

Steps To Forming An Entity Under

Senate Bill 1 – the *Regional Water System Resiliency Act of 2023*

Action Items to Establish a Senate Bill 1 (SB1) Entity:

- 1) Decision to pursue becoming a SB1 Entity via a board motion made at a public meeting with proper notification and as an agenda item.
- 2) Work on pre-formation documentation:
 - Develop a Purpose Statement (Why do you want to become a SB1 Entity?);
 - Develop a list of the Benefits that you will gain by becoming a SB1 Entity;
 - Start developing a Merger Plan (including Technical, Managerial and Financial considerations);
 - Establish the proposed service area and create an initial electronic map of the SB1 entity (when other entities join the map will be amended);
 - Create Draft Articles of Incorporation;
 - Create Draft Bylaws.
- 3) Hold two (2) public hearings for each forming entity and present pre-formation documents for review and discussion.
- 4) Make any edits to the Draft Articles and Bylaws based on input from the Public Hearings making sure that the final documents adhere to the SB1 requirements.
- 5) After the Public Hearings and finalizing the Articles and Bylaws each Joining Board must adopt a Resolution signifying its intention to establish an SB1 Authority. The resolution shall state:
 - The proposed name and purpose of the authority;
 - the proposed service area of the authority; and that
 - the lead founding entity of the authority that shall act as the interim registered agent until the authority is established.
- 6) File Articles of Incorporation and Bylaws with the Secretary of State and complete a Plat of the Service Area and file with the Office of the State Engineer and County or counties which the forming systems are located.
- 7) Finalize and implement the Merger Plan, including creation of a new regulatory Compliance Schedule, sending new schedule to pertinent regulatory agencies including NMED as required in the Act.



These steps to establish a SB1 Entity were collaboratively developed by the Rural Communities Assistance Corporation (RCAC) and the New Mexico Environment Department (NMED)

