	\$ 75.00	\$ 330,000.00	\$ 100.00	\$ 440,000.00
BB-C7	Trenching 16-20 ft	LF	80	\$ 85.00	\$ 6,800.00	\$ 150.00	\$ 12,000.00	\$ 110.00	\$ 8,800.00
BB-C8	New 4 ft Diameter Precast Manhole, 5-12 ft	EA	32	\$ 6,500.00	\$ 208,000.00	\$ 6,500.00	\$ 208,000.00	\$ 5,900.00	\$ 188,800.00
BB-C9	New 4 ft Diameter Precast Manhole, 12-16 ft	EA	14	\$ 8,450.00	\$ 118,300.00	\$ 8,500.00	\$ 119,000.00	\$ 8,400.00	\$ 117,600.00
BB-C10	New 4 ft Diameter Precast Manhole, 16-20 ft	EA	4	\$ 10,000.00	\$ 40,000.00	\$ 16,000.00	\$ 64,000.00	\$ 14,400.00	\$ 57,600.00
BB-C11	Manhole Epoxy Coating	LF	520	\$ 390.00	\$ 202,800.00	\$ 280.00	\$ 145,600.00	\$ 300.00	\$ 156,000.00
BB-C12	Existing Pavement Removal	SY	20020	\$ 20.00	\$ 400,400.00	\$ 7.00	\$ 140,140.00	\$ 1.00	\$ 20,020.00
BB-C13	Existing Pavement Replacement (DAC R/W)	SY	20020	\$ 42.00	\$ 840,840.00	\$ 29.00	\$ 580,580.00	\$ 23.00	\$ 460,460.00
BB-C14	Unpaved Road Rehabilitation (Private)	SY	13200	\$ 12.00	\$ 158,400.00	\$ 8.00	\$ 105,600.00	\$ 12.00	\$ 158,400.00
BB-C15	4" Service Connection	EA	124	\$ 715.00	\$ 88,660.00	\$ 700.00	\$ 86,800.00	\$ 2,400.00	\$ 297,600.00
BB-C16	4" Sewer Service Piping	LF	3100	\$ 31.00	\$ 96,100.00	\$ 22.00	\$ 68,200.00	\$ 3.00	\$ 9,300.00
BB-C17	4" Customer Side Service Piping	LF	13600	\$ 26.00	\$ 353,600.00	\$ 25.00	\$ 340,000.00	\$ 37.00	\$ 503,200.00
BB-C18	4" Customer Side Single Gravity Cleanout	EA	220	\$ 228.00	\$ 50,160.00	\$ 800.00	\$ 176,000.00	\$ 120.00	\$ 26,400.00
BB-C19	E One Residential Grinder Pump Station	EA	1	\$ 32,500.00	\$ 32,500.00	\$ 25,000.00	\$ 25,000.00	\$ 27,000.00	\$ 27,000.00
BB-C20	Septic Tank Abandonment	EA	110	\$ 1,560.00	\$ 171,600.00	\$ 1,600.00	\$ 176,000.00	\$ 1,650.00	\$ 181,500.00
BB-C21	4" PVC C900 SAS Force Main	LF	3500	\$ 25.00	\$ 87,500.00	\$ 32.00	\$ 112,000.00	\$ 32.00	\$ 112,000.00
BB-C22	6" PVC C900 SAS Force Main	LF	900	\$ 35.00	\$ 31,500.00	\$ 45.00	\$ 40,500.00	\$ 43.00	\$ 38,700.00
BB-C23	4" Single Cleanout	EA	6	\$ 2,600.00	\$ 15,600.00	\$ 3,800.00	\$ 22,800.00	\$ 3,100.00	\$ 18,600.00
BB-C24	4" Double Cleanouts	EA	0	\$ 3,900.00	\$ -		\$ -		\$ -
BB-C25	6" Double Cleanouts	EA	1	\$ 5,850.00	\$ 5,850.00	\$ 8,500.00	\$ 8,500.00	\$ 8,700.00	\$ 8,700.00
BB-C26	16" Steel Casing for 8" Gravity Sewer	LF	30	\$ 423.00	\$ 12,690.00	\$ 350.00	\$ 10,500.00	\$ 300.00	\$ 9,000.00
BB-C27	20" Steel Casing for 10" Gravity Sewer	LF	165	\$ 488.00	\$ 80,520.00	\$ 400.00	\$ 66,000.00	\$ 490.00	\$ 80,850.00
BB-C28	20" Steel Casing for 10" Gravity Sewer	LF	120	\$ 585.00	\$ 70,200.00	\$ 650.00	\$ 78,000.00	\$ 850.00	\$ 102,000.00
BB-C29	Lift Station SCADA	EA	1	\$ 45,500.00	\$ 45,500.00	\$ 55,000.00	\$ 55,000.00	\$ 50,000.00	\$ 50,000.00
Subtotal for Items BB-C1 - BB-C29					\$ 4,654,270.00		\$ 5,084,520.00		\$ 5,208,310.00
TOTAL BASE BID					\$ 4,996,681.00		\$ 5,925,520.00		\$ 5,957,310.00
BID ALTERNATE #1 - Lift Station 15									
General Bid Items									
BA1-G1	Mobilization/Demobilization	LS	1	\$ 146,202.00	\$ 146,202.00	\$ 350,000.00	\$ 350,000.00	\$ 480,000.00	\$ 480,000.00
BA1-G2	Construction Staking	LS	1	\$ 36,551.00	\$ 36,551.00	\$ 50,000.00	\$ 50,000.00	\$ 30,000.00	\$ 30,000.00
BA1-G3	Storm Water Pollution Prevention Plan	LS	1	\$ 12,000.00	\$ 12,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00
BA1-G4	Traffic Control Plan	LS	1	\$ 38,000.00	\$ 38,000.00	\$ 100,000.00	\$ 100,000.00	\$ 24,000.00	\$ 24,000.00
BA1-G5	Utility Relocation	ALW	1	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00
BA1-G6	Landscape Replacement	ALW	1	\$ 11,000.00	\$ 11,000.00	\$ 11,000.00	\$ 11,000.00	\$ 11,000.00	\$ 11,000.00
BA1-G7	Materials Testing	ALW	1	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00
Subtotal for Items BA1-G1-BA1-G7					\$ 273,753.00		\$ 561,000.00		\$ 595,000.00
Collection Bit Items									
BA1-C1	Lift Station No. 15	LS	1	\$ 455,000.00	\$ 455,000.00	\$ 650,000.00	\$ 650,000.00	\$ 425,700.00	\$ 425,700.00
BA1-C2	Dewatering	LS	1	\$ 246,188.00	\$ 246,188.00	\$ 10,000.00	\$ 10,000.00	\$ 100,000.00	\$ 100,000.00
BA1-C3	8" PVS SAS	LF	2,880	\$ 9.00	\$ 25,920.00	\$ 15.00	\$ 43,200.00	\$ 13.00	\$ 37,440.00



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BA1-C4	10" PVC SAS	LF	7,220	\$ 12.00	\$ 86,640.00	\$ 20.00	\$ 144,400.00	\$ 20.00	\$ 144,400.00
BA1-C5	Trenching - 5-12 ft.	LF	7,560	\$ 33.00	\$ 249,480.00	\$ 50.00	\$ 378,000.00	\$ 125.00	\$ 945,000.00
BA1-C6	Trenching - 12-16 ft.	LF	2,540	\$ 52.00	\$ 132,080.00	\$ 75.00	\$ 190,500.00	\$ 130.00	\$ 330,200.00
BA1-C7	New 4 ft diameter Precast Manhole, 5-12 ft.	EA	22	\$ 6,500.00	\$ 143,000.00	\$ 6,500.00	\$ 143,000.00	\$ 5,900.00	\$ 129,800.00
BA1-C8	New 4 ft diameter Precast Manhole, 12-16 ft.	EA	8	\$ 8,450.00	\$ 67,600.00	\$ 8,500.00	\$ 68,000.00	\$ 8,400.00	\$ 67,200.00
BA1-C9	New 4ft diameter Precast Manhole, 16-20 ft.	EA	2	\$ 10,000.00	\$ 20,000.00	\$ 15,000.00	\$ 30,000.00	\$ 14,400.00	\$ 28,800.00
BA1-C10	Manhole Epoxy Coating	LF	340	\$ 390.00	\$ 132,600.00	\$ 280.00	\$ 95,200.00	\$ 300.00	\$ 102,000.00
BA1-C11	Existing Pavement Removal	SY	17,620	\$ 20.00	\$ 352,400.00	\$ 7.00	\$ 123,340.00	\$ 1.00	\$ 17,620.00
BA1-C12	Existing Pavement Replacement (DAC R/W)	SY	17,620	\$ 42.00	\$ 740,040.00	\$ 29.00	\$ 510,980.00	\$ 23.00	\$ 405,260.00
BA1-C13	Unpaved Road Rehabilitation (Private)	SY	9,560	\$ 12.00	\$ 114,720.00	\$ 8.00	\$ 76,480.00	\$ 12.00	\$ 114,720.00
BA1-C14	4" Service Connection	EA	70	\$ 715.00	\$ 50,050.00	\$ 700.00	\$ 49,000.00	\$ 2,400.00	\$ 168,000.00
BA1-C15	4" Sewer Service Piping	LF	1,800	\$ 31.00	\$ 55,800.00	\$ 22.00	\$ 39,600.00	\$ 3.00	\$ 5,400.00
BA1-C16	4" Customer Side Service Piping	LF	6,510	\$ 26.00	\$ 169,260.00	\$ 25.00	\$ 162,750.00	\$ 37.00	\$ 240,870.00
BA1-C17	4" Customer Side Single Gravity Cleanout	EA	120	\$ 228.00	\$ 27,360.00	\$ 800.00	\$ 96,000.00	\$ 120.00	\$ 14,400.00
BA1-C18	E One Residential Grinder Pump Station	EA	8	\$ 32,500.00	\$ 260,000.00	\$ 25,000.00	\$ 200,000.00	\$ 27,000.00	\$ 216,000.00
BA1-C19	Septic Tank Abandonment	EA	62	\$ 1,560.00	\$ 96,720.00	\$ 1,600.00	\$ 99,200.00	\$ 1,650.00	\$ 102,300.00
BA1-C20	4" PVC C900 SAS Force Main	LF	1,550	\$ 25.00	\$ 38,750.00	\$ 32.00	\$ 49,600.00	\$ 32.00	\$ 49,600.00
BA1-C21	2" SCH40 PVC SAS Force Main	LF	1,600	\$ 20.00	\$ 32,000.00	\$ 20.00	\$ 32,000.00	\$ 20.00	\$ 32,000.00
BA1-C22	4" Single Cleanout	EA	1	\$ 2,600.00	\$ 2,600.00	\$ 6,000.00	\$ 6,000.00	\$ 3,100.00	\$ 3,100.00
BA1-C23	4" Double Cleanout	EA	1	\$ 3,900.00	\$ 3,900.00	\$ 6,500.00	\$ 6,500.00	\$ 8,000.00	\$ 8,000.00
BA1-C24	6" Single Cleanout	EA	1	\$ 3,250.00	\$ 3,250.00	\$ 5,000.00	\$ 5,000.00	\$ 4,000.00	\$ 4,000.00
BA1-C25	Air Release Valve	EA	1	\$ 11,050.00	\$ 11,050.00	\$ 10,000.00	\$ 10,000.00	\$ 9,000.00	\$ 9,000.00
BA1-C26	20" Steel Casing for 10" Gravity Sewer	LF	145	\$ 488.00	\$ 70,760.00	\$ 500.00	\$ 72,500.00	\$ 350.00	\$ 50,750.00
BA1-C27	20" Steel Casing for 10" Gravity Sewer	LF	120	\$ 585.00	\$ 70,200.00	\$ 800.00	\$ 96,000.00	\$ 850.00	\$ 102,000.00
BA1-C28	Lift Station SCADA	EA	1	\$ 45,500.00	\$ 45,500.00	\$ 58,000.00	\$ 58,000.00	\$ 33,000.00	\$ 33,000.00
Subtotal for Items BA1-C1 - BA1-C28					\$ 3,702,868.00		\$ 3,445,250.00		\$ 3,886,560.00
TOTAL BID ALTERNATE #1					\$ 3,976,621.00		\$ 4,006,250.00		\$ 4,481,560.00
<b>BID ALTERNATE #2 - Lift Station 17</b>									
<b>General Bid Items</b>									
BA2-G1	Mobilization/Demobilization	LS	1	\$ 51,552.00	\$ 51,552.00	\$ 50,000.00	\$ 50,000.00	\$ 230,000.00	\$ 230,000.00
BA2-G2	Construction Staking	LS	1	\$ 12,888.00	\$ 12,888.00	\$ 25,000.00	\$ 25,000.00	\$ 13,000.00	\$ 13,000.00
BA2-G3	Storm Water Pollution Prevention Plan	LS	1	\$ 5,000.00	\$ 5,000.00	\$ 10,000.00	\$ 10,000.00	\$ 9,000.00	\$ 9,000.00
BA2-G4	Traffic Control Plan	LS	1	\$ 16,000.00	\$ 16,000.00	\$ 25,000.00	\$ 25,000.00	\$ 12,000.00	\$ 12,000.00
BA2-G5	Utility Relocation	ALW	1	\$ 80,000.00	\$ 80,000.00	\$ 80,000.00	\$ 80,000.00	\$ 80,000.00	\$ 80,000.00
BA2-G6	Landscape Replacement	ALW	1	\$ 11,000.00	\$ 11,000.00	\$ 11,000.00	\$ 11,000.00	\$ 11,000.00	\$ 11,000.00
BA2-G7	Materials Testing	ALW	1	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00
Subtotal for Items BA2-G1-BA2-G7					\$ 191,440.00		\$ 216,000.00		\$ 370,000.00
<b>Collection Bit Items</b>									
BA2-C1	Lift Station No. 17	LS	1	\$ 390,000.00	\$ 390,000.00	\$ 500,000.00	\$ 500,000.00	\$ 461,000.00	\$ 461,000.00
BA2-C2	Dewatering	LS	1	\$ 101,400.00	\$ 101,400.00	\$ 1.00	\$ 1.00	\$ 30,000.00	\$ 30,000.00
BA2-C3	8" PVS SAS	LF	4,160	\$ 9.00	\$ 37,440.00	\$ 15.00	\$ 62,400.00	\$ 13.00	\$ 54,080.00
BA2-C4	Trenching - 5-12 ft.	LF	4,160	\$ 33.00	\$ 137,280.00	\$ 50.00	\$ 208,000.00	\$ 135.00	\$ 561,600.00
BA2-C5	New 4 ft diameter Precast Manhole, 5-12 ft.	EA	17	\$ 6,500.00	\$ 110,500.00	\$ 6,500.00	\$ 110,500.00	\$ 5,900.00	\$ 100,300.00
BA2-C6	Manhole Epoxy Coating	LF	130	\$ 390.00	\$ 50,700.00	\$ 280.00	\$ 36,400.00	\$ 300.00	\$ 39,000.00
BA2-C7	Unpaved Road Rehabilitation (Private)	SY	10,140	\$ 12.00	\$ 121,680.00	\$ 8.00	\$ 81,120.00	\$ 12.00	\$ 121,680.00
BA2-C8	4" Service Connection	EA	32	\$ 715.00	\$ 22,880.00	\$ 700.00	\$ 22,400.00	\$ 2,400.00	\$ 76,800.00
BA2-C9	4" Sewer Service Piping	LF	800	\$ 31.00	\$ 24,800.00	\$ 22.00	\$ 17,600.00	\$ 3.00	\$ 2,400.00
BA2-C10	4" Customer Side Service Piping	LF	2,790	\$ 26.00	\$ 72,540.00	\$ 25.00	\$ 69,750.00	\$ 37.00	\$ 103,230.00
BA2-C11	4" Customer Side Single Gravity Cleanout	EA	50	\$ 228.00	\$ 11,400.00	\$ 800.00	\$ 40,000.00	\$ 120.00	\$ 6,000.00
BA2-C12	Septic Tank Abandonment	EA	24	\$ 1,560.00	\$ 37,440.00	\$ 1,600.00	\$ 38,400.00	\$ 1,650.00	\$ 39,600.00
BA2-C13	4" PVC C900 SAS Force Main	LF	1,040	\$ 25.00	\$ 26,000.00	\$ 35.00	\$ 36,400.00	\$ 32.00	\$ 33,280.00
BA2-C14	4" Ductile Iron SAS Force Main	LF	1,020	\$ 72.00	\$ 73,440.00	\$ 95.00	\$ 96,900.00	\$ 75.00	\$ 76,500.00
BA2-C15	4" Single Cleanout	EA	5	\$ 2,600.00	\$ 13,000.00	\$ 3,800.00	\$ 19,000.00	\$ 3,100.00	\$ 15,500.00
BA2-C16	4" Double Cleanouts	EA	1	\$ 3,900.00	\$ 3,900.00	\$ 6,500.00	\$ 6,500.00	\$ 3,100.00	\$ 3,100.00
BA2-C17	8" Steel Casing for 4" Force Main	LF	40	\$ 358.00	\$ 14,320.00	\$ 580.00	\$ 23,200.00	\$ 700.00	\$ 28,000.00
BA2-C18	Lift Station SCADA	EA	1	\$ 45,500.00	\$ 45,500.00	\$ 58,000.00	\$ 58,000.00	\$ 33,000.00	\$ 33,000.00
Subtotal for Items BA2-C1 - BA2-C18					\$ 1,294,220.00		\$ 1,426,571.00		\$ 1,785,070.00
TOTAL BID ALTERNATE #2					\$ 1,485,660.00		\$ 1,642,571.00		\$ 2,155,070.00
<b>BID ALTERNATE #3 - Lift Station 12</b>									



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General Bid Items									
BA3-G1	Mobilization/Demobilization	LS	1	\$ 56,253.00	\$ 56,253.00	\$ 150,000.00	\$ 150,000.00	\$ 255,000.00	\$ 255,000.00
BA3-G2	Construction Staking	LS	1	\$ 14,063.00	\$ 14,063.00	\$ 25,000.00	\$ 25,000.00	\$ 14,000.00	\$ 14,000.00
BA3-G3	Storm Water Pollution Prevention Plan	LS	1	\$ 5,000.00	\$ 5,000.00	\$ 10,000.00	\$ 10,000.00	\$ 9,000.00	\$ 9,000.00
BA3-G4	Traffic Control Plan	LS	1	\$ 17,000.00	\$ 17,000.00	\$ 75,000.00	\$ 75,000.00	\$ 12,000.00	\$ 12,000.00
BA3-G5	Utility Relocation	ALW	1	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00
BA3-G6	Landscape Replacement	ALW	1	\$ 7,500.00	\$ 7,500.00	\$ 7,500.00	\$ 7,500.00	\$ 7,500.00	\$ 7,500.00
BA3-G7	Materials Testing	ALW	1	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00
Subtotal for Items BA3-G1-BA3-G7				\$ 124,816.00	\$ 124,816.00	\$ 292,500.00	\$ 292,500.00	\$ 322,500.00	\$ 322,500.00
Collection Bit Items									
BA3-C1	Lift Station No. 12	LS	1	\$ 455,000.00	\$ 455,000.00	\$ 650,000.00	\$ 650,000.00	\$ 197,000.00	\$ 197,000.00
BA3-C2	Dewatering	LS	1	\$ 108,225.00	\$ 108,225.00	\$ 50,000.00	\$ 50,000.00	\$ 320,000.00	\$ 320,000.00
BA3-C3	8" PVC SAS	LF	2,720	\$ 9.00	\$ 24,480.00	\$ 15.00	\$ 40,800.00	\$ 13.00	\$ 35,360.00
BA3-C4	10" PVC SAS	LF	1720	\$ 12.00	\$ 20,640.00	\$ 20.00	\$ 34,400.00	\$ 20.00	\$ 34,400.00
BA3-C5	Trenching 5-12 ft.	LF	3,720	\$ 33.00	\$ 122,760.00	\$ 50.00	\$ 186,000.00	\$ 126.00	\$ 468,720.00
BA3-C6	Trenching 12-16 ft.	LF	720	\$ 52.00	\$ 37,440.00	\$ 75.00	\$ 54,000.00	\$ 135.00	\$ 97,200.00
BA3-C7	New 4ft diameter Precast Manhole, 5-12 ft.	EA	10	\$ 6,500.00	\$ 65,000.00	\$ 6,500.00	\$ 65,000.00	\$ 6,500.00	\$ 65,000.00
BA3-C8	New 4ft diameter Precast Manhole, 12-16 ft.	EA	6	\$ 8,450.00	\$ 50,700.00	\$ 8,000.00	\$ 48,000.00	\$ 8,000.00	\$ 48,000.00
BA3-C9	Manhole Epoxy Coating	LF	170	\$ 390.00	\$ 66,300.00	\$ 280.00	\$ 47,600.00	\$ 300.00	\$ 51,000.00
BA3-C10	Existing Pavement Removal	SY	1,460	\$ 20.00	\$ 29,200.00	\$ 7.00	\$ 10,220.00	\$ 1.00	\$ 1,460.00
BA3-C11	Existing Pavement Replacement (NMDOT R/W.)	SY	1,460	\$ 60.00	\$ 87,600.00	\$ 42.00	\$ 61,320.00	\$ 45.00	\$ 65,700.00
BA3-C12	Unpaved Road Rehabilitation (Private)	SY	6,200	\$ 12.00	\$ 74,400.00	\$ 8.00	\$ 49,600.00	\$ 12.00	\$ 74,400.00
BA3-C13	4" Service Connection	EA	31	\$ 715.00	\$ 22,165.00	\$ 700.00	\$ 21,700.00	\$ 2,400.00	\$ 74,400.00
BA3-C14	4" Sewer Service Piping	LF	450	\$ 31.00	\$ 13,950.00	\$ 22.00	\$ 9,900.00	\$ 3.00	\$ 1,350.00
BA3-C15	4" Customer Side Service Piping	LF	3,200	\$ 26.00	\$ 83,200.00	\$ 25.00	\$ 80,000.00	\$ 37.00	\$ 118,400.00
BA3-C16	4" Customer Side Single Gravity Cleanout	EA	54	\$ 228.00	\$ 12,312.00	\$ 800.00	\$ 43,200.00	\$ 120.00	\$ 6,480.00
BA3-C17	Septic Tank Abandonment	EA	26	\$ 1,560.00	\$ 40,560.00	\$ 1,600.00	\$ 41,600.00	\$ 1,650.00	\$ 42,900.00
BA3-C18	Driveway Surfacing R&R	SF	4,680	\$ 3.25	\$ 15,210.00	\$ 7.00	\$ 32,760.00	\$ 2.00	\$ 9,360.00
BA3-C19	Customer Side Concrete R&R	SF	1,500	\$ 23.00	\$ 34,500.00	\$ 20.00	\$ 30,000.00	\$ 10.00	\$ 15,000.00
BA3-C20	4" PVC C900 SAS Force Main	LF	20	\$ 25.00	\$ 500.00	\$ 130.00	\$ 2,600.00	\$ 40.00	\$ 800.00
BA3-C21	Lift Station SCADA	EA	1	\$ 45,500.00	\$ 45,500.00	\$ 58,000.00	\$ 58,000.00	\$ 37,000.00	\$ 37,000.00
Subtotal for Items BA3-C1 - BA3-C21				\$ 1,409,642.00	\$ 1,409,642.00	\$ 1,616,700.00	\$ 1,616,700.00	\$ 1,763,930.00	\$ 1,763,930.00
TOTAL BID ALTERNATE #3				\$ 1,534,458.00	\$ 1,534,458.00	\$ 1,909,200.00	\$ 1,909,200.00	\$ 2,086,430.00	\$ 2,086,430.00
BID ALTERNATE #4 - Lift Station 11									
General Bid Items									
BA4-G1	Mobilization/Demobilization	LS	1	\$ 130,411.00	\$ 130,411.00	\$ 450,000.00	\$ 450,000.00	\$ 590,000.00	\$ 590,000.00
BA4-G2	Construction Staking	LS	1	\$ 32,603.00	\$ 32,603.00	\$ 30,000.00	\$ 30,000.00	\$ 28,000.00	\$ 28,000.00
BA4-G3	Storm Water Pollution Prevention Plan	LS	1	\$ 11,000.00	\$ 11,000.00	\$ 25,000.00	\$ 25,000.00	\$ 20,000.00	\$ 20,000.00
BA4-G4	Traffic Control Plan	LS	1	\$ 35,000.00	\$ 35,000.00	\$ 75,000.00	\$ 75,000.00	\$ 25,000.00	\$ 25,000.00
BA4-G5	Utility Relocation	ALW	1	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00
BA4-G6	Landscape Replacement	ALW	1	\$ 7,500.00	\$ 7,500.00	\$ 7,500.00	\$ 7,500.00	\$ 7,500.00	\$ 7,500.00
BA4-G7	Materials Testing	ALW	1	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00
Subtotal for Items BA4-G1-BA4-G7				\$ 236,514.00	\$ 236,514.00	\$ 607,500.00	\$ 607,500.00	\$ 690,500.00	\$ 690,500.00
Collection Bit Items									
BA4-C1	Lift Station No. 11	LS	1	\$ 481,000.00	\$ 481,000.00	\$ 850,000.00	\$ 850,000.00	\$ 461,000.00	\$ 461,000.00
BA4-C2	Dewatering	LS	1	\$ 229,369.00	\$ 229,369.00	\$ 500,000.00	\$ 500,000.00	\$ 950,000.00	\$ 950,000.00
BA4-C3	8" PVC SAS	LF	9,410	\$ 9.00	\$ 84,690.00	\$ 15.00	\$ 141,150.00	\$ 13.00	\$ 122,330.00
BA4-C4	Trenching - 5-12 ft. based on pipe invert	LF	5,120	\$ 33.00	\$ 168,960.00	\$ 50.00	\$ 256,000.00	\$ 120.00	\$ 614,400.00
BA4-C5	Trenching - 12-16 ft. based on pipe invert	LF	4,300	\$ 52.00	\$ 223,600.00	\$ 75.00	\$ 322,500.00	\$ 133.00	\$ 571,900.00
BA4-C6	New 4 ft. Diameter Precast Manhole, 5-12 ft. depth	EA	25	\$ 6,500.00	\$ 162,500.00	\$ 6,500.00	\$ 162,500.00	\$ 5,900.00	\$ 147,500.00
BA4-C7	New 4 ft. Diameter Precast Manhole, 12-16 ft. depth	EA	15	\$ 8,450.00	\$ 126,750.00	\$ 8,000.00	\$ 120,000.00	\$ 8,400.00	\$ 126,000.00
BA4-C8	New 4 ft. Diameter Precast Manhole, 16-20 ft. depth	EA	5	\$ 10,000.00	\$ 50,000.00	\$ 15,000.00	\$ 75,000.00	\$ 14,400.00	\$ 72,000.00
BA4-C9	Manhole Epoxy Coating	LF	520	\$ 390.00	\$ 202,800.00	\$ 280.00	\$ 145,600.00	\$ 300.00	\$ 156,000.00
BA4-C10	Existing Pavement Removal	SY	5,300	\$ 20.00	\$ 106,000.00	\$ 7.00	\$ 37,100.00	\$ 1.00	\$ 5,300.00
BA4-C11	Existing Pavement Replacement (DAC R/W)	SY	5,300	\$ 42.00	\$ 222,600.00	\$ 29.00	\$ 153,700.00	\$ 23.00	\$ 121,900.00
BA4-C12	Unpaved Road Rehabilitation (Private)	SY	16,500	\$ 12.00	\$ 198,000.00	\$ 8.00	\$ 132,000.00	\$ 12.00	\$ 198,000.00
BA4-C13	4" Service Connection	EA	73	\$ 715.00	\$ 52,195.00	\$ 700.00	\$ 51,100.00	\$ 2,400.00	\$ 175,200.00
BA4-C14	4" Sewer Service Piping	LF	1,340	\$ 31.00	\$ 41,540.00	\$ 22.00	\$ 29,480.00	\$ 3.00	\$ 4,020.00
BA4-C15	4" Customer Side Service Piping	LF	11,000	\$ 26.00	\$ 286,000.00	\$ 25.00	\$ 275,000.00	\$ 37.00	\$ 407,000.00




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BA4-C16	4" Customer Side Single Gravity Cleanout	EA	180	\$ 228.00	\$ 41,040.00	\$ 800.00	\$ 144,000.00	\$ 120.00	\$ 21,600.00
BA4-C17	Septic Tank Abandonment	EA	64	\$ 1,560.00	\$ 99,840.00	\$ 1,600.00	\$ 102,400.00	\$ 1,650.00	\$ 105,600.00
BA4-C18	Driveway Surfacing R&R	SF	1,500	\$ 3.25	\$ 4,875.00	\$ 7.00	\$ 10,500.00	\$ 2.00	\$ 3,000.00
BA4-C19	Customer Side Concrete R&R	SF	300	\$ 23.00	\$ 6,900.00	\$ 20.00	\$ 6,000.00	\$ 10.00	\$ 3,000.00
BA4-C20	4" PVC C900 SAS Force Main	LF	1,700	\$ 25.00	\$ 42,500.00	\$ 30.00	\$ 51,000.00	\$ 32.00	\$ 54,400.00
BA4-C21	4" Ductile Iron SAS Force Main	LF	3,400	\$ 72.00	\$ 244,800.00	\$ 80.00	\$ 272,000.00	\$ 65.00	\$ 221,000.00
BA4-C22	6" PVC C900 SAS Force Main	L	120	\$ 35.00	\$ 4,200.00	\$ 60.00	\$ 7,200.00	\$ 43.00	\$ 5,160.00
BA4-C23	6" Ductile Iron SAS Force Main	LF	620	\$ 100.00	\$ 62,000.00	\$ 90.00	\$ 55,800.00	\$ 75.00	\$ 46,500.00
BA4-C24	4" Single Cleanout	EA	4	\$ 2,600.00	\$ 10,400.00	\$ 3,600.00	\$ 14,400.00	\$ 3,100.00	\$ 12,400.00
BA4-C25	4" Double Cleanouts	EA	4	\$ 3,900.00	\$ 15,600.00	\$ 6,500.00	\$ 26,000.00	\$ 5,000.00	\$ 20,000.00
BA4-C26	6" Single Cleanout	EA	3	\$ 3,250.00	\$ 9,750.00	\$ 4,800.00	\$ 14,400.00	\$ 9,000.00	\$ 27,000.00
BA4-C27	Air Release Valve	EA	1	\$ 11,050.00	\$ 11,050.00	\$ 10,000.00	\$ 10,000.00	\$ 9,000.00	\$ 9,000.00
BA4-C28	12" Steel Casing for 6" Force Main	LF	50	\$ 260.00	\$ 13,000.00	\$ 320.00	\$ 16,000.00	\$ 300.00	\$ 15,000.00
BA4-C29	12" Steel Casing for 6" Force Main	LF	60	\$ 390.00	\$ 23,400.00	\$ 525.00	\$ 31,500.00	\$ 800.00	\$ 48,000.00
BA4-C30	Lift Station SCADA	EA	1	\$ 45,500.00	\$ 45,500.00	\$ 35,000.00	\$ 35,000.00	\$ 34,000.00	\$ 34,000.00
<b>Subtotal for Items BA4-C1 - BA4-C30</b>				\$	3,270,859.00	\$	4,047,330.00	\$	4,758,210.00
<b>TOTAL BID ALTERNATE #4</b>				\$	3,507,373.00	\$	4,654,830.00	\$	5,448,710.00
<b>BID ALTERNATE #5 - Lift Station 18</b>									
<b>General Bid Items</b>									
BA5-G1	Mobilization/Demobilization	LS	1	\$ 83,357.00	\$ 83,357.00	\$ 300,000.00	\$ 300,000.00	\$ 400,000.00	\$ 400,000.00
BA5-G2	Construction Staking	LS	1	\$ 20,839.00	\$ 20,839.00	\$ 25,000.00	\$ 25,000.00	\$ 15,000.00	\$ 15,000.00
BA5-G3	Storm Water Pollution Prevention Plan	LS	1	\$ 6,000.00	\$ 6,000.00	\$ 10,000.00	\$ 10,000.00	\$ 9,000.00	\$ 9,000.00
BA5-G4	Traffic Control Plan	LS	1	\$ 18,000.00	\$ 18,000.00	\$ 100,000.00	\$ 100,000.00	\$ 16,000.00	\$ 16,000.00
BA5-G5	Utility Relocation	ALW	1	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00
BA5-G6	Landscape Replacement	ALW	1	\$ 11,000.00	\$ 11,000.00	\$ 11,000.00	\$ 11,000.00	\$ 11,000.00	\$ 11,000.00
BA5-G7	Materials Testing	ALW	1	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00
<b>Subtotal for Items BA5-G1-BA5-G7</b>				\$	194,196.00	\$	501,000.00	\$	506,000.00
<b>Collection Bit Items</b>									
BA5-C1	Lift Station No. 18	LS	1	\$ 390,000.00	\$ 390,000.00	\$ 850,000.00	\$ 850,000.00	\$ 887,000.00	\$ 887,000.00
BA5-C2	Dewatering	LS	1	\$ 119,925.00	\$ 119,925.00	\$ 250,000.00	\$ 250,000.00	\$ 490,000.00	\$ 490,000.00
BA5-C3	8" PVC SAS	LF	4,920	\$ 9.00	\$ 44,280.00	\$ 15.00	\$ 73,800.00	\$ 13.00	\$ 63,960.00
BA5-C4	Trenching - 5-12 ft. based on pipe invert	LF	2,780	\$ 33.00	\$ 91,740.00	\$ 50.00	\$ 139,000.00	\$ 120.00	\$ 333,600.00
BA5-C5	Trenching - 12-16 ft. based on pipe invert	LF	1,640	\$ 52.00	\$ 85,280.00	\$ 75.00	\$ 123,000.00	\$ 140.00	\$ 229,600.00
BA5-C6	Trenching - 16-20 ft. based on pipe invert	LF	500	\$ 85.00	\$ 42,500.00	\$ 150.00	\$ 75,000.00	\$ 200.00	\$ 100,000.00
BA5-C7	New 4 ft. Diameter Precast Manhole, 5-12 ft. depth	EA	11	\$ 6,500.00	\$ 71,500.00	\$ 6,500.00	\$ 71,500.00	\$ 5,900.00	\$ 64,900.00
BA5-C8	New 4 ft. diameter Precast Manhole, 12-16 ft. depth	EA	5	\$ 8,450.00	\$ 42,250.00	\$ 8,000.00	\$ 40,000.00	\$ 8,400.00	\$ 42,000.00
BA5-C9	New 4 ft. Diameter Precast Manhole, 16-20 ft. depth	EA	1	\$ 10,000.00	\$ 10,000.00	\$ 16,000.00	\$ 16,000.00	\$ 14,400.00	\$ 14,400.00
BA5-C10	Manhole Epoxy Coating	LF	200	\$ 390.00	\$ 78,000.00	\$ 280.00	\$ 56,000.00	\$ 300.00	\$ 60,000.00
BA5-C11	Existing Pavement Removal	SY	6,220	\$ 20.00	\$ 124,400.00	\$ 7.00	\$ 43,540.00	\$ 1.00	\$ 6,220.00
BA5-C12	Existing Pavement Replacement (DAC R/W)	SY	3,100	\$ 42.00	\$ 130,200.00	\$ 29.00	\$ 89,900.00	\$ 23.00	\$ 71,300.00
BA5-C13	Existing Pavement Replacement (NMDOT R/W.)	SY	3,120	\$ 60.00	\$ 187,200.00	\$ 42.00	\$ 131,040.00	\$ 37.00	\$ 115,440.00
BA5-C14	4" Service Connection	EA	31	\$ 715.00	\$ 22,165.00	\$ 680.00	\$ 21,080.00	\$ 2,400.00	\$ 74,400.00
BA5-C15	4" Sewer Service Piping	LF	800	\$ 31.00	\$ 24,800.00	\$ 22.00	\$ 17,600.00	\$ 3.00	\$ 2,400.00
BA5-C16	4" Customer Side Service Piping	LF	4,300	\$ 26.00	\$ 111,800.00	\$ 25.00	\$ 107,500.00	\$ 37.00	\$ 159,100.00
BA5-C17	4" Customer Side Single Gravity Cleanout	EA	70	\$ 228.00	\$ 15,960.00	\$ 800.00	\$ 56,000.00	\$ 120.00	\$ 8,400.00
BA5-C18	E One Residential Grinder Pump Station	EA	3	\$ 32,500.00	\$ 97,500.00	\$ 25,000.00	\$ 75,000.00	\$ 27,000.00	\$ 81,000.00
BA5-C19	Septic Tank Abandonment	EA	24	\$ 1,560.00	\$ 37,440.00	\$ 1,600.00	\$ 38,400.00	\$ 1,650.00	\$ 39,600.00
BA5-C20	4" PVC C900 SAS Force Main	LF	2,900	\$ 25.00	\$ 72,500.00	\$ 32.00	\$ 92,800.00	\$ 32.00	\$ 92,800.00
BA5-C21	4" Single Cleanout	EA	2	\$ 2,600.00	\$ 5,200.00	\$ 4,800.00	\$ 9,600.00	\$ 3,100.00	\$ 6,200.00
BA5-C22	4" Double Cleanouts	EA	2	\$ 3,900.00	\$ 7,800.00	\$ 6,500.00	\$ 13,000.00	\$ 5,000.00	\$ 10,000.00
BA5-C23	Air Release Valve	EA	1	\$ 11,050.00	\$ 11,050.00	\$ 10,500.00	\$ 10,500.00	\$ 9,000.00	\$ 9,000.00
BA5-C24	16" Steel Casing for 8" Gravity Sewer	LF	110	\$ 488.00	\$ 53,680.00	\$ 680.00	\$ 74,800.00	\$ 800.00	\$ 88,000.00
BA5-C25	8" Steel Casing for 4" Force Main	LF	460	\$ 358.00	\$ 164,680.00	\$ 500.00	\$ 230,000.00	\$ 500.00	\$ 230,000.00
BA5-C26	Lift Station SCADA	EA	1	\$ 45,500.00	\$ 45,500.00	\$ 35,000.00	\$ 35,000.00	\$ 34,000.00	\$ 34,000.00
<b>Subtotal for Items BA5-C1 - BA5-C26</b>				\$	2,087,350.00	\$	2,740,060.00	\$	3,313,320.00
<b>TOTAL BID ALTERNATE #5</b>				\$	2,281,546.00	\$	3,241,060.00	\$	3,819,320.00
<b>BID ALTERNATE #6 - Lift Station 19</b>									
<b>General Bid Items</b>									
BA6-G1	Mobilization/Demobilization	LS	1	\$ 63,879.00	\$ 63,879.00	\$ 150,000.00	\$ 150,000.00	\$ 340,000.00	\$ 340,000.00

**LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY  
MESQUITE BRAZITO WASTEWATER SYSTEM PHASE 2  
BID REVIEW CERTIFICATION  
Bid Opening: January 20, 2022**

BA6-G2	Construction Staking	LS	1	\$ 15,970.00	\$ 15,970.00	\$ 25,000.00	\$ 25,000.00	\$ 13,000.00	\$ 13,000.00
BA6-G3	Storm Water Pollution Prevention Plan	LS	1	\$ 5,000.00	\$ 5,000.00	\$ 10,000.00	\$ 10,000.00	\$ 9,000.00	\$ 9,000.00
BA6-G4	Traffic Control Plan	LS	1	\$ 16,000.00	\$ 16,000.00	\$ 50,000.00	\$ 50,000.00	\$ 17,000.00	\$ 17,000.00
BA6-G5	Utility Relocation	ALW	1	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00
BA6-G6	Landscape Replacement	ALW	1	\$ 11,000.00	\$ 11,000.00	\$ 11,000.00	\$ 11,000.00	\$ 11,000.00	\$ 11,000.00
BA6-G7	Materials Testing	ALW	1	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00
<b>Subtotal for Items BA1-G1-BA1-G7</b>				\$ 166,849.00	\$ 166,849.00	\$ 301,000.00	\$ 301,000.00	\$ 445,000.00	\$ 445,000.00
<b>Collection Bit Items</b>				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
BA6-C1	Lift Station No. 19	LS	1	\$ 455,000.00	\$ 455,000.00	\$ 850,000.00	\$ 850,000.00	\$ 609,000.00	\$ 609,000.00
BA6-C2	Dewatering	LS	1	\$ 103,350.00	\$ 103,350.00	\$ 100,000.00	\$ 100,000.00	\$ 424,000.00	\$ 424,000.00
BA6-C3	8" PVC SAS	LF	4,240	\$ 9.00	\$ 38,160.00	\$ 15.00	\$ 63,600.00	\$ 13.00	\$ 55,120.00
BA6-C4	Trenching - 5-12 ft. based on pipe invert	LF	3,640	\$ 33.00	\$ 120,120.00	\$ 50.00	\$ 182,000.00	\$ 145.00	\$ 527,800.00
BA6-C5	Trenching - 12-16 ft. based on pipe invert	LF	540	\$ 52.00	\$ 28,080.00	\$ 75.00	\$ 40,500.00	\$ 150.00	\$ 81,000.00
BA6-C6	Trenching - 16-20 ft. based on pipe invert	LF	60	\$ 85.00	\$ 5,100.00	\$ 150.00	\$ 9,000.00	\$ 200.00	\$ 12,000.00
BA6-C7	New 4 ft diameter Precast Manhole, 5-12 ft. depth	EA	12	\$ 6,500.00	\$ 78,000.00	\$ 6,500.00	\$ 78,000.00	\$ 5,900.00	\$ 70,800.00
BA6-C8	New 4 ft. diameter Precast Manhole, 12-16 ft. depth	EA	3	\$ 8,450.00	\$ 25,350.00	\$ 11,000.00	\$ 33,000.00	\$ 8,400.00	\$ 25,200.00
BA6-C9	Manhole Epoxy Coating	LF	150	\$ 390.00	\$ 58,500.00	\$ 280.00	\$ 42,000.00	\$ 300.00	\$ 45,000.00
BA6-C10	Existing Pavement Removal	SY	820	\$ 20.00	\$ 16,400.00	\$ 7.00	\$ 5,740.00	\$ 1.00	\$ 820.00
BA6-C11	Existing Pavement Replacement (DAC R/W)	SY	820	\$ 42.00	\$ 34,440.00	\$ 29.00	\$ 23,780.00	\$ 45.00	\$ 36,900.00
BA6-C12	Unpaved Road Rehabilitation (Private)	SY	8,800	\$ 12.00	\$ 105,600.00	\$ 10.00	\$ 88,000.00	\$ 12.00	\$ 105,600.00
BA6-C13	4" Service Connection	EA	51	\$ 715.00	\$ 36,465.00	\$ 680.00	\$ 34,680.00	\$ 2,400.00	\$ 122,400.00
BA6-C14	4" Sewer Service Piping	LF	1,300	\$ 31.00	\$ 40,300.00	\$ 22.00	\$ 28,600.00	\$ 3.00	\$ 3,900.00
BA6-C15	4" Customer Side Service Piping	LF	6,410	\$ 26.00	\$ 166,660.00	\$ 25.00	\$ 160,250.00	\$ 37.00	\$ 237,170.00
BA6-C16	4" Customer Side Single Gravity Cleanout	EA	100	\$ 228.00	\$ 22,800.00	\$ 800.00	\$ 80,000.00	\$ 120.00	\$ 12,000.00
BA6-C17	Septic Tank Abandonment	EA	46	\$ 1,560.00	\$ 71,760.00	\$ 1,600.00	\$ 73,600.00	\$ 1,650.00	\$ 75,900.00
BA6-C18	4" PVC C900 SAS Force Main	LF	4,350	\$ 25.00	\$ 108,750.00	\$ 30.00	\$ 130,500.00	\$ 30.00	\$ 130,500.00
BA6-C19	4" Ductile Iron SAS Force Main	LF	180	\$ 72.00	\$ 12,960.00	\$ 120.00	\$ 21,600.00	\$ 80.00	\$ 14,400.00
BA6-C20	4" Single Cleanout	EA	4	\$ 2,600.00	\$ 10,400.00	\$ 3,800.00	\$ 15,200.00	\$ 3,100.00	\$ 12,400.00
BA6-C21	4" Double Cleanout	EA	2	\$ 3,900.00	\$ 7,800.00	\$ 6,500.00	\$ 13,000.00	\$ 5,000.00	\$ 10,000.00
BA6-C22	Air Release Valve	EA	1	\$ 11,050.00	\$ 11,050.00	\$ 10,500.00	\$ 10,500.00	\$ 9,000.00	\$ 9,000.00
BA6-C23	Lift Station SCADA	EA	1	\$ 45,500.00	\$ 45,500.00	\$ 33,000.00	\$ 33,000.00	\$ 32,000.00	\$ 32,000.00
<b>Subtotal for Items BA6-C1 - BA6-C23</b>				\$ 1,602,545.00	\$ 1,602,545.00	\$ 2,116,550.00	\$ 2,116,550.00	\$ 2,652,910.00	\$ 2,652,910.00
<b>TOTAL BID ALTERNATE #6</b>				\$ 1,769,394.00	\$ 1,769,394.00	\$ 2,417,550.00	\$ 2,417,550.00	\$ 3,097,910.00	\$ 3,097,910.00

\*Yellow highlight indicates mathematical error in contractors bid form

  
Tyler R. Hopkins





February 10, 2022

#6327622

Ms. Karen Nichols, Projects Manager  
Lower Rio Grande PWWA  
P.O. Box 2646  
Anthony, NM 88021  
Email: karen.nichols@lrgauthority.org  
Phone: (575) 233-5742

**RE: RECOMMENDATION REGARDING AWARD OF CONSTRUCTION CONTRACT FOR THE LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY (LRGPWWA) STERN DRIVE WATERLINE EXTENSION PROJECT – PHASE II**

Dear Ms. Nichols:

Bids were opened for the Lower Rio Grande Public Water Works Authority (PWWA) Stern Drive Waterline Extension Project on February 7, 2022, at 3500 Sedona Hills Parkway, Las Cruces, NM 88011. Five bids were received for the project, and the bid packages were determined to be complete at the time of bid opening. The apparent low bidder was *DuCross Construction, LLC*. The total of the **Base Bids** ranged from seventy-six thousand eight hundred forty-seven dollars and twenty-two cents (\$76,847.22) to ninety-seven thousand six hundred sixty-four dollars and zero cents (\$97,664.00). The total of **Alternative Bid A1** ranged from one hundred nine thousand nine hundred eighty-three dollars and ninety cents (\$109,983.90) to one hundred twenty-nine thousand seven hundred twenty-nine dollars and zero cents (\$129,729.00).

Based on a review of the Base Bid, the low bidder has been identified as responsive, thus Souder, Miller & Associates (SMA) recommends awarding the project to *DuCross Construction, LLC*, with a **total recommended amount** of seventy-six thousand eight hundred forty-seven dollars and twenty-two cents (\$76,847.22, **not including NMGR**T).

Souder, Miller & Associates (SMA) investigated *DuCross Construction, LLC*’s past experience. The references provided by *DuCross Construction, LLC*, contacted by SMA, provided good feedback on their quality of work. Please refer to the References Contacts after the bid opening.

If the Lower Rio Grande PWWA agrees with SMA’s recommendation to award the project, the Lower Rio Grande PWWA should “tentatively” award the construction contract to *DuCross Construction, LLC*, pending the funding agency’s concurrence. Once authorization is received, the attached Agreement between Owner and Contractor and Notice of Award for *DuCross Construction, LLC* needs to be signed. The contractor will then have 15 days to deliver insurance, performance and payment bonds. After the Lower Rio Grande PWWA receives all items from the Contractor, the Notice to Proceed can be signed by the Lower Rio Grande PWWA and sent to the Contractor.



Please feel free to contact either of the undersigned if you have any questions and/or concerns related to this recommendation letter.

Sincerely,

**MILLER ENGINEERS, INC. D/B/A  
SOUDER, MILLER AND ASSOCIATES**



Hayden Randall, EI  
Staff Civil Designer  
[hayden.randall@soudermiller.com](mailto:hayden.randall@soudermiller.com)



Marty Howell, P.E.  
Senior Engineer III  
[marty.howell@soudermiller.com](mailto:marty.howell@soudermiller.com)

Enc: *Bid Tabulation*  
*References Contacted*  
*Notice of Award*  
*Agreement*  
*DuCross Construction, LLC's Bid Package*

Lower Rio Grande PWWA -Stern Dr Waterline Extension Phase II  
Bid Tabulation

2/10/2022

Base Bid				SMA		DuCross Construction, LLC		Caliper Construction, LLC		J29 Enterprises, LLC		File Construction, LLC		Highland Enterprises Inc.	
				OPCC		Bidder No. 1		Bidder No. 2		Bidder No. 3		Bidder No. 4		Bidder No. 5	
Item No.	Description	Unit	Quantity	Unit Cost	Total Cost	Unit Cost	Total Cost	Unit Cost	Total Cost	Unit Cost	Total Cost	Unit Cost	Total Cost	Unit Cost	Total Cost
1	Pre-construction and post-construction Video Documentation	LS	1	\$362.38	\$362.38	\$ 800.00	\$ 800.00	\$ 745.00	\$ 745.00	\$ 100.00	\$ 100.00	\$ 1,151.60	\$ 1,151.60	\$ 187.50	\$ 187.50
2	Mobilization and Demobilization	LS	1	\$4,413.28	\$4,413.28	\$ 2,000.00	\$ 2,000.00	\$ 10,200.00	\$ 10,200.00	\$ 4,150.00	\$ 4,150.00	\$ 11,478.80	\$ 11,478.80	\$ 16,670.00	\$ 16,670.00
3	Material Testing Allowance	ALLOW	1	\$2,100.00	\$2,100.00	\$ 2,100.00	\$ 2,100.00	\$ 2,100.00	\$ 2,100.00	\$ 2,100.00	\$ 2,100.00	\$ 2,100.00	\$ 2,100.00	\$ 2,100.00	\$ 2,100.00
4	Traffic Control	LS	1	\$2,264.86	\$2,264.86	\$ 1,600.00	\$ 1,600.00	\$ 4,500.00	\$ 4,500.00	\$ 760.00	\$ 760.00	\$ 3,949.20	\$ 3,949.20	\$ 1,330.00	\$ 1,330.00
5	Furnish and Install NMDOT-approved seeding material along maximum disturbed area width of 20-feet in accordance with NMDOT permit, (Include all labor, material and all related appurtenances not separately listed on the bid form), CIP	ACRE	0.38	\$10,097.51	\$3,837.05	\$ 21,934.80	\$ 8,335.22	\$ 26,700.00	\$ 10,146.00	\$ 25,955.00	\$ 9,862.90	\$ 9,316.30	\$ 3,540.19	\$ 25,460.00	\$ 9,674.80
6	Furnish and Install 12-inch C900 PVC DR-18 Waterline, (including all material, labor, locate and connect to existing waterline, potholing, trenching, bedding, removal of waste excavation, import backfill, joint restraints, warning tape, tracer wire, backfilling, compaction, disinfection, site restoration and all related appurtenances not separately listed on the bid form), CIP	LF	838	\$95.11	\$79,706.31	\$ 74.00	\$ 62,012.00	\$ 83.50	\$ 69,973.00	\$ 84.75	\$ 71,020.50	\$ 81.10	\$ 67,961.80	\$ 71.27	\$ 59,724.26
Base Bid Construction Total:					\$ 92,683.88		\$ 76,847.22		\$ 97,664.00		\$ 87,993.40		\$ 90,181.59		\$ 89,686.56
Written Total:							\$ 76,847.22		\$ 97,864.00		\$ 87,993.40		\$ 89,776.09		\$ 89,712.56

Resident/Veteran Preference Status:	N/A	Resident Contractor (5%)	Resident Contractor (5%)	Resident Contractor (5%)	Resident Contractor (5%)	Resident Contractor (5%)
Base Bid Total with applied Preference:	\$ -	\$ 73,004.86	\$ 92,970.80	\$ 83,593.73	\$ 85,287.29	\$ 85,226.93

Alternative A1															
Item No.	Description	Unit	Quantity	Unit Cost	Total Cost	Unit Cost	Total Cost	Unit Cost	Total Cost	Unit Cost	Total Cost	Unit Cost	Total Cost	Unit Cost	Total Cost
A1.1	Pre-construction and post-construction Video Documentation	LS	1	\$437.62	\$437.62	\$ 800.00	\$ 800.00	\$ 751.00	\$ 751.00	\$ 135.00	\$ 135.00	\$ 807.90	\$ 807.90	\$ 187.50	\$ 187.50
A1.2	Mobilization and Demobilization	LS	1	\$7,139.24	\$7,139.24	\$ 2,500.00	\$ 2,500.00	\$ 4,000.00	\$ 4,000.00	\$ 4,150.00	\$ 4,150.00	\$ 8,296.80	\$ 8,296.80	\$ 17,061.00	\$ 17,061.00
A1.3	Material Testing Allowance	ALLOW	1	\$2,600.00	\$2,600.00	\$ 2,600.00	\$ 2,600.00	\$ 2,600.00	\$ 2,600.00	\$ 2,600.00	\$ 2,600.00	\$ 2,600.00	\$ 2,600.00	\$ 2,600.00	\$ 2,600.00
A1.4	Traffic Control	LS	1	\$2,735.14	\$2,735.14	\$ 1,800.00	\$ 1,800.00	\$ 3,000.00	\$ 3,000.00	\$ 1,365.00	\$ 1,365.00	\$ 2,694.70	\$ 2,694.70	\$ 2,081.00	\$ 2,081.00
A1.5	Furnish and Install NMDOT-approved seeding material along maximum disturbed area width of 20-feet in accordance with NMDOT permit, (Include all labor, material and all related appurtenances not separately listed on the bid form), CIP	ACRE	0.46	\$10,097.51	\$4,644.85	\$ 10,465.00	\$ 4,813.90	\$ 12,500.00	\$ 5,750.00	\$ 11,360.00	\$ 5,225.60	\$ 8,978.70	\$ 4,130.20	\$ 11,125.00	\$ 5,117.50
A1.6	Furnish and Install 12-inch C900 PVC DR-18 Waterline, (including all material, labor, locate and connect to existing waterline, potholing, trenching, bedding, removal of waste excavation, import backfill, joint restraints, warning tape, tracer wire, backfilling, compaction, disinfection, site restoration and all related appurtenances not separately listed on the bid form), CIP	LF	1012	\$95.11	\$96,251.32	\$ 66.00	\$ 66,792.00	\$ 80.00	\$ 80,960.00	\$ 83.00	\$ 83,996.00	\$ 75.60	\$ 76,507.20	\$ 72.41	\$ 73,278.92
A1.7	Furnish and Install New Fire Hydrant, (including all material, labor, PVC pipe required from mainline to assembly, contractor furnished fittings, and gate valve, site restoration and all related appurtenances not separately listed on the bid form), CIP	EA	1	\$6,593.20	\$6,593.20	\$ 6,705.00	\$ 6,705.00	\$ 4,000.00	\$ 4,000.00	\$ 7,290.00	\$ 7,290.00	\$ 6,752.30	\$ 6,752.30	\$ 7,370.00	\$ 7,370.00
A1.8	Remove and Replace Existing Concrete Drive Pad with 4-inch Thick Concrete; Assumed 5-foot Width, (including all material, labor, saw cut, removal and disposal of existing concrete to an approved site and proper moisture and compaction, site restoration and all related appurtenances not separately listed on the bid form), CIP	SY	74	\$111.29	\$8,235.54	\$ 190.00	\$ 14,060.00	\$ 232.00	\$ 17,168.00	\$ 180.00	\$ 13,320.00	\$ 74.50	\$ 5,513.00	\$ 142.95	\$ 10,578.30
A1.9	Furnish and Install 12-inch Gate Valve, (including all material, labor, valve, valve box, lid, site restoration and all related appurtenances not separately listed on the bid form), CIP	EA	1	\$4,274.55	\$4,274.55	\$ 4,720.00	\$ 4,720.00	\$ 4,000.00	\$ 4,000.00	\$ 4,015.00	\$ 4,015.00	\$ 4,290.70	\$ 4,290.70	\$ 4,243.00	\$ 4,243.00
A1.10	Furnish and Install 1-inch Air Combination Valve, (including all material, labor, valve, traffic rated vault, lid, site restoration and all related appurtenances not separately listed on the bid form), CIP	EA	1	\$6,558.33	\$6,558.33	\$ 5,193.00	\$ 5,193.00	\$ 7,500.00	\$ 7,500.00	\$ 5,450.00	\$ 5,450.00	\$ 5,072.00	\$ 5,072.00	\$ 5,971.00	\$ 5,971.00
Alternative A1 Construction Total:					\$ 139,469.80		\$ 109,983.90		\$ 129,729.00		\$ 127,546.60		\$ 116,664.80		\$ 128,488.22
Written Total:							\$ 109,983.90		\$ 129,729.00		\$ 127,546.60		\$ 116,664.80		\$ 128,488.23

Resident/Veteran Preference Status:	N/A	Resident Contractor (5%)	Resident Contractor (5%)	Resident Contractor (5%)	Resident Contractor (5%)	Resident Contractor (5%)
Base Bid Total with applied Preference:	\$ 6,558.33	\$ 104,484.71	\$ 123,242.55	\$ 121,169.27	\$ 110,831.56	\$ 122,063.81

Bid Total (Base Bid + Alternative A1):		\$ 232,153.68	\$ 186,831.12	\$ 227,393.00	\$ 215,540.00	\$ 206,846.40	\$ 218,174.78
Resident/Veteran Preference Status:		N/A	Resident Contractor (5%)	Resident Contractor (5%)	Resident Contractor (5%)	Resident Contractor (5%)	Resident Contractor (5%)
Bid Total with applied Preference:		\$ 232,153.68	\$ 177,489.57	\$ 216,023.35	\$ 204,763.00	\$ 196,504.08	\$ 207,266.04

\*Cells with red text indicate that a correction has been made in accordance with Article 14.01.C of the Intructions to Bidders (C-200)

CERTIFICATION:

I certify that the above figures are the evaluated bid prices from those submitted in the Bid Form.



Marty Howell, P.E.  
Souder, Miller & Associates

10-Feb-22

Date

- (c) After ten years of service, one additional day of paid annual leave for each additional year of service not to exceed a total of 30 days annual leave.

Employees who have completed their probationary period may take their accrued annual leave all at once, or gradually, with their supervisor's prior written approval. Requests for annual leave should be submitted at least ~~one pay period~~ forty-eight (48) hours prior to allow for scheduling, and priority will be given to the earlier request in case of conflict. Requests with less than forty-eight (48) hours prior notice may be considered if staffing schedule permits.

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

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

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

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

#### **4.02 Sick Leave:**

A maximum of two-hundred and forty (240) hours of sick leave may be carried forward after the last pay period in December. Sick leave shall not be used before it is accrued, and employees should notify their supervisor two (2) hours prior to the beginning of the work day ~~in advance to the extent feasible~~ in order to avoid disruptions in work schedules when using sick leave. In an emergency, employee shall notify their supervisor as soon as possible. Failure to notify may result in denial of leave.

Sick leave will not be compensated at any time.

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

Sick leave benefits will not be for absences on authorized holidays or other non-scheduled work days.

In order to receive compensation while on sick leave, the employee shall notify his/her supervisor prior to the time for beginning the regular work day, or as soon thereafter as practical.

If absence from duty by reason of illness occurs, satisfactory evidence may be required by the General Manager.

#### **4.03 Donated Leave:**

Employees may donate their annual or sick leave to another employee at their discretion provided that the recipient has met the requirements of Sections 4.01 and 4.02 and that the donor retains at least forty (40) accumulated hours.