

## Who We Are

When they began meeting back in early 2005, board & staff members of the four of the five founding mutual domestic water associations (Berino, Desert Sands, Mesquite & Vado) were already accustomed to calling on each other for assistance. They found many common challenges with increasing regulation and oversight, decreasing availability of funding, and the struggles of operating a utility serving a critical human need with a volunteer boards, shoe-string budgets, and minimal (if any) staff. Additionally, two of the associations were faced with Safe Drinking Water Act Arsenic Standard compliance issues, some were looking at a need for additional water rights, some had not made needed system upgrades/replacements and were faced with high maintenance & repair costs and the need to increase rates to pay for improvements, and some were already charging high rates to cover debt service for the improvement projects they had undertaken.

During that first year, the boards of the first four associations signed a Memorandum of Understanding to formalize their intention to work together as the Regional South Central Mutual Domestic Group to explore potential regional projects, obtain technical assistance from Rural Community Assistance Corporation and other providers for that purpose, to apply for planning funds, plan and implement projects together, and to recognize and honor each community's unique identity while exploring all means of working together in a regional and mutually beneficial way. Their first regional project was a Regional Water Conservation Plan completed in 2006. The La Mesa MDWCA requested to join the RSCMDG in May 2006, was accepted, and that Plan was amended with their data and input.

During the 2006 session of the NM Legislature, the members of the RSCMDG carpooled to Santa Fe with Capital Outlay requests for their separate mutual domestic associations. When Representative Cervan-

tes met with the group, he urged them to sit down together and prioritize the projects for funding rather than leaving it up to the legislators to try to be fair and provide a small amount of funding to each because that is not an effective way to get projects built. The group took his advice to heart and did just that the following year.



In August of 2006, the members of the RSCMDG attended a meeting to promote regionalization of utilities at Vado Elementary

coordinated by Annette Morales of Medius, Inc. with Representative Mary Helen Garcia and Senator Mary Kay Papen, NM Department of Finance & Administration Deputy Secretary Robert Apodaca and Local Government Division Director Rick Martinez. They came away with an understanding of the important role regionalization would be playing in securing funding in the future as well as the many benefits it could bring to small communities.

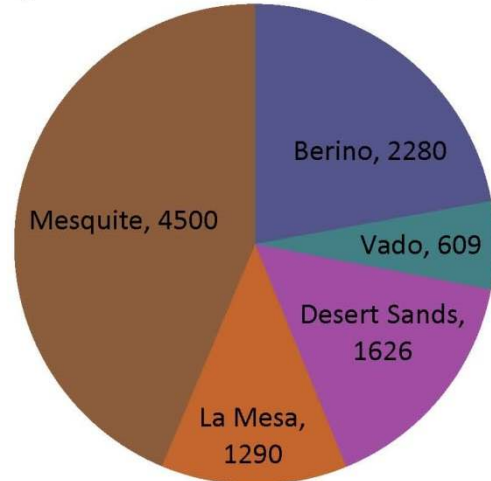
In September of 2006, all five founding mutual domestic associations jointly formed the Lower Rio Grande Mutual Domestic Water Association, a regional umbrella mutual domestic association incorporated under the NM Sanitary Projects Act with board consisting of a representative from each member associations plus one At-Large Director. This entity was able to apply for and receive state and federal funding for regional projects. The LRGMDWA was accepted as a member of the South Central Council of Governments and received their assistance in applying for CDBG Planning Funds. In November, the LRGMDWA hosted a meeting with its legislators to present the mutual domestic associations' prioritized capital outlay requests.

Between 2007 and 2009, the LRGMDWA was awarded seven Colonias Initiative

Grants totaling \$1,938,293, a Community Development Block Grant of \$500,000 administered by Dona Ana County, Legislative Capital Outlay totaling \$660,000, and a CDBG Planning Grant of \$100,000, for a grand total of \$3,198,293 for regional projects.

Milestones in 2007 for the LRGMDWA included development of an Infrastructure Capital Improvements Plan for regional projects, a joint Board Retreat with directors from all five mutual domestic associations in June, and successfully securing funding for regional projects including the interconnection of four of the five systems with the

## Population Served, 2006



LRGMDWA Stern Drive Interconnect Project and development of planning documents for the regionalization effort including asset management, financial and strategic planning, and study of existing formats for regional entities. CE&M was the engineering firm selected, and Rural Community Assistance Corporation was their subcontractor for the non-technical planning components.

During 2008, the LRGMDWA continued to move forward with the projects initiated the previous year and its board, in conjunction with the member associations' boards, came to the conclusion that forming a new Authority by state legislation to accomplish a merger of the founding entities. On September 18, 2008, a public hearing for the

customers of all five associations was held at Vado Elementary School to discuss the consolidation of the water systems. Each association then held a membership meeting, and the members adopted resolutions authorizing their respective boards to create the Lower Rio Grande Public Water Works Authority and approving the merger. The LRGMDWA board worked with Olga Morales of RCAC to develop a merger plan



adopted by each of the individual association boards and writing what became 2009 House Bill 185 creating the Lower Rio Grande Public Water Works Authority and presented the first draft to the Water & Natural Resources Committee in November 2008. The committee endorsed the bill and advised the LRGMDWA to meet with stakeholders who had expressed concern at the hearing prior to the start of the session to work out differences, which was done.

HB 185 was sponsored by Representative Cervantes and carried by Senator Papen in the Senate. During the session, several modifications were made to address additional concerns from stakeholders and state agencies, and the bill received a unanimous "Do Pass" recommendation from two House committees and two Senate Committees, and was passed unanimously on the House Floor and Senate Floor. Final passage was March 16, 2009 thanks to Senator Cynthia Nava graciously allowing it to be heard in place of one of her bills late that night. Governor Bill Richardson signed HB 185 on April 6, 2009. The LRGMDWA received funding that year to continue its Intercon-

nection Project with the Castillo Road portion, and that project connecting the La Mesa system was built during 2010.

The LRGPWVA board appointed a Governance Documents Committee to work with Ms. Morales of RCAC to develop Governance Documents for the Authority, and that was adopted October 20, 2010. The Authority's Service Area was been established and filed with Doña Ana County on January 21, 2010. Martin Lopez was named General Manager by the Board on October 6, 2010. He brought in an accountant from an employment agency, to serve as Finance Manager the very next day to begin the merger process, and shortly thereafter named an Operations Manager and Projects Manager. The remainder of the 22-member staff (all of the employees from the founding entities) was brought on board November 3, 2010.

Income from the five associations was merged in mid-October 2010. The assets of the associations have been assumed by the LRGPWVA including cash and bank accounts, real property, easements, permits and water rights. The LRGPWVA took re-



sponsibility for the associations' liabilities immediately, and began the process of assuming them. Several of the associations' USDA Rural Development and NMED-CPB Rural Infrastructure Program loans were paid off early by the LRGPWVA. On July 15, 2011, the Authority closed on a consolidation loan from New Mexico Finance Authority and paid off the remaining USDA-RD loans. One remaining old NMED-CPB-RIP loan is being refinanced in 2012 by the LRGPWVA with the USDA-RD funded La Mesa Water Project.

The LRGPWWA initial schedule of rates & fees was implemented as of December 1, 2010 for all customers. By July 2011 a system-wide network was in place, all customer accounts were transferred to the same billing software, and customers were able to make payments at any of the LRGPWWA offices. This was made possible by an agreement with Southwestern Wireless to provide high-speed Internet service at all of the LRGPWWA offices in exchange for locating their antennas on our elevated tank near Mesquite.

Except for two projects already under construction at the time of the merger (Desert Sands & Mesquite water system improvements), the LRGPWWA assumed all projects that had been initiated by the founding entities and is in the process of completing those and planning future projects.

The establishment of voting districts turned out to be more of a challenge than originally anticipated due to the need to identify and locate each property owner with service from the LRGPWWA on a map, then divide the area into five districts with a roughly equal number of voters, but it was accomplished and voting districts were adopted by the Board on April 6, 2011. The LRGPWWA worked with Technical Assistance Provider Olga Morales of Rural Community Assistance Corporation to develop election policies and coordinate with county staff for elections to be conducted by the Doña Ana County Clerk's Office.

Meanwhile, in 2012, the Butterfield Park Mutual Domestic Water Consumers Association Board of Directors invited the LRGPWWA management and the Organ Water & Sewer Association Board of Directors to meet with them and discuss regional-

ization. The Organ MDWCA had previously merged with Mountainview MDWCA, and Organ and Butterfield Park had interconnected their systems and combine and commingled their water rights. On May 8, 2012, after several board meetings and two public information meetings, the members of the Butterfield Park MDWCA

adopted a Member Resolution authorizing their board take the necessary steps to merge with the LRGPWWA.

After additional public meetings in Organ, the members of the Organ WSA adopted a Member Resolution authorizing

their board to take action to merge with the LRGPWWA on June 12, 2012.

The Butterfield Park and Organ Associations were water system regionalization pioneers in the state, having combined and comingled their water rights and connected their systems to provide each other with emergency back-up service back in 1999. Their systems will not be interconnected with the LRGPWWA's South Valley systems, but all other aspects of their operations have been merged with the LRGPWWA.

The Brazito Mutual Domestic Water Consumers Association had been working with the Mesquite MDWCA and then the LRGPWWA to bring wastewater service into their community and later for interconnect for emergency back-up water service. Their Board of Directors met with LRGPWWA management to discuss regionalization and decided to offer the merger option to their members. A public information meeting was held, and then at a membership meeting a Member Resolution authorized the board to initiate a merger with the LRGPWWA on November 27, 2012.

These three mergers provided even more challenges with regard to assuming debt



and holding an election. The transfer & assumption of USDA-RD loans from these three mergers was finally concluded on December 9, 2016. Due to the distances involved between the East Mesa systems and the southern end of the South Valley system, it was decided to increase the



number of voting districts to seven, the maximum under the LRGPWWA statute. The new voting members were identified and located on the map; new district boundaries were drawn to establish equal representation, and the first regular election was conducted by the Doña Ana County Clerk's Office on April 2, 2013.

In early 2012, the owner of the Valle Del Rio Water System approached the General Manager of the Lower Rio Grande Public Water Works Authority about his desire to sell the system. After several meetings and discussions with the Board of Directors, the LRGPWWA applied for New Mexico Finance Authority Planning Grants to appraise and evaluate the Valle Del Rio system.

Upon completion and negotiation of a Purchase & Sale Agreement, the LRGPWWA applied to NMFA for New Mexico Drinking Water State Revolving Loan funding for the purchase and upgrade of the Valle Del Rio Water System. The purchase was completed on February 29, 2016, and preparation of a planning document for the improvement project was begun. The new members from Valle Del Rio have been temporarily assigned to District 6 until the next redistricting takes place. The Valle Del Rio System will not be immediately interconnected with the other LRGPWWA South Valley systems, but that could potentially happen in the future depending on growth patterns.

On January 5, 2018, the High Valley MDWCA submitted a formal request for merger to the LRGPWWA Board of Direc-

tors, and on March 22, 2018, a merger plan was adopted by Joint Resolution follow a High Valley Member Meeting where the merger was authorized by the membership. High Valley is a small system east of I-10 at Vado with about 24 connections. There are no immediate plans to interconnect it with the LRGPWWA S.

Valley Service Area systems due to distance.

On May 17, 2021, the Rincon Water Consumers Co-op Board of Directors submitted a request to investigate the feasibility of a merger to the LRGPWWA Board of Directors on May 17, 2021. After legal and staff review and due-diligence and multiple public meetings, the Co-op membership elected to convert to a Mutual Domestic Association on July 20, 2022 to facilitate the merger, and the Rincon MDWCA membership voted to instruct their board to complete the merger. The merger joint resolution was adopted by the Rincon board on 7/20/22 and by the LRGPWWA board on 8/17/22.

The Lower Rio Grande Public Water Works Authority currently consists of twelve water systems in five separate areas providing service to fifteen Colonias communities in the area south of Las Cruces from Brazito to north end of Anthony, Butterfield Park & Organ on the East Mesa, and Valle Del Rio, High Valley, and Rincon. The LRGPWWA service area is about 266 square miles, and it provides water service to just over 5,300 connections.

The Lower Rio Grande PWWA also provides wastewater service in the Mesquite community in the South Valley and in the Organ community on the East Mesa. The Mesquite wastewater collection system was upgraded from a small diameter pressurized system with a wetlands treatment facility to a gravity system discharging into the Doña Ana County South Central Wastewater Treatment Facility with an \$8.9 million project funded by USDA Rural Development and the NM Colonias Infrastructure Trust

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Fund completed in 2015. A project to extend that collection system into unserved areas of Mesquite and to the community of Brazito is nearing the construction phase with \$8.8 million in funding from USDA-RD and NM-CITF, and a second project in the design phase has been awarded \$14.3 million in USDA-RD funding and \$5.751 million in NM Colonias funds.

The Organ community is served by a gravity collection system discharging into a treatment lagoon which received some improvements during a \$3 million USDA-RD funded Water & Wastewater System Improvements Project in 2014.

