



## **SECTION III: NARRATIVE**

### **BILL SUMMARY**

**Synopsis:** HB 539 would create a Camino Real Regional Utility Authority (CRRUA). The Subsections detail how the CRRUA would be staffed and outline its authorities and duties.

**Section One** would provide details on how the CRRUA's board is elected and the terms of the board's members. Restrictions on board membership require the seven board members to be residents of the service area, staggered elections for the members, elections being held concurrent with local election, and designate the process for filling vacancies on the board.

**Section Two** would set forth the powers and duties of the board, allowing the board to adopt rules and policies, acquire property, take legal action to collect fees and rates, establish fees and rates, and issue revenue bonds. The section would authorize the CRRUA to promulgate rules for the board's conduct, impose quorum requirements for board meetings, prohibit board members with a financial interest in an issue from voting on that issue, adopt bylaws, promulgate policies for execution of powers and duties, hire staff, set meetings in accordance with the Open Meetings Act, and set and change rates and fees for water delivery. It would also authorize the board to put liens on properties served by the CRRUA for unpaid fees and foreclose on the liens. The CRRUA would be authorized to shut off water service following reasonable notice to delinquent or illegal connections and collect cash, including attorney's fees for such actions.

**Section Three** would set out the authority and power of the CRRUA. It defines the CRRUA as a special district and political subdivision of the state. It would exempt the CRRUA from the Public Utility Act. It makes clear that the CRRUA in the Act would replace the entity of the same name created by a joint powers agreement with Sunland Park and Dona Ana county. Subsection C lists the powers of the CRRUA, including to sue and be sued, enter contracts for services, borrow money and issue bonds, buy and sell real property including leases and easements, as well as water rights from willing sellers only, build and operate water systems, be allowed a 40-year planning period to hold water rights, and exercise eminent domain pursuant to law for real property for the water system other than water rights, which would be specifically excluded from the CRRUA's eminent domain powers. Subsection D states that CRRUA would be subject to the procurement code, the eminent domain code, and limitations of NMSA 72-1-9 regarding water rights obtained or condemned and would be subject to NMSA Chapter 72 for changes in point of diversion, place, or purpose of use. Subsection E details the process by which the CRRUA would be able to issue revenue bonds, the terms of the bonds (less than 50 years), and that the revenue must be used for the purpose the bond was issued for. Income from the bonds would be exempt from state taxes.

### **FISCAL IMPLICATIONS**

None.

### **SIGNIFICANT ISSUES**

Section 3 (C)(7) would authorize the CRRUA to acquire land for construction, maintenance and operation of water and wastewater facilities and to acquire, maintain, contract for or condemn for use as part of the authority privately owned water and wastewater facilities used for the collection, treatment and disposal of wastewater through eminent domain, but the same provision also

clarifies that the CRRUA would be prohibited from acquiring water rights through eminent domain.

Section 3 (B) would provide that the new CRRUA created by HB 539 “shall replace the entity of the same name previously created by a joint powers agreement between the city of Sunland Park and Dona Ana county”, but said agreement is not defined or otherwise identified in HB 539. Section 3 (B) similarly would designate the service area for the CRRUA as the prior entity’s service area “as it may be modified or expanded” but no service area map is defined or referenced in the bill. This would lead to questions regarding precise assets owned by the CRRUA and the CRRUA’s jurisdiction is geographically both currently and in the future.

#### **PERFORMANCE IMPLICATIONS**

None.

#### **ADMINISTRATIVE IMPLICATIONS**

None.

#### **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

None.

#### **TECHNICAL ISSUES**

None.

#### **OTHER SUBSTANTIVE ISSUES**

None.

#### **ALTERNATIVES**

None.

#### **WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

None.

#### **AMENDMENTS**

None.