

1 HOUSE BILL 539

2 **57TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2025**

3 INTRODUCED BY

4 Raymundo Lara

5  
6  
7  
8  
9  
10 AN ACT

11 RELATING TO SPECIAL DISTRICTS; CREATING THE CAMINO REAL  
12 REGIONAL UTILITY AUTHORITY; PROVIDING POWERS AND DUTIES;  
13 PROVIDING FOR THE ISSUANCE OF REVENUE BONDS.

14  
15 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

16 SECTION 1. A new section of Chapter 73 NMSA 1978 is  
17 enacted to read:

18 "[NEW MATERIAL] CAMINO REAL REGIONAL UTILITY AUTHORITY--  
19 CREATED--BOARD--ELECTION--TERMS.--

20 A. The "Camino Real regional utility authority" is  
21 created. The authority shall be governed by a board of  
22 directors consisting of seven elected members who are water  
23 consumers who reside within the geographical boundaries of the  
24 authority's service area. The elected board of directors shall  
25 serve staggered terms to be established in the governance

.230750.4

underscored material = new  
[bracketed material] = delete

underscoring material = new  
[bracketed material] = delete

1 document developed by the board.

2 B. All elections of the authority shall be  
3 conducted pursuant to the provisions of the Local Election Act  
4 and voted upon by the qualified electors registered to vote  
5 within the geographical boundaries of the authority's service  
6 area. Board members shall be elected at the regular local  
7 election. Vacancies on the board shall be filled by the  
8 remaining board members, and a person appointed to fill a  
9 vacancy shall serve until the next regular local election. A  
10 person appointed to fill a vacancy shall be a qualified elector  
11 who resides within the authority's service area."

12 SECTION 2. A new section of Chapter 73 NMSA 1978 is  
13 enacted to read:

14 "[NEW MATERIAL] BOARD--POWERS--DUTIES.--

15 A. The Camino Real regional utility authority board  
16 is granted all powers necessary and appropriate to carry out  
17 the purposes of this 2025 act. All powers, privileges and  
18 duties vested in or imposed upon the authority shall be  
19 exercised and performed by the board; provided that the board  
20 may delegate its powers by resolution to an officer or agent of  
21 the board, with the exception of the following powers:

- 22 (1) adoption of board rules, policies and  
23 procedures;
- 24 (2) ratification of acquisition of property;
- 25 (3) initiation or continuation of legal

underscored material = new  
~~[bracketed material] = delete~~

1 action, except that initiation and filing of liens for unpaid  
2 rates and charges and suits for payment thereof and  
3 discontinuance of service for failure to pay such rates and  
4 charges may be delegated;

5 (4) establishment of fees, tolls, rates or  
6 charges, except that the board may retain or appoint a panel of  
7 water, wastewater or engineering experts to make  
8 recommendations to the board regarding the approval of proposed  
9 projects, as well as increases to residential, commercial and  
10 industrial water rates; and

11 (5) issuance of revenue bonds.

12 B. Meetings of the board shall be held at the call  
13 of the chair or whenever three members shall so request in  
14 writing. A majority of members then serving constitutes a  
15 quorum for the transaction of any business. Except as provided  
16 in Subsection C of this section, the affirmative vote of at  
17 least a majority of a quorum present shall be necessary for any  
18 action to be taken by the board. A vacancy in the membership  
19 of the board shall not impair the right of a quorum to exercise  
20 all rights and perform all duties of the board.

21 C. The non-delegable powers and duties provided in  
22 Subsection A of this section shall only be effective upon  
23 resolution passed by a supermajority of five members of the  
24 board.

25 D. The board shall promulgate and adhere to rules,

.230750.4

underscored material = new  
~~[bracketed material] = delete~~

1 policies and procedures that govern the board's conduct.

2 E. A member of the board having a financial  
3 interest or possible interest in the outcome of any policy,  
4 decision or determination before the board shall be  
5 disqualified from voting on the issue. A member's status as a  
6 ratepayer or customer of the authority shall not be deemed to  
7 constitute a financial interest or possible interest for the  
8 purposes of this section.

9 F. Subject to Subsections B through D of this  
10 section, the board may:

- 11 (1) adopt bylaws;
- 12 (2) fix the time and place of meetings and the  
13 method of providing notice of the meetings in accordance with  
14 the Open Meetings Act;
- 15 (3) promulgate orders, resolutions, policies  
16 and rules necessary for the governance and management of the  
17 affairs of the authority and the execution of the powers vested  
18 in the authority;
- 19 (4) maintain offices at a place as the board  
20 may designate;
- 21 (5) employ a director, who may employ and  
22 retain necessary staff;
- 23 (6) establish user classifications;
- 24 (7) fix and from time to time increase or  
25 decrease water rates, fees or other charges for water delivery

.230750.4

underscoring material = new  
~~[bracketed material] = delete~~

1 or other related services or facilities operated or made  
2 available by the authority, subject to the following  
3 conditions:

4 (a) until paid, all rates, tolls or  
5 charges constitute a perpetual lien on and against the property  
6 served, and any such lien may be foreclosed in the same manner  
7 as provided by the laws of New Mexico for the foreclosure of  
8 real estate mortgages and shall not be subject to any  
9 limitations period, statutory or otherwise;

10 (b) the board shall prescribe and  
11 enforce rules by which properties shall be connected with and  
12 disconnected from the facilities of the authority, including  
13 payment plans to avoid discontinuing service to delinquent  
14 accounts; and

15 (c) after giving reasonable notice, the  
16 board shall shut off or discontinue service for unauthorized  
17 connections, illegal connections or connections for which  
18 rates, tolls or other charges are delinquent in payment. The  
19 board may file suit in a court of competent jurisdiction to  
20 recover costs associated with an unauthorized, illegal or  
21 delinquent connection, including the cost of water delivered,  
22 charges for connection and disconnection, damages and attorney  
23 fees; and

24 (8) adopt an operating budget that supports  
25 the full cost of operation, maintenance and replacement as

.230750.4

underscoring material = new  
~~[bracketed material] = delete~~

1 established by an asset management plan and a rate-setting  
2 analysis."

3 SECTION 3. A new section of Chapter 73 NMSA 1978 is  
4 enacted to read:

5 "[NEW MATERIAL] AUTHORITY--POWERS.--

6 A. The Camino Real regional utility authority is a  
7 public body politic and corporate, separate and apart from the  
8 city of Sunland Park and Dona Ana county. The authority is a  
9 special district and political subdivision of the state. The  
10 authority is not subject to the jurisdiction of or approval  
11 from the public regulation commission and is not subject to the  
12 provisions of the Public Utility Act. The authority is granted  
13 all powers necessary and appropriate to carry out the  
14 provisions of this section.

15 B. The authority created pursuant to this section  
16 shall replace the entity of the same name previously created by  
17 a joint powers agreement between the city of Sunland Park and  
18 Dona Ana county, and this authority shall succeed to all of the  
19 entity's assets and liabilities and its service area, and the  
20 authority shall provide water and wastewater services within  
21 the entity's service area, as it may be modified or expanded by  
22 the authority.

23 C. The authority may:

24 (1) sue and be sued;

25 (2) enter into contracts, including contracts

.230750.4

underscored material = new  
~~[bracketed material] = delete~~

1 with the city of Sunland Park or Dona Ana county for  
2 procurement services;

3 (3) borrow money and issue revenue bonds  
4 pursuant to Subsection E of this section;

5 (4) acquire, dispose of or encumber real and  
6 personal property and any interest in such property, including  
7 leases, easements and water rights from a willing seller only;

8 (5) design, develop, construct, operate,  
9 maintain, purchase or contract for water systems and pipelines  
10 to connect systems and sources with the authority's customers;

11 (6) be allowed a water use planning period not  
12 to exceed forty years and may hold water rights based on a  
13 water development plan submitted to and approved by the state  
14 engineer, the implementation of which shall not exceed forty  
15 years from the date of the application to change the place or  
16 purpose of use of an acquired water right;

17 (7) have and exercise the power of eminent  
18 domain in the manner provided by law for the condemnation of  
19 private property within the boundaries of the authority for the  
20 construction, maintenance and operation of water and wastewater  
21 facilities and to acquire, maintain, contract for or condemn  
22 for use as part of the authority privately owned water and  
23 wastewater facilities used for the collection, treatment and  
24 disposal of wastewater. The authority shall not take any  
25 property unless it is necessary for rights of way and easements

.230750.4

1 and for the use and placement of facilities and infrastructure  
2 elements, including pipelines, structures, pump stations and  
3 related appurtenances. The authority shall not acquire water  
4 rights through eminent domain; and

5 (8) construct and maintain works and establish  
6 and maintain facilities across or along any public street or  
7 highway and through any vacant public lands that are the  
8 property of the state and construct works and establish and  
9 maintain facilities across any stream of water or watercourse,  
10 all in accordance with applicable state and federal permitting  
11 authority.

12 D. The authority is subject to:

13 (1) the provisions of the Procurement Code;  
14 (2) the provisions of the Eminent Domain Code;  
15 (3) the limitations imposed by Section 72-1-9  
16 NMSA 1978 regarding water rights obtained or water rights  
17 condemned pursuant to a water development plan; and

18 (4) the provisions of Chapter 72 NMSA 1978  
19 regarding any change to the point of diversion or the place or  
20 purpose of use of any water right to any place selected by the  
21 authority in order to make the water available to the  
22 authority.

23 E. The authority may issue "utility system revenue  
24 bonds" and obligations for acquiring real and personal property  
25 needed for the regional utility system and for extending,

.230750.4



underscoring material = new  
~~[bracketed material] = delete~~

1 enlarging, renovating, repairing or otherwise improving water  
2 facilities and wastewater facilities or for any combination of  
3 these purposes. The authority may issue revenue anticipation  
4 notes with maturities not exceeding thirteen months upon terms  
5 approved by the board of directors. The authority shall  
6 irrevocably pledge net revenues from the operation of the  
7 regional utility system for payment of the principal, premiums  
8 and interest on the revenue bonds or other obligations. It is  
9 unlawful to divert, use or expend money received from the  
10 issuance of utility system revenue bonds for any purpose other  
11 than the purpose for which the utility system revenue bonds  
12 were issued. Utility system revenue bonds:

13 (1) may have interest, appreciated principal  
14 value or any part of interest or appreciated principal value  
15 payable at intervals or at maturity as the authority  
16 determines;

17 (2) may be subject to prior redemption at the  
18 authority's option at such time and upon such terms and  
19 conditions with or without the payment of a premium as  
20 determined by the authority;

21 (3) may mature at any time not exceeding fifty  
22 years after the date of issuance;

23 (4) may be serial in form and maturity or may  
24 consist of one bond payable at one time or in installments or  
25 may be in another form as determined by the authority;

.230750.4

underscoring material = new  
~~[bracketed material]~~ = delete

1 (5) shall be sold for cash at, above or below  
2 par and at a price that results in a net effective interest  
3 rate that does not exceed the maximum permitted by the Public  
4 Securities Act; and

5 (6) may be sold at a public or negotiated  
6 sale.

7 F. The bonds authorized by the authority and their  
8 income shall be exempt from all taxation by the state or its  
9 political subdivisions.

10 G. The members of the board of directors of the  
11 authority may adopt a resolution declaring the necessity for  
12 the issuance of utility system revenue bonds or other  
13 obligations and may authorize the issuance of utility system  
14 revenue bonds or other obligations by an affirmative vote of a  
15 majority of all members of the board of directors of the  
16 authority.

17 H. Except for the purpose of refunding previous  
18 utility system revenue bond issues, the authority shall not  
19 sell utility system revenue bonds payable from pledged revenues  
20 after the expiration of three years from the date of the  
21 resolution authorizing their issuance. Any period of time  
22 during which a utility system revenue bond is in litigation  
23 shall not count toward the determination of the expiration date  
24 of that issue."