

**DRAFT
BYLAWS
OF
SANDOVAL COUNTY
WHOLESALE WATER SUPPLY UTILITY**

ARTICLE 1

Section I Name

This enterprise fund shall be known as the Sandoval County Wholesale Water Supply Utility.

SECTION II OBJECTIVE

The Utility is an enterprise fund of Sandoval County organized by the County under the laws of New Mexico.

Each customer of the fund has an interest in providing for the sale and distribution of potable water at retail to inhabitants within its political boundaries. The objective of the Utility is to provide for the acquisition and operation of a wholesale water supply source to supply a portion or all of the potable water supply requirements of the respective customers.

ARTICLE 2 AMENDMENT

These Bylaws may be altered or amended by the affirmative vote of the County

SECTION VII EXECUTIVE COMMITTEE

The County has the power, by resolution, to appoint an Executive Committee of five members of the County, which shall consist of the President, Vice President, Treasurer and Secretary. The County shall elect from among its membership a fifth member to serve. The Executive Committee shall hold office at the pleasure of the County and shall exercise such powers as the County may by resolution legally delegate to it. It may be given the responsibility for the general direction and management of the Utility when the County is not in session. The Executive Committee shall make rules for the calling of its meetings and the conduct of its business. A majority of the members of the Executive Committee shall constitute a quorum for the transaction of its business. Any action taken by the Executive Committee may be vetoed within thirty days of such action by the County. Utility records of all business transacted at the meetings of the Executive Committee shall be kept by the Secretary and preserved with the minutes of the meetings of the County.

SECTION VIII ACCOUNTING AND AUDITS

The County shall establish and maintain an appropriate accounting system. A complete audit shall be made of the Utility's accounts, books, and financial conditions as soon as practicable after the close of each fiscal year, and a report thereon shall be submitted to the County and to the governing body of each customer municipality and public water supply district.

General Manager: The County may appoint a General Manager. The General Manager shall be the principal executive officer of the Utility with full responsibility for the planning, operations and administration of the affairs of the Utility and the coordination thereof pursuant to and in accordance

with the policies and programs approved by the County from time to time and he shall be the agent for service of process on the Utility.

ARTICLE 3 GENERAL POWERS

The general powers of the Utility shall be the powers set forth in New Mexico State Statutes for County enterprises and shall include the power to:

- (a) plan, develop, acquire, construct, reconstruct, operate, manage, dispose of, participate in, maintain, repair, extend or improve one or more water projects, either exclusively or jointly or by participation with municipally owned or investor owned water utilities, or with other joint water associations or public water supply districts, or acquire any interest in or any rights to capacity of a water project, within or outside of the State of New Mexico and act as an agent, or designate one or more other persons participating in a project to act as its agent, in connection with the planning, acquisition, construction, operation, maintenance, repair, extension or improvement of such project;
- (b) to acquire, by purchase or lease, construct, install and operate reservoirs, pipelines, wells, check dams, pumping stations, water purification plants, and other facilities for the production, wholesale distribution and utilization of water, and to lease, own or hold such real and personal property as may be necessary or convenient to carry out the purposes of the Utility;
- (c) enter into operating, franchises, exchange, interchange, distribution and other similar agreements with any person;
- (d) make and execute contracts and other instruments necessary or convenient to the exercise of the powers of the Utility;
- (e) employ agents and employees;
- (f) contract with any person within or outside of the State of New Mexico, for the construction of any water project, or for the ownership of any interest therein or any right to capacity thereof, without advertising for bids, preparing final plans and specifications in advance of construction, or securing performance and payment of bonds;
- (g) purchase, sell, exchange, treat, dispose of, transmit or distribute water or any by-product resulting therefrom, within and outside the State of New Mexico, in such amounts as it shall determine to be necessary and appropriate to make the most effective use of its powers and to meet its responsibilities, and to enter into agreements with any person with respect to such purchase, sale, exchange, or transmission, on such terms and for such period of time as the County shall determine; provided, however, that the Utility may not sell or distribute water at retail to ultimate consumers within the boundary limits of the customers;
- (h) acquire, own, hold, use, lease, as lessor or lessee, sell or otherwise dispose of, mortgage, pledge, or grant a security interest in any real or personal property, commodity or service or interest therein;
- (i) exercise the powers of eminent domain as authorized by law;
- (j) incur debts, liabilities or obligations including the issuance of bonds pursuant to the authority to the extent granted by the Constitution and laws of the State of New Mexico;
- (k) sue and be sued in its own name;
- (l) have and use a corporate seal;
- (m) fix, maintain and revise fees, rates, rents and charges for functions, services, facilities or commodities provided by the Utility;

- (n) make, and from time to time, amend and repeal, bylaws, rules and regulations;
- (o) invest any funds held in reserve or sinking funds, or any funds not required for immediate disbursements, including the proceeds from the sale of any bonds, in such obligations, securities and other investments as the County deems appropriate;
- (p) join organizations, membership in which is deemed by the County to be beneficial to accomplishment of the Utility purposes;
- (q) exercise any other powers which are deemed necessary and convenient by the County to effectuate the purposes of the Utility; and
- (r) do and perform any authorized acts and things through or by means of an agent or by contract with any person.

ARTICLE 4 ACQUISITION, CONSTRUCTION, OPERATION AND MAINTENANCE OF PROJECTS

The Utility shall have the responsibility for the acquisition, construction, operation and maintenance of any of its projects, including any interest in facilities acquired under a co-ownership arrangement with others; provided, that in connection with any such co-ownership arrangement, the Utility may act as agent, or designate any other participant therein to act as agent, for the acquisition, construction, operation and maintenance of such projects on behalf of all the participants therein.

ARTICLE 5 FINANCING OF PROJECTS

The Utility may finance any of its projects in such manner as the County shall authorize by resolution, which may include grants or loans from any governmental agency, or from any commercial lending institutions, and/or including the issuance of revenue bonds. Revenue bonds and other indebtedness of the Utility shall not be the debts, liabilities or obligations of the member municipalities and public water supply districts and neither the faith and credit nor the taxing power of the customers shall be pledged to the payment of such indebtedness or revenue bonds.

ARTICLE 6 ANNUAL BUDGET: SUBSCRIPTION FOR WATER

The Executive Committee through the General Manager shall prepare and submit to the County, not later than 90 days prior to the commencement of each fiscal year, other than the initial fiscal year, an itemized annual budget which shall set forth in reasonable detail the estimated receipts and expenditures relating to the Utility for such year. The County may amend the annual budget at any time during the fiscal year.

ARTICLE 7 PRINCIPAL PLACE OF BUSINESS

The principal place of business of the Utility shall be at _____, until such time as the County shall determine otherwise.

ARTICLE 8 CONTRACTS

Except as otherwise provided by law, the County may authorize any officer, agent or employee to enter into any contract, or to execute and deliver any instrument, in the name and on behalf of the Utility.

ARTICLE 9 CHECKS, DRAFTS, ETC.

All checks, drafts or other orders for payment of money, and all bonds or other evidences of indebtedness issued in the name of the Utility, shall be signed by such officer or officers, agents, or employees of the Utility and in such manner as shall from time to time be determined by the resolution of the County

ARTICLE 10 FISCAL YEAR

The fiscal year of the Utility shall be the period selected by the County.

ARTICLE 11 SERVICES OF CONTRACTING PARTIES

In the performance of its duties, the Utility may utilize the services of any officer or employee of a customer municipality or public water supply district with the approval of the governing body of such customer municipality or public water supply district, provided, however, that said customer may bill the Utility for, and the Utility shall pay, the reasonable cost of said services.

ARTICLE 12 SEVERABILITY

In the event that any of the terms, covenants or conditions of these Bylaws or their application shall be held invalid as to any person, corporation or circumstance by any Court having jurisdiction, the remainder of these Bylaws and the application and effect of its terms, covenants or conditions to such persons, corporations or circumstances shall not be affected thereby.

ADOPTED BY THE COUNTY

Secretary