



ELDORADO AREA WATER & SANITATION DISTRICT

BYLAWS

Amended 05 October 2017

Supersedes 04 June 2015 Amendment

**BY-LAWS OF THE
ELDORADO AREA WATER & SANITATION DISTRICT
SANTA FE COUNTY, NEW MEXICO**

Amended 5 October 2017

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**BY-LAWS OF THE
ELDORADO AREA WATER & SANITATION DISTRICT
SANTA FE COUNTY, NEW MEXICO**

PREAMBLE

The Eldorado Area Water & Sanitation District was created in 1997 to provide water, wastewater, and other services in the subdivision of Eldorado at Santa Fe and adjacent areas of Santa Fe County, New Mexico. The District was created and operates under the authority of the Water and Sanitation District Act, NMSA 1978, Sections 73-21-1 through 73-21-54. The District's area includes communities located on both sides of U.S. Highway 285 between I-25 and Lamy, and is centered approximately 10 miles southeast of the City of Santa Fe.

ARTICLE I

PURPOSE, AUTHORITY AND SCOPE

Section 1. Purpose

The purpose of these By-Laws is to provide a framework for the governance and operations of the District for the District's Board of Directors and any other advisory or managerial bodies that

may be created by the Board in accordance with these By-Laws.

Section 2. Authority and Scope

These By-Laws are adopted by the Board under the authority of NMSA 1978, Section 73-21-16(M), and are subject to the limitations set forth therein. These By-Laws, in conjunction with the Water and Sanitation District Act and other applicable laws, regulations and ordinances and resolutions of the Board, shall govern the business, operations and other affairs of the Board and of the District. These By-Laws, first adopted by the Board on the 20th day of February 2007, supersede all By-Laws and amendments thereto previously adopted by the Board or the District.

ARTICLE II

DEFINITIONS

In these By-Laws, the following terms shall have the meanings stated herein:

Section 1. "District" means the Eldorado Area Water & Sanitation District.

Section 2. "Board" means the Board of Directors of the District.

Section 3. "Chair" means the Chairman or Chairwoman of the Board and the President of the District, who are one and the same. NMSA 1978, § 73-21-12.

Section 4. "Director" means any member of the Board of Directors of the District.

Section 5. "Officer" means the Chair/President, the Vice President, the Secretary, or the Treasurer of the District, whether or not a member of the Board.

Section 6. "Qualified Elector" means any person qualified to vote in a District election as a "taxpaying elector of [the] District;" "qualified elector," or "elector," as those terms are defined in NMSA 1978, Section 73-21-4(G).

Section 7. "Fiscal Year" means the period from July 1 of one calendar year until June 30 of the next calendar year, unless a different period is established for public bodies of the State of New Mexico by law. See NMSA 1978, § 6-10-1.

Section 8. "Quorum" means the number of members of a body entitled to vote who must be present in order that business may be transacted by that body. A majority of members of the Board, or of any subcommittee or any advisory body thereof, shall constitute a quorum, unless otherwise provided by law.

Section 9. With regard to meetings of the Board, the following definitions shall apply:

"Regular Meetings" means regularly scheduled meetings held once each month to conduct the regular business of the District, pursuant to NMSA 1978, Section 73-21-13.

"Special Meetings" means meetings, other than regular meetings, called to conduct regular or unforeseen business of the District, which due to timing, or for any other reason, is not scheduled at a Regular Meeting. A Special Meeting may also be called for the specific purpose

of seeking public input on major issues affecting the residents of the District.

"Emergency Meetings" means meetings called to address an unforeseen emergency.

"Public Hearings" means meetings formally announced for public attendance to present issues required by statute or issues deemed to be of significant import or consequence for the District prior to final decision being taken by the Board on such issues, wherein presentations of the issues are made by the Board or staff and public comments or testimony are solicited, which may or may not be adjudicatory in nature.

"Informational Meetings" means meetings of the Board, or members thereof, for the purpose of gathering working information through discussions with other Board members, governmental agencies, legislative representatives, consultants, or others with special knowledge and information that may be of value to the District.

"Educational Meetings and Workshops" means meetings of the Board, or members thereof, at workshops, seminars, classes, training sessions, briefings, and similar events related to technical, managerial, operational, and public policy aspects of water supply, wastewater collection and treatment, and other activities conducted by or authorized to be conducted by the Board.

ARTICLE III

MEMBERS AND ORGANIZATION OF THE BOARD OF DIRECTORS

Section 1. Number of Directors

The affairs of the District shall be managed by a Board consisting of five (5) Directors.

Section 2. Election and Term of Office

The Directors shall be elected for staggered terms of four (4) years, as provided by NMSA 1978, Section 73-21-14. Elections for Directors of the District shall be held on the second Tuesday in January of each odd-numbered year.

Section 3. Conduct of Elections for Directors

Elections shall be conducted in accordance with NMSA 1978, Section 73-21-14 and other applicable provisions of the Water and Sanitation District Act, the Special Election Code, and other New Mexico law. All Qualified Electors of the District are eligible to vote in district elections.

A newly elected Board member shall normally be sworn in at the beginning of the first Regular or Special Meeting of the Board following the election.

Section 4. Removal of Directors and Filling of Vacant Positions

Pursuant to NMSA 1978, Section 73-21-12, only the district court shall have the power to remove directors for cause shown, on petition, notice, and hearing.

In the event of a vacancy on the Board for any reason, the remaining Board members or

member shall promptly appoint a person to fill the vacancy until the next biennial election, at which time the position will be filled by election.

"Promptly" shall be interpreted to mean that the Board shall make a reasonable effort to fill the vacant position at a Regular Meeting within 30 days of the date of any vacancy not caused by an election.

A newly appointed Board member shall normally be sworn in at the meeting at which he or she is appointed or at the beginning of the first Regular or Special Meeting of the Board following the appointment.

Meetings between outgoing District Board members and incoming District Board members are encouraged. The purpose of these meetings is to brief the incoming Director on current activities, projects, outstanding work, committees, and other unfinished business for which the incoming Director may have to address or assume responsibility.

The process for appointments to fill a vacancy on the Board shall normally consist of the following steps:

1. The Board shall publicly solicit candidates for the vacant position.
2. The candidates shall submit written resumes to the Board.
3. The Board shall interview the candidates at a public meeting of the Board.
4. The Board shall consider the merits of each candidate. The consideration and selection of a candidate must be made (not just announced) in open session. If no selection is made, the Board may adjourn and re-convene at a later time to make the selection, or may solicit additional candidates if necessary.

Section 5. Code of Conduct

To the extent not covered in these By-Laws, all members of the Board and employees of the District shall abide by the terms of the New Mexico Governmental Conduct Act (NMSA 1978, Sections 10-16-1 et seq.), and to that end shall maintain appropriate and professional internal and external relationships. Members found to be in violation of the New Mexico Governmental Conduct Act or any provision of these By-Laws may be subject to removal pursuant to Article III, Section 4.

Members of the Board and employees of the District shall avoid any conflict of interest or any appearance of a conflict of interest. No member of the Board may take part in any deliberations, present testimony, or vote on any matter in which the Board member, or an immediate family member, has a pecuniary interest, either direct or indirect. However, this provision shall not be construed to prevent any Board member or District employee from participating in and voting on matters affecting generally the residents of the District or the customers of any utility operated by the District, even though the Board member, or District employee or members of his family, will be affected as residents of the District, or as customers of the utility.

ARTICLE IV

MEETINGS OF THE BOARD OF DIRECTORS

Section 1. Calling and Scheduling of Meetings

(a) Regular Meetings shall take place at least once each month at a time and place set by

action of the Board. All Regular Meetings shall have an agenda, which shall be posted in accordance with the District's Open Meeting Resolution. Major issues affecting the taxpayers and ratepayers of the District should be presented and discussed in Regular or Special Meetings whenever possible, with significant advance notice to the public and opportunity for participation by the public.

(b) Special Meetings may be called by the Chair, or by a majority of the members of the Board, with advance notice to all Board members as specified by the District's Open Meetings Resolution, and may take place at any time and place that is mutually convenient for the members of the Board. All Special Meetings shall have an agenda which shall be posted at least 72 hours in advance of the meeting.

(c) Emergency Meetings may be called by the Chair, or by a majority of the members of the Board, with such notice as is reasonable under the circumstances, to address an emergency that which could not have been anticipated and which, if not addressed immediately by the Board, will threaten the health, safety or property of members of the District, or likely result in substantial financial loss to the District. If possible, Emergency Meetings shall have an agenda, but posting of the agenda prior to the meeting is not required. (Refer to the District Open Meetings Resolution for details.)

(d) Public Hearings may be called by the Chair, or by a majority of the members of the Board, upon such notice to the Board members and to the public as is required by statute and by the Board's Open Meetings Resolution. Public Hearings may, but need not, be conducted in conjunction with Regular Meetings or Special Meetings of the Board. All Public Hearings held separately shall have an agenda, which shall be posted at least 24 hours in advance of the meeting.

Public Hearings shall always be called for the setting of commodity rates, and for consideration of major changes in the District Fee Schedule. Public hearings may be called for consideration of other major or controversial issues as deemed appropriate by the Board.

(e) Informational Meetings may be called by the Chair or by a majority of the members of the Board. The Board shall not take any formal action or make any policy decision at an Informational Meeting. Notice of the Informational Meeting shall be provided in accordance with the District's Open Meetings Resolution, but no agenda is required and no minutes need be recorded.

(f) Educational Meetings and Workshops may be scheduled by the Board, or in coordination with the District Manager. When it is anticipated that a quorum of the Board will be present at an Educational Meeting or Workshop, notice of that fact shall be provided in accordance with the District's Open Meetings Resolution, but no agenda is required and no minutes need be recorded.

(g) Board members who, for whatever the reason, are not able to attend any scheduled Regular, Special or Emergency meeting shall contact the Administrative Manager or the General Manager and the Board President as soon as practical before the noticed meeting.

Section 2. Open Meetings Policy and Notice of Meetings

(a) The Board shall annually adopt an Open Meetings Resolution in accordance with the Open Meetings Act, NMSA 1978, Sections 10-15-1 through 10-15-4. The Open Meetings Resolution

will generally be adopted at the first Regular Meeting of the calendar year but may, at the discretion of the Board, be adopted or amended at any other Regular Meeting.

(b) Notice of all Board meetings shall be published or posted in accordance with the Board's Open Meetings Resolution then in effect. In general, notice of Regular Meetings and Public Hearings will be published in a newspaper of general circulation in the Eldorado area, unless such publication is not possible for reasons beyond the control of the Board. Notice of other meetings will be made by posting in accordance with the Open Meetings Resolution then in effect.

Section 3. Conduct of Meetings

(a) Conduct of Board meetings shall be in accordance with the current edition of Robert's Rules of Order, unless there is a conflict between Robert's Rules of Order, these By-Laws and the laws of New Mexico or of the United States of America, in which case the latter shall prevail.

(b) All meetings shall be held in a location sufficiently large to accommodate reasonably and comfortably all persons who are expected to be present at the meeting, including members of the public.

(c) At the Chair's sole discretion, Board members may participate in Board meetings or committee meetings by means of a video-conference, conference telephone, electronic video screen communication, or other similar communications equipment so long as all of the following apply:

1. Board members participating in the meeting, sufficient in number to constitute a quorum, can communicate with all the other Board members concurrently; and
2. Board members participating in the meeting, sufficient in number to constitute a quorum, are provided with the means of participating in all matters before the Board, including the capacity to propose or to interpose an objection to, a specific action to be taken by the Board.

(d) The public may be provided an opportunity to address the Board on any matter coming before the Board for discussion, consideration, or action. Such comments shall normally be permitted when that item is being considered on the adopted agenda. Any person addressing the Board on any matter shall be required to state his or her name and address for the record. Any person testifying before the Board in a Public Hearing may be required to swear or affirm that the testimony presented is true. The Chair may limit the time allotted to each speaker and the number of times that any speaker is permitted to address the Board on any given topic in a Board meeting.

(e) The proceedings of all meetings (except meetings, or portions thereof, that are closed to the public in accordance with the Open Meetings Act and the Board's Open Meetings Resolution; or Informational Meetings, or Educational Meetings and Workshops) shall be recorded by a recording secretary or by any reliable means. The proceedings of any Public Hearing (except for deliberations by the Board conducted in closed session, if any) should be recorded on audiotape or transcribed verbatim by a certified court reporter.

(f) The affirmative vote of a majority of the members present shall be sufficient for adoption of a motion except in the following circumstances. In these circumstances, three (3) affirmative votes shall be required for adoption of a motion:

1. Adoption of the annual budget.
2. Adoption of mid-year changes to the annual operating budget, including transfers from reserve funds.
3. Adoption of changes in commodity rates or fees.
4. Adoption of amendments to these By-Laws.
5. Incur indebtedness on behalf of the District.
6. Alter the District boundaries to include additional real property or to exclude real property constituting a portion of the District.
7. Adopt rules and regulations on behalf of the District.

(g) Public Hearings shall be conducted in accordance with the following guidelines.

1. The purpose of the Public Hearing is to receive public testimony, comments, or evidence prior to the Board's decision on the designated topic. Therefore, all Board Directors shall endeavor to withhold judgment until the Public Hearing is closed.
2. Public Hearings shall generally be conducted in a more formal manner than other District meetings or meeting items. All Public Hearings shall be announced by title, formally "opened," and when the business of the hearing has been conducted, they shall be formally "closed."
3. Board or staff presentations may be a part of the Hearing and shall precede public testimony or comment.
4. The Chair shall state the guidelines for the Public Hearing in advance of the Hearing. Such guidelines may include time limits for each person speaking, the order of presentations, the need to stay on topic, etc.
5. Each member of the public making comments shall identify himself or herself by name and address prior to commenting.
6. Public Hearings shall be recorded in such a way that all comments can be accurately reflected in the minutes.
7. The Board may ask clarifying questions or other questions as needed to understand more clearly the comments from the public. In general, Board members should refrain from taking a position until all testimony, comments and evidence have been received.

(h) Voting and abstentions.

1. Whether elected or appointed, Directors have a fundamental responsibility to take a position on all issues before them. It is, therefore, an obligation of all Directors to vote on all issues, with the following exceptions:

- When the Director has a conflict of interest that has been concurred in by District's counsel.

- When the Director has not attended a previous meeting when an issue was addressed and therefore does not have the information needed to make a decision. Even if absent, however, the Director should make a reasonable attempt to get the information needed to make a decision prior to the vote on the decision.

2. When a Director has a conflict of interest concurred in by District Counsel, the Director must so announce prior to consideration of the relevant item and absent himself or herself from that discussion. In these cases, it is preferable that the Director actually leave the room throughout discussion and voting on the item.

3. When a Director abstains for any reason, the Director must announce his/her abstention in advance of the vote and the reasons for that abstention.

4. When a Director abstains for reasons other than conflict of interest or absence, his/her abstention shall be counted as an affirmative vote for the motion on the floor.

Section 4. Order of Business

In general, the order of business at a Regular Meeting or Special Meeting of the Board should be as follows; however, not every item shown need necessarily be on the agenda of any particular meeting:

1. Call to Order

2. Roll Call

3. Approval of the Agenda

The Chair shall have authority to modify the proposed order of business for any particular meeting for good cause shown. The Board, prior to approving the agenda for any particular meeting, may amend the order of business reflected in the agenda; provided, however, that no business item requiring formal consideration or action by the Board may be added to the agenda without prior notice to the public in accordance with the Open Meetings Act and the Board's Open Meetings Resolution.

4. Approval of the Minutes

This item is for Board approval of the minutes of any prior meetings, including notice of any closed meetings (as allowed in accordance with the Open Meetings Act) that may have been held since the last public meeting of the Board.

5. Consent Agenda

The Consent Agenda includes routine action items that are not expected to be controversial or require discussion by the Board. The title of each item should be read by the Chair (or another person designated to do so), and the entire Consent Agenda voted on as a unit. Any Board member may request that an item on the Consent Agenda be removed therefrom and placed on the Regular Agenda of the same meeting, and such request shall thereupon take effect without further discussion.

6. Reports

This item includes reports to the Board by District staff, contractors, consultants, special committees of the District, and individual Board members. Reports may be presented and accepted in written form, in which case copies of the report shall be made available to the public. No formal action may be taken on a report made under this heading. If the author desires action, the report should be placed under the Regular Agenda heading.

7. Public Comment

In a Regular Meeting or in a Special Meeting called to conduct regular business of the Board, this agenda item provides an opportunity for the public and members of other organizations to address the Board on informational matters or other items related to District business that are not listed on the agenda.

8. Regular Agenda

All items for discussion, consideration, and possible action by the Board should be placed on the Regular Agenda. If the Regular Agenda includes both unfinished business carried forward from a previous meeting and new business coming before the Board for the first time, the unfinished business should in general be addressed before the new business.

9. Board Comments

This provides an opportunity for Board members to comment on items not included in the agenda, for example, a request that an item be placed on the agenda for action at a future meeting. However, the Board may not take formal action on any matter raised under this item.

10. Adjournment

ARTICLE V

GENERAL POWERS OF THE BOARD OF DIRECTORS

For and on behalf of the District, the Board shall have all powers vested in it under the Water and Sanitation District Act, as amended from time to time by the legislature of the State of New Mexico, and including but not limited to those powers enumerated in NMSA 1978, Section 73-21-16.

ARTICLE VI

OFFICERS; COMPENSATION; DUTIES

Section 1. Officers

The Officers of the District shall be a Chairman or Chairwoman (the "Chair") of the Board who shall also serve as President of the District, a Vice-President of the District, a Secretary of the Board and the District, and a Treasurer of the Board and the District. The Chair and the Vice-President shall be members of the Board. The Secretary and the Treasurer may, but need not, be members of the Board. The Treasurer shall be qualified with knowledge of generally accepted accounting principles; financial statements; preparation of and auditing of financial

statements; accounting for estimates, accrual and reserves; internal accounting controls; and audit committee functions.

Section 2. Election of Officers

The Board shall elect Officers of the District at the next Regular Meeting of the Board following each biennial election of Directors (such elections being in January of each odd-numbered year). Each Officer shall hold office until his or her successor has been duly elected or appointed and qualified. In the event of a vacancy due to resignation of an Officer or for any other reason, the Board shall elect a person to fill the vacancy as provided in Article III, Section 4.

Section 3. Compensation

Neither Directors nor Officers shall receive compensation for their services to the District. Directors and Officers shall be allowed reimbursement for their actual and necessary expenses incurred in performance of their duties for the District as provided in Article VII, Section 4.

Section 4. Duties of the Chair of the Board and President of the District

(a) The Chair and President of the District shall, when present, preside at all meetings of the Board and shall perform other duties incidental to the office of President, including, but not limited to, the duties of that office as set forth in the Water and Sanitation District Act and other duties prescribed by the Board from time to time.

(b) The Chair shall establish the agenda for all meetings of the Board and shall provide the agenda to the Secretary sufficiently in advance of the meeting to provide for publishing or posting of the agenda as required by the Open Meetings Act and the Board's Open Meetings Resolution.

Section 5. Duties of the Vice-President

The Vice-President shall perform the duties of the President when the President is unable to do so.

Section 6. Duties of the Secretary of the Board and of the District

(a) The Secretary shall ensure that district staff maintain a record of all Board proceedings, including minutes of Board meetings, original signed copies of the Board's resolutions, by-laws, certificates, contracts, annual audit reports, and copies of all official correspondence and legal documents relating to the District's activities. The Secretary shall ensure that district staff keep such records in a secure place and shall see to it that such records are made available for inspection and copying by residents of the District and any other interested parties, in accordance with the Inspection of Public Records Act, NMSA 1978, Sections 14-2-1 through 14-2-12.

(b) The Secretary shall ensure that district staff arrange a meeting place for the meetings of the Board, publish agendas and other pertinent materials, and post notices of the Board's meetings in accordance with the Board's Open Meetings Resolution and these By-Laws.

(c) In keeping a record of the Board's meetings, the Secretary shall utilize the services of district

staff.

(d) The Secretary shall ensure that district staff give notice of District elections and shall receive nominations of candidates for positions on the Board of Directors. The Secretary, utilizing district staff, shall effect any necessary correspondence and coordination with the County Clerk and any other officials with regard to all District elections, and shall provide for the conduct of such elections to the extent that function is not performed by the County Clerk or other appropriate county or state officials.

Section 7. Duties of the Treasurer of the Board and of the District

(a) The Treasurer shall receive and deposit in appropriate accounts all monies of the District and shall disburse such funds as directed by resolution of the Board. The Treasurer shall maintain strict and accurate records of all monies of the District and of all income and disbursements of the District, and shall keep permanent records thereof, in the manner prescribed by the New Mexico Department of Finance and Administration.

(b) The Treasurer shall annually prepare a budget for the upcoming Fiscal Year, which shall be timely submitted to the Board for its approval and subsequent submittal to the Department of Finance and Administration for review and approval in accordance with law. The proposed budget shall be submitted to the Department of Finance and Administration in accordance with their requirements. The Treasurer shall also provide regular reports to the Board on the state of the District's finances and shall submit a quarterly accounting thereof to the Department of Finance and Administration.

(c) Following the end of each Fiscal Year, the Treasurer shall oversee and direct the mandatory annual audit by a professional auditing or accounting firm approved for that purpose by the Office of the New Mexico State Auditor and retained by the Board. After submittal and approval by the Office of the New Mexico State Auditor, the annual audit shall become a part of the District's permanent records.

(d) During any time that general obligation bonds or revenue bonds of the District are outstanding, the Treasurer shall provide for the timely payment of the interest on and principal of the bonds and shall ensure that all necessary notifications and other actions with regard to the bonds are made in a timely manner, as provided in the official Statement, transcript, or in any other documents related to the bonds.

(e) In performing the duties described herein, the Treasurer, with the approval by the Board, may employ a bookkeeping service, an accountant, or other qualified persons or professionals to assist the Treasurer in performing the duties of that office.

(f) The Treasurer shall perform other duties incidental to that office and such other duties as may be assigned by the Board from time to time.

Section 8. Other Duties of the Board

(a) The Board may create such "employment positions," committees, subcommittees, or advisory committees as it deems appropriate to assist in the administration of its responsibilities. The Board may designate one or more Board members to serve on any such committee, subcommittee or advisory committee. Other persons not members of the Board may also be designated by the Board to serve on such committee, subcommittee or advisory committee.

(b) The Board may delegate such tasks, as it deems appropriate, to an individual member of the Board.

(c) The Board may appoint a committee, subcommittee, or advisory committee to perform fact-finding as necessary, and report its findings to the Board. Such tasks shall be clearly defined in a resolution of the Board. Any committee, subcommittee, or advisory committee shall not have any decision-making authority or policy-making authority; those matters are reserved for the Board.

ARTICLE VII

FINANCIAL MATTERS

Section 1. Budget Management

The District's annual budget must be presented at a Regular Meeting or Special Meeting of the Board, with appropriate time for public consideration of the proposed budget, before final action on it is taken by the Board.

Final approval of the District's annual budget by the Department of Finance Administration generally is received by the first Monday in September. Following such approval, any amendment or adjustment of the budget requires a resolution of the Board and approval by the Department of Finance and Administration. The Board will periodically review the reports submitted to it by the Treasurer to ensure that expenditures during the Fiscal Year do not exceed budget authority and that any budget adjustments that may be necessary are timely made by the Board and approved by the Department of Finance and Administration.

Section 2. Levy and Collection of Taxes

Annually as a part of the budget process, the Board shall determine the amount of money necessary to be raised for operations of the District through ad valorem taxes on property located within the District, taking into account the costs of construction, operation and maintenance of the works and equipment of the District and the interest on and principal of the District's bonds and any other obligations of the District, and shall with the assistance of the Department of Finance and Administration determine the rate of levy necessary to raise the amount of money needed, and on or before October 1 of each year, the Board shall certify the rate of levy so determined to the Board of County Commissioners of Santa Fe County, with instructions that the County should levy such taxes upon the taxable property located within the District, as provided in NMSA 1978, Section 73-21-18.

Section 3. Procurement Procedures

(a) All procurements of tangible personal property, services, and construction shall be made in accordance with the New Mexico Procurement Code, NMSA 1978, Sections 13-1-21 to 13-1-199, and any New Mexico state purchasing regulations then in effect.

(b) The Board has by resolution designated the Office of the Treasurer as the District's Central Purchasing Office in accordance with the Procurement Code.

(c) By resolution, the Board shall designate the District's Chief Procurement Officer. The District Chief Procurement officer shall have the authority to perform the duties required by the New Mexico Procurement Code. The District Chief Procurement Officer shall report, as necessary, directly to the Board.

(d) The Treasurer, the Chief Procurement Officer, and such other officials or committees as the Board may from time to time designate, shall ensure that procurements of tangible personal property, services, and construction are conducted in accordance with the Procurement Code.

(e) The Board has by resolution adopted procurement procedures promulgating regulations for the procurement of "services, construction or items of tangible personal property" in accordance with NMSA 1978, Section 13-1-125. All procurements of such services, construction or tangible personal property shall be made in accordance with the District's regulations as stated in its Procurement Procedures.

Section 4. Reimbursement for Travel Expenses, Mileage, or Per Diem

(a) Directors, Officers and employees may receive reimbursement for actual and necessary travel expenses incurred in performing services for the District, or in the alternative may be eligible for per diem for official business requiring travel more than 35 miles from Eldorado, in accordance with applicable New Mexico laws and regulations, including the Per Diem and Mileage Act, NMSA 1978, Sections 10-8-1 through 10-8-8, and Section 2.42.2 of the New Mexico Administrative Code (NMAC) (formerly DFA Rule 95-1), as amended.

(b) Directors, Officers and employees may receive reimbursement for reasonable and necessary use of a privately owned automobile on District business in accordance with the mileage rates set forth in the Per Diem and Mileage Act and Section 2.42.2 NMAC. The District does not authorize reimbursement for use of a privately owned airplane.

(c) Directors, Officers and employees seeking reimbursement for travel expenses, per diem, mileage, or any other reasonable and necessary expenses incurred on behalf of the District, shall make application for such reimbursement to the Treasurer, including appropriate documentation of all expenses, travel and mileage in accordance with the provisions of Section 2.42.2 NMAC. If the Treasurer finds that the application and supporting documentation are complete and in compliance with Board adopted policy, the Treasurer shall provide for appropriate reimbursement in accordance with adopted procedures.

ARTICLE VIII

LIABILITY AND INSURANCE

Section 1. Liability Insurance

The District shall carry adequate liability insurance coverage for the activities and actions of the District and its Directors, Officers and employees, taking into account the scope of District operations and the immunities granted to the District and its Directors, Officers and employees under the Tort Claims Act, NMSA 1978, Sections 41-4-1 through 41-4-27.

Section 2. Other District Insurance

The District shall carry appropriate insurance, as determined by the Board, to protect the District

from major loss as a consequence of damage to or destruction of District property, including real property, personal property, District business and financial records, equipment, supplies, vehicles, leased and rented property, and all other District property of any nature.

Section 3. Coverage of Privately Owned Automobiles Used on District Business

Officers, Directors, and any other persons using a privately owned automobile on District business shall carry, as a minimum, automobile liability and property damage insurance as required by New Mexico law. It is the responsibility of the automobile owner to ensure that such coverage will provide protection while the automobile is used on District business. The Board may require the automobile owner to provide proof of such insurance coverage to the Board.

ARTICLE IX

SERVICE AREA AND CHANGES IN DISTRICT BOUNDARIES

The boundaries of the District may be changed by action of the Board in accordance with the procedures set forth in the Water and Sanitation District Act. Upon receipt of a complete petition for inclusion of real property in the District, or for exclusion of real property from the District, the Board will schedule a Public Hearing on the matter and the Secretary will provide notice of the petition and the Public Hearing as required by law. The petitioner will be required to reimburse the District for the District's costs incurred in processing the petition before the Board renders a decision whether to grant the petition. If the Board determines that the petition should be granted and that the costs have been paid, the Board will enter an order granting the petition and will file a copy of the order in the Santa Fe County District Court.

The District supplies services to customers both within and without the boundaries of the District. The area served by the District as of the date of adoption of these By-Laws is depicted on the attached Exhibit "A." The boundaries of the District's service area may be extended from time to time to serve new customers at the discretion of the Board.

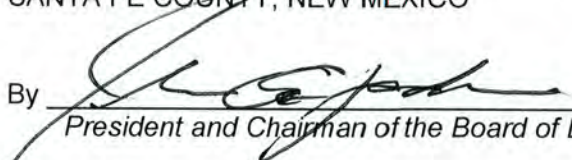
ARTICLE X

AMENDMENT OF THE BY-LAWS

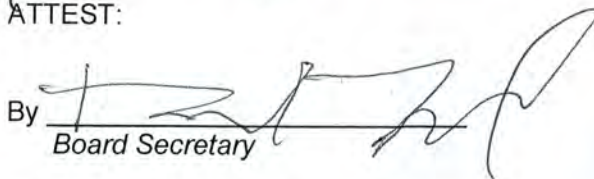
These By-Laws may be amended by a majority vote of the Board.

In witness whereof, we have hereunto set our hands this 5th day of October, 2017.

ELDORADO AREA WATER & SANITATION DISTRICT
SANTA FE COUNTY, NEW MEXICO

By  [SEAL]
President and Chairman of the Board of Directors

ATTEST:

By 
Board Secretary

