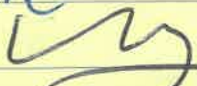

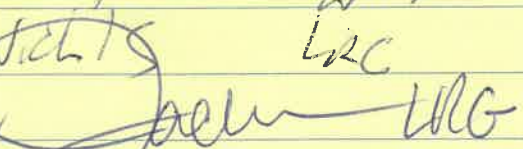



Meeting Attendance
Regular Board Meeting
East Mesa Office

1-18-23

Name

- Espy Holguin
- Karl Pennock RCAC
- Michael Lopez 
- Martin Lopez 
- Karen Nichts LRC
- Kathleen  LRG
- KURMAN SMITH LRG
- James Cadena
- Filiberto Castorena HDR Engineering
- Glory Suarez
- Marty Howell - Sawden Miller Zoom
- Patricia Charles LRG
- John Schroder 

LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY

Draft Minutes —REGULAR BOARD OF DIRECTORS MEETING

9:00 a.m. Wednesday, January 18, 2023 AT THE EAST MESA OFFICE & ONLINE VIA ZOOM

Contact us at 575-233-5742 or 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

- I. **Call to Order, Roll Call to Establish Quorum:** The Board Chair called the meeting to order at 9:01 a.m. Mr. P. Smith representing District #1 was absent, District #2 is vacant, District #3 is vacant, 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 Manger Kathi Jackson, Accounting Assistant John Schroder, Operations Manager Mike Lopez. Guest present were Karl Pennock from RCAC, Filiberto Castorena from HDR Engineering and Marty Howell from Souder, Miller & Associates.
- II. **Pledge of Allegiance:** The pledge of allegiance was led by General Manager Martin Lopez
- III. **Appointment of Board Member – District 3:** Mrs. Holguin asked Mr. Cadena if he was interested in becoming a board member for LRGPWWA. He would be replacing Joe Evaro, who resigned at the end of December 2022. Mrs. Juarez made the motion to accept Mr. Cadena as Board Member representing District 3, Mr. F Smith seconded the motion, the motion passed with all in favor. Mr. Cadena introduced himself to everyone and accepted the appointment.
 - A. **Oath of Office for James Cadena:** Mr. Lopez read the oath of office to Mr. Cadena, Mr. Cadena accepted the oath of office.
- IV. **Motion to approve Agenda:** Mr. F Smith made the motion to approve the agenda and Mrs. Juarez seconded the motion, the motion passed with all in favor.
- V. **Approval of Minutes: Motion to approve the minutes for Regular Board Meeting on December 7, 2022:** Mrs. Juarez made the motion to approve the minutes for Board Meeting on December 7, 21. Mr. F Smith seconded the motion, the motion passed with all in favor.
- VI. **Presentations: Karl Pennock, Rural Community Assistance Corporation – Update on Rate Study:** Me. Pennock gave the board a presentation regarding the rate study and a timeline for the proposed rate increases. He indicated the need for the rate increases and that they would be implemented in the next 5 years. He asked Mr. Lopez to give the list of the largest projects currently. Mr. Lopez said we have the East Mesa upgrade Project, which is in 3 phases. Phase 1 is out for bid; we will be opening bids at the end of this month. Phase 2 has been funded for design and are looking for construction funding for Phase 3 to wrap up any additional needs. Mesquite Brazito Sewer Project 3 phases as well. Phase 1 & 2 are fully funded. Looking for funding for phase 3 which will catch the areas that were not served in the first 2 phases. The next is Rincon we have applied for funding for Preliminary Engineering to access the needs and for design. Stern Line Highway 478 extension North of Brazito to move water from the wells on West Mesa to folks who have requested water along highway 478 we anticipate a

second phase. We have an application with the Water Trust Board for this project. Mr. Pennock said the rate study fulfills a statutory requirement, satisfies federal requirements for funded projects and should generate sufficient, stable revenue to cover all operating expenses. Findings and recommendations are presented to the public, then to the board for consideration and implementation. The time line is to authorize public hearings in February, submit draft report in March, public presentations in March/April, adopt final report in April/May and implement new rates in July 2023. Mrs. Holguin would like to figure out a way to help the elderly because of their limited income levels.

VII. Public Input: Mr. Filiberto Castorena introduced himself said he works for HDR Engineering and lives in the area. He wanted to meet everyone and would like to learn more about us. Mrs. Holguin welcomed him to the meeting.

VIII. Managers' Reports

A. General Manager: Mr. Martin Lopez provided a written report and stood for questions. In mid-December we had a site visit from Arizona State University to conduct a facilities energy audit on our behalf to figure out how to save money on energy. There should be a recommendation fairly soon. One of our long-time operators (Well Tech) resigned to open his own business. He has been replaced with a trainee. We rehired a meter reader in the Finance Dept. The annual Facilities Safety Inspections are in progress. Ms. Nichols and Mr. Lopez attended a meeting with area State Legislators we shared our community needs and our proposed funding needs. We submitted a Capital Outlay Request on behalf of the Talavera MDWCA we read their meters and provide Operations and Maintenance for them. We requested funding for radio read meters. Ms. Nichols worked with the state to get them recognized as an eligible entity. Ms. Nichols stated they will need to create an ICIP. Mr. Lopez will be participating at the New Mexico Water & Wastewater Association Conference the week of January 23rd as the President Elect.

B. Finance: Ms. Jackson provided a written report and stood for questions. After sending the report for inclusion in the packet she found an error. Meter test fees was included in the revenue's column, but was actually an expense. She will make the corrections and provide an updated report. Revenues were \$280,000.00 and expenses were \$460,000.00 expenses were higher due to the sewer issues we recently had, we will have to do a budget adjustment. She wanted to thank Mr. Lopez for other revenues that he has brought in. We are the Fiscal Agent for HYDA, Billing for DAC Sewer, DAC Delinquent Accounts, Billing for Anthony Water- Sewer, Rented tower spaces and the upcoming Solar Fields. All these other sources of revenue help us keep our rates low.

C. Projects: Ms. Nichols provided a written report and stood for questions. Mesquite-Brazito Sewer Project 2 construction is progressing well. We will need 12.5 million dollars to finish constructing what has been designed. Phase 3 will need 12.5 million dollars we are looking at Clean Water State funding and have an application with USDA-RD. We met with bond counsel to discuss RD bond requirements and he was able to provide some explanation and clarification on the process. I would add a cost of \$20,000.00 to the project. Mrs. Holguin suggested going to the Governor for funding. South Valley Water Supply & Treatment Project is close to completion. Valle Del Rio Project is also close to completion the Electric Company will install 3-phase power to the site beginning this week. The High Valley Project is also almost completed, once parts arrive the well

control panel will be installed. Stern Drive Extension Project is closed out. Funding application for the next phase was approved by the Water Trust Board for legislative authorization. Ms. Nichols said her NM Legislative information is on her report, she added the Capital Outlay Requests to it.

- D. Operations:** Mr. Lopez provided a written report and stood for questions. We installed several water and sewer lines. The force main from Brazito to Mesquite is working fine. We believe someone is dumping septic sewage in the system and will have to investigate. The well techs have finished replacing the media at the Venadito well site. We had been waiting on some parts but the came in and job was completed.

IX. Unfinished Business: none

X. New Business

- A. Motion to adopt Resolution FY2023-12 Assigning Rincon Service Area to Voting District 7:** Mr. Lopez said District 7 is Mr. F Smith's district. We will need to redistrict at some point, but for now we need to assign Rincon to one of our current districts. Mrs. Juarez made the motion to adopt Resolution FY2023-12 assigning Rincon Service Area to voting District 7. Mr. F Smith seconded the motion, the motion passed with all in favor.
- B. Motion to adopt Resolution FY2023-13 Authorizing Application to Colonia's Infrastructure Trust Fund for Rincon Water System Improvements Plan & Design:** Mr. Lopez said that Mr. Mike Lopez has a list of upgrades he would like to see done, but an Engineering company would evaluate the whole system and provide a complete list of what is needed. Ms. Nichols said the wells are very old and will need to be replaced. Mr. F Smith made the motion to adopt Resolution FY2023-13 authorizing application to Colonia's Infrastructure Trust Fund for Rincon. Mrs. Juarez seconded the motion, the motion passed with all in favor.
- C. Motion to authorize new RFP for Central Operations Facility Project due to expiration of Wilson & Co. contract:** Mr. Lopez said this is just a formality because the Contract has expired. This project includes federal funding so we are required to RFP. Mrs. Juarez made the motion to authorize a new RFP for Central Operations Facility Project, Mr. Cadena seconded the motion. Mrs. Holguin abstained from the vote. The motion passed with Mr. F Smith, Mr. Cadena and Mrs. Juarez yes vote.
- D. Motion to approve FY2022 audit and waive 5-day waiting period to release:** Mrs. Juarez made the motion to approve FY2022 audit and waive the 5-day waiting period to release. Mr. F Smith seconded the motion, the motion passed with all in favor. Mrs. Holguin thanked the Finance Dept. for all their hard work and for having another audit without any findings.
- E. Motion to adopt Resolution #FY2023-14 Adopting 2nd Quarter Budget:** Mr. F Smith made the motion to adopt Resolution #FY2023-14 adopting 2nd quarter budget. Mrs. Juarez seconded the motion. Mr. Lopez asked if the motion had to be with an amendment, but Ms. Jackson said no, the document included in the package was correct. The motion passed with all in favor.

- XI.** Other discussion and agenda items for next meeting at 9:00 a.m. Wednesday, February 15, 2023 at our La Mesa Office and via Zoom.
- A.** Have any Board Members participated in training? If so, please give us a copy of your certificate
 - B.** Motion to amend The Schedule of Rates & Fees – Water meter installation fees
 - C.** Authorize Public Hearing for Rate increases
- XII. Motion to Adjourn:** Mr. F Smith made the motion to adjourn the board meeting at 10:24 a.m. Mrs. Juarez seconded the motion, the motion passed with all in favor.

These minutes will be presented to the board for approval on the 17th Day of June, 2022 at a regular meeting of the Board of Directors:

SEAL:

Esperanza Holguin, Board Chair

Attest:

Glory Juarez, Secretary

LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY

Meeting Notice & Agenda—REGULAR BOARD OF DIRECTORS MEETING

9:00 a.m. Wednesday, January 18, 2023 AT THE EAST MESA OFFICE & ONLINE VIA ZOOM

Contact us at 575-233-5742 or 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 LRGPWVA Office or at www.LRGauthority.org/noticesavisos.html

- I. Call to Order, Roll Call to Establish Quorum: Mr. P. Smith _____ (District #1), Vacant (District #2), Vacant (District #3), Mrs. Holguin _____ (District #4), Vacant (District # 5), Mrs. Juarez _____ (District #6), Mr. F. Smith _____ (District #7)
- II. Pledge of Allegiance
- III. Appointment of Board Member – District 3
 - A. Oath of Office for James Cadena
- IV. Motion to approve Agenda
- V. Approval of Minutes: Motion to approve the minutes for Regular Board Meeting on December 7, 2022
- VI. Presentations: Karl Pennock, Rural Community Assistance Corporation – Update on Rate Study
- VII. Public Input: none
- VIII. Managers’ Reports
 - A. General Manager
 - B. Finance
 - C. Projects
 - D. Operations
- IX. Unfinished Business
- X. New Business
 - A. Motion to adopt Resolution FY2023-12 Assigning Rincon Service Area to Voting District 7
 - B. Motion to adopt Resolution FY2023-13 Authorizing Application to Colonia’s Infrastructure Trust Fund for Rincon Water System Improvements Plan & Design
 - C. Motion to authorize new RFP for Central Operations Facility Project due to expiration of Wilson & Co. contract.
 - D. Motion to approve FY2022 audit and waive 5-day waiting period to release.
 - E. Motion to adopt Resolution #FY2023-14 Adopting 2nd Quarter Budget

XI. Other discussion and agenda items for next meeting at 9:00 a.m. Wednesday, February 15, 2023 at our La Mesa Office and via Zoom.

- A.** Have any Board Members participated in training? If so, please give us a copy of your certificate
- B.** Motion to amend The Schedule of Rates & Fees – Water meter installation fees

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.



East Mesa Campus
Chaparral Center
Sunland Park Center

Espina Campus
Gadsen Center
Workforce Center

3400 South Espina Street, Las Cruces, NM 88003, (575) 528 - 7000
Toll Free 1 (800) 903 - 7503, Fax (575) 527 - 7515, dacc.nmsu.edu

January 10, 2023

To: Espy Holguin & Matin Lopez

From: James Cadena

Subj: Lower Rio Grande Public Works Authority Board

My name is James Cadena and I would like to express my sincerest intention of serving on the Lower Rio Grande Public Works Authority Board of Directors. I am always interested in serving the public in any capacity and would consider it an honor if my request was approved.

My contact information is as follows:

James Cadena
370 Rusty Spur Ln.
La Mesa, NM 88044
480-206-5930
icadena@dacc.nmsu.edu

Thank you for the opportunity of correspondence,

Sincerely,

James Cadena

Assistant Professor of Business
Faculty Affairs Chair
Doña Ana Community College
icadena@dacc.nmsu.edu
Office 575-527-7661



www.LRGauthority.org

LOWER RIO GRANDE

Public Water Works Authority

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

Oath of Office

I, **James Cadena**, 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 3 Term ends Dec. 31, 2025

Appointee's Signature

Subscribed and sworn to be this 18th day of January,
2023

Signature

Title

My commission/term expires _____

LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY

Minutes —REGULAR BOARD OF DIRECTORS MEETING

9:00 a.m. Wednesday, December 7, 2022 AT THE LA MESA OFFICE & ONLINE VIA ZOOM

Contact us at 575-233-5742 or 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

- I. **Call to Order, Roll Call to Establish Quorum:** The Board Chair called the meeting to order at 9:06 a.m. 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 via Zoom. Staff in attendance 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 and Guests present Tyler Hopkins from Bohannon Huston (joined during the Appointment of a new Board Secretary) and Omar Castro LRG customer (Mr. Castro left after public input).
- II. **Pledge of Allegiance:** The pledge of allegiance was led by General Manager Martin Lopez.
- III. **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.
- IV. **Approval of Minutes: Motion to approve the minutes for Regular Board Meeting on November 9, 2022:** Mr. F Smith made the motion to approve the minutes for November 9, 2022 board meeting. Mrs. Juarez seconded the motion, the motion passed with all in favor.
- V. **Presentations:** none
- VI. **Public Input:** Mr. Omar Castro owns a property at 41 McCrimon and has concerns he wants to address the board with. He said he sold this property to Mr. Emilio Palma and said this gentleman has not paid him and believes he has also not paid LRG for water usage. He is willing to pay the balance but believes some of that balance might belong to Mr. Emilio Palma. The woman he has sold the property to has children and they need water. Mr. Lopez said this property had an illegal tampering fee added because we found an illegal connect. There was also a water leak, which was caused by the illegal connection. The woman had agreed to pay the previous balance and her balance but did not pay either she was offered a payment plan but did not agree. There are two liens against this property and there is also an outstanding balance with Dona Ana County for sewer service. The water service can not be restored until the two liens are paid in full. Mrs. Holguin asked that Ms. Charles gather copies of all letters sent about this account and send them to Mr. Castro.
- VII. **Managers' Reports**
 - A. **General Manager:** Mr. Martin Lopez provided a written report and stood for questions. The farming agreement for the Vado farm land has been renewed for 2023. We had IT issues on the

28th after the Thanksgiving Holiday. It disrupted the internet and our billing program. The due date was extended until November 29th. Met with Dr. Patrick Sullivan, Treasure-Manager and staff from EBID to discuss long term strategies and projects for LRGPWWA. Submitted an extension of time to NMOSE for LRG 03338 (South Valley) water rights. Mr. Lopez was asked to run for President Elect of the New Mexico Water Wastewater Association for 2023, if elected it will be the 3rd time. Our offices will be closed on December 26th in observance of Christmas and on January 2nd in observance of New Year's Day.

- B. Finance:** Ms. Jackson provided a written report and stood for questions. This income statement is for end of October 2022, revenues were \$269,443.62 and expenses were \$342,447.84. We spend about \$50,000.00 on pumping out the sewer system. She is still working on end of November's income statement. November and December's early meeting do not give us enough time to get the income statements ready for the meetings. We will be back on track in January 2023. We will be having the Audit Exit meeting right after this meeting.
- C. Projects:** Ms. Nichols provided a written report and stood for questions. Mesquite-Brazito Project 2 closing on Colonia's Infrastructure Loan/Grant is on today's agenda. Central Office Building - Mr. Lopez mailed out the letters to the contractor and the bonding company to notify them they are in default. The substantial completion date was November 29th and all we have done is the dirt work. We are moving ahead with our legal options. Valle Del Rio Project – The contractor went to order the generator and the frame to receive it is 52 weeks, so he changed brands and it will take 30 weeks to get that. We will probably have to extend the funding again. NMFA has seen this problem and is understanding about the delays.
- D. Operations:** Mr. Mike Lopez provided a written report but had an appointment outside the office. Mr. Martin Lopez there were 3 blockages in the force main from Brazito to Mesquite, we had to have a septic hauler help with that. Turns out there was a dropped man hole and was letting crusher refines in the hole. The man hole had to be cleaned up and some repairs had to be made. All water tanks were inspected and cleaned.

VIII. Unfinished Business: none

IX. New Business

- A. Appointment of a new Board Secretary:** Mrs. Holguin asked Mrs. Juarez if she would be interested in the Secretary position due to the resignation of Mr. Evaro. Mrs. Holguin thanked Mr. Evaro for his service as a board member for LRGPWWA. Mrs. Holguin nominated Mrs. Juarez as secretary of the LRGPWWA Board. Mr. Evaro made the motion to appoint Mrs. Juarez as secretary of the LRGPWWA Board of Directors. Mr. P Smith seconded the motion the motion passed with all in favor. Mrs. Juarez accepted the appointment. Mr. Tyler Hopkins jointed our board meeting at this time.
- B. Motion to adopt Resolution #FY2023-11 Authorizing the NMFA Loan/Grant Agreement for CIF-5782 Mesquite-Brazito Sewer Project 2:** Mr. F Smith made the motion to adopt Resolution #FY2023-11 authorizing the NMFA Loan/Grant Agreement for CIF-5782 Mesquite-Brazito Sewer Project 2. Mr. Evaro seconded the motion, the motion passed with all in favor.

- C. Motion to authorize staff pay increases within the current budget:** Mr. Lopez would like the board to authorize staff pay increases. These pay increases are included in the current budget, the percentage will be worked on but will not be more than 5%. The increase would be effective the first pay period of 2023. Ms. Jackson said the budget did not originally include the Rincon staff so a budget adjustment would have to be made, Mr. Lopez said once we transfer their funds to LRGPPWA that would help the budget as well. Mr. Evaro made the motion to authorize staff pay increases within the current budget. Mrs. Juarez seconded the motion, the motion passed with all in favor. Mr. Lopez mentioned that the Audit exit conference right after this board meeting and welcome them to stay for it.
- D. Motion to approve FY2022 audit:** postponed until audit is released by NM OSA Mrs. Holguin asked for a motion to table the approval of FY2022 audit. Mrs. Juarez made the motion to table the approval of the FY2022 audit. Mr. P Smith seconded the motion, the motion passed with all in favor. Mr. Mike Lopez joined the board meeting at this time.
- E. Motion to convene in closed session pursuant to NMSA 1978 10-15-1 H.2- limited personnel matters to discuss evaluation of the General Manager:** Mrs. Juarez made the motion to convene in closed session pursuant to NMSA 1978 10-15-1 H.2 limited personnel matters to discuss evaluation of the General Manager. Mr. Evaro seconded the motion, the motion passed with all in favor.
- i. Roll Call Vote:**
Mr. P. Smith YES (District #1), District #2 vacant, Mr. Evaro YES (District #3), Mrs. Holguin YES (District #4), District #5 vacant, Mrs. Juarez YES (District #6), Mr. F. Smith YES (District #7)
- ii. Motion to reconvene in open session.** Mrs. Juarez made the motion to reconvene to open session. Mr. P Smith 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.*** Board 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.** Mrs. Juarez made the motion to give a 2.5% pay increase to General Manager Martin Lopez due to his outstanding evaluation. Mr. Evaro seconded the motion, the motion passed with all in favor.
- X. Other discussion and agenda items for next meeting at 9:00 a.m. Wednesday, January 18, 2023 at our East Mesa Office and via Zoom.**
- A. Have any Board Members participated in training? If so, please give us a copy of your certificate:**
None
- B. Motion to amend The Schedule of Rates & Fees – Water meter installation fees**

C. Setup a Work Session with RCAC they have Preliminary Rate Adjustments for water & sewer would like to schedule it for January 2023.

XI. **Motion to Adjourn:** Mr. Evaro made the motion to adjourn today's board meeting at 10:05 a.m. Mrs. Juarez seconded the motion, the motion passed with all in favor.

These minutes will be presented to the board for approval on the 7th Day of December, 2022 at a regular meeting of the Board of Directors:

SEAL:

Esperanza Holguin, Board Chair

Attest:

Glory Juarez, Secretary



Water and Sewer Rate Study Overview

Lower Rio Grande Public Water Works Authority
January 18, 2023

Karl Pennock

Rural Development Specialist
Rural Community Assistance
Corporation (RCAC)

kpennock@rcac.org

575-932-8222



Periodic Rate Analysis

- Fulfills a statutory requirement
- Satisfies USDA-RD requirements for federally funded projects
- Is done by a 3rd party to perform the rate analysis, determine fiscal capacity and make recommendations
- Findings and recommendations are presented to the public, then to the board for consideration & implementation

NMSA 1978 §73-26-1 Lower Rio Grande Public Water Works Authority

F. The authority shall exercise all powers allowed pursuant to law, including:

(1) regulating, supervising and operating the authority's facilities;

(2) establishing rates and imposing assessments, fees and charges and taking action necessary for the enforcement thereof;

(3) assessing a standby charge for the privilege of connection into the authority's service at some date in the future if the property line is within three hundred feet of the authority's service lines and the property line is located within the boundaries of the authority. This section applies to new connections after the enactment of this act

A Rate Structure Should

- Generate sufficient and stable revenue to cover all operating expenses
- Be equitable
- Be easy to explain and understand
- Be updated on a regular basis

LGPWWA Observations

- Growing (~0.5% annually).
- Well managed (25 loans fully paid, received funding of \$52M in the last few years, including \$37M in grants)
- Last water rate increase (2014), 3% annual water adjustment adopted in 2021
- Extensive capital infrastructure needs

FY24-28 ICIP

Infrastructure Capital Improvement Plan F2024-2028

Lower Rio Grande Public Water Works Authority Project Summary

ID	Year	Rank	Project Title	Category	Funded to date	2024	2025	2026	2027	2028	Total Project Cost	Amount Not Yet Funded	Phases?
39635	2024	001	LRGPWWA South Valley Water System Improvements	Water - Water Supply	110,000	13,825,000	11,924,000	0	0	0	25,859,000	25,749,000	Yes
39636	2024	002	LRGPWWA East Mesa Water System Improvements	Water - Water Supply	110,000	2,044,000	8,544,000	0	0	0	10,698,000	10,588,000	Yes
30435	2024	003	LRGPWWA Central Operations Facility	Facilities - Administrative Facilities	4,796,939	750,000	0	0	0	0	5,546,939	750,000	Yes
21301	2024	004	LRGPWWA Authority Brazito Sewer Project	Water - Wastewater	22,842,800	11,000,000	0	0	0	0	33,842,800	11,000,000	Yes
30449	2024	005	LRGPWWA Contaminant Removal Facilities & Equipment	Water - Water Supply	0	600,000	600,000	600,000	0	0	1,800,000	1,800,000	Yes
24026	2024	006	LRGPWWA Information Technology Standardization	Equipment - Other	67,000	1,080,000	150,000	100,000	250,000	0	1,647,000	1,580,000	Yes
19248	2024	007	Authority Interconnect Looping Project	Water - Water Supply	325,521	100,000	1,507,367	0	0	0	1,932,888	1,607,367	Yes
25937	2024	008	40 Year Water Plan Update	Water - Water Supply	0	75,000	0	0	0	0	75,000	75,000	No
25920	2024	009	Water Rights Purchase	Water - Water Rights	0	1,800,000	0	0	0	0	1,800,000	1,800,000	Yes
25096	2024	010	Heavy Equipment Purchase	Equipment - Other	220,000	571,000	100,000	100,000	100,000	100,000	1,191,000	971,000	Yes
30447	2024	011	Water Master Plan	Water - Water Supply	110,000	50,000	0	0	0	0	160,000	50,000	No
22906	2025	001	Light Equipment Purchase	Equipment - Other	160,145	0	300,000	90,000	90,000	80,000	720,145	560,000	Yes
39631	2026	001	Water Line Extensions to Unserved Areas	Water - Water Supply	0	0	0	7,232,463	3,821,920	0	11,054,383	11,054,383	Yes
27612	2027	001	Green Projects	Other - Other	0	0	0	0	100,000	0	100,000	100,000	No

Wednesday, June 15, 2022

Lower Rio Grande Public Water Works Authority/ICIP 07025

Total Project Cost = \$96.48M

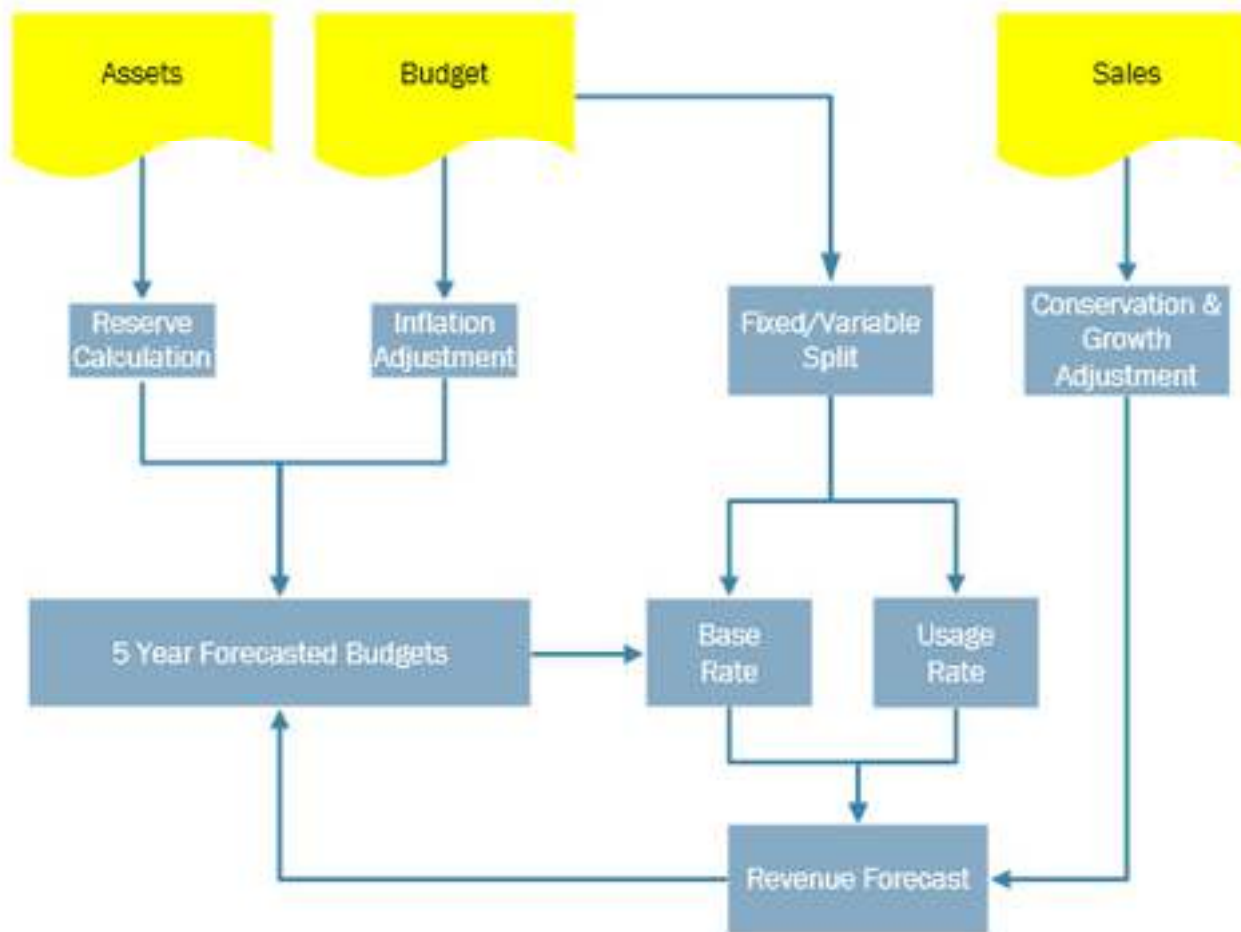


Approach

- Provide adequate **revenue** to meet current and projected needs including operations, debt payments, and reserves
- Evaluate rate structure based on **water usage and meter size**
- Implement increases in phases when possible

Methodology

Rate Setting with Water Meters



Typical Information Required

- Current rates and fees
- Budget and historical financial reporting for past 3 years
- Water production data and 12-month billed usage reports by customer account
- Asset inventory
- Existing debt and proposed improvements
- Engineering studies and cost estimates

Example of Five-Year Forecasted Budget

	FY22	FY23	FY24	FY25	FY26	FY27	FY28
Monthly Service Charges	\$ 108,558.49	\$ 111,960.00	\$ 156,787.20	\$ 175,601.66	\$ 179,991.71	\$ 184,491.50	\$ 189,103.79
Connection Charges	\$ 8,824.80	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00
Standby Charges	\$ 9,180.00	\$ 13,000.00	\$ 13,000.00	\$ 13,000.00	\$ 13,000.00	\$ 13,000.00	\$ 13,000.00
Yard Rental	\$ 39,000.00						
Dump Fee - FM	\$ 18,700.00	\$ 18,700.00	\$ 18,700.00	\$ 18,700.00	\$ 18,700.00	\$ 18,700.00	\$ 18,700.00
Total Operating Revenue	\$ 184,263.29	\$ 151,660.00	\$ 196,487.20	\$ 215,301.66	\$ 219,691.71	\$ 224,191.50	\$ 228,803.79
Additional Revenue from Rate Adjustments	\$ -	\$ 44,827.20	\$ 18,814.46	\$ 4,390.04	\$ 4,499.79	\$ 4,612.29	\$ 4,727.59
Deduction for Partial Year adjustment		\$ (22,413.60)					
Uncollectable Accounts (Write-Off)							
Adjusted Total Operating Revenue	\$ 184,263.29	\$ 174,073.60	\$ 215,301.66	\$ 219,691.71	\$ 224,191.50	\$ 228,803.79	\$ 233,531.38
System Expenses							
Base Operating Expenses	\$ 175,960.26	\$ 175,108.00	\$ 180,361.24	\$ 185,772.08	\$ 191,345.24	\$ 197,085.60	\$ 202,998.16
Additional Operating Expenses (WWTP Project 1-Facultative Pond)		\$ -		\$ -	\$ -	\$ -	
Additional Operating Expenses (WWTP Project 2)							
Existing Debt Payments	\$ 1,152.00	\$ 1,152.00	\$ 1,152.00	\$ 1,152.00	\$ 1,152.00	\$ 1,152.00	\$ 1,152.00
Debt Payments (Project 1) - \$750K, 10% loan, 20 years, 0% IR				\$ 3,750.00	\$ 3,750.00	\$ 3,750.00	\$ 3,750.00
Debt Payments (Project 2)							
Debt Payments (Project 3)							
Total Operating Expense + Debt	\$ 177,112.26	\$ 176,260.00	\$ 181,513.24	\$ 190,674.08	\$ 196,247.24	\$ 201,987.60	\$ 207,900.16
Other Eligible Revenue							
Net System Revenue (including debt)	\$ 7,151.03	\$ (2,186.40)	\$ 33,788.42	\$ 29,017.63	\$ 27,944.26	\$ 26,816.19	\$ 25,631.22
Plus: Beginning Cash Position	\$ -	\$ 7,151.03	\$ (18,686.51)	\$ (8,549.23)	\$ (3,182.74)	\$ 1,110.37	\$ 4,275.42
Net Position Before Reserves	\$ 7,151.03	\$ 4,964.63	\$ 15,101.91	\$ 20,468.40	\$ 24,761.52	\$ 27,926.56	\$ 29,906.64
Debt Reserve			\$ -	\$ -	\$ -	\$ -	\$ -
Operating Reserve		\$ 1,178.62	\$ 1,178.62	\$ 1,178.62	\$ 1,178.62	\$ 1,178.62	\$ 1,178.62
Emergency Reserve		\$ 1,666.67	\$ 1,666.67	\$ 1,666.67	\$ 1,666.67	\$ 1,666.67	\$ 1,666.67
Short-Lived Asset Reserve							
Capital Reserve		\$ 20,805.85	\$ 20,805.85	\$ 20,805.85	\$ 20,805.85	\$ 20,805.85	\$ 20,805.85
Total Reserves	\$ -	\$ 23,651.14	\$ 23,651.14	\$ 23,651.14	\$ 23,651.14	\$ 23,651.14	\$ 23,651.14
Net Position After Reserves	\$ 7,151.03	\$ (18,686.51)	\$ (8,549.23)	\$ (3,182.74)	\$ 1,110.37	\$ 4,275.42	\$ 6,255.49
Operating Ratio	104.0%	98.8%	118.6%	115.2%	114.2%	113.3%	112.3%
Debt Coverage Ratio	720.7%	-89.8%	3033.0%	692.0%	670.1%	647.0%	622.9%

Progress and Timeline

- Kick-Off Call (completed)
- Work sessions – in process
- Authorize public hearings – February 2023
- Submit draft report – expected March 2023
- Public presentations for discussion and comment – March/April 2023
- Adopt final report incorporating comment – April/May 2023
- Implement new rates – July 2023

Questions



LRGPWWA
Manager's Report
January 18, 2023

- Site Visit by Arizona State University conducting the facilities energy audit on our behalf in mid-December
- Long-time Operator (Well Tech) resigned at the beginning of the year, replaced with new trainee (water technology program)
- Rehired meter reader-Finance Department
- The Annual Facility Safety Inspection is in progress
- Karen and I attended a meeting with area State Legislators-Status of LRGPWWA and Capital Outlay Request discussion
- We submitted a Capital Outlay Request on behalf of the Talavera MDWCA (radio read meter, etc.) and listed the LRGPWWA as their fiscal agent
- I will be participating at the New Mexico Water and Wastewater Association Conference the week of January 23rd
- Office was closed on January 16th in Observance of Martin Luther King Jr. Birthday



Lower Rio Grande Public Water Works Authority

Income Statement

Group Summary

For Fiscal: FYE 2023 Quarter Ending: 12/31/2022

AcctNumber	Current Total Budget	MTD Activity	QTD Activity	YTD Activity	Budget Remaining
Revenue					
40000 - Operating Revenue	3,409,550.00	232,022.89	775,772.60	1,813,228.40	1,596,321.60
40001 - Activation & Connection Fees-Sewer	525.00	0.00	0.00	0.00	525.00
40002 - Installation Fees	153,750.00	2,933.34	20,566.99	35,452.55	118,297.45
40003 - Activation & Connection Fees-Water	5,250.00	2,816.66	6,216.64	14,083.32	-8,833.32
40005 - Backflow Testing	7,350.00	700.00	3,250.00	5,025.00	2,325.00
40006 - Tampering Fee/Line Breaks	0.00	579.43	1,579.43	2,879.43	-2,879.43
40007 - Delinquency Fee	78,750.00	9,650.00	24,550.00	44,600.00	34,150.00
40008 - Penalties-Water	78,750.00	7,986.70	26,265.27	54,247.62	24,502.38
40009 - Membership Fees	5,250.00	750.00	1,400.00	3,250.00	2,000.00
40010 - Impact Fees	42,000.00	5,391.68	16,733.31	35,979.78	6,020.22
40011 - Returned Check Fees	525.00	35.00	175.00	385.00	140.00
40012 - Credit Card Fees	12,600.00	1,232.00	4,040.00	8,606.00	3,994.00
40013 - Miscellaneous Revenue	210.00	30.00	70.00	90.00	120.00
40015 - Penalties-Sewer	6,300.00	2,533.97	7,162.05	13,822.24	-7,522.24
40016 - Meter Test Fee	0.00	0.00	-6,504.13	-6,504.13	6,504.13
40017 - Hydrant Meter Rental Fee	5,250.00	750.00	1,250.00	2,000.00	3,250.00
40018 - Permit Fees	0.00	0.00	0.00	200.00	-200.00
40019 - DAC Trash Coupons	1,050.00	32.00	156.00	348.00	702.00
40020 - Miscellaneous Revenue-Sewer	5,250.00	63.04	189.12	378.24	4,871.76
40025 - DAC Sewer Revenue	0.00	3,880.20	12,635.24	28,237.64	-28,237.64
45000 - Tower Rent	5,250.00	500.00	1,500.00	3,000.00	2,250.00
45001 - Billing Adjustments-Water	0.00	0.00	-259.96	-1,113.54	1,113.54
45005 - Fiscal Agent Fees	52,500.00	4,511.76	14,053.70	30,240.75	22,259.25
45010 - Interest	0.00	47.73	151.56	276.08	-276.08
45015 - Copy/Fax	105.00	5.75	18.25	39.25	65.75
45020 - Other Income	47,250.00	0.00	3,699.07	6,014.81	41,235.19
45022 - Annual Farm Rental	5,250.00	0.00	0.00	2,500.00	2,750.00
45025 - Contract Services	102,000.00	2,894.19	9,686.39	19,724.24	82,275.76
45030 - Transfers In	300,000.00	0.00	-86,642.40	100,000.00	200,000.00
49000 - Recovered Bad Debts	0.00	0.00	100.00	500.00	-500.00
Revenue Total:	4,324,715.00	279,346.34	837,814.13	2,217,490.68	2,107,224.32
Expense					
60001 - Transfers to Reserves	0.00	10,000.00	30,000.00	60,000.00	-60,000.00
60005 - Accounting Fees	525.00	0.00	0.00	0.00	525.00
60010 - Audit	14,700.00	0.00	9,345.00	9,345.00	5,355.00
60020 - Bank Service Charges	15,750.00	2,294.29	9,304.01	19,633.60	-3,883.60
60025 - Cash Short/Over	525.00	2,659.80	17.64	1,065.68	-540.68
60026 - Computer Hardware	10,500.00	0.00	2,288.83	6,497.68	4,002.32
60030 - Dues and Subscriptions	3,150.00	539.99	1,958.99	30,846.55	-27,696.55
60035 - Engineering Fees	63,000.00	9,559.18	11,601.99	24,787.72	38,212.28
60045 - Late Fees	8,340.00	291.18	366.18	366.18	7,973.82
60050 - Legal Fees	5,250.00	0.00	1,221.60	3,527.62	1,722.38
60055 - Legal Notices	2,625.00	0.00	0.00	94.35	2,530.65
60060 - Licenses & Fees	12,540.00	60.00	3,872.59	7,046.49	5,493.51
60065 - Meals	2,625.00	202.51	520.34	835.13	1,789.87
60075 - Permit Fees	8,865.00	0.00	564.58	1,014.58	7,850.42
60080 - Postage	3,150.00	278.98	977.87	1,256.15	1,893.85

60090 - Professional Fees-Other	10,500.00	0.00	0.00	0.00	10,500.00
60100 - Project Development	0.00	0.00	0.00	7,300.00	-7,300.00
60120 - Retirement Account Fees	6,825.00	0.00	5,005.29	10,093.94	-3,268.94
60125 - Easements & Leases	10,500.00	0.00	7,955.86	7,955.86	2,544.14
60130 - Training	5,250.00	100.00	5,055.99	5,278.94	-28.94
60140 - Travel:Airfare Per Diem	3,150.00	0.00	0.00	0.00	3,150.00
60150 - Travel:Lodging Per Diem	4,200.00	4,624.95	5,066.44	5,066.44	-866.44
60155 - Travel:Meals Per Diem	2,100.00	0.00	101.02	787.08	1,312.92
60160 - Travel:Mileage/Parking Per Diem	1,575.00	0.00	0.00	0.00	1,575.00
60165 - Travel:Vehicle Rental Per Diem	1,050.00	0.00	0.00	0.00	1,050.00
60600 - Debit Service	307,750.00	20,491.76	54,857.09	89,088.38	218,661.62
60625 - Interest paid to NMED	14,700.00	0.00	0.00	0.00	14,700.00
60650 - Interest paid to NMFA	38,850.00	7,996.17	7,996.17	16,853.31	21,996.69
60675 - Interest paid to USDA	150,500.00	13,074.24	48,665.88	87,893.09	62,606.91
60680 - RCAC Interest Expense	0.00	0.00	0.00	33,835.41	-33,835.41
63000 - Regular Pay	1,176,000.00	115,506.66	288,395.53	579,849.95	596,150.05
63001 - Overtime	57,225.00	5,814.28	14,890.62	24,157.30	33,067.70
63006 - Holiday Pay	59,325.00	16,702.58	27,828.08	43,001.21	16,323.79
63007 - Sick Pay	52,500.00	13,503.02	22,980.07	39,034.31	13,465.69
63008 - Annual Leave Pay	123,900.00	16,718.35	34,572.80	59,733.20	64,166.80
63010 - 401K 10% Company Contribution	5,250.00	0.00	0.00	0.00	5,250.00
63020 - 401K Employee Contribution	2,100.00	0.00	0.00	0.00	2,100.00
63040 - Administrative Labor	5,250.00	0.00	0.00	0.00	5,250.00
63070 - Employee Benefits-401K Contrib	176,925.00	4,593.46	10,343.14	20,050.68	156,874.32
63100 - Insurance-Dental	13,125.00	1,211.42	3,340.20	6,436.04	6,688.96
63110 - Insurance-Health	310,000.00	30,895.98	83,715.44	159,504.80	150,495.20
63115 - Salaries: Insurance - Work Comp	15,750.00	1,867.00	3,941.00	6,740.00	9,010.00
63125 - Insurance: Life & Disability	20,000.00	1,797.16	4,793.76	9,127.87	10,872.13
63130 - Mileage	1,575.00	219.15	219.15	219.15	1,355.85
63135 - Drug Testing	1,000.00	0.00	180.00	395.00	605.00
63160 - Payroll Taxes-Medicare	21,525.00	2,439.57	5,635.72	10,813.77	10,711.23
63170 - Payroll Taxes-Social Security	84,525.00	10,431.16	24,097.27	46,238.02	38,286.98
63180 - Payroll Taxes-State Unemployment	0.00	3,896.33	3,896.33	5,495.33	-5,495.33
63195 - Taxes, Liability, Insurance: Cobra Fee	0.00	75.00	395.00	480.00	-480.00
63200 - Vision Insurance	4,200.00	336.46	910.05	1,699.14	2,500.86
64100 - Sewer:DAC Waste Water Flow Charge	52,500.00	0.00	5,067.75	19,925.22	32,574.78
64200 - Sewer:Electricity-Sewer	24,450.00	1,075.14	2,596.04	8,351.05	16,098.95
64300 - Sewer:Lab & Chemicals-Sewer	10,500.00	942.77	6,325.42	8,233.12	2,266.88
64500 - Sewer:Supplies & Materials	29,925.00	0.00	357.02	357.02	29,567.98
64501 - Pre Paid Tank Site Lease	1,706.25	0.00	0.00	0.00	1,706.25
65010 - Automobile Repairs & Maint.	52,500.00	3,118.96	12,127.17	21,189.94	31,310.06
65230 - Computer Maintenance	73,500.00	4,057.56	15,863.47	31,974.65	41,525.35
65240 - Equipment Rental	5,125.00	0.00	568.31	2,270.31	2,854.69
65250 - Fuel	90,000.00	9,114.81	24,353.09	48,673.61	41,326.39
65255 - GPS Insights Charges	7,350.00	1,181.00	1,771.50	3,603.10	3,746.90
65260 - Kitchen & Cleaning Supplies	1,050.00	0.00	0.00	0.00	1,050.00
65270 - Lab Chemicals-Water	5,250.00	54.38	210.61	361.46	4,888.54
65275 - SCADA Maintenance Fee	2,100.00	0.00	365.00	365.00	1,735.00
65276 - Test Equipment Calibration	2,100.00	0.00	119.00	119.00	1,981.00
65277 - Generator Maintenance Contract	3,150.00	0.00	0.00	2,616.97	533.03
65278 - Meter Testing/Repair/Replacement	64,234.00	339.83	339.83	399.83	63,834.17
65280 - Lab Chemicals-Water:Chemicals	36,750.00	2,508.13	9,059.88	24,958.27	11,791.73
65300 - Locates	2,625.00	0.00	0.00	0.00	2,625.00
65310 - Maint. & Repairs-Infrastructure	98,250.00	68,138.35	152,737.30	238,137.70	-139,887.70
65320 - Maint. & Repairs-Office	13,125.00	1,576.22	11,747.26	13,362.48	-237.48

65330 - Maintenance & Repairs-Other	248,265.00	18,017.49	40,568.06	50,516.73	197,748.27
65340 - Materials & Supplies	99,749.75	8,376.21	12,717.35	25,565.10	74,184.65
65345 - Non Inventory-Consumables	52,500.00	9,702.01	15,731.16	27,666.40	24,833.60
65350 - Office Supplies	10,500.00	1,304.03	3,349.37	6,580.67	3,919.33
65360 - Printing and Copying	60,000.00	4,173.62	14,677.29	25,139.15	34,860.85
65370 - Tool Furniture	10,500.00	1,782.68	2,839.52	11,579.93	-1,079.93
65390 - Uniforms-Employee	15,750.00	1,685.76	2,730.05	5,596.66	10,153.34
65490 - Cell Phone	21,000.00	1,653.21	4,961.29	10,240.84	10,759.16
65500 - Electricity-Lighting	6,300.00	419.29	898.70	3,792.23	2,507.77
65510 - Electricity-Offices	15,750.00	1,102.08	2,141.13	8,880.25	6,869.75
65520 - Electricity-Wells	210,000.00	18,082.76	34,863.56	134,640.36	75,359.64
65530 - Garbage Service	3,150.00	271.59	814.77	1,629.83	1,520.17
65540 - Natural Gas	3,150.00	341.02	551.49	984.41	2,165.59
65550 - Security/Alarm	5,250.00	129.98	129.98	1,077.52	4,172.48
65560 - Telephone	21,000.00	1,864.12	6,703.72	10,210.07	10,789.93
65561 - Telstar Maintenance Contract	7,350.00	0.00	0.00	0.00	7,350.00
65570 - Wastewater	9,390.00	194.78	584.34	1,168.68	8,221.32
66200 - Insurance-General Liability	94,500.00	0.00	29,914.00	51,285.00	43,215.00
66700 - Water Conservation Fee	15,750.00	992.06	3,413.53	8,346.20	7,403.80
Expense Total:	4,324,715.00	460,380.47	1,158,075.48	2,253,243.71	2,071,471.29
Total Surplus (Deficit):	0.00	-181,034.13	-320,261.35	-35,753.03	35,753.03

**LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY
PROJECTS REPORT – 1/18/2023**

LRG-17-01 – Mesquite-Brazito Sewer Project 2 – Bohannon Huston, Inc./Smithco Construction – Construction Stage – USDA-RD LOC \$17,073,000 (\$6,189,000 Loan/\$8,030,000 Grant, \$2,854,000 additional grant) – Closing on Colonia’s Infrastructure Loan/Grant is final on Friday. USDA-RD loan closing was held 12/16/22, but funds for the first draw were not processed right away due to an issue at RD Finance Dept., and we incurred 6 days additional interest on the interim loan. Construction is progressing well with few customer complaints. We met with bond counsel Chris Muirhead to discuss RD bond requirements on 1/11/23, and he was able to provide some explanation and clarification of the process.

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 Planning USDA-RD Construction Funds– Bohannon Huston - Construction stage - \$1,174,00,000 RD Loan and \$4,629,000 Grant RD Funds: Eight draws have been submitted for RD funds. Arsenic skid has been installed. Project meeting was held 1/12/23.

LRG-17-02 – Central Office Building – Wilson & Co. - DW-4213 \$3,586,286.00 - SAP 21-F2723-STB \$1,200,000: Met with the contractor’s bonding company attorney and representatives from C&E Industrial and Wilson & Co. on 12/12/22. Contractor came into the meeting with a new proposed modular building subcontractor that is on the approved list, agreed to cover the cost increase over what the initial subcontractor was charging, and proposed a new construction schedule. Based on this, Change Order #1 was approved on 12/22/22 with a new Substantial Completion date of 10/22/23. We need to re-RFP for architectural services due to contract expiration.

Forty-Year Water Plan – CE&M – complete – needs update for new mergers after Brazito combine & commingle: Currently only includes the initial five systems. Brazito combine & commingle is in process, needs to be complete first. Also need to complete the Rincon merger.

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/Morrow Enterprises, Inc.: Project is on hold pending El Paso Electric Company work to install 3-phase power to the site. That should begin this week. Received fully executed grant agreement for the SAP project to move treatment skid from Desert Sands, and engineering contract is in preparation.

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, 5535-CIF \$67,487 Loan incl. Match/\$269,910 Grant, DW-5631 \$1,338,660 Loan/\$2,788,875 Grant – Ph I Construction, Ph II Design – Phase I construction bid opening is 1/31/23. Phase II 60% design meeting was 11/10/22 and 7 Requisitions have been submitted.

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 funding is closed out. Engineering contract amendment #9 has been submitted to NMED-CPB for the remainder of the work for Phase III, but contract has expired and we are trying to get approval to finish it under the On-Call procurement. Contractor will install well control panel once all parts arrive, and Change Order 7 for relocating booster skid and generator from Valle Del Rio has been approved.

LRG-18-02 – Stern Drive Waterline Extension Project – Design/Build – SMA - \$150,000 SAP – Project is now closed out. Funding application for the next phase was approved by the Water Trust Board for legislative authorization.

LRG-19-09 – S. Valley Service Area Line Extensions - SMA – See the Stern Drive Project for information.

On-Call Engineering Services – BHI has Task Orders for support for the Regional Project, BLM permit renewals, NM SLO and discharge permit renewals, subdivision reviews, and voting district and service area map updates. SMA has Task Orders for the Stern Drive Project and High Valley Project, and completed one for a line-extension cost estimate.

Other projects:

NM 2023 Legislature: Martin & I will be cooperating with RCAC, Rick Martinez, and other stakeholders on regional authority legislation. Mr. Martinez has a contract for lobbying, and will be presenting the S. Valley Regional Water System Improvements as a state-wide project. EBID provided a letter of support, and Dr. Phil King will be providing one as a member of the Water Policy & Infrastructure Task Force. Capital Lay Requests have been submitted for:

- South Valley Regional Water System Improvements - \$25,749,000
- Central Operations Facility - \$500,000
- Heavy Equipment Purchase - \$350,000 for Rincon Svc. Area - \$500,000 for S. Valley Svc. Area
- S. Valley Waterline Extension Project - \$500,000
- S. Valley SCADA - \$200,000

Infrastructure Capital Improvements Plan 2024-2028: ICIP is complete and has been submitted.

Reporting to Funding Agencies: Quarterly CIF Reports were submitted for the 2nd Quarter; SAP monthly reporting Capital Outlay and US Census Construction reporting are 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 training by RCAC on 11/29/22 and an ethics training for professional engineers on 11/21/22. Patty attended 2023 Colonia's Infrastructure Application Training.

Collection & Lien Procedures - 309 first notifications, 306 certified letters have been sent and 131 liens have been filed to date. 53 liens have been released following payment in full of the account.

Water Audits – Water Audit Committee met on 7/6/22 & 7/15/22 to review 2022 data, and will meet again to continue resolving issues.

Rate Study – Karl Pennock, RCAC, will be giving an update on the Rate Study today.

Cyber Security Assessment – Our insurance company is requiring training for all employees on phishing & malware, Patty has administered the 2021 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. PEC met on 1/12/23, full board on 1/13/23.

Lower Rio Grande PWWA

Operators Report

January 18, 2022

Backflow inspections are Current. (Mesquite District)

- For the month of December, we were issued 325 work and service orders.
- For the month of November, we were issued 285 work and service orders.
- For the month of December, we installed 10 new water service connections in the South Valley Area.
- We had no new services installed at the East Mesa.
- We had no service or Main line breaks at the East Mesa service area.
- We had 3 Main line water breaks in South valley area.
- The force main from Brazito to Mesquite is working fine, however I believe that a septic company is dumping their septic sewage, Ramon and I are going investigate the situation.
- The well Techs have finished replacing the media at the Venadito well site.

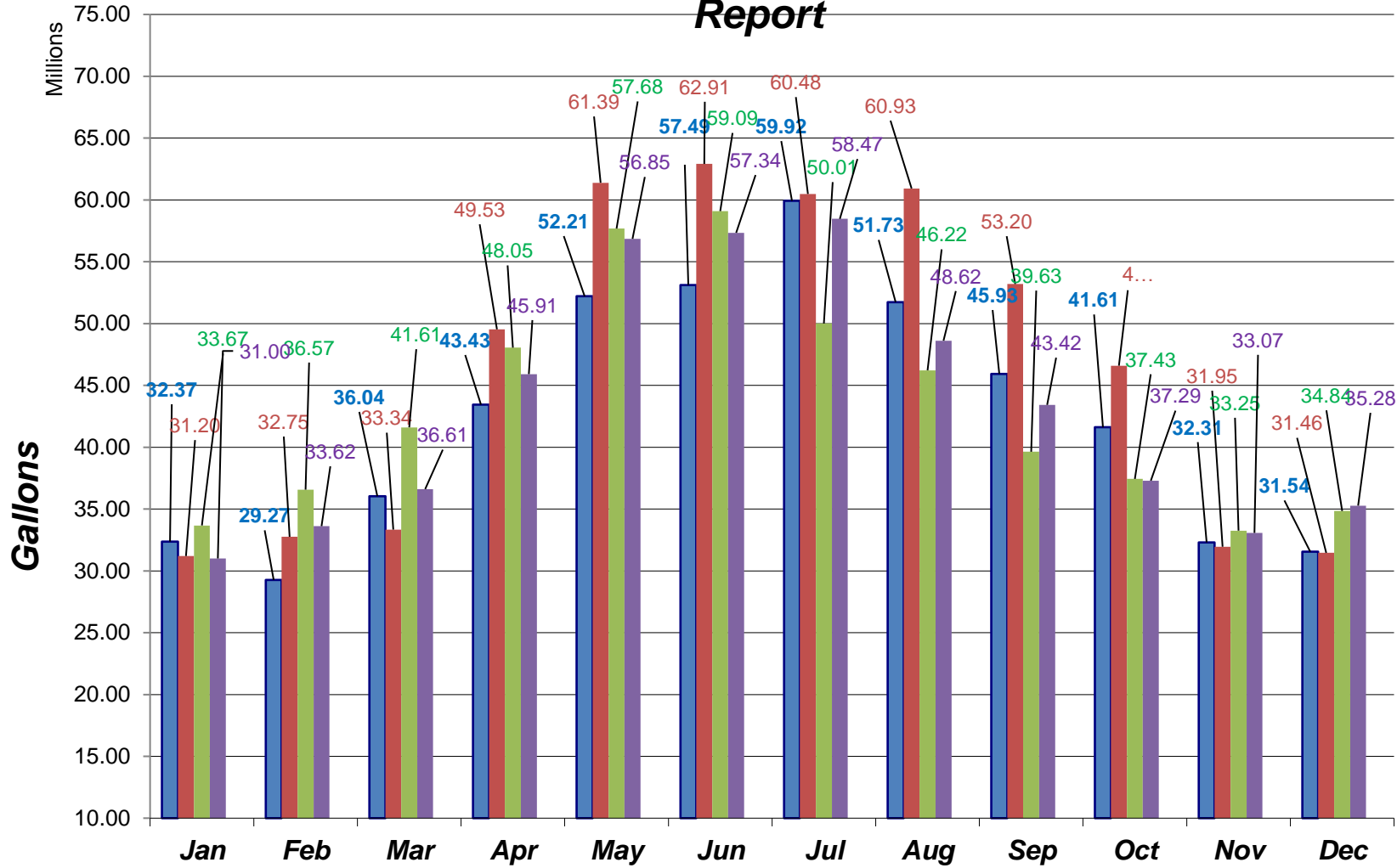
NMED: All of our Monthly Bac-T-Samples were taken for the month of December and all samples were negative.

Mesquite and Organ Sewer Reports. The Organ Pond's and Mesquite Wetland Wastewater reports will be sent on February 1st. The Organ facility is due twice a year and the Mesquite Facility is due every Quarter the next one is on February 2023 for the Organ Ponds. The Mesquite facility sewer report is also due on February 2023.

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



■ 2019 Production
 ■ 2020 Production
 ■ 2021 Production
■ 2022 Production
 ■ 2023 Production

**Lower Rio Grande Public Water Works Authority
Resolution Number FY2023-12**

WHEREAS, the Board of the Lower Rio Grande PWWA met at the regularly scheduled board meeting on Wednesday January 18, 2023 at 9:00 a.m.; and

WHEREAS, the Rincon Mutual Domestic Water Consumers Association (MDWCA) has merged with the Lower Rio Grande PWWA as of August 17, 2022; and

WHEREAS, the service area, members and connections associated with the Rincon MDWCA must be included in the service area of the Lower Rio Grande PWWA; and

WHEREAS, the Authority policies and local election law require the service area and new members be added to the Authority's Election Districts for election purposes; and

WHEREAS, the Board desires to include the Rincon MDWCA service area and members within the boundary of District Seven (7) of the Lower Rio Grande PWWA;

NOW, THEREFORE, BE IT RESOLVED by the Board of the Lower Rio Grande PWWA that:

1. The Rincon Service Area and members now merged with the Lower Rio Grande PWWA shall be included within the boundary of District Seven (7) of the Lower Rio Grande PWWA.
2. This resolution will be effective as of the date of execution.

Passed by the Board Directors of the Lower Rio Grande PWWA this 18th day of January 2023.

Seal:

Esperanza Holguin, Chair

Furman Smith, Vice-Chair

Glory Juarez, Secretary

Paul Smith, Director



LOWER RIO GRANDE

Public Water Works Authority

325 Holguin Road

Vado, New Mexico 88072

(575) 233-5742

<http://LRGauthority.org>

Resolution Number FY2023-13

Authorizing Funding Application to New Mexico Colonias Infrastructure Trust Fund Board for Rincon Water System Improvements Project

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 recently accepted a merger request from Rincon Mutual Domestic Water Consumers Association (formerly a cooperative) and now seeks to complete a Preliminary Engineering Report (PER) and Environmental Information Document (EID) and Design of the most urgent infrastructure improvement; and

WHEREAS, the LRGPWWA will not be eligible for Local Government Planning Funds for two years due to two pending grants for Water Asset Management Plan and Wastewater Asset Management updates; and

WHEREAS, the LRGPWWA is committed to completing necessary improvements to its Rincon Service Area;

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 the planning and initial design of Rincon Water System Improvements.

PASSED, APPROVED AND ADOPTED this 18th day of January, 2023:

Seal:

Esperanza Holguin, Board Chair

ATTEST:

Glory Juarez, 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, 2022
and Independent Auditor's Report*

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

**TABLE OF CONTENTS
JUNE 30, 2022**

FINANCIAL SECTION

Official Roster	1
Independent Auditor's Report	2
Basic Financial Statements	
Statement of Net Position	6
Statement of Revenues, Expenditures and Changes in Net Position	7
Statement of Cash Flows	8
Notes to the Financial Statements	9

SUPPLEMENTARY INFORMATION

Statement of Receipts and Disbursements Budget (Non-GAAP Budgetary Basis) and Actual (Budget Basis)	25
Statement of Revenues, Expenditures and Changes in Net Position by Function	26

COMPLIANCE SECTION

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 <i>Government Auditing Standards</i>	28
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	30
Schedule of Expenditures of Federal Awards	33
Schedule of Findings and Questioned Costs	35
Exit Conference	37

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

BOARD OF DIRECTORS

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.

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 the Audit of the Financial Statements

Opinions

We 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, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents. We also have audited the budgetary comparison presented as supplementary information for the year ended June 30, 2022, as listed in the table of contents.

In our 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, 2022, 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 our 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, 2022 in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Lower Rio Grande Public Water Works Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Lower Rio Grande Public Water Works Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Lower Rio Grande Public Water Works Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Lower Rio Grande Public Water Works Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our 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 function 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 function 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 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 our opinion, the statement of revenues, expenditures and changes in net position by function and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 21, 2022, on our consideration of the Lower Rio Grande Public Water Works Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our 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 Lower Rio Grande Public Water Works 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 Lower Rio Grande Public Water Works Authority's internal control over financial reporting and compliance.

Watts CPA, P.C.

El Paso, Texas
December 7, 2022

BASIC FINANCIAL STATEMENTS

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

**STATEMENT OF NET POSITION
JUNE 30, 2022**

ASSETS:

Current Assets

Cash and cash equivalents	\$ 670,716
Accounts receivable	1,185,844
Grant receivables	371,920
Inventory	141,301
Prepaid expenses	47,208

Total current assets 2,416,989

Noncurrent assets

Restricted cash	
Customer deposits	84,943
Construction account	680,468
Loan reserve	331,650
Capital assets, net of accumulated depreciation	<u>73,445,785</u>

Total noncurrent assets 74,542,846

Total assets \$ 76,959,835

LIABILITIES:

Current Liabilities:

Accounts payable vendors	\$ 196,888
Accounts payable construction	1,224,682
Accrued payroll	36,353
Accrued interest expense	18,134
Customer meter deposits	84,943
Accrued compensated absences	7,000
Current maturities of notes payable	<u>2,155,152</u>

Total current liabilities 3,723,152

Noncurrent Liabilities:

Compensated absences	66,654
Notes payable	<u>8,300,956</u>

Total noncurrent liabilities 8,367,610

Total liabilities 12,090,762

NET POSITION:

Net investment in capital assets	62,989,677
Restricted for debt service	331,650
Restricted for capital projects	680,468
Unrestricted	<u>867,278</u>
Total net position	<u>64,869,073</u>

Total liabilities and net position \$ 76,959,835

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, 2022**

Operating Revenues:	
Charges for services	\$ 3,590,593
Other revenues	<u>193,128</u>
Total operating revenues	<u>3,783,721</u>
Operating Expenses:	
Salaries and wages	3,733,897
Employee benefits	516,449
Materials, supplies, tools and chemicals	212,610
Office expenses	303,681
Miscellaneous	11,538
Bank charges	119,255
Insurance	104,051
Maintenance and repairs	282,812
Professional fees	54,147
Travel and entertainment	1,297
Depreciation	2,057,835
Utilities	<u>229,154</u>
Total operating expenses	<u>7,626,726</u>
Operating loss	<u>(3,843,005)</u>
Non-Operating Revenues (Expenses):	
Grant revenue (See note 9)	2,268,956
Interest income	371
Rental income	32,861
Other income	148,394
Interest expense	<u>(239,130)</u>
Total non-operating revenues	<u>2,211,452</u>
Loss before capital contributions	<u>(1,631,553)</u>
Capital Contributions:	
Grant revenues:	
State	1,370,402
Federal	<u>1,252,247</u>
Total capital contributions	<u>2,622,649</u>
Change in net position	<u>991,096</u>
Net position - beginning of year	<u>63,877,977</u>
Net position - end of year	<u>\$ 64,869,073</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, 2022**

Cash Flows From Operating Activities:	
Cash received from customers	\$ 3,537,461
Cash payments to employees for services	(4,249,123)
Cash payments to vendors for goods and services	<u>(170,360)</u>
Net cash used in operating activities	<u>(882,022)</u>
Cash Flows From Capital and Related Financing Activities:	
Purchase and construction of capital assets	(5,873,251)
Payments on notes payable	(1,544,837)
Payments for interest on notes payable	(239,130)
Proceeds from sale of assets	46,666
Proceeds from capital grants	4,595,753
Proceeds from capital loans	<u>4,188,535</u>
Net cash provided by capital and related financing activities	<u>1,173,736</u>
Cash Flows From Investing Activities	
Interest received	<u>371</u>
Net cash provided by investing activities	<u>371</u>
Cash Flows From Noncapital Financing Activities:	
Miscellaneous income	<u>181,255</u>
Net cash provided by noncapital financing activities	<u>181,255</u>
Net increase in cash and cash equivalents	473,340
Cash and cash equivalents, beginning of year	<u>1,294,437</u>
Cash and cash equivalents, end of year	<u>\$ 1,767,777</u>
CASH ENDING:	
Cash	\$ 670,716
Restricted cash	<u>1,097,061</u>
Total cash reported in statement of net position	<u>\$ 1,767,777</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES:	
Operating loss	\$ (3,843,005)
Adjustment to reconcile operating loss to net cash used in operating activities:	
Depreciation	2,057,835
Change in:	
Accounts receivable	(164,515)
Inventory	(77,395)
Prepaid expenses and insurance	(35,652)
Accounts payable and accrued liabilities	1,185,060
Meter deposits	<u>(4,350)</u>
Total adjustments	<u>2,960,983</u>
Net cash used in operating activities	<u>\$ (882,022)</u>

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, 2022**

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 \$680,468. The Authority also has restricted cash in the amount of \$84,943 that has been classified as restricted for customer deposits and \$331,650 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, 2022, the Authority implemented the following new accounting pronouncements which did not have a material effect on the Authority's financial statements:

- *GASB Statement No.87, Leases*
- *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 following pronouncements have been issued, but are not yet effective for the year ended June 30, 2022.

- *GASB Statement No.98, The Annual Comprehensive Financial Report*
- *GASB Statement No. 99, Omnibus 2022*
- *GASB Statement No. 100, Accounting Changes and Error Corrections - an amendment of GASB Stateemnt No. 62*
- *GASB Statement No. 101, Compesated Absences*

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, 2022.

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, 2022, \$2,959,819 of the Authority's bank balance of \$3,209,819 was exposed to custodial credit risk. However, all of the \$2,959,819 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, 2022.

Bank accounts were collateralized as follows:

Total deposits in bank	\$ 3,209,819
Less FDIC coverage	<u>(250,000)</u>
Uninsured public funds	2,959,819
Pledged Collateral held by the pledging bank's trust department or agent in the Authority's name	<u>2,311,112</u>
Uninsured and uncollateralized	<u>\$ 648,707</u>

As of June 30, 2022, the Authority's bank balances were exposed to custodial credit risk. The amount above identified as uninsured of \$2,959,819 is subject to custodial credit risk. This 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 deposit policy for custodial credit risk.

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

Account	Account Type	Citizens Bank
Operating	Demand	\$ 324,062
Reserve	Demand	680,468
Debt Service	Demand	617,359
Brazito Sewer	Demand	66,386
Brazito Sewer #2	Demand	1,062,913
NM HIDTA	Demand	79,935
South Valley Water	Demand	378,525
CDBG	Demand	<u>171</u>
Total amounts of deposits		3,209,819
FDIC Coverage		<u>250,000</u>
Total uninsured public funds		2,959,819
Pledged collateral held by the pledging bank's trust department or agent in the Authority's name		<u>2,311,112</u>
Uninsured and uncollateralized		<u>\$ 648,707</u>
50% pledged collateral requirement		\$ 1,479,910
Total pledged collateral		<u>2,311,112</u>
Pledged collateral exceeding the requirements		<u>\$ 831,202</u>

A description of the pledged collateral as of June 30, 2022 is as follows:

Description	CUSIP#	Maturity	Market Value
Citizen's Bank:			
FHLB	3130AEB25	06/09/2028	\$ 1,477,679
FNMA	31364FKW0	12/20/2027	228,494
FNMA	3135G05Q2	08/05/2030	<u>604,939</u>
Total Citizen's Bank			<u>\$ 2,311,112</u>

The bank account reconciliations as of June 30, 2022 are as follows:

Account	Account Type	Interest Bearing	Balance per Bank	Deposits in Transit	Outstanding Checks	Reconciled Balance
Operating	Demand	No	\$ 324,062	\$ 8,080	\$ 269,601	\$ 62,541
Reserve	Demand	Yes	680,468	-	-	680,468
Debt Service	Demand	Yes	617,359	-	-	617,359
Brazito Sewer Project	Demand	No	66,386	6,076	-	72,462
Brazito Sewer Project #2	Demand	No	1,062,913	-	1,062,636	277
NM HIDTA	Demand	No	79,935	-	79,108	827
South Valley Water	Demand	No	378,525	-	378,268	257
CDBG	Demand	No	<u>171</u>	<u>-</u>	<u>-</u>	<u>171</u>
Total amounts of deposits			<u>\$ 3,209,819</u>	<u>\$ 14,156</u>	<u>\$ 1,789,613</u>	1,434,362
Cash held by RCAC - Loan reserve						289,008
Cash held by NMFA - Loan reserve						42,642
Petty cash & returned items						<u>1,765</u>
Total cash						<u>\$ 1,767,777</u>
Total as Reported in the Financial Statements: Statement of Net Position:						
Cash and cash equivalent						\$ 670,716
Restricted cash						<u>1,097,061</u>
Total cash per financial statements						<u>\$ 1,767,777</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 \$1,185,844.

5. CAPITAL ASSETS

The following is a summary of capital assets and changes occurring during the year ended June 30, 2022. Land, water rights, and construction in progress are not subject to depreciation.

	Beginning Balance	Adjustment/ Transfers	Increases	Decreases	Ending Balance
Business-type capital assets, not being depreciated					
Land, well sites, and easements	\$ 1,036,024	\$ -	\$ 244,266	\$ -	\$ 1,280,290
Water rights	17,645,030	-	-	-	17,645,030
Construction in progress	<u>2,428,513</u>	<u>(826,749)</u>	<u>5,554,070</u>	<u>-</u>	<u>7,155,834</u>
Total capital assets, not being depreciated	<u>21,109,567</u>	<u>(826,749)</u>	<u>5,798,336</u>	<u>-</u>	<u>26,081,154</u>
Business-type capital assets, being depreciated					
Buildings and improvements	2,351,297	-	-	-	2,351,297
Land improvements	346,389	-	-	-	346,389
Water and sewer plant/system	64,826,274	826,749	-	(1,140)	65,651,883
Furniture, fixtures, and equipment	658,884	-	58,504	-	717,388
Transportation equipment	<u>1,498,879</u>	<u>-</u>	<u>15,808</u>	<u>(116,202)</u>	<u>1,398,485</u>
Total business-type capital assets, being depreciated	<u>69,681,723</u>	<u>826,749</u>	<u>74,312</u>	<u>(117,342)</u>	<u>70,465,442</u>
Less accumulated depreciation for:					
Buildings and improvements	6,107,293	-	2,057,835	-	8,165,128
Land improvements	134,634	-	-	-	134,634
Water and sewer plant/system	14,073,534	-	-	(604)	14,072,930
Furniture, fixtures, and equipment	166,151	-	-	-	166,151
Transportation equipment	<u>632,643</u>	<u>-</u>	<u>-</u>	<u>(70,675)</u>	<u>561,968</u>
Total accumulated depreciation	<u>21,114,255</u>	<u>-</u>	<u>2,057,835</u>	<u>(71,279)</u>	<u>23,100,811</u>
Total capital assets being depreciated, net	<u>48,567,468</u>	<u>826,749</u>	<u>(1,983,523)</u>	<u>(46,063)</u>	<u>47,364,631</u>
Business-type capital assets, net	<u>\$69,677,035</u>	<u>\$ -</u>	<u>\$ 3,814,813</u>	<u>\$ (46,063)</u>	<u>\$73,445,785</u>

Depreciation expense for the year ended June 30, 2022 totaled \$2,057,835.

6. LONG TERM OBLIGATIONS

During the year ended June 30, 2022, the following changes occurred in the liabilities reported in the Statement of Net Position:

	Beginning Balance	Additions	Reduction	Ending Balance	Due Within One Year
New Mexico Finance Authority Loans (NMFA)	\$2,075,428	\$ 146,769	\$ 77,086	\$ 2,145,111	\$ 878,395
United States Department of Agriculture Loans (USDA)	3,966,963	-	87,189	3,879,774	80,070
New Mexico Environmental Department (NMED)	481,592	-	21,755	459,837	22,687
Rural Community Assistance Corporation (RCAC)	<u>1,288,427</u>	<u>4,041,766</u>	<u>1,358,807</u>	<u>3,971,386</u>	<u>1,174,000</u>
Total notes payable	<u>\$7,812,410</u>	<u>\$4,188,535</u>	<u>\$1,544,837</u>	<u>\$10,456,108</u>	<u>\$2,155,152</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.

\$ 570,916

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.

221,309

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.

336,727

<p>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.</p>	91,862
<p>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.</p>	383,790
<p>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.</p>	37,983
<p>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.</p>	27,713
<p>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.</p>	81,701
<p>NMFA CIF-5535: On October 22, 2021, the Authority executed a lona/grant agreement with New Mexico Authority in the amount of \$337,388. The authority received \$67,478 of its fudning as a loan, however only \$8,499 has been drawsn down to date. The loan matrures on October 2023. There is no interest rate for the loan. Principal payments are paid annually.</p>	3,684
<p>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.</p>	389,426

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.	1,988,102
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.	395,498
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.	578,329
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.	85,127
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.	177,700
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.	343,215
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.	143,849

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. 167,954

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. 459,837

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:

1041-LRWA-04: On June 22, 2022, the Authority executed a promissory note with Rural Community Assistance Corporation in the amount of \$6,189,000. The proceeds were used for the wastewater system 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 wastewater system improvements from the United States Department of Agriculture Rural Development, or (2) January 1, 2024 maturity date, whichever is earlier. The accrues an interest rate of 5% per annum. Installments are paid monthly. 2,797,386

0981-LRWA-03: On January 12, 2022, the Authority executed a promissory note with Rural Community Assistance Corporation in the amount of \$1,714,000. The proceeds were used for the water system 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 the water system improvements from the United States Department of Agriculture Rural Development, or (2) February 1, 2023 maturity date, whichever is earlier. The accrues an interest rate of 5% per annum. Installments are paid monthly. 1,174,000

Total debt	<u>10,456,108</u>
Less current portion of long-term debt	<u>2,155,152</u>

Total long-term debt	<u>\$ 8,300,956</u>
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Following is a summary of principal and interest maturities of long-term liabilities:

Years Ending	Interest	Principal
June 30, 2023	\$ 169,380	\$ 2,155,152
June 30, 2024	165,208	2,984,067
June 30, 2025	160,868	187,220
June 30, 2026	156,353	191,615
June 30, 2027	151,650	196,191
June 30, 2028 - 2032	680,523	1,074,070
June 30, 2033 - 2037	531,111	1,045,997
June 30, 2038 - 2042	390,941	916,810
June 30, 2043 - 2047	217,265	724,198
June 30, 2048 - 2052	98,126	807,346
June 30, 2053 - 2057	12,757	142,641
June 30, 2058 - 2061	1,056	30,801
Total	\$ 2,735,238	\$ 10,456,108

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, 2022 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:

	Beginning Balance	Additions	Reduction	Ending Balance	Due Within One Year
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, 2022 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 \$2,268,956 under the grant agreement for the year ended June 30, 2022. 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, 2022, the Authority contributed \$119,516.

11. SUBSEQUENT REVIEW

Lower Rio Grande Public Water Works Authority has evaluated subsequent events through December 7, 2022, 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, 2022**

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance With Final Budget Favorable (Unfavorable)
RECEIPTS:				
Operating revenues:				
Charges for services	\$ 3,433,800	\$ 3,628,300	\$ 3,590,593	\$ (37,707)
Other revenues	146,000	237,000	193,128	(43,872)
Non-operating revenues				
Other revenue	-	-	181,255	181,255
Interest income	-	-	371	371
Grants and loans	-	-	4,891,605	4,891,605
Total receipts	3,579,800	3,865,300	8,856,952	4,991,652
DISBURSEMENTS:				
Operating expenses:				
Accounting & administration	189,500	191,500	210,110	(18,610)
Salaries & benefits	1,981,500	2,061,000	1,977,036	83,964
Sewer system	201,125	201,125	100,224	100,901
Materials & supplies	610,675	710,675	635,059	75,616
Utilities	273,000	277,500	366,813	(89,313)
Non-operating disbursements				
Debt payments - principal	148,000	174,000	186,032	(12,032)
Debt payments - interest	176,000	180,000	239,130	(59,130)
Total disbursements	3,579,800	3,795,800	3,714,404	81,396
Excess receipts over (under) disbursements	-	69,500	5,142,548	5,142,548
Beginning unrestricted cash			25,570,311	
Ending unrestricted cash			\$ 30,712,859	
Reconciliation of budgetary basis to GAAP basis:				
Net excess receipts over (under) disbursements budgetary basis			\$ 5,142,548	
Depreciation			(2,057,835)	
HIDTA program			(2,279,649)	
Principal payments on debt			186,032	
Change in net position GAAP basis			\$ 991,096	

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, 2022**

	Water	Sewer	HIDTA	Total
Operating Revenues:				
Charges for services	\$ 3,328,653	\$ 261,940	\$ -	\$ 3,590,593
Other revenues	104,444	88,684	-	193,128
Total operating revenues	<u>3,433,097</u>	<u>350,624</u>	<u>-</u>	<u>3,783,721</u>
Operating Expenses:				
Salaries and wages	1,424,248	30,000	2,279,649	3,733,897
Employee benefits	469,063	47,386	-	516,449
Materials, supplies, tools and chemicals	179,596	33,014	-	212,610
Office expenses	221,773	81,908	-	303,681
Miscellaneous	10,384	1,154	-	11,538
Bank charges	115,614	3,641	-	119,255
Insurance	93,646	10,405	-	104,051
Maintenance and repairs	195,580	87,232	-	282,812
Professional fees	48,732	5,415	-	54,147
Travel and entertainment	1,167	130	-	1,297
Depreciation	1,534,833	523,002	-	2,057,835
Utilities	213,723	15,431	-	229,154
Total operating expenses	<u>4,508,359</u>	<u>838,718</u>	<u>2,279,649</u>	<u>7,626,726</u>
Operating loss	<u>(1,075,262)</u>	<u>(488,094)</u>	<u>(2,279,649)</u>	<u>(3,843,005)</u>
Non-Operating Revenues (Expenses):				
Grant revenue	-	-	2,268,956	2,268,956
Interest income	371	-	-	371
Rental income	32,861	-	-	32,861
Other income	148,394	-	-	148,394
Interest expense	(212,822)	(26,308)	-	(239,130)
Total non-operating revenues (expenses)	<u>(31,196)</u>	<u>(26,308)</u>	<u>2,268,956</u>	<u>2,211,452</u>
Loss before capital contributions	<u>(1,106,458)</u>	<u>(514,402)</u>	<u>(10,693)</u>	<u>(1,631,553)</u>
Capital Contributions:				
Grant revenues:				
State	1,262,056	108,346	-	1,370,402
Federal	1,252,247	-	-	1,252,247
Total capital contributions	<u>2,514,303</u>	<u>108,346</u>	<u>-</u>	<u>2,622,649</u>
Change in net position	1,407,845	(406,056)	(10,693)	991,096
Net position - beginning of year	<u>64,882,983</u>	<u>(996,431)</u>	<u>(8,575)</u>	<u>63,877,977</u>
Net position - end of year	<u>\$ 66,290,828</u>	<u>\$ (1,402,487)</u>	<u>\$ (19,268)</u>	<u>\$ 64,869,073</u>

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

COMPLIANCE SECTION

WATTS CPA, P.C.

**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

We 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, 2022, 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 7, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit, of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we 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.

Our 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 our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we 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 financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our 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 our 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 7, 2022

WATTS CPA, P.C.

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

Opinion on Each Major Federal Program

We 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, 2022. 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.

In our 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, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Authority's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 7, 2022

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

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022**

<u>Federal Grantor or Pass-Through Grantor/ Program Title</u>	<u>Assistance Listing Number</u>	<u>Federal Expenditures</u>	<u>Paid to Subrecipients</u>	<u>Noncash Assistance</u>
U.S. Environmental Protection Agency				
Passed through New Mexico Finance Authority Capitalization Grants for Drinking Water State Revolving Funds	66.468	\$ 169,412	\$ -	\$ -
Total U.S Environmental Protection Agency		<u>\$ 169,412</u>	<u>\$ -</u>	<u>\$ -</u>
Executive Office of the President				
Direct Executive Office of the President High Intensity Drug Trafficking Areas (HIDTA) Program*	95.001	\$ 2,279,649	\$ -	\$ -
Total Executive Office of the President		<u>\$ 2,279,649</u>	<u>\$ -</u>	<u>\$ -</u>
U.S. Department of Housing and Urban Development				
Passed through New Mexico Finance Authority Community Development Block Grants/State's Program	14.228	\$ 7,787	\$ -	\$ -
Total U.S. Department of Housing and Urban Development		<u>\$ 7,787</u>	<u>\$ -</u>	<u>\$ -</u>
U.S. Department of Agriculture				
Water and Waste Disposal Systems for Rural Communities*	10.770	\$ 1,244,459	\$ -	\$ -
Total U.S. Department of Agriculture		<u>\$ 1,244,459</u>	<u>\$ -</u>	<u>\$ -</u>
Total Federal Financial Assistance		<u>\$ 3,701,307</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, 2022**

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, 2022. 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, 2022**

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:

Assistance Listing Number	Federal Program
95.001	High Intensity Drug Trafficking Area (HIDTA) Program
10.770	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, 2022**

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, 2022**

An exit conference was conducted on December 7, 2022 with the following individuals in attendance:

Lower Rio Grande Public Water Works Authority

Esperanza Holguin
Paul Smith
Martin Lopez
Kathi Jackson
John Schroder
Karen Nichols
Patricia Charles
Mike Lopez

Board Chairman
Board Director
General Manager
Finance Manager
Accounting Assistant
Projects Manager
Projects Specialist
Operations 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.



www.lrgauthority.org

LOWER RIO GRANDE

Public Water Works Authority

Resolution #FY2023-14

Approving Second Quarter Budget for Fiscal Year 2023

Whereas, in order to comply with Sections 6-6-1 and 6-6-2 NMSA 1978 and to apply for CDBG funding, the Board of Directors wishes to adopt and pass a resolution to approve the FY2023 Second Quarter Budget on January 18, 2023.

Therefore, be it resolved, the Board of Directors adopts and passes this resolution to approve the FY2023 Second Quarter Budget officially approved on January 18, 2023.

PASSED, APPROVED, AND ADOPTED: January 18, 2023.

Esperanza Holguin, Board Chair

Seal:

Glory Juarez, Secretary

State of New Mexico Local Government Budget Management System (LGBMS)

Year-to-Date Actuals - Fiscal Year 2022-2023 - FY2023 Q2 Lower Rio Grande Public WWA - Entity Summary Report Sorted by Fund and Department

Printed from LGBMS on 2023-01-17 16:56:15

11000 General Operating Fund

10000 Assets

0001 No Department	Original	Adjustments	Adjusted	YTD	Balance	% Realized
10100 Cash Assets	2,148,490.00	0.00	2,148,490.00	2,148,490.00	0.00	100.00
0001 Totals	2,148,490.00	0.00	2,148,490.00	2,148,490.00	0.00	100.00
10000 Assets Totals	2,148,490.00	0.00	2,148,490.00	2,148,490.00	0.00	100.00

60000 Other Financing Sources

0001 No Department	Original	Adjustments	Adjusted	YTD	Balance	% Realized
61000 Transfers	(300,000.00)	0.00	(300,000.00)	(86,642.40)	(213,357.60)	28.88
0001 Totals	(300,000.00)	0.00	(300,000.00)	(86,642.40)	(213,357.60)	28.88
60000 Other Financing Sources Totals	(300,000.00)	0.00	(300,000.00)	(86,642.40)	(213,357.60)	28.88

50100 Water Enterprise

40000 Revenues

0001 No Department	Original	Adjustments	Adjusted	YTD	Balance	% Realized
44000 Charges for Services	3,503,315.00	0.00	3,503,315.00	821,349.89	2,681,965.11	23.44
46000 Miscellaneous Revenues	213,300.00	0.00	213,300.00	29,246.72	184,053.28	13.71
0001 Totals	3,716,615.00	0.00	3,716,615.00	850,596.61	2,866,018.39	22.89
40000 Revenues Totals	3,716,615.00	0.00	3,716,615.00	850,596.61	2,866,018.39	22.89

50000 Expenditures

6003 Water Utility/Authority	Original	Adjustments	Adjusted	YTD	Balance	% Realized
51000 Salary & Wages (FTE required)	1,416,975.00	0.00	1,416,975.00	124,124.60	1,292,850.40	8.76
52000 Employee Benefits	650,725.00	0.00	650,725.00	141,003.20	509,721.80	21.67
53000 Travel Costs	13,650.00	0.00	13,650.00	5,386.61	8,263.39	39.46
54000 Purchased Property Services	386,400.00	0.00	386,400.00	140,499.75	245,900.25	36.36
55000 Contractual Services	189,531.00	0.00	189,531.00	38,965.37	150,565.63	20.56
56000 Supplies	391,534.00	0.00	391,534.00	73,409.08	318,124.92	18.75
57000 Operating Costs	533,250.00	0.00	533,250.00	121,146.42	412,103.58	22.72
59000 Debt Service	434,550.00	0.00	434,550.00	100,872.14	333,677.86	23.21
6003 Totals	4,016,615.00	0.00	4,016,615.00	745,407.17	3,271,207.83	18.56
50000 Expenditures Totals	4,016,615.00	0.00	4,016,615.00	745,407.17	3,271,207.83	18.56

60000 Other Financing Sources

0001 No Department	Original	Adjustments	Adjusted	YTD	Balance	% Realized
61000 Transfers	300,000.00	0.00	300,000.00	0.00	300,000.00	0.00
0001 Totals	300,000.00	0.00	300,000.00	0.00	300,000.00	0.00
60000 Other Financing Sources Totals	300,000.00	0.00	300,000.00	0.00	300,000.00	0.00

50300 Wastewater/Sewer Enterprise

40000 Revenues

0001 No Department	Original	Adjustments	Adjusted	YTD	Balance	% Realized
44000 Charges for Services	308,100.00	0.00	308,100.00	80,364.05	227,735.95	26.08
0001 Totals	308,100.00	0.00	308,100.00	80,364.05	227,735.95	26.08
40000 Revenues Totals	308,100.00	0.00	308,100.00	80,364.05	227,735.95	26.08

50000 Expenditures

6005 Wastewater Utility/Authority	Original	Adjustments	Adjusted	YTD	Balance	% Realized
51000 Salary & Wages (FTE required)	57,225.00	0.00	57,225.00	28,612.50	28,612.50	50.00
52000 Employee Benefits	10,500.00	0.00	10,500.00	5,250.00	5,250.00	50.00

