

Arenas Valley Water Development Association

Summary of Proposed Amendments to the **Certificate of Association**

Amendment to the Certificate of Association, Article IX

Original	Amended
<p>These articles may be repealed or amended by a vote of the majority of the members present at any regular meeting of the corporation, or at any special meeting of the corporation called for that purpose, except that so long as any indebtedness is held by or guaranteed by the <b>Farmers Home Administration</b>, the members shall not have the power to change the purposes of the corporation so as to decrease its rights and powers under the laws of the State, or to waive any requirement of bond or other provision for the safety and security of the property and funds of the corporation or its members, or so to amend the articles as to effect a fundamental change in the policies of the corporation without the prior approval of the <b>Farmers Home Administration</b> in writing.</p>	<p>These articles may be repealed or amended by a vote of the majority of the members present at any regular meeting of the corporation, or at any special meeting of the corporation called for that purpose, except that so long as any indebtedness is held by or guaranteed by the <b>Department of Finance and Administration, State of New Mexico</b>, the members shall not have the power to change the purposes of the corporation so as to decrease its rights and powers under the laws of the State, or to waive any requirement of bond or other provision for the safety and security of the property and funds of the corporation or its members, or so to amend the articles as to effect a fundamental change in the policies of the corporation without the prior approval of the <b>Department of Finance and Administration, State of New Mexico</b>, in writing.</p>

**Reason:** Farmers Home Administration fully terminated in 2006.

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Arenas Valley Water Development Association  
 Summary of Proposed Amendments to the **Bylaws**

Grammer And Minor Corrections

Original	Amended
<p><b>Article I - Section 1</b>            The corporate name, the objects and purposes, and the principal place of business of this association shall be as stated and provided in the Certificate of <b>Incorporation</b> of the <b>association</b>.</p>	<p><b>Article I - Section 1</b>            The corporate name, the objects and purposes, and the principal place of business of this association shall be as stated and provided in the Certificate of <b>Association</b> of the <b>Association</b>.</p>
<p><b>Article II - Section 1</b>            The Seal of the <b>association</b> shall be inscribed thereon the name of the association, a “Non-Profit Association.” The <b>secretary</b> of the association shall have custody of the seal.</p>	<p><b>Article II - Section 1</b>            The Seal of the <b>Association</b> shall be inscribed thereon the name of the association, a “Non-Profit Association.” The <b>Secretary</b> of the association shall have custody of the seal.</p>
<p><b>Article VI – Section 2.</b>  <i>Election and Term of Board Members.</i>            The board of directors shall be elected in the manner provided in Article V of the <b>Articles of Incorporation</b>, and for the terms as provided therein.</p>	<p><b>Article VI – Section 2.</b>  <i>Election and Term of Board Members.</i>            The board of directors shall be elected in the manner provided in Article V of the <b>Certificate of Association</b>, and for the terms as provided therein.</p>
<p><b>Article VII - Section 1.</b>  <i>Duties of the President.</i>            The President shall preside over all meetings of the association and the board of directors, shall call special meetings of the board of directors and perform all acts and duties usually performed by an executive and presiding officer. <b>He</b> shall sign all membership certificates, notes, bonds, mortgages, contracts and other instruments on behalf of the association. <b>He</b> shall be an ex-officio member of all standing committees and shall have such powers and shall perform such other duties as may be properly required of <b>him/her</b> by the board of directors.</p>	<p><b>Article VII - Section 1.</b>  <i>Duties of the President.</i>            The President shall preside over all meetings of the association and the board of directors, shall call special meetings of the board of directors and perform all acts and duties usually performed by an executive and presiding officer. <b>They</b> shall sign all membership certificates, notes, bonds, mortgages, contracts and other instruments on behalf of the association. <b>They</b> shall be an ex-officio member of all standing committees and shall have such powers and shall perform such other duties as may be properly required of <b>them</b> by the board of directors.</p>

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<p><b>Article VII - Section 2.</b> <i>Duties of the Vice-President.</i> The Vice-President, in the absence or disability of the President, shall perform the duties of the President. However, in case of death, resignation or disability of the President, the board of directors may declare the office vacant and elect <b>his</b> successor, to fill the unexpired portion of the President's term.</p>	<p><b>Article VII - Section 2.</b> <i>Duties of the Vice-President.</i> The Vice-President, in the absence or disability of the President, shall perform the duties of the President. However, in case of death, resignation, or disability of the President, the board of directors may declare the office vacant and elect <b>a</b> successor to fill the unexpired portion of the President's term.</p>
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**Reason:** All these changes are to correct grammar and fix minor bad references to the Certificate of Association.

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Article III - Section 1 & Article V - Section 1

Original	Amended
<p><b>Article III, Section 1</b> The fiscal year of the association shall begin on the first day of <b>January</b> each year.</p>	<p><b>Article III, Section 1</b> The fiscal year of the association shall begin on the first day of <b>July</b> each year.</p>
<p><b>Article V - Section 1</b> The annual meeting of the members of this association shall be held at Arenas Valley, County of Grant, State of New Mexico, at 7:00P.M. on the <b>first</b> Tuesday of <b>March</b> of each year, if not a legal holiday, or if a legal holiday, on the next business day following.</p>	<p><b>Article V - Section 1</b> The annual meeting of the members of this association shall be held at Arenas Valley, County of Grant, State of New Mexico, at 7:00P.M. on the <b>second</b> Tuesday of <b>August</b> of each year, if not a legal holiday, or if a legal holiday, on the next business day following.</p>

**Reason:** The Association uses a Fiscal Year that starts on the first day of July and the Annual Meeting of the Association was also changed so that the Board could report on the finances and projects of the past fiscal year. This was changed quite a few years back but never amended in the Bylaws.

Arenas Valley Water Development Association  
 Summary of Proposed Amendments to the **Bylaws**

Article IV - Section 1

Original	Amended
<p>Bona fide occupants and residents within and in the vicinity of the Community of Arenas Valley, County of Grant, New Mexico, being reasonably accessible to the system of the association and who are in need of water for domestic purposes and who are eligible for membership as provided by Article VI of the Certificate of Association may be admitted to membership. Said membership and connection fee shall be TWENTY-ONE HUNDRED DOLLARS (\$2,100.00) for a residential meter or TWENTY-FIVE HUNDRED DOLLARS (2,500.00) for a commercial meter. At such time that the membership and connection fee does not cover the expense of providing water to a member, this fee will be subject to change by approval of the board of directors. Provided however, that membership may be denied if the capacity of the association's system is exhausted by the need of its existing members, and if it is financially impossible for the association to acquire additional facilities to accommodate new members. In the event of a shortage of water, the association shall take appropriate measures to provide additional water to meet the needs of the association.</p>	<p>Bona fide occupants and residents within and in the vicinity of the Community of Arenas Valley, County of Grant, New Mexico, being reasonably accessible to the system of the association and who are in need of water for domestic purposes and who are eligible for membership as provided by Article VI of the Certificate of Association may be admitted to membership. Said membership fee and connection fee shall be determined by the board of directors and published along with the application for membership that can be obtained in the Association office. Provided however, that membership may be denied if the capacity of the Association's system is exhausted by the need of its existing members, and if it is financially impossible for the association to acquire additional facilities to accommodate new members. In the event of a shortage of water, the association shall take appropriate measures to provide additional water to meet the needs of the Association.</p>

**Reason:** The Board can already change Membership and Connection fees, so listing specific amounts might confuse people about what the real fees are. Also, correcting grammar.

Arenas Valley Water Development Association  
Summary of Proposed Amendments to the **Bylaws**

Article IV - Section 4

Original	Amended
Each member shall be entitled to one vote only. Voting by proxy will not be permitted. <b>Voting by mail will be permitted as provided in the following Section.</b> “Member” for the purpose of this Article shall be the owner of the property to which the water tap is affixed.	Each member shall be entitled to one vote only. Voting by proxy will not be permitted. “Member” for the purpose of this Article shall be the owner of the property to which the water tap is affixed.

**Reason:** Voting by mail is not recommended due to the significant cost and administrative burden it would place on the Association. Additionally, verifying the identity of the voting Member would be impractical, raising concerns about the integrity of the process. This method has no precedent in the Association’s history.

Article IV - Section 5

Original	Amended
<p><b>Section 5.</b> At any time that a schedule of the matters proposed to be presented for action at a meeting of the members is definitely known in advance of such meeting, the Secretary-Treasurer shall send to each of the members a copy of such proposed schedule with the notice of said meeting. Any member who is not present and voting at such meeting may cast his vote on all matters in the proposed schedule by mailing such vote to the Secretary-Treasurer in such time that it is received not later than the time of the holding of the meeting, as specified in the notice thereof. All such votes by mail so received will be counted in the same manner and to the same effect as votes cast in person by members in attendance at the meeting. In no event shall the voters casting their ballots by mail be counted in determining a quorum as set out in Section 4 of Article V herein.</p>	<p><b>Section 5.</b> <b>No voting by mail to be allowed. Section 5 to be removed.</b></p>

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Summary of Proposed Amendments to the **Bylaws**

**Reason:** Same reason as in Article IV - Section 4 above.

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Article V - Section 3

Original	Amended
Notice of meetings of the members of the association, both regular and special, shall be given by a notice mailed to each member of record, directed to the address shown upon the books of the association, at least ten (10) days prior to the meeting. Such notices shall state the nature, time, place and purpose of the meeting.	All meetings of the Association shall comply with the Open Meetings Act NMSA 1978, Sections 10-15-1 to 10-15-4, is known as a "sunshine law". The Association will post notice of all such meetings in its office and on its website <a href="http://www.arenasvalleywater.org">www.arenasvalleywater.org</a>

**Reason:** Given the Association's obligation to comply with the Open Meetings Act, continuously amending the Bylaws to reflect changes in the Act is impractical.

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Arenas Valley Water Development Association  
Summary of Proposed Amendments to the **Bylaws**

Article VI - Section 1

Original	Amended
<p><b>Section 1.</b> <i>Function of the Board of Directors.</i> The business and affairs of this association shall be managed by a board of <b>seven (7)</b> directors. The functions of <b>such board</b> shall include:</p> <p>a) The selection of delegation of authority to officers necessary for the management of the <b>association business;</b></p> <p>b) The determination of policies for guidance of the management of the <b>association;</b></p> <p>c) The control of expenditures by authorizing <b>budgets;</b></p> <p>d) The keeping of members fully informed of business of the <b>association;</b></p> <p>e) The causing of audits to be made from time as is necessary or required by the <b>Department of Farmers Home Administration;</b></p> <p>f) The studying of the requirements of members and promoting good membership <b>regulations;</b></p> <p>g) <b>The prescribing</b> of the form of Membership <b>Certificates;</b></p> <p>h) The establishing of water charges and the levying of assessments and the enforcement and collection thereof, in accordance with the provisions of these by-laws, equitable uniform rules and regulations and the Laws of the State of New Mexico.</p>	<p><b>Section 1.</b> <i>Function of the Board of Directors.</i> The business and affairs of this association shall be managed by a board of <b>directors as defined in the Certificate of Association.</b> The functions of <b>the Board</b> shall include:</p> <p>a) The selection of delegation of authority to officers necessary for the management of the <b>Association’s business.</b></p> <p>b) The determination of policies for guidance of the management of the <b>Association.</b></p> <p>c) The control of expenditures by authorizing <b>budgets.</b></p> <p>d) The keeping of members fully informed of business of the <b>Association.</b></p> <p>e) The causing of audits to be made from time as is necessary or required by the <b>Department of Finance and Administration, State of New Mexico.</b></p> <p>f) <b>Studying</b> the requirements of members and promoting good membership <b>regulations.</b></p> <p>g) <b>Prescribing</b> of the form of Membership <b>Certificates.</b></p> <p>h) The establishing of water charges and the levying of assessments and the enforcement and collection thereof, in accordance with the provisions of these by-laws, equitable uniform rules and regulations and the Laws of the State of New Mexico.</p>

**Summary of Corrections to This Section:**

- The number of board positions is defined in the Certificate of Association. There is no need to restate this in the bylaws.
- The reference to the Department of Farmers Home Administration has been updated to the Department of Finance and Administration, State of New Mexico. The Farmers Home Administration (FmHA) was fully dissolved in 2006, and its functions were transferred to other agencies, including USDA Rural Development and the Farm Service Agency.

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Summary of Proposed Amendments to the **Bylaws**

- Additional edits include grammar and capitalization corrections for clarity and consistency.

Article VI - Section 3

Original	Amended
<p><b>Section 3.</b> <i>Election of Officers.</i> The board of directors shall meet as soon as possible after the holding of the annual election of directors, and in any event within ten (10) days of that time, and shall elect by ballot a President, Vice-President, and <b>Secretary-Treasurer</b> from among themselves, each of whom shall hold office until the next annual meeting and until the election and qualification of his successor unless sooner removed by death, resignation, or for cause.</p>	<p><b>Section 3.</b> <i>Election of Officers.</i> The board of directors shall meet as soon as possible after the holding of the annual election of directors, and in any event within ten (10) days of that time, and shall elect by ballot a President, Vice-President, <b>Secretary, and Treasurer</b> from among themselves, each of whom shall hold office until the next annual meeting and until the election and qualification of his successor unless sooner removed by death, resignation, or for cause. <b>The Secretary and Treasurer positions may be held by one or two people.</b></p>

**Reason:** The Secretary and Treasurer positions and may require two separate people to fill them. This will allow for the positions to be separated.

Article VI - Section 4

<p><b>Section 4.</b> <i>Compensation of Officers.</i> The members of the Board of Directors shall receive no compensation for their services as Directors. The <b>Secretary-Treasurer</b> shall be paid for <b>his/her</b> service at a rate to be fixed by the board of directors. In the event the appointed <b>Secretary-Treasurer</b> is not a <b>well qualified</b> billing and bookkeeping clerk, the board of directors will hire a person to fill that position.</p>	<p><b>Section 4.</b> <i>Compensation of Officers.</i> The members of the Board of Directors shall receive no compensation for their services as Directors. The <b>Secretary and Treasurer</b> shall be paid for <b>their</b> service at a rate to be fixed by the board of directors. In the event the appointed <b>Treasurer</b> is not a <b>well-qualified</b> billing and bookkeeping clerk, the board of directors will hire a person to fill that position.</p>
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Arenas Valley Water Development Association

Summary of Proposed Amendments to the **Bylaws**

**Reason:** This has to do with splitting up the positions of Secretary and Treasurer. As both positions require many hours of work beyond attending board meetings the board has allowed compensation for these positions since the original Bylaws were drafted.

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Article VI - Section 8

Original	Amended
<p><b>Article VI - Section 8</b> <i>Removal of Directors and Officers.</i> Any director or officer of the association may be removed from office with or without cause, by a vote of not less than two-thirds (2/3) of the members of the association present at any annual meeting, or at any special meeting called for the purpose, provided that a majority of the total members shall be present. The director or officer shall be informed in writing of the charges against him at least ten (10) days before such meeting and at such meeting shall have the right and opportunity to be heard in person or by counsel, and to present witnesses in his/her behalf. Employees or agents, other than directors and officers, may be removed from office or employment at any time by action of the board of directors.</p>	<p><b>Article VI - Section 8</b> <i>Removal of Directors and Officers.</i> Any director or officer of the association may be removed from office with or without cause, by a vote of not less than two-thirds (2/3) of the members of the association present at any annual meeting, or at any special meeting called for the purpose, provided that a quorum (defined as a majority (more than 50%) of the total membership) is present. The Secretary shall report the total number of members in the Association to determine whether a quorum has been met. The director or officer subject to removal shall be notified in writing of the charges against them at least ten (10) days prior to the meeting and shall have the right to respond in person or through legal counsel, and to present witnesses on their behalf. Employees or agents who are not directors or officers may be removed from their position at any time by the action of the Board of Directors.</p>

**Reason:** Wording has been changed to define the requirements for a meeting of the association for the removal of a board member.

Arenas Valley Water Development Association  
Summary of Proposed Amendments to the **Bylaws**

Article VII - Section 3

<p><b>Section 3.</b> <i>Duties of the Secretary-Treasurer.</i> The Secretary-Treasurer shall keep a complete record of all meetings of the association and of the board of directors and shall have general charge and supervision of the books and records of the association. He shall collect all assessments and monies due the association and deposit same in the depository designated by the board of directors, and shall disburse funds on the proper order of the board of directors, and shall make a report on the business transacted by him as requested. He shall attest the President's signature on all membership certificates and other papers pertaining to the association unless otherwise directed by the board of directors. He shall serve, mail, or deliver all notices required by law and by these by-laws and shall make a full report of all matters and business pertaining to his office to the members at the annual meeting, or at such other time or times as the board of directors may require. He shall keep the corporate seal and membership certificate records of the association, complete and attest all certificates issued and affix said association seal to all papers requiring seal. He shall keep a proper membership certificate record, showing the name of each member of the association and date of issuance, surrender, transfer, termination, cancellation or forfeiture. He shall make all reports required by law and shall perform such other duties as may be required of him by the association or the board of directors. The Secretary-Treasurer shall be covered in the performance of his duties by a surety bond in an amount to be determined by the board of directors. The premium for such bond shall be</p>	<p><b>Section 3.</b> <i>Duties of the Secretary.</i> The Secretary shall keep a complete record of all meetings of the association and of the board of directors and shall have general charges and supervision of the books and records of the association. They shall attest the President's signature on all membership certificates and other papers pertaining to the association unless otherwise directed by the board of directors. They shall serve, mail, or deliver all notices required by law and by these by-laws and shall make a full report of all matters and business pertaining to their office to the members at the annual meeting, or at such other time or times as the board of directors may require. They shall keep the corporate seal and membership certificate records of the association, complete and attest all certificates issued and affix said association seal to all papers requiring seal. They shall keep a proper membership certificate record, showing the name of each member of the association and date of issuance, surrender, transfer, termination, cancellation or forfeiture. They shall make all reports required by law and shall perform such other duties as may be required of them by the association or the board of directors. Upon the election of their successor, the Secretary shall turn over to them all books and other property belonging to the association that they may have in their possession.</p>
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paid by the association. Upon the election of his successor, the Secretary-Treasurer shall turn over to him all books and other property belonging to the association that he may have in his possession.	
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**Reason:** This replaces the definition of the duties of the Secretary-Treasurer with just the duties of the Secretary. The duties of the Treasurer are defined in Article VII – Section 4.

Article VII - Section 4

Original	Amended
<p><b>Section 4.</b> This section is being moved to <b>Section 5</b> and Duties of the Treasurer is being inserted here.</p>	<p><b>Section 4.</b> <i>Duties of the Treasurer:</i> The Treasurer shall collect all assessments and monies due to the association and deposit same in the depository designated by the board of directors and shall disburse funds on the proper order of the board of directors and shall make a report on the business transacted by the Treasurer as requested. The Treasurer shall make all reports required by law and shall perform such other duties as may be required by the association or the board of directors. The Treasurer shall be covered in the performance of their duties by a surety bond in an amount to be determined by the board of directors. The premium for such a bond shall be paid by the association. Upon the election of their successor, the Treasurer shall turn over to them all books and other property belonging to the association that they may have in their possession.</p>

**Reason:** The original Section 4 is moving to Section 5. The new section 4 defines the duties of the Treasurer. It is the same wording as was in the original Section 3 “Duties of the Secretary-Treasurer” with the Secretary duties removed and corrections to grammar.

Arenas Valley Water Development Association  
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Article VII - Section 5

Original	Amended
<p>Original text that was in Section 4.</p> <p><i>Other Employees or Agents.</i> The board of directors shall appoint in addition to the officers named above, a foreman and other agents or employees which may be necessary to superintend the water system of the association and its construction, maintenance and repair. Such agents or employees may be authorized by the board of directors under its direction and pursuant to its rules and regulations to provide for the delivery of water service to the members of the association. Such agents or employees shall be paid a compensation for the performance of their duties in an amount to be determined by the board of directors.</p>	<p><b>Section 5.</b> <i>Other Employees or Agents.</i> The board of directors shall appoint such agents or employees as may be necessary to operate and maintain the Association’s water system and to carry out its administrative functions, including but not limited to billing, office management, and customer service. The roles, responsibilities, and qualifications of such agents or employees shall be defined in the Association’s Policies and Procedures. These individuals may be authorized by the board of directors, under its direction and pursuant to its rules and regulations, to provide for the delivery of water service to the members of the association. Compensation for the performance of their duties shall be determined by the board of directors.</p>

**Reason:** This is the new section 5 that was Section 4. The text has been re-worded to clarify that the Association will be hiring 'Other Employees or Agents', and that their roles will be defined in the Policies and Procedures.

Article XI - Section 1

Original	Amended
<p><b>Section 1.</b> These by-laws may be repealed or amended by a vote of the majority of the members present at any regular meeting of the corporation, or at any special meeting of the corporation called for that purpose, except that so long as any indebtedness is held by or guaranteed by the <b>Farmers Home Administration</b>, the members shall not have the power to change the purposes of the corporation so as to decrease its rights and</p>	<p><b>Section 1.</b> These by-laws may be repealed or amended by a vote of the majority of the members present at any regular meeting of the corporation, or at any special meeting of the corporation called for that purpose, except that so long as any indebtedness is held by or guaranteed by the <b>Department of Finance and Administration, State of New Mexico</b>, the members shall not have the power to change the purposes of the corporation so as to</p>

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<p>powers under the laws of the state, or to waive any requirement of bond or other provision for the safety and security of the property and funds of the corporation or its members, or so to amend the by-laws as to effect a fundamental change in the policies of the corporation without the prior approval of the <b>Farmers Home Administration</b>, in writing.</p>	<p>decrease its rights and powers under the laws of the state, or to waive any requirement of bond or other provision for the safety and security of the property and funds of the corporation or its members, or so to amend the by-laws as to effect a fundamental change in the policies of the corporation without the prior approval of the <b>Department of Finance and Administration, State of New Mexico</b>, in writing.</p>
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**Reason:** Replace 'Department of Farmers Home Administration' with 'Department of Finance and Administration, State of New Mexico.' The Farmers Home Administration (FmHA) was fully dissolved in 2006, and its functions were transferred to other agencies, including USDA Rural Development and the Farm Service Agency.