

DRAFT BY-LAWS
OF
EL VALLE DE LOS RANCHOS WATER & SANITATION AUTHORITY

A political subdivision of the state organized under the Regional Water System Resiliency Act, NMSA 1978 §§ 62-20-1 et seq.

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ARTICLE I: Principal Address

The principal office of the authority shall be located at 8 Miranda Canyon Road, Ranchos de Taos, New Mexico, 87557.

ARTICLE II: Founding Entities

The Founding Entities shall be the Llano Quemado Mutual Domestic Water Consumer's Association and the El Valle de Los Ranchos Water and Sanitation District.

ARTICLE III: Service Area

The initial service area of the Authority shall be the service boundaries of the El Valle de Los Ranchos Water and Sanitation District as existing as of the date of these By-laws.

ARTICLE IV: Fiscal Year

The fiscal year of the entity shall begin on July 1 of each year.

ARTICLE V: Definitions

All definitions of terms herein shall have the same definition as stated in the Regional Water System Resiliency Act, NMSA 1978 §62-20-2.

ARTICLE VI: Board Powers and Duties

The Board of EL VALLE DE LOS RANCHOS WATER & SANITATION AUTHORITY shall have all powers, privileges and duties vested in or imposed upon an authority as stated in the Regional Water System Resiliency Act, NMSA 1978 §§ 62-20-1 et seq.

The following Board actions are to be taken through adoption of a Resolution:

- (1) adoption of board policies and procedures;
- (2) ratification of acquisition of property;
- (3) initiation or continuation of legal action, except that initiation and filing of liens for unpaid rates and charges and suits for payment thereof and discontinuance of service for failure to pay such rates and charges may be delegated;
- (4) establishment of fees, tolls, rates or charges; and
- (5) issuance of revenue bonds.

ARTICLE VII: Number of Board Members, Staggered Terms, Election

The business and affairs of the Authority shall be governed by a board of directors. The initial board of directors shall consist of eight (8) members, all of whom shall be representing each of the founding and joining entities.

Any vacancy on the Board shall be filled by the remaining members or member of the Board. The appointee shall serve as a Board member for the remaining balance of the unexpired term. If the Board shall fail, neglect, or refuse to fill any vacancy within thirty (30) days after the same occurs, the court having jurisdiction over the Authority may fill such vacancy.

Unless otherwise provided by order of the Court, the Board Members shall serve without compensation. The Members of the Board shall be paid a per diem as allowed by New Mexico statute for the regular and special meetings of the Board.

Notwithstanding the right of qualified individuals to attempt to remove Board Members, it shall be the duty of the Board to petition the court having jurisdiction over the Authority for the removal of any Board Member who fails to attend three (3) consecutive regular meetings without just cause. Removal may also be for any other grounds provided by law, including malfeasance and misfeasance.

The members of the board of directors shall be elected for staggered terms of four (4) years each.

The initial staggered terms are:XXX

1. The staggering of the terms begins with the selection of the eight directors as follows:
 - a. positions #1, #2, #3, and #4 are designated as four-year terms;
 - b. positions #5, #6, #7, #8 are designated as two-year term. After serving the two-year term, these positions shall be elected for four-year terms.

The Board shall conduct elections pursuant to the Local Election Act and in accordance to the Election Code.

The initial board shall establish the boundaries of the number of electoral districts within two years of the creation of the authority.XXX.

ARTICLE VIII: Electoral Districts and Redistricting

At its founding, the Authority shall consist of one initial electoral district as defined by the service boundary.

The board may provide for redistricting upon any change in the authority's boundary.

The initial and/or subsequent district designation process shall be conducted in such manner that all districts shall strive to achieve equal member representation based on the number of connections within each district.

ARTICLE IX: Board Officers

The officers of the Authority shall be the Chairperson of the Board, a Vice-Chairperson, a Secretary, and a Treasurer, each of whom shall be Members of the Board.

The initial Board consists of eight (8) members. At any time if there is an even number of Board members, it is decided that the Chairperson shall govern meetings and shall only vote in the event of a tie vote.XX.

The officers of the Authority shall be elected annually at the regular January meeting of the Board. Each officer shall hold office until his successor shall have been duly elected and qualified or until his death or resignation or upon removal as hereinafter provided.

Any officer elected or appointed by the Board may be removed by a majority of the Board whenever, in its judgment, the best interest of the Authority would be served thereby. On any removal vote, the officer under removal consideration shall have the right to vote.

A vacancy in any office because of death, resignation, removal, disqualification, or otherwise shall be filled by the Board for the unexpired portion of the term.

The Chairperson shall be the principal executive officer of the Authority. He/she shall preside at all meetings of the Board. In general, he/she shall perform all duties incident to the office of Chairperson and such other duties as may be prescribed by action of the Board from time to time.

In the absence of the Chairperson, or in the event of death or other inability to act, the Vice-Chairperson shall perform the duties of Chairperson and, when so acting, shall have all the powers of Chairperson. He/she shall further perform such other duties as from time to time may be assigned to him/her the Chairperson or by action of the Board.

The Secretary shall (a) keep the minutes and records of all proceedings, minutes of all meetings, certificates, contracts, bonds given by employees and all corporate acts which shall be open to inspection, upon reasonable notice, of all owners of real property within the Authority as well as other interested parties; (b) see that all notices are duly given in accordance with the provisions of these bylaws or as required by law; (c) be the official custodian of the Authority records; (d) keep a register of the post office and physical address of each director and their phone numbers, which information shall be furnished to the Secretary by each member of the Board and shall be shared with each member of the Board; and (e) in general, perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him/her by the Chairperson or action of the Board.

The Treasurer, if required by law, shall file, with the Clerk of the District Court for Taos County, New Mexico, at the expense of the Authority, a corporate fidelity bond in an amount not less than \$5,000.00 or such greater amount as required by law conditioned on the faithful performance of the duties of his office. The Treasurer shall (a) keep strict and accurate accounts of all money received by and disbursed for and on behalf of the Authority in permanent records; and (b) in general, perform all of the duties incident to the office of Treasurer and such other

duties as from time to time may be assigned to him/her by the Chairperson or by action of the Board.

ARTICLE X: Meetings of the Board

Meetings of the board shall be held monthly. The annual schedule of meetings shall be adopted annually in December via Resolution.

Special meetings of the Board may be called by the Board Chairperson at the request of the Chairperson or shall be called by a quorum of Board Members requesting such meeting in writing to the Board Secretary. The written request and call for the meeting must contain the matter to be discussed at the special meeting and the proposed date and time for the special meeting. The actual date and time of the special meeting shall be decided upon by the Chairperson, but shall be no less than 24 hours later than the proposed date and time.

Emergency meetings may be called by the Chairperson of the Board or by a quorum of board members requesting such meeting in writing to the Board Secretary. Emergency meetings shall be called only to consider matters that need immediate board action and there exists a distinct possibility that the failure of the board to act immediately may result in harm or loss to the Authority or its members.

A majority of the directors of the board constitutes a quorum for the transaction of any business. The board shall only take action upon the affirmative vote of at least a majority of the board present. A vacancy in the membership of the board shall not impair the right of a quorum to exercise all rights and perform all duties of the board.

ARTICLE XI: Notice

Notice to the general public of any regular meeting of the Board shall be published in a newspaper of general circulation in Taos County, New Mexico prior to any such meeting pursuant to the New Mexico Open Meetings Act, NMSA 1978, Sections 10-15-1 to 10-15-4 (as amended). Notice shall also be posted at the front door of the Authority office prior to any such meeting.

Notice of any special meeting shall be given to the public by announcing such special meeting by posting notice at the Post Office not less than 24 hours prior to meeting, as well as by the posting of public notice at the front door of the Authority office. Any media announcement or posted notice shall contain the time and place of the meeting and the matters to be acted upon at the meeting.

Notice of an emergency meeting to the public shall be given by whatever notice is practical under the circumstances.

Notwithstanding this section, notice to the public shall conform to the rules, regulations and laws of the State of New Mexico applicable to the Authority.

Board members shall be given written or verbal notice of all board meetings at least 24 hours prior to the meeting. Written or verbal notice may be delivered to a board member at the address given by that board member to the secretary, or hand delivered to the board member's residence, hand delivered to the board member personally, or left on the board member's answering machine at home and/or work.

Notice of emergency meetings to board members shall be by phone or in writing if practical. There is no minimum time requirement for notice of emergency meetings.

The Secretary of the Board is the person designated to give notice hereunder, but in the event the secretary is unavailable, the chairman may designate any board member, including himself or herself to give notice pursuant to these bylaws.

The attendance of a Board member at a meeting shall constitute a waiver of notice of such meeting except when a Board Member attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

ARTICLE XII: Checks, Drafts, Deposit

All checks, drafts or other orders for the payment of money or other evidence of indebtedness, issued in the name of the Authority, shall be signed by such officer or officers, agent or agents of the Authority and in such manner as shall from time to time be determined by resolution of the Board.

All funds of the Authority, not otherwise committed, shall be deposited from time to time to the credit of the Authority in such banks, savings and loan associations or other depositories as the Board may elect.

All loans shall be approved by a majority of the Board. The Board may designate the board member(s) authorized to negotiate the loan and execute the documents required thereon. In the absence of such designation by the Board, the Chairperson and the Treasurer shall be authorized to negotiate the terms and conditions of the loan, subject to such limitations as provided in the Board's approval, and shall be authorized to execute the necessary loan documents.

ARTICLE: XIII: Acceptance of Assets and Liabilities of Dissolved Entities

Subject to any other statutory requirements for dissolution and transfer, the Authority may accept a transfer of assets and liabilities upon the request, and the legal dissolution, of an entity that provides water or sewer services and is an entity identified as subject to dissolution and transfer in the Regional Water System Resiliency Act, NMSA 1978 §62-20-1 et seq. or other applicable New Mexico Statute.

ARTICLE XIV: Miscellaneous Power and Restraints

Notwithstanding the foregoing, the Board of Directors, for and on behalf of the District, shall have all the powers and be subject to all the restraints and other provisions contained in relevant New Mexico Statutes.

ARTICLE XV: Amendments

These bylaws may be altered, amended or repealed at any regular meeting of the Board of Directors or at any special meeting of the Board called specifically and only for that purpose, provided, that Member of the Board of Directors have at least five (5) days written notice of the proposed amendment prior to such meeting. Notwithstanding the notice provision contained here, the Board may, by unanimous vote of all members of the Board, waive notice of any amendment and proceed to adopt such amendment.

ARTICLE XVI: Statutory Conflict

Notwithstanding any of the provisions of these bylaws, any term or condition which is in conflict with the laws or regulations of the State of New Mexico shall be void with respect to the particular provision in conflict. Any invalidity of any term/condition, due to conflict with statutory law, shall only void that ARTICLE or section in conflict.

ARTICLE XVII: Adoption of Rules and Regulations

The Board shall, from time to time, adopt such rules and regulations as are necessary to manage the affairs of the District.

I hereby certify that the foregoing Revised Bylaws of El Valle de Los Ranchos Water & Sanitation Authority were adopted at the regular meeting of the Board held on the _____ day of _____ 2025.

EL VALLE DE LOS RANCHOS WATER
& SANITATION AUTHORITY

Date: _____

By: _____

XX, Chairperson

Draft 03.18.2025

The undersigned below Secretary of the EL VALLE DE LOS RANCHOS WATER & SANITATION AUTHORITY created pursuant to the Regional Water System Resiliency Act, hereby certify that the above is a true and correct copy of the bylaws, which were duly adopted on _____, 2025.

Secretary