

## Minutes

### **Eastern New Mexico Water Utility Authority**

Assembly Room at City Hall  
321 N. Connelly, Clovis, NM  
Thursday, July 18, 2013 10:00 AM

- **(Call to order):** The meeting was called to order by Chairwoman Brumfield @ 10:05 am.
- **(Roll call):** Roll call was made. Chair Brumfield, Member Garza, Member Chandler, Vice-Chair King, Member Hunton & Member Shafer were present. A quorum was established. Chair Brumfield stated for the record Commissioner Chris Bryant resigned from the Board last week.
- **(Approval of Agenda):** A motion was made by Member Chandler and seconded by Member Garza to approve the agenda which carried by acclamation.
- **(Approval of Minutes):** A motion was made by Member Chandler and seconded by Vice-Chair King to approve the minutes of the ENMWUA meeting in Elida on Thursday June 20, 2013 which carried by acclamation.
- **(ENMWUA Administration):** Mr. van Gulick reported that this is the first meeting of the new fiscal year, so the first item of business is the election of officers.
  - A motion was made by Vice-Chair King & seconded by Member Hunton to nominate Chair Brumfield as the Chairperson. A roll call vote was made. All members voted in the affirmative. The motion carried by acclamation.
  - A motion was made by Member Chandler & seconded by Member Garza to nominate Vice-Chair King as the Vice-Chairperson. A roll call vote was made. All members voted in the affirmative. The motion carried by acclamation.
  - A motion was made by Member Garza & seconded by Member Hunton to nominate Member Chandler as the Secretary. A roll call vote was made. All members voted in the affirmative. The motion carried by acclamation.
- **(Update on Financial & Purchasing Policies & Procedures):** Mr. van Gulick reported that when we had an audit & review of agreed upon procedures with BOR, their Budget Analyst had a few recommendations. The first recommendation is that we need to have our own policies & procedures. Mr. van Gulick created a first draft of the purchasing policies & procedures which is under review by David Bryant, Dave Richards & Don Clifton. We're hoping to have those done, so we can adopt them at the September meeting.
- **(CH2MHill Contract Amendment 06 to Task Order 1 – Intake Screens, Tunnel & Forebay**

**Shaft & Task Order 2 – Finished Water Pipelines – FW1C, FW2, Cannon Lateral, FW3 & Portales Lateral Final Design):** Mr. van Gulick reported due to budget considerations back in June, we acted toward the end of that fiscal year (FY 2013) to reduce CH2MHill's contract by \$1 M with the intention of reinstating it this fiscal year (FY 2014). The Board Action Request included in the packet includes the \$1 M reinstatement, but there are also some modifications to the various task orders that will increase the total amount of the contract. There are sufficient funds for the proposed amendments, as well as ongoing design & construction efforts. The floor was then given to Ms. Crockett who reported in more detail on CH2MHill's contract amendment for the Board. Member Shafer indicated he would like to make sure the team meets all requirements for the capital outlay request. Member Chandler asked if CH2MHill's contract (job tasks) is renewed every year? Mr. van Gulick answered no, the scope of work gets changed as needed, on a per task order basis. A motion was made by Vice-Chair King & seconded by Member Shafer to approve CH2MHill's contract amendment which carried by acclamation.

- **(State Activities):** Mr. Thompson reported that: *"One week from today we've got our big meeting with the Water & Natural Resources Committee. I've been visiting with the staff from the committee. In the last year, there's been quite a lot of interest in the project, from both supporters & opponents of the project. It would be very important for members to be present. We've appeared several times before this committee, the meeting in Angel Fire was a turning point for a lot of the Legislators. The drought committee, which Senator Cervantes is chairing, is also meeting. We are on at 9:35am Thursday the 25<sup>th</sup> at the Civic Center. Finally, we do need to start thinking about what we will be looking for with respect to capital outlay for next year."*
- **(Federal Activities):** Mr. van Gulick reported for John Ryan that a proposed \$25 million has been added by the Senate to Reclamation's budget. Their proposal still needs to pass the House. We would see the results of this by October 1<sup>st</sup>. The criteria that Reclamation uses have not been finalized, but John has confirmed that it includes a national security component. Next on our list of things to do is to meet with Mike Hamman, Bill Walkoviac, Sally Ericksson (OMB), & Commissioner Conner. The next trip to DC will probably be in August.  
Chair Brumfield stressed the importance of setting up a meeting with Sally Ericksson.
- **(Report from the Chair):** Chair Brumfield reported that, *"I did visit with Representative Ben Ray Lujan, I saw him last Sunday night & told him where we were with everything, he was asking about the project. He is a big supporter of the project. We had a town hall meeting in Clovis on the 9<sup>th</sup>. Had a good turnout & a lively discussion. Overall, it was a successful meeting. Paul & Barbara were there. We'll continue to do the public education as much as we can."*
- **(Reclamation Report):** Mr. van Gulick reported that Joe will be coming out quarterly, rather than monthly. For the 2013 budget, the remaining federal dollars still needed to

be formally added into our construction grant agreement and the holdup was a transition from a legacy system (CCR) that the government was using to a new one (SAM). Our account has been transferred now. Mr. Clifton has confirmed the bank balance now shows the remainder of the 2013 budget.

- **(Financial Activities):**

- Resolution 2014-01 Approval of Final Budget FY 14: Mr. Clifton presented the budget to the members. A motion was made by Member Garza & seconded by Member Shafer to approve the budget for FY 14 which carried by acclamation.
- Resolution 2014-02 Approval of non-DFA Budget Changes: Mr. Clifton reported this is a budget change that does not require the state's approval. We're moving money from construction to engineering & one of the earlier budget changes we messed up on. A motion was made by Vice-Chair King & seconded by Member Hunton which carried by acclamation.

Financial Report: Mr. Clifton reported that, *"You can see there we spent a lot more money this year, we had a lot more activity. Under the year to date column, I broke down the lump portion of one of the state grants - \$442,000. We received \$684,000 for the BOR. WTB grant \$1,952,000, member contributions & all entities paid \$1,209,000 for total revenue of \$4.3 M. At the bottom is a breakdown of professional services. We paid CH2 \$1,570,000, we paid ASI \$3,014,000.*

- **(Project Development Activities):**

Phase I Construction Update: Ms. Crockett reported that construction continues and, *"I'd love for all of you to go up & see the site. Construction of the shaft is now about 40ft. in depth. Divers have been checking the work. We had a stakeholders meeting on Tuesday."* Mr. van Gulick reported that there have been some challenges with the wind out at the site, but the controlled blasting should be completed in September.

Phase II Scope and Design Update: Ms. Crockett reported that, *"the design package should be 60% complete by September & 90% complete by the end of the year. The estimated completion date of the design phase currently is February 2014."*

Program Management:

- Mr. van Gulick reported that NMFA has sent out the award letters for the WTB grant/loans. In October we will need to have our Readiness to Proceed items prepared – and there are a few new ones this year. The Governor's recent executive order, for example, had to do with the inventory of unspent state funding, and WTB procedures have changed accordingly.
- Mr. van Gulick reported that the ENMRWA JPA that preceded the formation of ENMWUA is inactive, but remains active on the books at DFA. Mr. Richards has indicated that he needs to prepare a dissolution document for the JPA, which

will require the separate action of all eight members. The Board directed Mr. Richards to proceed with this. No action is needed by ENMWUA, only individual commissions.

- Erik Harrigan stood up & was recognized. Mr. van Gulick reported that he and Erik have sat down and looked at the existing finance plan. The last time it was updated was back in 2010, so it needs updating. It is a living document that should be revisited each year. Mr. Harrigan will be working on an update to be ready for initial review in August or September.
- Mr. van Gulick referred the members to a handout with talking points that he prepared for the meeting. Mr. van Gulick went over the handout & gave a historical aspect on the idea of importing water from Texas, which had been considered numerous times beginning in 1972 with a Reclamation study, then again in 2001 when Mr. van Gulick evaluated an offer by Salem Abraham to sell water from Hartley County, and again in 2006 when CH2M Hill studied water importation from Texas absent any specific offers, and continuing to the recent past when T Boone Pickens was offering water for sale from Roberts County. In each case, the identified obstacles have been similar and no prior engineer has recommended importing water as an alternative to the Ute Pipeline.

NMED 604(b) Water Quality Planning Grant: Dr. Murphy reported that we are ready to go, and that this proposed effort ties back into the DMP. Board members expressed interest in the watershed conditions and excess sedimentation & where the proposed effort will lead. The board requested that Dr. Murphy give a presentation at the next meeting and instructed that this should be put on the agenda. Dave Richards gave the NMED agreement a legal review. His only comment/concern was whether the work could be completed in time for the December deadline contained in the agreement. Mr. Murphy answered that it could. Mr. van Gulick advised that formal action to approve is needed. A motion was made by Member Garza and seconded by Member Chandler to approve the NMED 604(b) water quality planning grant which carried by acclamation.

- **(Meetings Report):** Mr. van Gulick reported on June 26<sup>th</sup> the Finance Authority met to approve projects. There was an ISC meeting on June 27<sup>th</sup> & 28<sup>th</sup>. There will be a Drought Task Force Meeting on July 24<sup>th</sup>. On July 25<sup>th</sup> & 26<sup>th</sup> there will be a meeting of the Water & Natural Resources Committee.
- **(ISC Report):** Mr. van Gulick reported the current elevation of the reservoir is 3771.8. There have been some upticks in the level & inflow to the reservoir, which currently is at 57% storage.
- **(Future Agenda Items):** The Water Authority elected to schedule the next meeting in Portales on August 15, 2013 at 10:00am at the Memorial Building.
- **Public Input**
  - Mr. Lumpkin stated, *"We are concerned about the reservoir level. We need 24k*

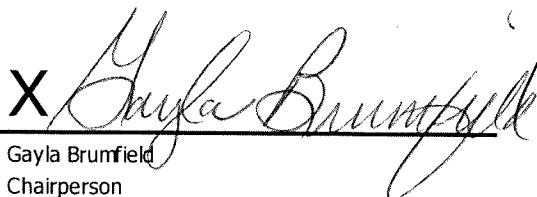
*of flow & have been averaging -3000ac/ft of flow. We would like the DMP to show that. DMP says we are going to get 7000ac/ft of water. Our engineering firm & yours agree. Historical data is not working in this severe drought. We are asking for a minimum pool & will continue to ask for it (based upon conditions). Mr. Lumpkin stated Ute Reservoir is bringing a lot of economic gain to the area & talked about the 300-500 jobs Ute has brought to the area. Mr. Lumpkin reported we've lost 50k to evaporation & this year we lost 20k to evaporation.*


- Mr. Neil (non-technical presenter for the Concerned Citizens of Curry & Roosevelt Counties) addressed the Board with two questions:
  - 1.) Regarding the interim groundwater pipeline, how will source water get into pipeline & where?
  - 2.) This is an \$88 M project. How will it be designed & constructed? Will the project go out to bid to engineering firms?

Mr. van Gulick answered that the interim groundwater pipeline is the project transmission line. The source is from willing sellers of water, and it will go to willing buyers. The project will not go out to bid to engineering firms (as CH2M Hill is already contracted to complete the design). Ms. Crockett stated it will go out to bid for construction only.

Mr. Neil then asserted that Dr. Thomson (UNM) has studied Ute Reservoir & Mr. Neil asked if the ENMWUA was aware of the work & project Dr. Thomson had done between 2010 & 2011? Vice-Chair King answered we are involved in litigation & therefore cannot comment. Mr. Neil stated that grad students did some modeling which showed Ute is not a sustainable resource. Mr. Neil stated Dr. Thompson ran it himself & he (Mr. Neil) could see 8000 ac/ft (reservoir yield) & 10,000 ac/ft in the best of times. Mr. Neil asserted that the students & Dr. Thompson came to the same conclusion that it's not a sustainable resource. Vice-Chair King stated we have no comment. Mr. Neil asked who brought the litigation? Vice-Chair King answered the Village of Logan.

- **(For the good of the order):** None
- The meeting was adjourned @ 11:48 am.

X   
Gayla Brumfield  
Chairperson

X   
Caleb Chandler  
Secretary