

LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY

Meeting Notice & Agenda—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: Mr. P. Smith _____ (District #1), Vacant (District #2), Mr. Evaro _____ (District #3), Mrs. Holguin _____ (District #4), Vacant (District # 5), Mrs. Juarez _____ (District #6), Mr. F. Smith _____ (District #7)
- II. Pledge of Allegiance
- III. Motion to approve Agenda
- IV. Approval of Minutes: Motion to approve the minutes for Regular Board Meeting on November 9, 2022
- V. Presentations: none
- VI. Public Input: none
- VII. Managers' Reports
 - A. General Manager
 - B. Finance
 - C. Projects
 - D. Operations
- VIII. Unfinished Business
- IX. New Business
 - A. Appointment of a new Board Secretary
 - B. Motion to adopt Resolution #FY2023-11 Authorizing the NMFA Loan/Grant Agreement for CIF-5782 Mesquite-Brazito Sewer Project 2
 - C. Motion to authorize staff pay increases within the current budget
 - D. Motion to approve FY2022 audit – postponed until audit is released by NM OSA
 - 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
 - i. Roll Call Vote:
Mr. P. Smith _____ (District #1), District #2 vacant, Mr. Evaro _____ (District #3), Mrs. Holguin _____ (District #4), District #5 vacant, Mrs. Juarez _____ (District #6), Mr. F. Smith _____ (District #7)

- ii. Motion to reconvene in open session.
 - iii. Statement by the Chair: ***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.
- 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
 - B.** Motion to amend The Schedule of Rates & Fees – Water meter installation fees
- XI.** Motion to Adjourn

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

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

LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY

Minutes — REGULAR BOARD OF DIRECTORS MEETING

9:00 a.m. Wednesday, November 9, 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 LRGPWVA 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 9:12 a.m. Mr. P. Smith representing District #1 was present, District #2 is vacant, Mr. Evaro representing District #3 was absent, 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. Guests present via Zoom, were Tyler Hopkins from Bohannan Huston & Marty Howell from Souder, Miller & Associates.
- 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. P Smith seconded the motion, the motion passed with all in favor.
- IV. **Approval of Minutes: Motion to approve the minutes for Regular Board Meeting on October 19, 2022:** Mrs. Juarez made the motion to approve the minutes for the October 19, 2022 board meeting. Mr. P Smith seconded the motion, the motion passed with all in favor.
- V. **Presentations:** none
- VI. **Public Input:** none
- VII. **Managers' Reports**
 - A. **General Manager:** Mr. Lopez provided a written report and stood for questions. Our Commercial Insurance will be increasing by a little under \$3,000.00 mostly due to the new assets acquired from the sewer project. The farming agreement for the Vado land has been mailed for the 2023 crop season. Two Operations Staff members Miguel Ortega and Juan Ambriz have passed their Backflow Technician Certifications. Staff evaluations will commence in early December. We are working with LRG Attorney and Bohannan Huston, Inc to revamp policies in order to be compliant with State Engineers Office primarily due to the number of water rights required per home. Our offices will be closed on November 11th in Observance of Veterans Day and November 24th & 25th in Observance of Thanksgiving.
 - B. **Projects:** Ms. Nichols provided a written report and stood for questions. She has started working on an RD application for the Sewer Project. Mrs. Juarez asked if she alone prepares all applications. Ms. Nichols said she sometimes has Engineering firms look at or add documentation within the application.

- C. **Operations:** Mr. Lopez provided a written report and stood for questions. The well techs have finished installing the new media in all vessels at the Venadito Arsenic plant. CW divers are the people inspecting our water tanks so far, they have completed 10 water tanks. Last years water product for October was 37.43 million gallons this October was 37.29 million gallons.
- D. **Finance:** Ms. Jackson was not able to prepare a written report because of the timing of the board meeting. They have to review the bank statements before they can prepare the monthly financial report. Because this meeting was so early in the month, they were not able to prepare the report. She said it will be ready in the next week or so and will be posted on the Board website for Board member's review. Mr. Lopez mentioned that unofficially the audit is ok and had no findings. It has been certified, but we still need to schedule the exit meeting. Ms. Nichols asked to be notified once the exit meeting has been scheduled, so we can move the audit approval to new business. Ms. Jackson said she and Mr. Schroder will be attending the mandatory virtual budget conference next week.

VIII. **Unfinished Business:** none

IX. **New Business**

- A. **Accept Board Director Joe Evaro's resignation effective December 31, 2022:** Mrs. Juarez made the motion to accept Joe Evaro's resignation effective December 31, 2022. Mr. P Smith seconded the motion, the motion passed with all in favor. Mr. Lopez said Mr. Evaro asked him to add this to the agenda, he has some health issues and needs to commit himself to that. Mrs. Holguin thanked Mr. Evaro for his time on the board.
- B. **General Manager Annual Evaluation:** Mrs. Holguin (Board Chair) has received the evaluations for the General Manager, except the evaluation from Mr. Evaro. She would like to proceed to the closed session and discuss evaluation with the Board members.
- C. **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 regarding limited personnel matters to discuss the evaluation of the General Manager. Mr. P Smith 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, absent (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 in 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: No motion was need, but requested General Manager evaluation be added to next months agenda as well as a closed session.

X. Other discussion and agenda items for next meeting at 9:00 a.m. Wednesday, December 7, 2022 at our La Mesa Office and via Zoom. **NOTE: NOV. & DEC MEETINGS ARE MOVED UP 1 WEEK DUE TO HOLIDAYS**

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. Audit approval: Once the audit is submitted and the exit meeting has been scheduled this item can be moved to new business.

D. Appointing a new Board Secretary at next meeting

XI. Motion to Adjourn: Mrs. Juarez made the motion to adjourn today’s board meeting at 9:56 a.m. Mr. P Smith 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:

Joe Evaro, Secretary

LRGPWWA
Manager's Report
December 7, 2022

- The Farming Agreement for the Vado land has been signed by Mr. Martinez for the 2023 crop season
- IT issues on the 28th caused several issues with internet and billing program so I extended the due day until the 29th
- Met with Dr. Patrick Sullivan, Treasure-Manager and staff from EBID to discuss long term strategies and projects for the LRGPWWA
- Submitted Extension of Time to NMOSE for LRG 03338 (South Valley) water rights to beneficial use
- Asked to run for President Elect of the New Mexico Water Wastewater Association for 2023, if elected it will be the 3rd time
- Office will be closed on December 26th in Observance of Christmas and on January 2nd in Observance of New Years Day



Lower Rio Grande Public Water Works Authority

Income Statement

Group Summary

For Fiscal: FYE 2023 Period Ending: 10/31/2022

AcctNumber	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
Revenue				
40000 - Operating Revenue	3,409,550.00	301,843.00	1,339,298.80	2,070,251.20
40001 - Activation & Connection Fees-Sewer	525.00	0.00	0.00	525.00
40002 - Installation Fees	153,750.00	4,500.00	19,385.56	134,364.44
40003 - Activation & Connection Fees-Water	5,250.00	2,783.32	10,650.00	-5,400.00
40005 - Backflow Testing	7,350.00	1,625.00	3,400.00	3,950.00
40006 - Tampering Fee/Line Breaks	0.00	1,100.00	2,400.00	-2,400.00
40007 - Delinquency Fee	78,750.00	7,050.00	27,100.00	51,650.00
40008 - Penalties-Water	78,750.00	11,012.22	39,016.44	39,733.56
40009 - Membership Fees	5,250.00	500.00	2,350.00	2,900.00
40010 - Impact Fees	42,000.00	7,183.24	26,429.71	15,570.29
40011 - Returned Check Fees	525.00	0.00	210.00	315.00
40012 - Credit Card Fees	12,600.00	1,464.00	6,030.00	6,570.00
40013 - Miscellaneous Revenue	210.00	15.00	35.00	175.00
40015 - Penalties-Sewer	6,300.00	2,378.65	9,038.84	-2,738.84
40017 - Hydrant Meter Rental Fee	5,250.00	250.00	1,000.00	4,250.00
40018 - Permit Fees	0.00	0.00	200.00	-200.00
40019 - DAC Trash Coupons	1,050.00	56.00	248.00	802.00
40020 - Miscellaneous Revenue-Sewer	5,250.00	63.04	252.16	4,997.84
40025 - DAC Sewer Revenue	0.00	4,561.12	20,163.52	-20,163.52
45000 - Tower Rent	5,250.00	500.00	2,000.00	3,250.00
45001 - Billing Adjustments-Water	0.00	-571.53	-1,425.11	1,425.11
45005 - Fiscal Agent Fees	52,500.00	4,561.07	20,748.12	31,751.88
45010 - Interest	0.00	53.27	177.79	-177.79
45015 - Copy/Fax	105.00	9.50	30.50	74.50
45020 - Other Income	47,250.00	1,713.61	4,029.35	43,220.65
45022 - Annual Farm Rental	5,250.00	0.00	2,500.00	2,750.00
45025 - Contract Services	102,000.00	3,335.51	13,373.36	88,626.64
45030 - Transfers In	300,000.00	-86,642.40	100,000.00	200,000.00
49000 - Recovered Bad Debts	0.00	100.00	500.00	-500.00
Revenue Total:	4,324,715.00	269,443.62	1,649,142.04	2,675,572.96
Expense				
60001 - Transfers to Reserves	0.00	10,000.00	40,000.00	-40,000.00
60005 - Accounting Fees	525.00	0.00	0.00	525.00
60010 - Audit	14,700.00	0.00	0.00	14,700.00
60020 - Bank Service Charges	15,750.00	3,505.49	13,835.08	1,914.92

60025 - Cash Short/Over	525.00	140.06	1,188.10	-663.10
60026 - Computer Hardware	10,500.00	2,267.38	6,476.23	4,023.77
60030 - Dues and Subscriptions	3,150.00	677.00	29,564.56	-26,414.56
60035 - Engineering Fees	63,000.00	409.18	13,594.91	49,405.09
60045 - Late Fees	8,340.00	0.00	0.00	8,340.00
60050 - Legal Fees	5,250.00	0.00	2,306.02	2,943.98
60055 - Legal Notices	2,625.00	0.00	94.35	2,530.65
60060 - Licenses & Fees	12,540.00	260.00	3,433.90	9,106.10
60065 - Meals	2,625.00	317.83	632.62	1,992.38
60075 - Permit Fees	8,865.00	486.84	936.84	7,928.16
60080 - Postage	3,150.00	698.89	977.17	2,172.83
60090 - Professional Fees-Other	10,500.00	0.00	0.00	10,500.00
60100 - Project Development	0.00	1,000.00	8,300.00	-8,300.00
60120 - Retirement Account Fees	6,825.00	5,005.29	10,093.94	-3,268.94
60125 - Easments & Leases	10,500.00	7,873.00	7,873.00	2,627.00
60130 - Training	5,250.00	4,955.99	5,178.94	71.06
60140 - Travel:Airfare Per Diem	3,150.00	0.00	0.00	3,150.00
60150 - Travel:Lodging Per Diem	4,200.00	441.49	441.49	3,758.51
60155 - Travel:Meals Per Diem	2,100.00	101.02	787.08	1,312.92
60160 - Travel:Mileage/Parking Per Diem	1,575.00	0.00	0.00	1,575.00
60165 - Travel:Vehicle Rental Per Diem	1,050.00	0.00	0.00	1,050.00
60600 - Debit Service	307,750.00	5,159.74	39,391.03	268,358.97
60625 - Interest paid to NMED	14,700.00	0.00	0.00	14,700.00
60650 - Interest paid to NMFA	38,850.00	0.00	8,857.14	29,992.86
60675 - Interest paid to USDA	150,500.00	11,596.26	50,823.47	99,676.53
60680 - RCAC Interest Expense	0.00	0.00	33,835.41	-33,835.41
63000 - Regular Pay	1,176,000.00	83,883.39	375,337.81	800,662.19
63001 - Overtime	57,225.00	2,712.26	11,978.94	45,246.06
63006 - Holiday Pay	59,325.00	5,610.43	20,783.56	38,541.44
63007 - Sick Pay	52,500.00	4,877.97	20,932.21	31,567.79
63008 - Annual Leave Pay	123,900.00	9,366.78	34,527.18	89,372.82
63010 - 401K 10% Company Contribution	5,250.00	0.00	0.00	5,250.00
63020 - 401K Employee Contribution	2,100.00	0.00	0.00	2,100.00
63040 - Administrative Labor	5,250.00	0.00	0.00	5,250.00
63070 - Employee Benefits-401K Contrib	176,925.00	2,753.24	12,460.78	164,464.22
63100 - Insurance-Dental	13,125.00	1,031.92	4,127.76	8,997.24
63110 - Insurance-Health	310,000.00	25,849.06	101,638.42	208,361.58
63115 - Salaries: Insurance - Work Comp	15,750.00	0.00	2,799.00	12,951.00
63125 - Insurance: Life & Disability	20,000.00	1,498.30	5,832.41	14,167.59
63130 - Mileage	1,575.00	0.00	0.00	1,575.00
63135 - Drug Testing	1,000.00	180.00	395.00	605.00
63160 - Payroll Taxes-Medicare	21,525.00	1,543.56	6,721.61	14,803.39
63170 - Payroll Taxes-Social Security	84,525.00	6,599.92	28,740.67	55,784.33
63180 - Payroll Taxes-State Unemploymen	0.00	0.00	1,599.00	-1,599.00

63195 - Taxes, Liability, Insurance: Cobra Fee	0.00	245.00	330.00	-330.00
63200 - Vision Insurance	4,200.00	276.99	1,066.08	3,133.92
64100 - Sewer:DAC Waste Water Flow Charge	52,500.00	5,067.75	19,925.22	32,574.78
64200 - Sewer:Electricity-Sewer	24,450.00	404.82	6,159.83	18,290.17
64300 - Sewer:Lab & Chemicals-Sewer	10,500.00	3,653.75	5,561.45	4,938.55
64500 - Sewer:Supplies & Materials	29,925.00	357.02	357.02	29,567.98
64501 - Pre Paid Tank Site Lease	1,706.25	0.00	0.00	1,706.25
65010 - Automobile Repairs & Maint.	52,500.00	6,170.95	15,233.72	37,266.28
65230 - Computer Maintenance	73,500.00	7,798.81	23,909.99	49,590.01
65240 - Equipment Rental	5,125.00	568.31	2,270.31	2,854.69
65250 - Fuel	90,000.00	9,325.83	33,646.35	56,353.65
65255 - GPS Insights Charges	7,350.00	590.50	2,422.10	4,927.90
65260 - Kitchen & Cleaning Supplies	1,050.00	0.00	0.00	1,050.00
65270 - Lab Chemicals-Water	5,250.00	0.00	150.85	5,099.15
65275 - SCADA Maintenance Fee	2,100.00	365.00	365.00	1,735.00
65276 - Test Equipment Calibration	2,100.00	119.00	119.00	1,981.00
65277 - Generator Maintenance Contract	3,150.00	0.00	2,616.97	533.03
65278 - Meter Testing/Repair/Replacement	64,234.00	0.00	60.00	64,174.00
65280 - Lab Chemicals-Water:Chemicals	36,750.00	5,343.11	21,241.50	15,508.50
65300 - Locates	2,625.00	0.00	0.00	2,625.00
65310 - Maint. & Repairs-Infrastructure	98,250.00	49,124.22	134,379.62	-36,129.62
65320 - Maint. & Repairs-Office	13,125.00	4,667.91	6,283.13	6,841.87
65330 - Maintenance & Repairs-Other	248,265.00	21,206.01	31,154.68	217,110.32
65340 - Materials & Supplies	99,749.75	2,176.88	15,024.63	84,725.12
65345 - Non Inventory-Consumables	52,500.00	4,628.33	16,563.57	35,936.43
65350 - Office Supplies	10,500.00	1,201.13	4,432.43	6,067.57
65360 - Printing and Copying	60,000.00	6,158.66	16,620.52	43,379.48
65370 - Tool Furniture	10,500.00	1,047.85	9,788.26	711.74
65390 - Uniforms-Employee	15,750.00	390.85	3,257.46	12,492.54
65490 - Cell Phone	21,000.00	1,654.88	6,934.43	14,065.57
65500 - Electricity-Lighting	6,300.00	76.94	2,970.47	3,329.53
65510 - Electricity-Offices	15,750.00	278.34	7,017.46	8,732.54
65520 - Electricity-Wells	210,000.00	2,717.36	102,494.16	107,505.84
65530 - Garbage Service	3,150.00	271.59	1,086.65	2,063.35
65540 - Natural Gas	3,150.00	93.46	526.38	2,623.62
65550 - Security/Alarm	5,250.00	0.00	947.54	4,302.46
65560 - Telephone	21,000.00	3,299.86	6,806.21	14,193.79
65561 - Telstar Maintenance Contract	7,350.00	0.00	0.00	7,350.00
65570 - Wastewater	9,390.00	194.78	779.12	8,610.88
66200 - Insurance-General Liability	94,500.00	867.00	22,238.00	72,262.00
66700 - Water Conservation Fee	15,750.00	1,302.66	6,235.33	9,514.67
Expense Total:	4,324,715.00	342,447.84	1,437,471.07	2,887,243.93
Total Surplus (Deficit):	0.00	-73,004.22	211,670.97	-211,670.97

**LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY
PROJECTS REPORT – 12/7/2022**

LRG-17-01 – Mesquite-Brazito Sewer Project 2 – Bohannan 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 on today’s agenda. Bridge Loan was closed and converted to the Interim Loan for construction, and the 6th and final draw has been submitted. USDA-RD loan closing is scheduled for 12/16/22. Construction is progressing well with few customer complaints. We have discussed the project with NMED-CPB regarding potential CWSRLF funding, and we would need to have a new PER & Environmental Document to apply. USDA-RD application is underway for remaining funds needed to complete the project.

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– Bohannan Huston - Construction stage - \$1,174,00,000 RD Loan and \$4,629,000 Grant RD Funds: Seven draws have been submitted for RD funds. Building is nearing completion, drying beds have been constructed, there remain some supply-chain issues.

LRG-17-02 – Central Office Building – Wilson & Co. - DW-4213 \$3,586,286.00

- SAP 21-F2723-STB \$1,200,000: Site work was continuing. Progress meetings have not been held. Modular Building Subcontractor has utterly failed to provide acceptable references or submittals and demanded a price increase and 45% down with payment in full before it leaves their factory. The contractor is proposing to use a different modular building sub at a price increase of over \$1 million. Substantial completion date was November 29th, and liquidated damages will apply.

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. As of 11/3/22, the said they would start in 5-7 weeks. 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 is out to bid. Phase II 60% design meeting was 11/10/22 and 6 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 is pending for relocating booster skid and generator from Valle Del Rio.

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. We were in Santa Fe on 9/27/22 for a presentation at an RCAC event. Mr. Martinez has a contract for lobbying, and we have had some preliminary discussions with him and with BHI regarding a Capital Outlay Request for a well/storage/transmission line project from the Water Master Plan. He will be presenting this as a state-wide project, and we met with Dr. Sullivan at EBID to seek a letter of support and inform them about the project and our Water Master Plan.

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 no trainings during this time.

Collection & Lien Procedures - 309 first notifications, 308 certified letters have been sent and 131 liens have been filed to date. 54 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 – Meeting with Karl Pennock, RCAC, for an update on 11/17/22 was rescheduled to 11/29/22. Second 3% adjustment was effective 7/1/22

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 11/3/22, full board on 11/4/22.

Lower Rio Grande PWWA

Operators Report

December 07, 2022

Backflow inspections are Current. (Mesquite District)

- For the month of November, we were issued 285 work and service orders.
- For the month of October, we were issued 315 work and service orders.
- For the month of November, we installed 6 new water service connections in the South Valley Area.
- We had no new services installed at the East Mesa.
- We had one service line break at the East Mesa service area.
- We had 4 Main line water breaks in South valley area.
- The force main from Brazito to Mesquite is working fine however on November the 28th a customer called to report a sink hole on Missionary Ridge.
- CW divers are the people inspecting our water tanks and they have completed all of our water tanks.

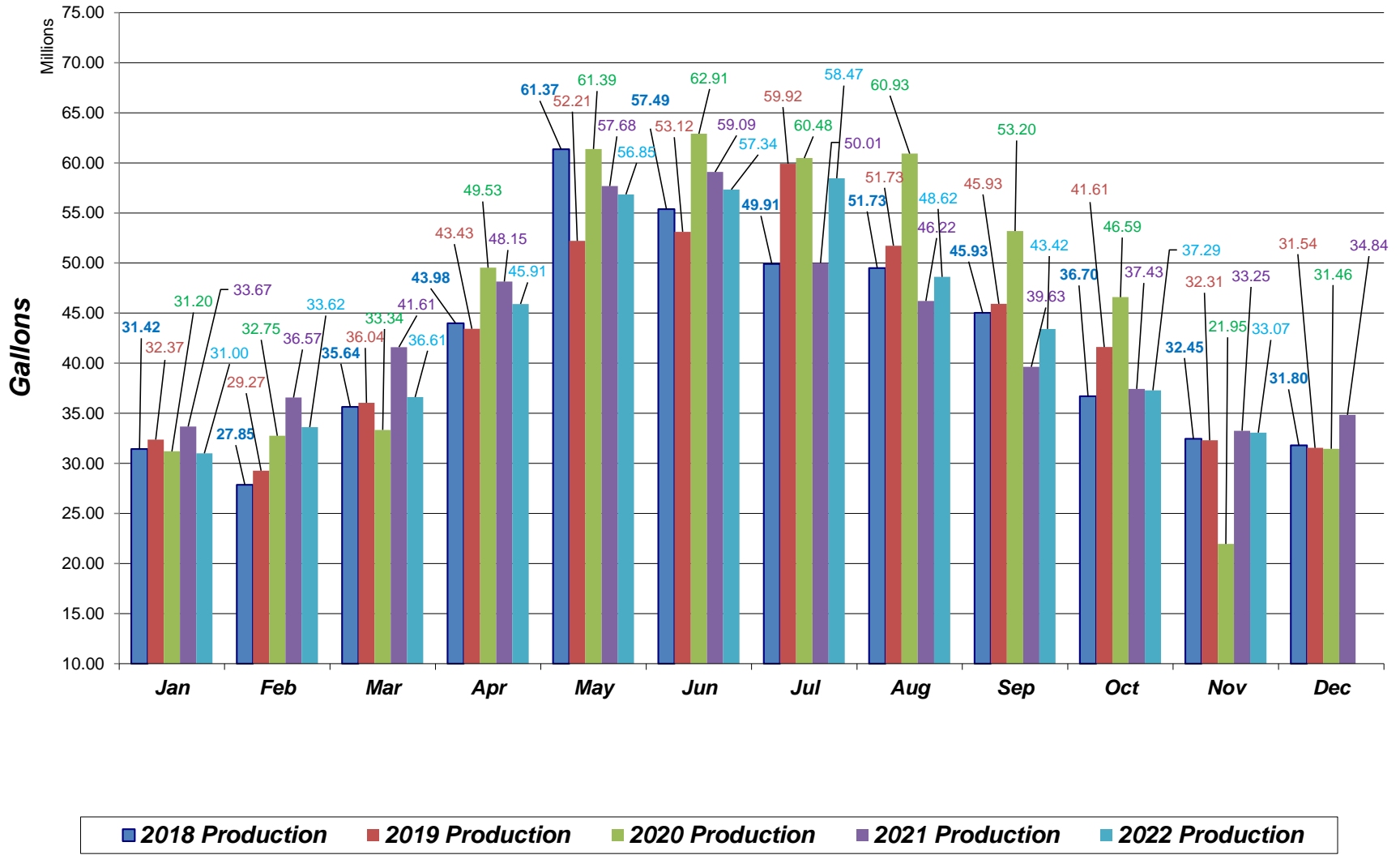
NMED: All of our Monthly Bac-T-Samples were taken for the month of November and all samples were negative.

Mesquite and Organ Sewer Reports. The Organ Pond's and Mesquite Wetland Wastewater reports were sent 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



John Schroder, Accounting Assistant

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

[Remainder of page intentionally left blank.]

**LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY
RESOLUTION NO. FY2023-11**

A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF A COLONIAS INFRASTRUCTURE PROJECT FUND LOAN/GRANT AGREEMENT BY AND BETWEEN THE NEW MEXICO FINANCE AUTHORITY (“FINANCE AUTHORITY,” OR THE “LENDER/GRANTOR”) AND THE LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY (THE “BORROWER/GRANTEE”), FOR THE BENEFIT OF ANTHONY, BRAZITO, MESQUITE, DEL CERRO, LA MESA, VADO, BERINO, MONTANA VISTA, JOY DRIVE, LAS PALMERAS, ORGAN, MT. VIEW, AND BUTTERFIELD PARK, IN THE TOTAL AMOUNT OF \$5,715,000, EVIDENCING AN OBLIGATION OF THE BORROWER/GRANTEE TO UTILIZE THE LOAN/GRANT AMOUNT SOLELY FOR THE PURPOSE OF FINANCING THE COSTS OF CONSTRUCTION OF THE MESQUITE-BRAZITO SEWER PROJECT PHASE 2, AND SOLELY IN THE MANNER DESCRIBED IN THE LOAN/GRANT AGREEMENT; PROVIDING FOR THE PLEDGE AND PAYMENT OF THE LOAN AMOUNT OF \$571,500 SOLELY FROM NET SYSTEM REVENUES AND ACCEPTANCE OF A GRANT AMOUNT OF \$5,143,500; CERTIFYING THAT THE LOAN/GRANT AMOUNT, TOGETHER WITH OTHER FUNDS AVAILABLE TO THE BORROWER/GRANTEE, IS SUFFICIENT TO COMPLETE THE PROJECT; APPROVING THE FORM OF AND OTHER DETAILS CONCERNING THE LOAN/GRANT AGREEMENT; RATIFYING ACTIONS HERETOFORE TAKEN; REPEALING ALL ACTION INCONSISTENT WITH THIS RESOLUTION; AND AUTHORIZING THE TAKING OF OTHER ACTIONS IN CONNECTION WITH THE EXECUTION AND DELIVERY OF THE LOAN/GRANT AGREEMENT.

Capitalized terms used in the following preambles have the same meaning as defined in this Resolution unless the context requires otherwise.

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

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

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

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

WHEREAS, there exists within the boundaries of the Borrower/Grantee, Anthony, Brazito, Mesquite, Del Cerro, La Mesa, Vado, Berino, Montana Vista, Joy Drive, Las Palmeras, Organ, Mt. View and Butterfield Park, are communities that have been designated as a Colonias within the meaning of the Act; and

WHEREAS, the Borrower/Grantee will be receiving the Loan/Grant for the benefit of Anthony, Brazito, Mesquite, Del Cerro, La Mesa, Vado, Berino, Montana Vista, Joy Drive, Las Palmeras, Organ, Mt. view and Butterfield Park and the public they serve; and

WHEREAS, the Borrower/Grantee submitted an application dated February 16, 2022 for the Project; and

WHEREAS, the CIB has determined that the Project is a qualifying Project and that the Borrower/Grantee is a Qualified Entity under the Board Rules; and

WHEREAS, the CIB on May 24, 2022, recommended to the Finance Authority that the Borrower/Grantee receive financial assistance from the Fund in the form of the Loan/Grant, for the benefit of the Colonias and the CIB has recommended that the Finance Authority enter into and administer the Loan/Grant Agreement; and

WHEREAS, the Finance Authority approved the Loan/Grant Amount from the Fund to the Borrower/Grantee on June 23, 2022; and

WHEREAS, the Borrower/Grantee has determined that it is in the best interests of the Borrower/Grantee the Colonias that the Borrower/Grantee enter into an Agreement with the Lender/Grantor to borrow \$571,500 from the Lender/Grantor and to accept a grant in the amount of \$5,143,500 from the Lender/Grantor to finance the costs of construction of the Mesquite-Brazito sewer project Phase 2, this project being more particularly described in the Term Sheet; and

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

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

WHEREAS, the Loan/Grant Agreement shall not constitute a general obligation of the

Borrower/Grantee, the CIB or the Finance Authority or a debt or pledge of the full faith and credit of the Borrower/Grantee, the CIB, the Finance Authority or the State; and

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

WHEREAS, the Governing Body hereby determines that the Local Match is now available to the Borrower/Grantee to complete the Project; and

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

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

Section 1. Definitions. Capitalized terms defined in the foregoing recitals shall have the same meaning when used in this Resolution unless the context clearly requires otherwise. Capitalized terms not defined in the recitals and defined in this Article I shall have the same meaning when used in this Resolution including the foregoing recitals, unless the context clearly requires otherwise. Capitalized terms not defined herein shall have the meaning given them by the Loan/Grant Agreement.

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

“Authorized Officers” means, any one or more of the Chair, the Finance Manager, the General Manager and Secretary of the Borrower/Grantee.

“Borrower/Grantee” means the Lower Rio Grande Public Water Works Authority in Doña Ana County, New Mexico.

“CIB” means the Colonias Infrastructure Board created by the Act.

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

“Colonia” or “Colonias” means a Colonia as defined in the Act, and more particularly in NMSA 1978, § 6-30-3(C), as amended, and particularly Anthony, Brazito, Mesquite, Del Cerro, La Mesa, Vado, Berino, Montana Vista, Joy Drive, Las Palmeras, Organ, Mt. View and Butterfield Park.

“Colonias Infrastructure Project Fund” or “Fund” means the fund of the same name created pursuant to the Act and held and administered by the Finance Authority.

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

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

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

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

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

“Eligible Items” means eligible Project costs for which loans/grants may be made pursuant to Title 2, Chapter 91, Part 2 NMAC, the Board Rules and applicable Policies, and includes costs of acquiring and constructing the Project, and, without limitation, Eligible Legal Costs and Eligible Fiscal Agent Fees.

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

“Finance Authority” means the New Mexico Finance Authority.

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

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

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

“Grant” or “Grant Amount” means the amount provided to the Borrower/Grantee as a grant pursuant to the Loan/Grant Agreement for the purpose of funding the Project, and shall equal 90% of the amount disbursed not to exceed \$5,143,500.

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

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

“Lender/Grantor” means the Finance Authority.

“Loan” or “Loan Amount” means 10% of the amount disbursed to the Borrower/Grantee as a loan pursuant to the Loan/Grant Agreement for the purpose of funding the Project, and shall not equal more than \$571,500.

“Loan/Grant” or “Loan/Grant Amount” means the amount provided to the Borrower/Grantee as the Grant Amount and borrowed by the Borrower/Grantee as the Loan Amount pursuant to the Loan/Grant Agreement for the purpose of funding the Project. The value of the Loan/Grant shall not equal more than \$5,715,000.

“Loan Payments” means, collectively, the Principal Component (defined in the Loan/Grant Agreement) and interest, if any, to be paid by the Borrower/Grantee as payment of the Loan/Grant Agreement as shown on Exhibit “C” to the Loan/Grant Agreement.

“Local Match” means the amount determined pursuant to the Policies to be provided by the Borrower/Grantee which includes the total value of the soft or hard match (each as defined in the Policies) which, in combination with the Loan/Grant Amount and other monies available to the Borrower/Grantee, is sufficient to complete the Project. The Local Match is \$14,273,800.

“Net System Revenues” means the Gross Revenues of the System minus Operation and Maintenance Expenses, indirect charges, amounts expended for capital replacements and repairs, required set asides for debt and replacement requirements, and any other payments from the gross revenues reasonably required for operation of the System.

“NMAC” means the New Mexico Administrative Code.

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

“Operation and Maintenance Expenses” has the meaning given to that term in the Loan/Grant Agreement.

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

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

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

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

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

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

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

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

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

“State” means the State of New Mexico.

“System” means the water and wastewater utility system of the Borrower/Grantee, owned and operated by the Borrower/Grantee, and of which the Project, when completed, will form part.

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

“Useful Life” means the period during which the Project is expected to be usable for the purpose for which it was acquired and constructed, which is thirty (30) years.

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

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

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

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

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

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

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

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

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

G. The Borrower/Grantee has title to or easements or rights of way on the real property upon which the Project is being constructed or located.

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

A. Authorization. This Resolution has been adopted by the affirmative vote of at least majority of all of the members of the Governing Body. For the purpose of protecting the public health, conserving the property, and protecting the general welfare and prosperity of the public served by the Borrower/Grantee and acquiring and completing the Project, it is hereby declared necessary that the Borrower/Grantee execute and deliver the Loan/Grant Agreement evidencing the Borrower/Grantee's acceptance of the Grant Amount of \$5,143,500 and borrowing the Loan Amount of \$571,500 to be utilized solely for Eligible Items necessary to complete the Project, and solely in the manner and according to the restrictions set forth in the Loan/Grant Agreement, the execution and delivery of which is hereby authorized. The Borrower/Grantee shall use the Loan/Grant Amount to finance the acquisition and completion of the Project.

B. Detail. The Loan/Grant Agreement shall be in substantially the form of the Loan/Grant Agreement presented at the meeting of the Governing Body at which this Resolution was adopted. The Grant shall be in the amount of \$5,143,500 and the Loan shall be in the amount of \$571,500. Interest on the Loan Amount shall be zero percent (0%) per annum of the unpaid principal balance of the Loan Amount.

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

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

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

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

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

C. CIB and Finance Authority Not Responsible. Borrower/Grantee shall apply the funds derived from the Loan/Grant Agreement as provided therein, and in particular Article V of the Loan/Grant Agreement. Neither the CIB nor the Finance Authority shall in any manner be responsible for the application or disposal by the Borrower/Grantee or by its officers of the funds derived from the Loan/Grant Agreement or of any other funds held by or made available to the Borrower/Grantee in connection with the Project. Lender/Grantor shall not be liable for the refusal or failure of any other agency of the State to transfer any portion of the Loan/Grant Amount in its possession, custody and control to the Finance Authority for disbursement to the Borrower/Grantee, or to honor any request for such transfer or disbursement of the Loan/Grant Amount.

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

Section 10. Lien on Pledged Revenues. Pursuant to the Loan/Grant Agreement, the Loan/Grant Agreement constitutes an irrevocable lien (but not an exclusive lien) upon the Pledged Revenues to the extent of the Loan Amount, the priority of which is consistent with that shown on the Term Sheet.

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

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

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

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

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

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

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

[Remainder of page intentionally left blank.]

[Form of Notice of Adoption of Resolution for Publication]

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

Notice is hereby given of the title and of a general summary of the subject matter contained in Resolution No. FY2023-11, duly adopted and approved by the Board of Directors of Lower Rio Grande Public Water Works Authority on December 7, 2022. A complete copy of the Resolution is available for public inspection during normal and regular business hours in the office of the Secretary or by contacting the Secretary, at 215 Bryant St., Mesquite, New Mexico 88048.

The title of the Resolution is:

**LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY
RESOLUTION NO. FY2023-11**

A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF A COLONIAS INFRASTRUCTURE PROJECT FUND LOAN/GRANT AGREEMENT BY AND BETWEEN THE NEW MEXICO FINANCE AUTHORITY (“FINANCE AUTHORITY,” OR THE “LENDER/GRANTOR”) AND THE LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY (THE “BORROWER/GRANTEE”), FOR THE BENEFIT OF ANTHONY, BRAZITO, MESQUITE, DEL CERRO, LA MESA, VADO, BERINO, MONTANA VISTA, JOY DRIVE, LAS PALMERAS, ORGAN, MT. VIEW, AND BUTTERFIELD PARK, IN THE TOTAL AMOUNT OF \$5,715,000, EVIDENCING AN OBLIGATION OF THE BORROWER/GRANTEE TO UTILIZE THE LOAN/GRANT AMOUNT SOLELY FOR THE PURPOSE OF FINANCING THE COSTS OF CONSTRUCTION OF THE MESQUITE-BRAZITO SEWER PROJECT PHASE 2, AND SOLELY IN THE MANNER DESCRIBED IN THE LOAN/GRANT AGREEMENT; PROVIDING FOR THE PLEDGE AND PAYMENT OF THE LOAN AMOUNT OF \$571,500 SOLELY FROM NET SYSTEM REVENUES AND ACCEPTANCE OF A GRANT AMOUNT OF \$5,143,500; CERTIFYING THAT THE LOAN/GRANT AMOUNT, TOGETHER WITH OTHER FUNDS AVAILABLE TO THE BORROWER/GRANTEE, IS SUFFICIENT TO COMPLETE THE PROJECT; APPROVING THE FORM OF AND OTHER DETAILS CONCERNING THE LOAN/GRANT AGREEMENT; RATIFYING ACTIONS HERETOFORE TAKEN; REPEALING ALL ACTION INCONSISTENT WITH THIS RESOLUTION; AND AUTHORIZING THE TAKING OF OTHER ACTIONS IN CONNECTION WITH THE EXECUTION AND DELIVERY OF THE LOAN/GRANT AGREEMENT.

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

[End of Form of Notice of Adoption for Publication]

PASSED, APPROVED AND ADOPTED THIS 7TH DAY OF DECEMBER, 2022.

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

By _____
Esperanza Holguin, Chair

ATTEST:

By _____
Glory Juarez, Secretary

[Remainder of page intentionally left blank.]

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

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

Those Voting Aye:

Esperanza Holguin, Chair

Furman Smith, Vice-Chair

Glory Juarez, Secretary

Joe Evaro, Director

Paul Smith, Director

Those Voting Nay:

Those Absent:

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

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

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

By _____
Esperanza Holguin, Chair

ATTEST:

By _____
Glory Juarez, Secretary

[Remainder of page intentionally left blank.]

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

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

1. The foregoing pages are a true, perfect, and complete copy of the record of the proceedings of the Board of Directors of the Borrower/Grantee (the “Governing Body”), had and taken at a duly called regular meeting held at 521 St. Valentine, La Mesa New Mexico 88044, on December 7, 2022, at the hour of 9:30 a.m., insofar as the same relate to the adoption of Resolution No. FY2023-11 and the execution and delivery of the proposed Loan/Grant Agreement, a copy of which is set forth in the official records of the proceedings of the Governing Body kept in my office. None of the action taken has been rescinded, repealed, or modified.

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

3. Notice of the meeting was given in compliance with the permitted methods of giving notice of meetings of the Governing Body as required by the State Open Meetings Act, NMSA 1978, § 10-15-1, as amended, including the Borrower/Grantee's open meetings Resolution No. FY2022-20, adopted and approved on June 15, 2022, in effect on the date of the meeting.

IN WITNESS WHEREOF, I have hereunto set my hand this 20th day of January, 2023.

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

By _____
Glory Juarez, Secretary

6495759

EXHIBIT "A"

Notice of Meeting, Meeting Agenda