Santa Fe County Water Policy Advisory Committee Comments on Forming Nonprofit Watershed Associations

Introduction

The Santa Fe County Water Policy Advisory Committee (WPAC) has been requested to provide guidance on forming formal watershed groups. While it is not within the authorized scope of responsibilities of WPAC under Santa Fe County *Resolution 2024-038 - Updating the Purpose and Activities of the Water Policy Advisory Committee and Replacing Resolution No. 2019-95*, for WPAC to help create such entities, WPAC is offering these comments to aid those contemplating creating formal watershed groups by providing some background information which will help with asking questions of professionals who can help create formal watershed groups.

While there may be numerous options for creating watershed related entities, these comments will focus on the New Mexico Nonprofit Corporations Act, Chapter 53, Article 8 of the New Mexico Revised Statutes (NMRS) (NM Stat. § 53-8-1 *et sec*). What type of organization best fills the needs and desires of those desiring to form a watershed related group, should be discussed with appropriate professionals familiar with these options.

Existing Watershed Groups

The Surface Water Quality Bureau of the New Mexico Environment Department has posted a list of watershed groups on its website at: https://www.env.nm.gov/wp-content/uploads/sites/18/2023/08/2022-Watershed-Groups-List-Final.pdf . Exploration of these organizations' websites could be helpful for anyone interested in forming a similar group. The NMED list is attached as Appendix 1.

New Mexico Nonprofit Corporation Act (Act)

The New Mexico Nonprofit Corporation Act, Sections 53-8-1 through 99 lays out governing rules for the creation and governance of New Mexico nonprofit corporations. (The statute can be found by doing an internet search on "New Mexico Nonprofit Corporation Act". Section names of the Act are provided as Appendix 2.)

A watershed association is one possible type of nonprofit corporation.

Incorporators

Those desiring to create a nonprofit corporation under the Act are called "Incorporators" under Section 53-8-30 NMRS. (NM Stat. § 53-8-30.) It states:

"One or more persons, including profit and nonprofit corporations, may incorporate a corporation by signing and delivering articles of incorporation in duplicate to the corporation commission [secretary of state]."

{Bracketed material was inserted by the compiler of statutes and is not part of the law.}

Incorporators should familiarize themselves with the provisions of the Act. Ideally, incorporators should have experience in nonprofit corporate management.

Articles of Incorporation

Section 53-8-31, Subsection A NMRS (NM Stat. § 53-8-31 A) specifies the contents of articles of incorporation of a nonprofit corporation as follows:

- "(1) the name of the corporation;
- (2) the period of duration, which may be perpetual;
- (3) the purpose for which the corporation is organized;
- (4) any provisions not inconsistent with law that the incorporators elect to set forth in the articles of incorporation for the regulation of the internal affairs of the corporation, including any provision for distribution of assets on dissolution or final liquidation;
- (5) the address of its initial registered office and the name of its initial registered agent at such address;
- (6) the names and addresses of the persons who have consented to serve as the initial directors; and
- (7) the name and address of each incorporator."

Section 53-8-31, Subsection B, NMRS (NM Stat. § 53-8-31 B (2023)) states:

"It is not necessary to set forth in the articles of incorporation any of the corporate powers enumerated in the Nonprofit Corporation Act."

Section 53-8-31, Subsection C, NMRS (NM Stat. § 53-8-31 C (2023)) states:

"Unless the articles of incorporation provide that a change in the number of directors shall be made only by amendment to the articles of incorporation, a change in the number of directors made by amendment to the bylaws shall be controlling. In all other cases, whenever a provision of the articles of incorporation is inconsistent with a bylaw, the provision of the articles of incorporation shall be controlling."

Bylaws

Section 53-8-12 NMRS (NM Stat. § 53-8-12 (2023)) provides for corporate Bylaws. It states among other things:

"The bylaws may contain any provisions for the regulation and management of the affairs of a corporation not inconsistent with law or the articles of incorporation."

The Act does not specify content of bylaws. Consequently, it is helpful for the incorporators to have prior nonprofit corporate experience to identify essential elements of bylaws. Many nonprofit corporations have their bylaws posted on their websites. Reviewing other non-profits' bylaws can provide useful insights as to what should be included in initial bylaws for an organization.

Conclusion

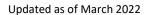
There are numerous options for creating a formal watershed related group. It is not the business of WPAC to help create them. However, to the extent that WPAC can offer comments that can facilitate creation of such groups by providing background information, WPAC is pleased to do so.

These comments focus on creation of a New Mexico nonprofit corporation. Other organization types may fit the needs of initiators. Learning what questions to ask appropriate professionals to help in that process is a good first step.

Appendix 1



SURFACE WATER QUALITY BUREAU NEW MEXICO ENVIRONMENT DEPARTMENT







Watershed	Point of Contact	Phone Number	Email Address	Web Site	Notes
Group Name					
	Warren Rider	(970) 274-3646	healthyanimas.awp@gmail.com		Focuses on the entire Animas
Partnership				nership.org/	Watershed including
					Colorado
Chama Peak Land	Caleb Stotts	(888) 445-7708	chamapeak@chamapeak.org	https://chamapeak.org/cont	Focuses on Rio Chama, Rio
Alliance				<u>act</u>	San Antonio, and Rio De Los
					Pinos watersheds in NM and
					CO
Cimarron	Richard Smith	(662) 312-1678	rcsmith3@gmail.com	https://www.cimarronwater.	The CWA is a re a non-profit
Watershed Alliance				org/	group that is dedicated to
					the health of our local
					watershed along the
					Cimarron River.
Ciudad SWCD	Steve Glass	(505) 510-DIRT	ciudadswcd1944@gmail.com	https://www.ciudadswcd.org	Coordinates projects in the
				<u>/home</u>	Middle Rio Grand and
					Albuquerque watersheds
East Rio Arriba Soil	Marcos Valdez, District	(505) 753-0477	marcos.valdez@nm.nacdnet.net	https://www.eraswcd.net/ho	East Rio Arriba SWCD
and Water	Manager			<u>me-1</u>	resulted from the
Conservation					consolidation of the Abiquiu-
District					Vallecitos, Espanola Valley,
					and Coyote-Cañones Districts
Ecotone Landscape	Jan-Willem Jansens,	(505) 470-2531	jwjansens@ecotonelandscapeplanning.com	https://www.ecotonelandsca	Coordinates watershed
Planning, LLC	Owner			peplanning.com/	projects in Lower Embudo
					watershed.
Estancia Basin	Joseph Zebrowski,	(505) 847-2243	jpzebrowski@nmhu.edu	allaboutwatersheds.org	The mission of the EBWHRM
Watershed Health	Meeting Facilitator		dierdre.tarr@nm.nacdnet.net		Project is to improve
Restoration &	Diedra Tarr, Project				watershed health and
Monitoring Project	Officer				conservation in the Estancia
					basin.

Gila Conservation Coalition	Allyson Siwik	(575) 538-8078	info@gilaconservation.org	https://www.gilaconservatio n.org/	The GCA protect the free flow of the Gila and San Francisco Rivers and the wilderness characteristics of the Gila and Aldo Leopold Wilderness areas
Grant SWCD	Rebecca Benavidez, Project Coordinator	(575) 388-1569 Ext. 3248	grantswcd@zianet.com		
Hermit's Peak Watershed Alliance	Lea Knutson, Executive Director	(505) 425-5514	Iknutson@hermitspeakwatersheds.org	www.hermitspeakwatershed s.org	HPA serve the Gallinas, Sapello, and Tecolote Watersheds.
La Huertas Watershed Group	Reid Bandeen, Joan Fenicle	(505) 867-5477, (505) 771-4007	Rbandeen@aol.com	https://lasplacitas.org/	Under the La Placitas Organization
Lava SWCD	Cynthia Spidle	(505) 287-4045 Ext. 101	cynthia.spidle@nm.nacdnet.net		Meeting time is the first Wednesday of every month starting at 6:00pm.
Paso del Norte Watershed Council	Conrad Keyes, Gil Sorg, chairs		ckeyes@nmsu.edu, gsorg@las-cruces.org	http://smiley.nmsu.edu/pdn wc/index.html	
San Francisco River Association	Howard Hutchinson, Chairman	(575) 539-2593	sfswcd@gmail.com	https://sfswcd.org/	San Francisco SWCD board of supervisors are held on the Monday before the second Tuesday of each month.
San Juan – Chama Watershed Partnership	Claudia Reynoso		sjcwatershedpartnership@gmail.com	www.sanjuanchama.org	Affiliated with Chama Peak Land Alliance
San Juan Soil & Water Conservation District / San Juan Waterhsed Group	Alyssa Richmond	(505) 234-6040	alyssa.richmond@sanjuanswcd.com	https://www.sanjuanswcd.co m/	The SJWG works to protect and restore water quality in the San Juan River Watershed in Southern Colorado and Northern New Mexico.
Santa Fe Watershed Association	Andy Otto - Executive Director	(505) 820-1696	andy@santafewatershed.org	http://santafewatershed.org	The mission of the Santa Fe Watershed Association is to protect and restore the health and vibrancy of the Santa Fe River and its watershed.

Save Our Bosque Task Force	Danielle Hensley - Program Director	(612) 267-8959	sobtf07@gmail.com	https://www.sobtf.org	The SOBTF works collaboratively to support a healthy Rio Grande bosque and riparian ecosystem in central New Mexico.
Taos Soil and Water Conservation District	Peter Vigil, District Manager	(575) 751-0584	info@tswcd.org	https://tswcd.org/	Focuses on watesheds and streams in Taos County.
Tijeras Creek Watershed Collaborative	Steve Glass	(505) 761-5446	jstvglass@gmail.com	https://sites.google.com/site /tijerascreekwc/	TCWC is an interagency initiative focused on preserving and improving the Tijeras Creek Watershed ecological and cultural landscapes through public education and on-the-ground restoration.
Upper Gila Watershed Alliance	Donna Stevens	(575) 590-5698	info@ugwa.org	http://ugwa.org	Advocacy, restoration, and education in the Gila watershed
Upper Pecos Watershed Association	Frank Adelo	(505) 757-3600	upwa@pecoswatershed.org		The UPWA was formed in July of 2006 to address non-point source pollution and related issues in the Pecos River watershed.

APPENDIX 2

2023 New Mexico Statutes Chapter 53 - Corporations Article 8 - Nonprofit Corporations

- Section 53-8-1 Short title.
- Section 53-8-2 Definitions.
- Section 53-8-3 Applicability.
- Section 53-8-4 Purposes.
- <u>Section 53-8-5 General powers.</u>
- Section 53-8-6 Defense of ultra vires.
- Section 53-8-7 Corporate name.
- Section 53-8-7.1 Reserved name.
- Section 53-8-8 Registered office and registered agent.
- Section 53-8-9 Change of registered office or registered agent.
- Section 53-8-10 Service of process on corporation.
- <u>Section 53-8-11 Members.</u>
- <u>Section 53-8-12 Bylaws.</u>
- Section 53-8-13 Meetings of members.
- Section 53-8-14 Notice of members' meetings; waiver.
- <u>Section 53-8-15 Voting.</u>
- Section 53-8-16 Quorum.
- Section 53-8-17 Board of directors.
- Section 53-8-18 Number and election of directors.
- <u>Section 53-8-18.1 Repealed.</u>
- Section 53-8-19 Vacancy.
- Section 53-8-20 Quorum of directors.
- Section 53-8-21 Committees.
- Section 53-8-22 Directors' meetings.
- Section 53-8-23 Officers.
- Section 53-8-24 Removal of officers.
- Section 53-8-25 Liability.
- Section 53-8-25.1 Duties of directors.
- Section 53-8-25.2 Liability of directors.
- Section 53-8-25.3 Nonprofit corporations; boards of directors; liability; immunity.

- Section 53-8-26 Indemnification of officers and directors.
- Section 53-8-27 Books and records.
- Section 53-8-28 Shares of stock and dividends prohibited; exemption from franchise tax.
- Section 53-8-29 Loans to directors and officers.
- Section 53-8-30 Incorporators.
- Section 53-8-31 Articles of incorporation.
- Section 53-8-32 Filing of articles of incorporation.
- <u>Section 53-8-33 Effect of incorporation.</u>
- Section 53-8-34 Organization meetings.
- Section 53-8-35 Right to amend articles of incorporation.
- Section 53-8-36 Procedure to amend articles of incorporation.
- Section 53-8-37 Articles of amendment.
- Section 53-8-38 Effectiveness of amendment.
- Section 53-8-39 Restated articles of incorporation.
- Section 53-8-40 Procedure for merger.
- Section 53-8-41 Procedure for consolidation.
- Section 53-8-42 Adoption of merger or consolidation.
- Section 53-8-43 Articles of merger or consolidation.
- Section 53-8-44 Effect of merger or consolidation.
- Section 53-8-45 Merger or consolidation of domestic and foreign corporations.
- Section 53-8-46 Sale, lease, exchange or mortgage of assets.
- Section 53-8-47 Voluntary dissolution.
- Section 53-8-48 Distribution of assets.
- Section 53-8-49 Plan of distribution.
- Section 53-8-50 Revocation of voluntary dissolution proceedings.
- Section 53-8-51 Articles of dissolution.
- Section 53-8-52 Filing of articles of dissolution.
- Section 53-8-53 Revocation of certificate of incorporation.
- Section 53-8-54 Issuance of certificate of revocation.
- Section 53-8-55 Jurisdiction of court to liquidate assets and affairs of corporation.
- Section 53-8-56 Procedure in liquidation of corporation by court.
- Section 53-8-57 Qualification of receivers.
- Section 53-8-58 Filing of claims in liquidation proceedings.
- Section 53-8-59 Discontinuance of liquidation proceedings.
- Section 53-8-60 Decree of involuntary dissolution.
- Section 53-8-61 Filing of decree of dissolution.
- Section 53-8-62 Deposits with state treasurer.
- Section 53-8-63 Survival of remedy after dissolution.
- Section 53-8-64 Admission of foreign corporation.

- <u>Section 53-8-65 Powers of foreign corporation.</u>
- Section 53-8-66 Corporate name of foreign corporation.
- Section 53-8-67 Change of name by foreign corporation.
- Section 53-8-68 Application for certificate of authority.
- Section 53-8-69 Filing of application for certificate of authority.
- Section 53-8-70 Effect of [certificate of] authority.
- Section 53-8-71 Registered office and registered agent of foreign corporation.
- Section 53-8-72 Change of registered office or registered agent of foreign corporation.
- Section 53-8-73 Service of process on foreign corporation.
- Section 53-8-74 Repealed.
- Section 53-8-75 Merger of foreign corporation authorized to conduct affairs in this state.
- Section 53-8-76 Amended certificate of authority.
- Section 53-8-77 Withdrawal of foreign corporation.
- Section 53-8-78 Filing of application for withdrawal.
- Section 53-8-79 Revocation of certificate of authority.
- Section 53-8-80 Issuance of certificate of revocation.
- Section 53-8-81 Conducting affairs without certificate of authority.
- Section 53-8-82 Annual report.
- Section 53-8-83 Filing of annual report; initial report; supplemental report; extension of time.
- Section 53-8-84 Repealed.
- Section 53-8-85 Fees for filing documents and issuing certificates.
- Section 53-8-86 Recordkeeping.
- Section 53-8-86.1 Fees of secretary of state; dishonored check; civil penalty; suspension of filing.
- Section 53-8-87 Miscellaneous charges.
- Section 53-8-88 Penalty imposed upon corporation.
- Section 53-8-88.1 Dormant corporations; statement in lieu of annual report.
- Section 53-8-89 Reports; affirmation; penalty.
- Section 53-8-90 Authority to make refunds.
- Section 53-8-91 Appeal from commission [secretary of state].
- Section 53-8-92 Issuance of certificate of good standing and compliance.
- Section 53-8-93 Certificates and certified copies to be received in evidence.
- Section 53-8-94 Forms to be furnished by corporation commission [secretary of state].
- Section 53-8-95 Greater voting requirements.
- Section 53-8-96 Waiver of notice.
- Section 53-8-97 Action by members or directors without a meeting.
- Section 53-8-98 Unauthorized assumption of corporate powers.
- Section 53-8-99 Effect of repeal of prior acts.