

PROPOSED AMENDMENT
TO NMSA 1978 73-26-1

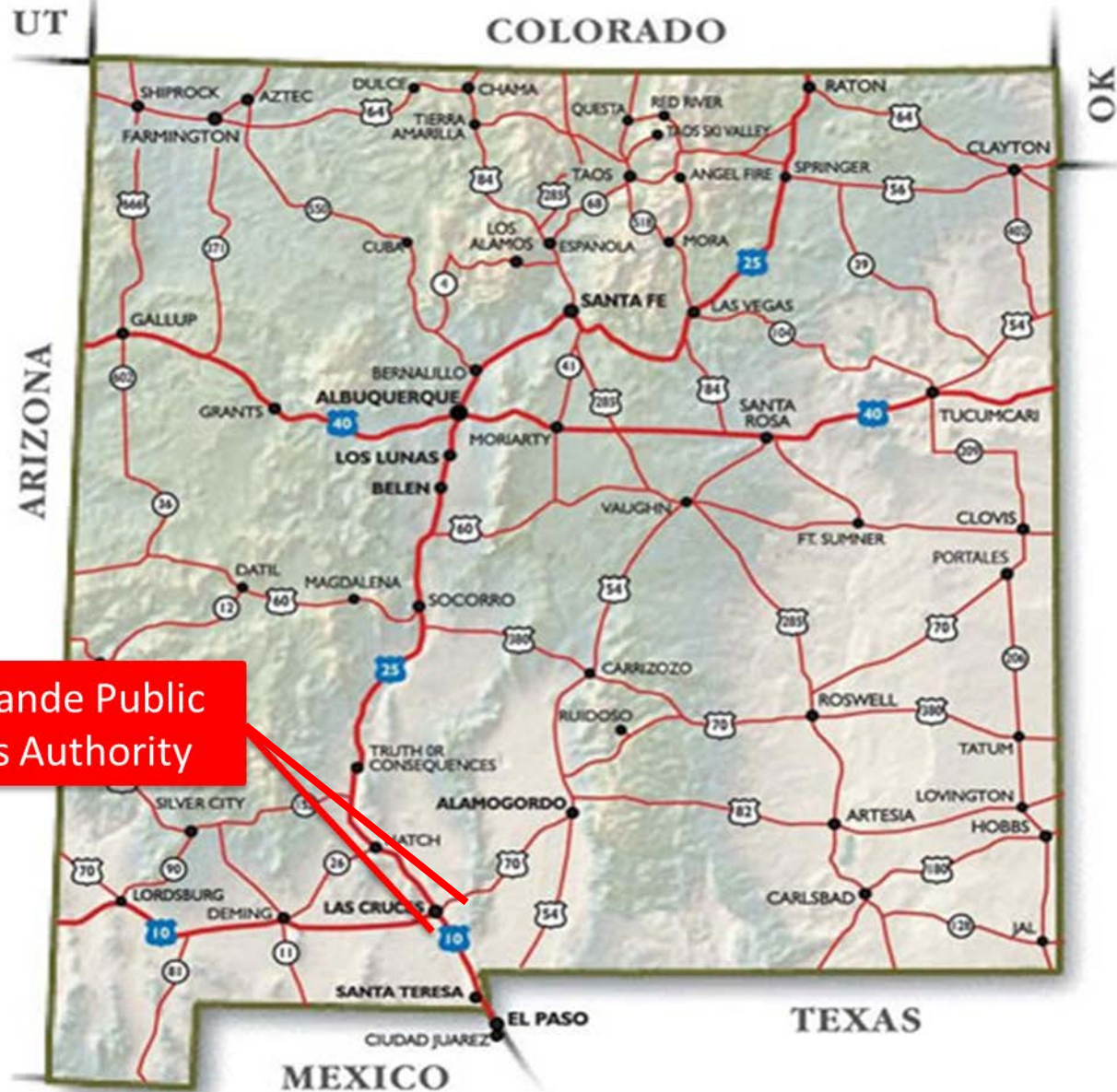


LOWER RIO GRANDE
Public Water Works Authority

NMSA 1978 73-26-1

Lower Rio Grande Public Water Works Authority

- Enacted in 2009 (House Bill 185)
- Merged five mutual domestic associations to form the Lower Rio Grande PWWA
- 3 more mutual domestics merged in 2012
- Privately owned Valle Del Rio Water System was purchased in 2015



Lower Rio Grande Public
Water Works Authority

Regionalization \$\$ Benefits – Project Funding

Lower Rio Grande Public Water Works Authority Project Funds			
\$\$\$	Sources	Type	Project
\$ 790,914.00	NMFA-PPRF	Water & Wastewater	Refinance USDA-RD loans to facilitate initial merger
\$ 612,850.00	NM-Colonias Initiative, NM-SAP	Building	New office building
\$ 86,400.00	NM-Colonias Initiative	Water	Water system interconnect for emergency backup water supply
\$ 10,604,032.08	USDA-RD, NM-WTB, NM-SAPs, NM-Colonias Initiative, NMFA-PG	Water	Berino/Mesquite-Del Cerro Water System Improvements
\$ 739,400.00	NM-CITF	Water	Brazito Water System Improvements Project
\$ 127,500.00	NM-SAP	Equipment	SCADA & IT Equipment
\$ 130,000.00	NM-SAP	Equipment	SCADA
\$ 175,000.00	NM-SAP	Software	SAP Billing Software
\$ 2,040,346.00	USDA-RD	Water	La Mesa Well & Tank Project
\$ 87,500.00	NMFA-PG, CDBG-PG	Water	Preliminary Engineering Report
\$ 8,846,086.42	USDA-RD, NM-CITF, NM-SAPs	Wastewater	Mesquite-Brazito Sewer Project
\$ 8,932,338.00	USDA-RD, NM-CITF	Wastewater	Mesquite Wastewater System Project
\$ 3,091,381.00	USDA-RD	Water & Wastewater	Organ Water & Wastewater Improvements Project
\$ 595,000.00	NM-DWSRLF	Water	Radio Read Meter Project
\$ 750,000.00	NM-WTB	Water	Surface Water/Brackish Water/Berino Well & Treatment Project
\$ 150,000.00	USDA-RD-CF	Equipment	Vehicle Replacement
\$ 1,211,515.64	NMFA-PG, NM-DWSRLF	Water	Water System Purchase & Improvements Project
\$ 1,034,580.00	NM-CITF	Water	Waterline Extension Project
\$ 40,004,843.14	Total LRGPWWA Project Funds		

\$40,034,580 – 16 Projects + Consolidation Loan – 11 NMFA

Regionalization Community Benefits



**LRGPWWA
Interconnect
Projects**

Regionalization \$\$ Benefits – Economies of Scale

Adequate staffing

No duplicate expenses

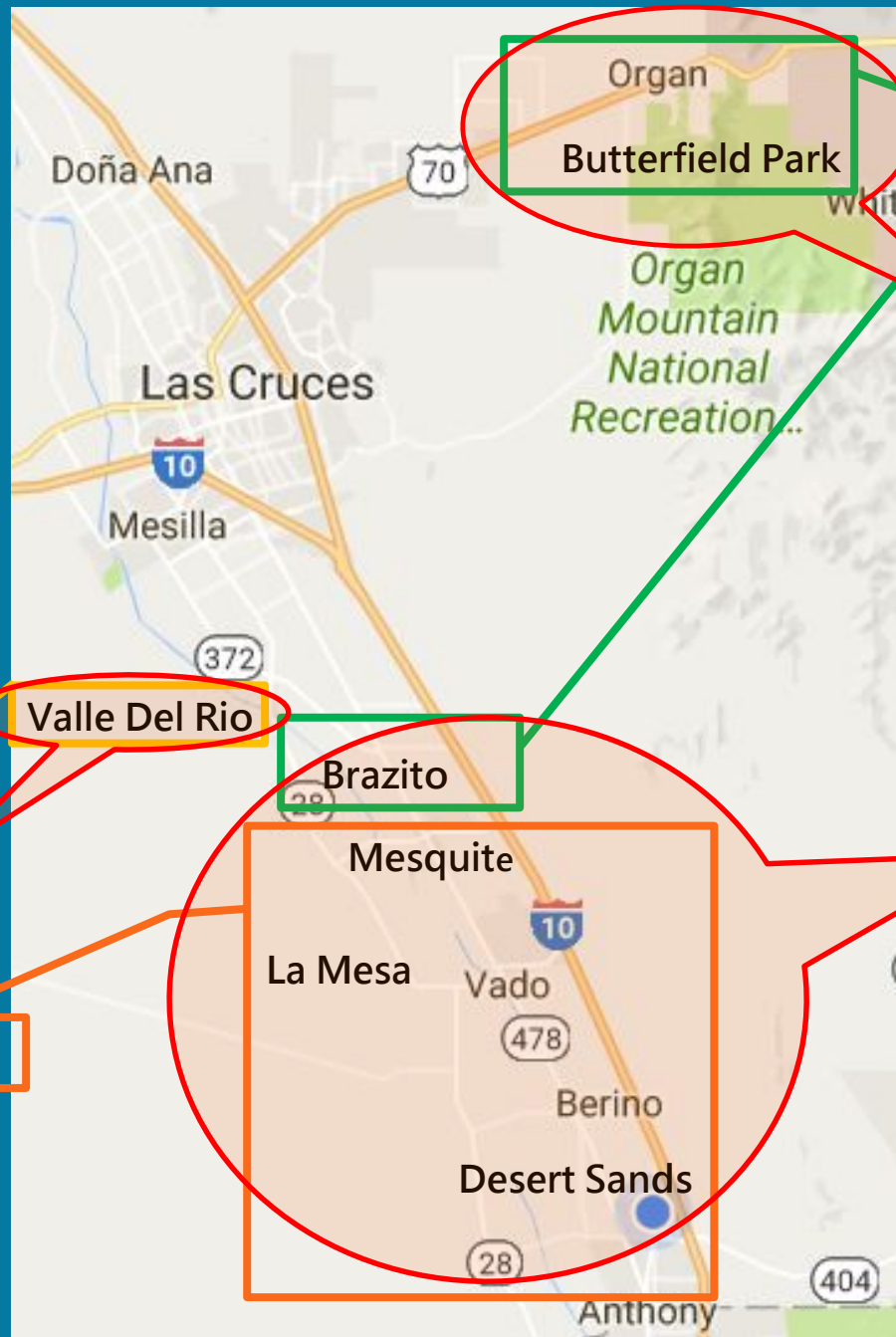
More in-house functions

Fewer contract services

More efficient use of
equipment,
staff and
materials

Board can
focus on
governance,
not management or operations





2012 Mergers

E. Mesa
Service Area

2015 Purchase

VDR Service
Area

Original 5 Systems

S. Valley
Service Area

NMSA 1978 73-26-1

Lower Rio Grande Public Water Works Authority

2017 Bill will address two issues:

1. Change combine & comingle of water rights to be mandatory only when merging water systems are contiguous instead of always mandatory
2. Add language from Municipal Code to provide process and procedures for existing authority to file liens

2016 House Bill 151/Senate Bill 120 FIR

“... SB 120 would change existing statute to clearly provide that the combining and commingling of water rights is required only when the service area of the merging entity is contiguous with the service area of the Authority.... OSE proposes an amendment (see below) to clarify that any combining and commingling of water rights can be accomplished only by application to and a permit issued by the State Engineer...”

NMSA 1978 73-26-1 2017 Proposed Change

D. ...In the event that another entity elects to merge into the authority, ~~[the merger shall include the combining and commingling of water rights with the authority, and]~~ the authority's service area shall be amended to include that entity's place of use and shall be filed with the state engineer. The authority's initial service area and any subsequent amendments to its service area shall be designated in a plat filed in the public records of Dona Ana county. If the service area of the merging entity is contiguous with the service area of the authority, an application shall be filed with the State Engineer to combine and commingle the water rights of the merging entity with the water rights of the authority.

Well #12 – La Mesa



NMSA 1978 73-26-1

Lower Rio Grande Public Water Works Authority

CURRENT Lien Language:

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

(12) placing a lien on property for unpaid assessments, charges and fees and enforcing the lien in a manner pursuant to law;

2016 House Bill 151/Senate Bill 120 FIR

“... As to the provisions concerning the filing and enforcement of liens, **AOC believes they improve the existing statute**, which is vague about placing and enforcing a lien since it simply provides that the Authority has the right to place and enforce a lien "in a manner pursuant to law." It points out there are a number of ways to place and enforce a lien pursuant to law, such as for mechanic's liens, materialmen's liens, tax liens, and attorney charging liens, and that this bill clarifies the specific procedures for placing and foreclosing an Authority lien. **These provisions do not enlarge the power of the Authority, but are consistent with lien authority granted to other incorporated water associations under the Municipal Code.** See, for example, Section 3-28-16, NMSA 1978....”

NMSA 1978 73-26-1 2017 Proposed Change

Sections M thru R were taken directly from the NM Municipal Code Sections 3-36-1 thru 3-36-7 and adapted to apply to the Lower Rio Grande PWWA

Lower Rio Grande Public Water Works Authority

Lien filing:

- ❖ is a last resort for collections
- ❖ rarely needs to be implemented
- ❖ is extremely unlikely to result in a foreclosure by the LRGPWWA
- ❖ ensures that the LRGPWWA can collect what is owed if and when the property is sold

THANK YOU!

Special thanks to our bill
sponsors Senator Joseph
Cervantes and
Representative Bill
Gomez

