

Minutes

Eastern New Mexico Water Utility Authority

Melrose City Hall
105 E. Avenue B, Melrose, NM
Tuesday, May 22nd, 2012 10:00AM

AGENDA ITEM NO. 1 – CALL TO ORDER

Chairwoman Brumfield

The meeting was called to order by Chairwoman Brumfield @ 10:00am and established the presence of a quorum.

AGENDA ITEM NO. 2 – ROLL CALL

Chairwoman Brumfield

Roll call was made & all members were present.

AGENDA ITEM NO. 3 – APPROVAL OF AGENDA

Chairwoman Brumfield

A motion was made by Member Chandler and seconded by Vice Chair King to approve the agenda which carried by acclamation.

AGENDA ITEM NO. 4 – APPROVAL OF MINUTES

Chairwoman Brumfield

A motion was made by Member Chandler and seconded by Member Bryant to approve the minutes of the ENMWUA meeting in Portales on Tuesday April 3, 2012 which carried by acclamation.

A motion was made by Member Garza and seconded by Member Chandler to approve the minutes of the ENMWUA special meeting in Clovis on April 23, 2012 which carried by acclamation.

AGENDA ITEM NO. 5 – BUSINESS ITEMS

A. Executive Session –

A motion was made by Vice-Chair King and seconded by Member Bryant to move into executive session to discuss pending litigation filed by the Village of Logan and the South Shore Homeowners Association pursuant to Section 10-15-1 H 7, NMSA 1978 of New Mexico Open Meetings Act. A, roll call vote was made. All seven members voted in the affirmative & zero members voted against. Motion carried.

B. Action/Discussion Pertaining to Executive Session –

A motion was made by Vice-Chair King and seconded by Member Bostwick to move back into open session. A roll call vote was made. Seven members voted in the affirmative & zero members against. Motion carried.

Dave Richards described that two new lawsuits were filed in State court, one by the Village of Logan and one by the South Shore Home Owners Association. Mr. Richards recommended to the water authority to retain Montgomery & Andrews to represent the Authority on the two new lawsuits. At the last meeting the ENMWUA already retained Montgomery and Andrews to represent the Authority with the federal lawsuit. A motion was made by Secretary Chandler and seconded by Member Bryant to retain Montgomery

& Andrews to represent the Authority with the two new lawsuits. The motion carried by acclamation.

C. ENMWUA Administration –

a. 2012-2013 ENMWUA Representatives – van Gulick

Mr. van Gulick reported this is really just informational in terms of the membership & the staggering of terms, we just had to sit down & figure out who's on what term. The board is set up to have three members from Clovis where two of the members serve concurrently for two years & one member serves a two year term that's staggered from that. The two Portales members are staggered by the one year, with one member from Curry County with a two year term & then a rotating member with a term of one year. As of right now, Chair Brumfield & Vice Chair King & board members Garza & Chandler will continue until July 2013. So this is really just a heads up that board member Bryant will need to be re-appointed by the Clovis city council for a two year term before our July meeting & board member Howell will need to be reappointed for a two year term by the Portales council before the July meeting. Elida is next on the rotation, so they would need to appoint their representative before the July meeting. That was it. I just wanted to bring that up so it's in the record now.

D. State Activities –Thompson

Thompson reported that in the aftermath of the session & also the water trust board activities, we've been circling back with staff & the members, visiting with them. This news of the lawsuit, we understand, is kind of the way these things go & are to be expected with a big project like this, so we'll be helping out with that stuff, going around visiting with people making sure that they have all the facts. Going into the fall, we did have the couple of projects that the Legislature decided to assist on with the intake structure & also the interim groundwater plan, so we'll be working with folks on that to talk about those things. We're going to have some new faces in the Legislature, as you know senator Hardin will retire at the end of the year so we're looking forward to getting to know some of the new respective members better & also continuing to build relationships with folks in the state.

E. Federal Activities Update – Ryan

Since our last meeting we did take a trip to Washington D.C. & met with our usual cast of characters that we meet with just about every time we go. Our timing was good in a number of ways. We were there advocating for funding as we should have been, but the lawsuit had just been filed as we were approaching D.C., so that was a subject of conversation with the people that we meet with regularly, our delegation: BOR, Department of Interior. Some of the other meetings we had also focused on creating different ways to fund rural water projects in general. I think we will hear something from our delegation in the near future; my understanding is they're working on something that will address our project & rural water projects in general hopefully in the near future. We've communicated to each of you with regard to some of those specifics, but I'm not yet able to go public with any of that. These are efforts that our congressional delegation are advancing & it's their issue & they will release those when they're ready. Those were the three items we were after: advocate for funding, describing the latest update, talking about the lawsuit & trying to find creative ways to fund the project. All of that very successful & FY 2013 appropriation of 1.97 million dollars that is in the President's budget has now passed the House. We thought that the House would be the body that would give us a

more difficult time on this particular funding for our project & they approved it. The Senate will get that bill in the near future. All the appropriation bills are going to get caught up in the election year politics. Energy & water is one known that doesn't have a lot of controversy associated with it. The other thing to watch for is the lame duck session, they're talking about a lame duck session after the election. This is Senator Bingaman's last term & water is on his legacy list of issues that he wants to address before he leaves.

F. Reclamation Report – Alderete

Just to report that the initial grant agreement for approximately 1.4 million, our Salt Lake office has said they will have it in place by the end of next month, so that money will be available at that time for construction. We'd like to use it just for construction. If we go into design and/or management then it throws everything into a different field. It would be much cleaner if we just shift that money towards construction. We are working on FY 2014 money, but I can't talk about that but we are working on that budget. I did retain \$30,000 for my costs, admin costs & our Salt Lake office costs.

G. Financial Activities

a. Financial Report – Clifton

I've got two months, you can see the first one is March. We've received member contributions of \$3,300, everybody paid their member contributions. Spent \$141,000 & in that April report we generated \$2,780.00 from several plans. Spent \$184,000. Year to date (July 1-April 30) we've taken in \$2.67 million, spent \$2.49 million, so everything is running smoothly. Reimbursements on \$4,525,828 groan, early May they paid us \$434,000 reimbursement & we've spent enough that leaves about \$282,000 left that we should turn in a reimbursement on that in the next couple weeks & we'll be done with that one.

b. Budget – Clifton

Clifton reported this is the preliminary, basically what happens today is when you approve this being on the intake structure & all that, that is not in here. We'll have the final, but basically the third page there is the summary page & you can see there the front bunch general fund will start the year w/ a million dollars. The grants \$210,000, that's the two grants we received from the state, one was \$100,000/\$110,000. Another under there \$1,215,000, that's member contributions for next year so total revenue of \$1,425,000. The transfers of \$136,000 estimate the grant loan payments due next year. Contractual would be campaign & insurance & things like that. \$375,000, so estimated ending cash balance \$1 million 9 & like I said when we have the final budget on the intake structure & all that sorted out, some of the money will be spent for that. WTB groan 3 you can see that's \$4,525,000, then I have the \$4,425,000 grant loan & then I just showed all the operating expenses. That won't change once the intake structure is done. Then we have the 2.9 million dollar grant loan budgeted & the \$4,371,000 grant loan budgeted too. A lot of this will be moved to capital outlay assuming you take action today or before June 30th. At the back, I won't go over it, but this is the data of all six grant loans & annual payments & all that. I'll be glad to answer any questions, or go into more depth. Like I said, this is preliminary only & due in Santa Fe by the end of the month.

c. Approval of Preliminary Budget for FY ending June 30, 2013 – Clifton

A motion was made by Member Chandler & seconded by Vice Chair King to approve the preliminary budget for FY 2013. Motion carried by acclamation.

d. Water Trust Board 106 – van Gulick

e. Water Trust Board 244 – van Gulick

On the WTB 106 & this year's WTB 244 there was a meeting April 25th. The 106 contract extension came up & that was unanimously passed. We went in there prepared to bring anything they needed & to answer any questions & it turned out it wasn't really necessary. At the staff level they looked at the whole thing, what came out of that is that this is actually something that hasn't come up before, so there wasn't a procedure for the staff to follow so it went to the WTB then for some discussion for members to address that question going into the future, but also to vote on this extension in particular. We managed the vote to do so, so we were pretty happy about that. This year's WTB is for \$3,788,834 & today we've sent in all the needed certifications that they require in order to move forward, so we expect to hear more from this in the meeting this Thursday on other issues, the water trust board issues will be in the finance authority's June meeting so we'll have a report on that then. Thompson stood up to report that what came out of that conversation of the policy makers, was that this is a state sponsored project & that it is unique compared to almost any project in the state & it was a demonstration of incredibly broad support by policy makers from all over the state, for them to make that unique discretionary decision that they are going to allow us to do something that they don't really allow anybody else to do because of the nature of the project.

H. Project Development Activities

a. Update on Drought Management Plan – Murphy

We have a DMP. I believe Madame Chairman & Vice Chairman both have copies of it as members of the steering committee. It went out to the rest of the steering committee April 16th & has been available for comments from the steering committee members from the 16th on. The next step of this will be for us to accumulate those comments in written form & to address each one of them w/ responses. I think that will take about three weeks to put that together. Near the end of the comment closing period, we were requested by one of the entities to extend the comment period until the end of this month. That was the ISC, Director Estevan Lopez formally sent us a letter formerly requesting an extension. I told him I would bring that before the Authority since you're my boss. I personally & I think it's the opinion of Paul & the other members of the team, including Greg Gates, think it would be good to wait. Because of the fact that, as you're aware, it's not just dependent upon the Ute Reservoir Water Commission to accept or not accept it, as the other member of the water contract, it has to be accepted by the ISC too. So if they need a little extra time, I think it's well within our general interests to allow them that time. So I am going to request that the board extend the comment period for the DMP until the end of this month. Chairwoman Brumfield called for a motion. A motion was made by Vice Chair King & seconded by Member Chandler to extend the comment period for the DMP. Motion carried by acclamation.

b. Recommendation to award Phase I Construction – van Gulick

For phase I construction, the advertisement for bids was published on February 26th 2012, we then had a pre bid meeting in Tucumcari on March 5th. The bids were opened at 3:00pm at City Hall on April 23rd & we received bids from ASI Constructors. These numbers are including

gross receipts tax, they were for \$13,980,562. Kiewit NM Company was the second lowest. They were at \$18 million 259 thousand & change. JW Fowler Company was the highest at \$22,340,000. The apparent low bidder was ASI, all of those bids again included gross receipts tax. The engineer's opinion of probable cost is closer to 11 & 1/2, but that has a range of uncertainty, plus 20% minus 15%, so on the high range it's a little bit lower than the low bid. This is really just doing the specialized elements of this particular project. It's been about a year since the engineers put this together, just because we were planning on going to construction then. There is a little bit of a difference between when engineers call out for some of these particular specialty items, like the valves w/ the coating on them. The point is there's some elements of this that the best price finally came when the bona fide contractors were going into bid, so that is what it is. We're certainly close enough, I think. The bid award will be \$13,980,562.50. Both of our funds combine to make at this point, \$16,867,977 & this covers the cost of construction, so the period of construction will be two years. We expect to secure additional funding from various sources, so the total project cost including construction, oversight observation & special testing over the two years would be somewhat over 17 million. The total funds to be expected over that period of time will be close to 21 million, so we have sufficient resources to cover all of this. I would recommend that ASI Constructors Inc. be awarded the bid to construct phase I. A motion was made by Member Chandler & seconded by Member Garza to award phase I construction to ASI Constructors Inc. Motion carried by acclamation.

c. Phase II discussion – van Gulick

This is, if you think about it, something we've been waiting for for quite some time. Phase II, there's not a lot that's been going on. Of course as you know, we got some capital outlay grants for this year, one specifically to look at the interim ground water pipeline. We'll be working with, to some extent, Daniel Bailet to see what he's already done & to try to line our activities w/ that so that we're not duplicating any efforts. At the same time, we recognize that we have slightly different interests & different contractual mechanisms than they do. So the plan at this time is essentially unchanged, we're going to be knocking on doors & having some intensive interviews w/ ranchers w/ water rights board, to really nail down from our slightly different point of view how they would participate in this relative to the alignment, where they are in relation to those parts of the aquifer that might bear water for a little bit longer than others. So anyway, that's what we'll be doing w/ that capital outlay money, we're expecting as a result of that to have basically all the data we're going to need to have all the agreements in place to know, for example, if it's going to be feasible or not. Obviously if nobody steps forward, we're going to really need to take a hard look at that. We don't expect that result, but anyway, the outcome of all that will be a go or a no go on that phase.

Secretary Chandler asked Paul to explain for the public's benefit, exactly what the plan is for the interim groundwater. Paul reported that generally that program is intended as an interim measure, as opposed to building an intake & then having years pass before we can actually have a connection down in Clovis. This is intended as an interim to build those portions up at the trunk line & be able to deliver water. This affords us, I think, the best way to work w/ Congress to take money we've been getting. The federal government contributions going to be ramping up, so this is a way to really maximize our benefit in the short term. When the entire pipeline is finally finished, this phase is intended to be able to actually complete portions of the trunk line around Clovis & down to Portales, spread that out while we bring the rest of the pipeline down to

that area. In the near term, we actually need to be on a schedule, as we're constructing one thing we need to be continuing design, so that we're construction ready for the next phase. In that particular sense, this is where the interim groundwater pipeline fits in. As we're doing this phase of construction, it looks based on our funding stream, like we'll have enough money to start design on the next phase & then our expectation is to have enough money at the end of that design to move into this groundwater phase, identified as the next most economic constructible element of the project.

W. Bostwick asked a question about rather than the pipeline starting at Ute lake & coming south, it will start @ the Clovis/Portales area & go north, so that the water companies could use it as a infrastructure to deliver water to customers in Curry & Roosevelt? Paul answered yes & explained that the other portion of it is, as the Ogalala aquifer is failing, since the bottom isn't exactly flat, there's areas of the aquifer that will produce a little bit longer than others. So there's areas for example that are already dire. This involves just getting water rights holders in the outlying areas to sign up to be able to convert a certain amount of their use from agricultural to municipal to be able to supply it to the Authority. Vice Chair King asked who will pay for the piping from where the well is to the pipeline? Paul responded that's one of the questions that we're going to answer this summer & also one of the points at which we diverge a little bit from the water company. We are obviously not in a position to contribute money to private sources, so it has to work out economically so the question is it's a source of revenue for a rancher so there can be a cost associated with that. The other side of that is if we're accepting water, it has to be of a mature quality so there's going to be any necessary rehabilitation of the wells, use of any existing pipelines, all that is going to have to be checked out & brought up to some kind of standard. We all think it will be in line with what the state standards are. That's going to represent a certain cost. Companies are going to pay a certain rate, it's not what they charge their customers, they have a margin there. That's what we're going to be looking at, is identifying what those costs are & how we're going to do it. If we chose to pay those costs, then that would affect the rate that they would be able to sell it at, there would be the expectation that they could charge a higher rate. That's some of the key elements we'll be looking at.

Chairwoman Gayla reported that the Federal delegation likes this idea because we don't have a stranded asset between Logan & the Caprock. It makes prudent sense to look at which (inaudible) to start using & the ag community likes it. It really worked out. Basically what you're saying if there is a cost we'll look at that & it will be passed on in the user rates. Paul reported that the Legislature were extremely interested to see a project with a community that's being proactive about their own situation & making decisions that are maximizing their ability to go forward in managing their situation. In terms of the interim, there's going to be a cost so that money has to be made up, either the ranchers can foot that bill & then we hook up & we would pay them this much because they did that. If we were going to do it for them, we would have to recoup that money. If we put that in, then that would affect the agreement over a period of time at a lower rate, with that difference being what it would take to recoup that installation cost.

Vice-Chair King brought up a concern of it being fair to all members of the Authority & said Clovis benefits because they are the largest user. Elida would be out of that because they are so far south. I am just concerned about those of us that have been in this from the beginning paying our portion of the bills, that whatever is paid out of our funds is fair to everybody. Paul responded he doesn't anticipate any cost to the members to accomplish this. John Ryan reported about the importance of phasing the project as you ask for public dollars. Actually, it would be to our benefit, the larger the phase, it allows us to ask for more. If we make this unitary phase

large & encompasses everybody, it is to our advantage as well. Vice Chair King reiterated she doesn't think the financing is something the authority should have to pay for. Paul stated they'll be identifying all the costs, so for example Elida is not paying for something they're not getting. The whole purpose of this interim ground water pipeline is that we're building a backbone of the system & that's what're ultimately accomplishing, again not at the expense of anybody. These laterals coming in, need to serve a system. There's going to be an expectation of profit on the rancher, there's going to be an expectation of not simply contributing money on the part of the members.

(EPCOR) asked for clarification about the expense needing to be picked up by New Mexico American. Vice-Chair King responded from the actual pipeline, because all we're really looking at, our project, is the actual pipeline itself so anything going in to me should either be the ranchers or NM American Water, because it won't benefit Portales any, it won't benefit Elida, Grady, Melrose. (EPCOR) reported right now our focus is on the leasing portion to make up for the deficit that we have right now, losing about 10% each year & then working adjacent with the Ute pipeline portion of it. Any expense that's actually coming in will, the way we have it set up is, we're approaching the leasee & you take the responsibility of the well itself. We meter it, we put the telemetry of entry into it & then the distribution line going into our system is picked up by the customer. Once we have a decision on which way the line's going to come in, how we're going to tie into that & how you're going to accept the water, or Texico or whoever. Vice-Chair King reported that on the two years I've been on this board, I don't remember us ever voting on anything relating to the interim groundwater, is that true? Chairwoman Brumfield asked if there was a task order. Barbara Crockett referred to task order 1 & reported that once we identified some ranchers working with NM American Water to lay out some options/alternatives: what it's going to cost, how we might approach it & then we'll come back to the Authority. Chairwoman Brumfield reported that basically, I think what we're all saying is that we paid a price for what we know we're going to get, a pipeline & anything through the new study with the groundwater interim, if there's laterals that have come out of that or if there's other things, we're paying for the pipeline. That has to be established, either through user fees or through the ranchers. If the rancher wants to pay for it himself, then he'll pay more for his water. Vice-Chair King reiterated that the authority should not have to pay more. Chairwoman Brumfield reported that if it is the authority who pays, then we pay them less, there's ways we can look at that through operations, but what we're really looking at is the pipeline that we paid for & anything else after that, that comes back to this body & we look at it & get it figured out. Mr. W. Bostwick commented that being involved in Ute water for many, many years I think that we should be looking in a long term vision without a drought management, we know we're gonna have to have supplemental water, that supplemental water may not be owned by EPCOR in 15 years. The Authority may own its own supplemental water down the road, whether that's through Ute water or the aquifers or whatever it is, we know if we're going to supply water to the region for 50 years we have to have w/ this drought management, we can't rely on & EPCOR does not have 50 years of water in the current plan. We have Curry County, we have outlying communities & whether the aquifers going to supply those at the time. I think there's a real possibility that the Authority at some point will own its own supplemental water sources, but it will all be paid back through a lake source at some point, but there may be a supplemental well in northern Curry County that Roosevelt county gets the water off of eventually because it's going in to the authority's pipeline. That's the long-term, I think we're narrow minded if we say that we're not going to ever own any of our own supplemental water. Chairwoman Brumfield stated I don't think that's what

we're saying. What Mayor King was saying she just wanted to make sure that it was established that what we're talking about paying for right now is the pipeline. Anything after & through this study we may pay for. What we're dealing with now is what we know we're going to pay for & through studies & all the engineering, it will come back to us & we can look at/negotiate, whatever we have to do at that point to see, so I don't think we're being narrow minded I think that we get it, but it's going to have to come back here, in fact Barbara just said it. When they get through some of their studies, they'll bring it back & say looks like this is where the ranchers are more interested, then we start talking to them & if they want to pay for their laterals to get to the pipeline, then they can do it & we charge them a certain way, that's the way I've always understood it. (Mr. W. Bostwick) stated understanding NM water law, those rights are tied to the Ogallala. There's other waters available that nobody has water rights to, that as an authority we could acquire those water rights & I don't want us to box ourselves in, in our thought process that we're not looking that we're gonna have other sources of water other than Ogallala for supplemental water in the future. Barbara reported going back to the feasibility that was originally done & alternatives, Ute at this point became the most cost-effective. There are recommendations about there has to be continual looking forward future, so that you have a water portfolio that addresses times of drought or whatever.

Secretary Chandler stated as I understand it, anticipates the need at some point that there could be (inaudible) for some period of time, hopefully short periods of time that you can get water. Chairwoman Brumfield stated the source of water may not be Ogallala, it could be a different water source. Paul reported that is a good point & certainly I think there's two issues, one is short-term, the other is a much longer-term & I can assure you this board & the team are looking at plans b,c,d & e down the road. New Mexico water law is going to change. There's going to be a time when we're not here & decisions we're making are going to affect what we're going to be able to do 20 years from now, 30 years from now, so we're taking that long view. In the short term, we do need to get this pipeline built, the backbone built & I think it's a fair point that that has to be done.

Member Shafer stated you're not going to be able to just go out there & get water from the well & run it into these pipelines. It's going to have to be treated before it all gets to that pipeline. There's a lot of things that haven't been discussed or even considered. All these wells are going to have to come to one point, going into one location in the pipeline, you can't have 15 or 20. I'm certified in water law & if EPCOR is running out of water, who are you going to get the lake water from. It's coming out of the same aquifer theirs is. I understand it's a good idea, but it's going to be hard for us. Mark Murphy stated I just want to put our BOR guy on the spot a little bit. The DMP does talk about using groundwater in times when we may want to leave Ute water in the reservoir. I was just wondering if that is a portion of the implementation of the DMP & additional studies of drought water availability & how that's tied together & so forth. Would that be a legitimate subject for request for additional study? Joe Alderete reported the plan is not set in concrete, just do it once & forget about it. We hope the regulation is you go back 5 years & take another look at it. What you put into it, it's your plan. We're not going to look over your shoulders. We hope that you take a look at it. Studies like that would be a great asset to the continuation of this plan as we move forward. Yes, it would be a very good idea. (EPCOR) reported what they are doing is to resolve the situation that we have & work with the pipeline. We're not branching out. I'm trying to make up a deficit that I see coming. The last well production that we get, I had a decrease of 9.3%. Each year I drop 10%. My only hope that I see right now is the pipeline, that's the only available source. Of course we've got drought

conditions. I'm sure all the rest of the communities are seeing the same conditions. What I'm saying is, it's not a hostile takeover. We're going out there, we're buying & now I'm trying to get anything that's supposed to be into the system at the lowest expense to our customers.

I. Program Management – van Gulick

a. Occam Contract Amendment-Construction Phase Services-van Gulick

Paul reported that as we're getting into the construction phase, currently CH2 has a contract in place for construction phase activities. This includes contract administration, field inspection services, office engineering services. They'll have a person onsite full time during construction. That person will have control over the site, that sets the flow of information from contractors to the project rep. Additionally, there's going to be some special testing, that'll need to be done. What we have in our contract is, it was always contemplated there would be a construction phase. When it was set up that was identified, but in the budget that wasn't really included since at that time we didn't know when the construction project was. It's imminent now, so what I'm proposing to you is that we'll have a field rep, that'll be the eyes & ears of the authority. They'll provide oversight during the construction process. For example if a request comes in, that goes from the contractor to the field rep they look at it, our representative looks at it & makes the recommendation to the authority to pay for it. During the whole blasting phase, that's going to be highly monitored, the authority needs some oversight on that. The contractor for example will be putting together their own blasting plan. They'll have a pre-blast survey, we'll be engaged in that as oversight separate from both the contractor & the designer. To provide a level of oversight that's really needed for that phase. There has to be document control & so forth. We'll be coordinating the services of the special & tech inspections testing firms. CH2 will be involved in the actual test & inspections. They'll have a person onsite full time (inaudible), onsite part time but on a regular basis so that there'll be this continuous laundering of the process. Again this was contemplated before, it hadn't been put into place contractually. What I'm proposing it we put an addendum to our current contract that just includes the scope of work & the fees, so that's included in your package there. There is a document that CH2 had produced regarding this particular construction phase that outlines all of the specific duties. We've gone over that & identified who's going to be lead, who's going to be support. This phase, we'll be doing that, so this reflects that scope of work. What we're proposing is if anything new or additional over on top of what was ever contemplated. This was always contemplated as being part of the construction phase, we just didn't have a contract amendment in place & so that's what we're asking for now. I know that's a bunch of information included in the packet there, so are there any questions? A motion was made by Member Chandler to approve a contract amendment & was seconded by Vice Chair King. Motion carried by acclamation.

b. Aimone-Martin Associates-Contract for Special Testing-van Gulick

There is a couple of highly specialized aspects to the construction phase, probably the most is the controlled blasting. Special testing on that is going to involve some oversight. We've identified the person, Dr. Kathryn Aimone-Martin who she's just uniquely qualified to do this. She's been working at a school in New Mexico that's a great deal of what they do is blasting of one type or another. She's had years of experience in this particular type of blasting, including underwater blasting, which is actually unique to New Mexico. In order to make sure that this all happens the way it is intended to, that all of the things are considered, her field is to monitor the vibrations, the amount of energy that emanates from the site, to make sure that stays at a level that is not

destructive. Her proposed scope of work in actually in two parts, we had anticipated between opening the bids & the award of the bids that she would be involved in evaluating some of the bids. This is because we were looking at fiscal procurement questions that came up. We were looking at opening up the bid to everybody, but if people who had not been pre-qualified for blasting & micro tunneling would have to qualify during the bid process. Turned out that the low bidder had identified a pre-qualified blaster & pre-qualified micro-tunneler, so that didn't turn out to be an issue so that part of the work is still going forward, going to be involved in. Our direct contact for the notice to proceed with the contractor to make sure that all the specifications are in place, that everybody understands what the parameters are before we move forward. So that five thousand, that had been approved, that we wanted to just have in place in case it was needed to get this thing done in a timely way. That goes forward into the request that's for today which will be for \$44,950. Some of those, it's under \$50,000 so with procurement because of the special & unique qualifications & because of the amount you can approve this contract without going out to an RFP & indeed based on my understanding on what resources are available to us & who could do this, there wouldn't be a whole lot served by that. She is in fact uniquely qualified for this project. A motion was made by Member Garza & seconded by Member Chandler to approve Aimone-Martin. Motion carried by acclamation.

J. ISC Report – Kent Terry

Chairwoman Brumfield asked Kent if they got rain last night. Kent reported they got very little, it looked like it was going to be big but we showed about 0.25 inch. I looked before I left this morning & there wasn't according to the transmitter there wasn't any water coming down Ute Creek. There's not much to say about the report, other than the reservoir just keeps going down. Maybe it's changing, the rain anyway. We are at the lowest point we've been since the spillway was built back in the early 80's, but we just hope for more rain.

AGENDA ITEM NO. 6 – FUTURE AGENDA ITEMS

Chairwoman Brumfield

Water Authority discussed having the next meeting on June 21, 2012.

AGENDA ITEM NO. 7 – PUBLIC INPUT

Audience

Next is our public input. Again we want to welcome you here & if there's anybody that has anything they'd like to bring forward to talk about, we'd sure welcome it.

Wendell stated I just want everyone in the room to realize we have people in south Clovis & other parts of Roosevelt county that are hauling water because they don't have domestic water today & so I think it's of the utmost importance that we start. The county had reservations of Ute water & that's the reason we reserved this, is to address the issues of our county constituents. So at this thing is progressing & the plan in being developed for Phase II, I certainly want to be sure we are addressing those issues as well as building the trunks into Clovis & Portales & other areas. I just wanted to make that known to everybody that it's not next year, it's not five years, it's already here.

Chairwoman Brumfield asked if the county received half a million dollar grant from CDBG to help with the situation down there? Wendell replied we did not get that, we did apply for that. We continue to look for resources. What we're doing is to coordinate with the Authority, trying to figure out water & take care of our constituents. All of that needs to be coordinated as we build a bridge twice, we want to get it right the first time.

Mr. Lumpkin representing the City of Tucumcari and vice-chair of the Quay County Regional water authority spoke to the ENMWUA. Mr. Lumpkin said we've all met. I just want to keep bringing it up that we are in favor of this project. We're looking at the gross receipts tax for our area, we're looking at the tax base for our area, we're looking at all the jobs in our area & we understand the need for the water. Ute lake is of vital importance to Eastern NM, the water project & our economy in our area & it's essential that we balance this project with the needs that we have in our area also. One way we can do that is with either a minimum pool, or a minimum acre-feet that would be reserved in Ute lake. Now that doesn't mean it would stop pumping altogether, it would stop pumping, it would leave the pumping by about 10% after it reached that certain level. That water would then be beneficially being used, that water would also be there for your project & our recreation. When they talk about recreation not being a beneficial use, it really is, it furnishes a lot of jobs for our area & we've talked about that & we are in favor of the project, we can work together on the project & we have worked together on the project & we hope the project goes forward, but we have a couple of concerns. I would like to ask the authority if you could convey that plea to the interstate streams. Everybody in the authority that has been on the steering committee has looked at the merits, positively of a minimum pool or a minimum acre-feet for the reservoir. The allocation that Clovis & Portales needs could easily be obtained with that, but it would sure clear up some uncertainties that we're having to deal with & it would be a very positive move for everybody to have that on our record. We're also concerned about our own intake structure which there isn't any IFC or interstate streams commission policy against us having our own intake structure. The intake structure that the Authority's going to build is about six miles from where we need the water. What it boils down to, this is not an oversimplification, but it just simplifies what would happen. If we are mandated to hook into the authority's intake structure, first of all we'd have to overcome that six miles of distance & then we have to put our own pumps to it & we have to put our infrastructure & pipeline that would run us in the area of about six million dollars, which we could hook into the permitted intake structure that Brookfield would be building for the assistance of Tucumcari. They would use it & we could use it if we ever needed to. But our citizens & our constituent's cost to hooking into the Brookfield intake structure is virtually nothing. That's part of the deal we made selling water to them. The bottom line is if we have that five hundred acre foot contract with Brookfield, the residential developer in our area & we have to hook into the Eastern NM's structure, we're looking at a six million dollar cost to sell five hundred acre feet of water. We couldn't do it & it wouldn't be feasible. So we're asking that the Eastern NM authority would also support us on us using our own intake structure. We are in favor of the project, it will do a lot for our area, it will do a lot for Eastern NM but we have those two concerns & those two concerns would not slow the project down or stop the project. It could even show a cooperation to speed the project up & thank you for your time & I appreciate you inviting us to the meeting. Chairwoman Brumfield asked Mr. Lumpkin on Tucumcari's water supply, how much water do you have? Your water situation? Mr. Lumpkin replied let me qualify that just a little bit, our canal system, a lot of that would seep into our aquifers which always bring our aquifers back up. Our canal system hasn't been used, but Tucumcari does have enough water available to us, groundwater, to support our economy plus. It's not critical yet. Now we always run into problems where you might have an overactive agricultural well that also taps into an aquifer that we use & they lower, but no we have enough water & that is a good question. Right now we're using between fifteen hundred & eighteen hundred acre feet of water a year. Chairwoman Brumfield asked if the water supply is in good shape. Mr. Lumpkin said

it's there but, with the climate as it is & conditions as they are, you'd have to be careful saying we'd never need any more water, I mean everybody in this area knows that we're in a very arid situation. Chairwoman Brumfield reiterated the question that the water supply is in good shape to which Lumpkin said yes, in good shape, yes.

AGENDA ITEM NO. 8 – FOR THE GOOD OF THE ORDER

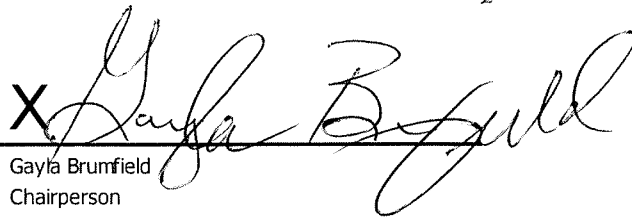
Chairwoman Brumfield

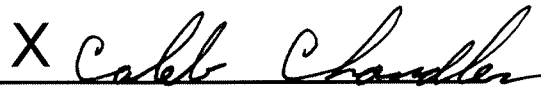
None.

AGENDA ITEM NO. 9 – ADJOURNMENT

Chairwoman Brumfield

There being no further business to discuss the meeting was adjourned @ 11:58.

X 
Gayla Brumfield
Chairperson

X 
Caleb Chandler
Secretary