

Minutes

Eastern New Mexico Water Utility Authority

Clovis Carver Library Ingram Room
701 North Main Street, Clovis, NM
Thursday, November 15th, 2012 10:00 AM

AGENDA ITEM NO. 1 – CALL TO ORDER

Chairwoman Brumfield

The meeting was called to order by Chairwoman Brumfield @ 10:05am.

AGENDA ITEM NO. 2 – ROLL CALL

Chairwoman Brumfield

Roll call was made & all members were present. A quorum was established.

AGENDA ITEM NO. 3 – APPROVAL OF AGENDA

Chairwoman Brumfield

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

AGENDA ITEM NO. 4 – APPROVAL OF MINUTES

Chairwoman Brumfield

A motion was made by Member Bryant and seconded by Member Dixon to approve the minutes of the ENMWUA meeting in Portales on Thursday October 18, 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 Friday October 26, 2012 which carried by acclamation.

AGENDA ITEM NO. 5 – BUSINESS ITEMS

A. Executive Session –

Mr. Richards reported that there was not an update on the lawsuits and therefore recommended that the board skip having an Executive session this meeting.

B. Action/Discussion Pertaining to Executive Session –

N/A

C. Report from the Chair

Chair Brumfield reported throughout the meeting during each particular item for which it pertained.

D. ENMWUA Administration

- a. Discussion and Consideration of Sole Source for Occam and CH2M Hill – David Bryant

David reported this is a request for approval to sole source Occam and CH2M Hill for the project development and management of this project. I looked at this and the length of the project. Normally the state of NM only allows projects to extend to eight year time periods. This one is going to well exceed that. Also if we don't sole source this, we could fall back into having to start over with another firm that would be costly and set back the project. I looked in with the State with this and they said this is proper to go forward with. The only thing we would need to do is, once we sole source this, eight year time frame down the road we'd have to come back and approve that sole source. Any questions? A motion was made by Member Garza and seconded by Vice-Chair King to approve the sole source for Occam and CH2M Hill which carried by acclamation.

b. Discussion and Consideration to enter into negotiations with New Mexico Environment Department to accept a 604(b) Water Quality Planning Grant – Mark Murphy

Dr. Murphy reported if you'll recall, we applied for a grant under the 604(b) program. We've suggested that the project will probably cost about \$20,000 dollars, with half of that money coming from a state grant and half of it coming from the state program support funding. What we're asking for is to meet with New Mexico Environment Department. Just for your information, I had a long phone conversation with NMED Program Manager. Basically, what she is looking for is a feeling of long-term commitment on the part of the Authority, to help them look after water quality in the reservoir. I said that was as I understood it the intention of the board, so these discussions would probably involve getting an idea from them of what that long-term commitment would be. The final stage, we agreed, would go to you guys for the final approval. All we're asking for is the power to meet with them. If there are any questions, I'd be happy to answer them. I should add they also have some questions they want us to answer about how this aspect will be negotiated. A motion was made by Member Chandler and seconded by Member Bryant to enter into negotiations with NM Environment Dept. to accept a 604(b) Water Quality Planning Grant which carried by acclamation.

E. State Activities –Thompson

Joe reported we've been working on our capital outlay request for this upcoming session. Everybody's been great in helping us come up with a project. What we're looking at doing is a pump station down in Portales. I know that Paul and perhaps Clay are going to have more about the specifics of that. What we're trying to determine now is the amount that we could get. I don't know if you've paid any attention to what the Governor is saying and she's saying it should go to us to reform the capital outlay process. In 2008 when the State was in dire financial straits, they went through and took all projects that had capital outlay balances but weren't being completed and they swept that money back in this reversion bill, Senate Bill 182. So what they're saying is if you're going to put money into a capital project, they want it spent right away. We're taking that to heart, last year what we did we spent, so what we'd like to do is we're trying to figure out that range because we'd hate to go for say \$500,000, come in with \$350,000 and have the state say you didn't fund it in its entirety and therefore we're just not going to fund it. We're trying to find that right place, which means we've got to go around to the Legislators and find out what their tolerance is and how much they want to give. Because this

year's part of the project will be in Portales, we do expect to be able to go see the floor leader and the Senate and Minority floor leader and Senator Ingle. We're hopeful he'll get on board; we can count on Representative Crook and the folks from up here. We also believe we'll be able to approach Representative Wooley, he and some other folks. From the perspective of constantly trying to build support for the project and having a new Legislature, it's actually almost a perfect little exercise for us because it engages members we haven't really approached yet. Where I imagine we may need help, and perhaps Member Chandler or somebody could help us with that, is we may be at a point down the road where we need to visit with the Governor's office. Chair Brumfield stated Joe on what you're talking about with the pump station, I talked to Paul about it and we thought that that was a good idea to do something, but you might to just tell the whole Board what that is exactly and the reason for doing that.

Paul reported I think the two sides of this are kind of one the political side and two the project side. We have a project that we're committed to build; this is what we've identified as one part of it that fits within the scope of what we can expect for a capital outlay. So what we're doing is combining that with some actual part of the project that we would have to build anyway. What this allows us to do is a couple things, one the pump station at the southwest corner of Portales is under the original what's called the best technical alignment. It chose the line coming down and going up and across the north of Clovis. If you look at the handout you have there with the little picture on the front of it, gives you an idea of what we're talking about. As a part of the value engineering exercise, I think there were three parts to that, one internal to CH2 and then one that was a little more formalized. One of the things that was identified was to simply tie into Portales's water system and then tap at the southwest corner and then feed Elida from that. So this pump station that was originally going to be on the main line will actually be at the southwest corner, and what it does is it for right now, it'll boost the pressure in the southwest corner so we can actually put it to immediate use. I guess the other thing is, it's of such a size and we have some leeway, that depending on how much we get from the state Legislature in terms of capital outlay, we can put it to use. We can actually build this thing and satisfy the criteria that the state has, and the Governor now looking forward. You know all of that language that will have to be put into the request, namely here's specifically what it is, here's what it'll cost, this is what the completed project will be and we can do it for the money that we're asking. All of those important elements, plus like I say it actually has immediate utility, we can place it into service right away. Does that help and are there any other questions? Chair Brumfield asked ballpark figure at all what it would cost? Paul answered you know again I'm going to say if we can get \$250,000 to \$500,000, we can do this. Based on what I'm projecting for construction over the next two years and then the design effort, there ought to be enough if we need to put some money into that, which we would have anyways since its part of the system all the cost here, we can do that. This is something that we can ask for and we can guarantee that we can build it, put it into service and satisfy again all those things that the state is really going to be scrutinizing this year. Chair Brumfield reported when Paul called me and we were trying to figure out what we were going to do this year, I thought it was an excellent idea. We had actually talked about it before, this could be instantly used, and I think that this is a great example of that and our state could help. I think it's a win win and I thought it was a great idea.

Joe reported there was a capital outlay meeting two weeks ago which I attended and the number they were throwing around was like \$235 million dollars total. From that, you have to

subtract out the water trust board money which is 10%. That number comes down because of some other things that are going to get subtracted. The way it was explained to me, they're thinking \$180 million dollars and that historically has been divided 1/3, 1/3, 1/3, so the House gets a 1/3, the Executive Branch gets 1/3 etc. and they all work together on stuff. This is all part of our effort, which is we never want there to be some money available for discretionary spending that we don't ask for. The reality is because this could go for immediate use, which is what we've been saying, it's just a nice fit for this. We're thinking that, let's just take if it's \$60 million per chamber and the House, that would be slightly under a million dollars a member, so if you take some of these folks having them put in \$100,000 to \$200,000 wouldn't wipe them out. We would try and gauge that, so that we got the maximum amount of money we could get without falling short.

Chair Brumfield stated we're going to jump ahead to federal activities, which Paul you're probably going to talk about that. Dr. Rowley will be here as our invited speaker probably closer to 10:30.

F. Invited Speaker – Dr. Rowley, Clovis Community College (10:30am)

Chair Brumfield reported we're going to have you Dr. Rowley come up and give us a report. Dr. Rowley is the President of Clovis Community College and I will tell you she is the biggest asset to our college, not only to our college but to our community. She is a Clovis girl. Along the lines of getting speakers in here that goes over what we're doing in each community, economic development and how important water is to everything that she'll talk about today.

Dr. Rowley reported I appreciate the opportunity to be able to speak with you all and give you an update on what the college does and also give you some clear indication of where we see ourselves going and how water will impact all of that. Obviously, we're a fairly large facility, we're located on the edge of town out by ourselves in the middle of nowhere. We do have 107+ acres that we sit on, that we own, so that's a fairly substantial portion right now. If you look at it right now, it looks like there's only a tiny part of it that's being watered and that's true, so there's a lot of it that we just don't actually have water to. Our mission is what's called comprehensive community college. Basically what that means is that we have programs that are designed to link people to get jobs in two years, things like automotive technology and welding and heating ventilation and air conditioning and nursing and industrial technology. We also have what's called a transfer mission where we have students who just take English, Math, Science, things like that and can get an Associate's degree with the intent of transferring on to get a Bachelor's degree. So, especially the programs that are designed that are more job specific, those programs really are more water intensive if you want to look at it that way. We have a couple of programs that do all their own laundry on campus and people don't even think about that, but when you have a nursing program, an aesthetician program and cosmetology program where they're using towels and smocks, they use a greater amount of water than any other kind of just regular academic program and I think that's one of the things we have to take into consideration even as we move them to different parts of our campus.

As a college, in conjunction with our Board, we decided that our niche in this community is allied health. We do allied health well and we feel like that is an area where there's a lot of job potential for students in our community, students that are military that come into our community and might want to go somewhere else. Certifications in those areas are generally national certifications, so if you take a nursing or radiologic technology exam, you can go pretty much wherever you want. Those are the things that we are really focusing on, so that means we have partnerships with every hospital in the area, every nursing home in the area, hospice agencies in the area, all of those kinds of places. So when you talk about the interconnectivity of various entities in the community and really in the region and the need for water in all of this, I think we're keenly aware of that because obviously it's probably something we take for granted everyday and we don't really worry about too much, but when we do hear what's coming from this committee and that there are issues with future water usage and we need to make sure we have a plan in place for future generations and everything, that is us. We're in the business of training the future generations and we're in the business of making sure we're looking down the road as well as we possibly can and trying to figure out what's sorts of jobs people are going to need and what sorts of training people are going to need, and can provide those kinds of things and water is critical to those things. We try to be as conscientious as we possibly can, like I said we have a lot of space that my Board member sitting right there has pointed out to me, doesn't look very good because we don't water it, because there's just not water. We do have a permit for a well, but our infrastructure is pretty old and so when we've had engineers look at the back of the building and what it would take to connect our existing water pipe structure out from our building, right now it's sort of cost prohibitive for us to really move much further on that. We plan to renew our well permit and hopefully that is something we can still work on, but it's not something we can do right now so we're using the city's water. We're interested in doing whatever we can to be more conscientious and to help this group move forward with your proposals and everything, because we do see that as really critical.

Cannon Air Force Base is a big part of our population and a big part of our mission and I know in a layman's sense what water means to them, but they mean a lot to us. As the mission has changed and as new people have come in, that has become a bigger part of what we do. Again, it kind of tailed off there for awhile, in terms of enrollment, but now the dependent population they're a big piece of who we are. We go out of our way to be designated as a military friendly school every year and we're proud of that designation and so we want to make sure that we're able to continue to provide those needs. The other thing I think needs to be considered too in terms of what we use and how important all this is to us, we have large chiller systems where everything is still run by water too so if there is ever any kind of water issue in the community that immediately impacts especially our cooling, and I can tell you that that immediately impacts every single person on our campus. It becomes a very big deal right away. So all of these things feed in and tie in together and as we look at things like, we're moving on adding a physical therapy assistant program right now. Any kind of allied health thing is going to mean more water needs for us as a college, it's not the same thing as offering more History or English or something like that. We're looking at Phlebotomy and Pharmacy Tech right now too which are short term, but they're still going to be in the same area in terms of the subsidiary things that are involved in making those programs thrive. So, I appreciate the opportunity to talk with you this morning and let you

it was necessary to move the Ute project forward. Everybody knows that we're in a situation where we need this to move forward, it's not getting better by any stretch of the imagination.

c. Interim Groundwater Pipeline – van Gulick

Paul reported both Kevin and Erik have been working on one particular aspect of the interim groundwater pipeline and namely the feasibility in terms of the financial end of it. I'm going to let Erik do that. Just by way of welcoming him, he's been working on this project actually for a number of years now, he's very resourceful.

Erik reported I've been working with Kevin on this project for a long time. Just a very quick background, I've been working in municipal finance for over 12 years. We have as Paul mentioned, been working on the interim groundwater pipeline, what the cost would be if you factor in the various contributions.

Paul reported the reason for looking at a few of the scenarios is just that given the state has been ponying up pretty well. All the members have been putting in their share and the Feds we assume they're on an upward curve and frankly very optimistic about the chances ultimately for the Rural Water Completions Act, or some form of it, to get passed but in the meantime we need to look at how can we proceed with construction and do things in a way that's affordable.

d. Program Management – van Gulick

Paul reported the Water Trust Board application is in. The next meeting of the Water Trust Board is on December 5th but there's tier one and tier two reviews and the tier two will not be completed by that time. Either I or Clay will plan to be there and report back on any information that we have.

K. Meetings Report – van Gulick, Koontz

Paul reported there was a meeting of the Water and Natural Resources Committee on November 8th. Right now as we speak, the Western States Water Conference is going on, that's in Phoenix I believe. A number of folks will be there, the previous State Engineer as well as the current one. I'll follow up and pass along any information from that at the next meeting. There was an ISC meeting yesterday, again there was very little pertaining to this project. Upcoming meetings, again the Water Trust Board meeting will be on December 5th and then there's a Drought Task Force meeting at the state capital on December 13th and those are actually kind of interesting.

L. ISC Report – van Gulick

Paul reported speaking of drought information, I've given each of you just a couple pages there on the precipitation of the lake and the reservoir levels. The only info that I can see from Ute creek was on October 13th. You can see a little bit of an increase in the reservoir level, just

in the last few days here. It's a large water basin, the precipitation at the reservoir has been zero through October.

AGENDA ITEM NO. 6 – FUTURE AGENDA ITEMS

Chairwoman Brumfield

The Water Authority elected to conduct the next meeting in Elida on Thursday, December 20, 2012 at 10:00 am.

AGENDA ITEM NO. 7 – PUBLIC INPUT

Audience

Chair Brumfield welcomed everyone to the meeting and provided the public an opportunity to speak. Robert Lumpkin stated on the public education channel on Sunday and Monday night, there is a program called the Dust Bowl at 8:00 and 10:00 both nights. It is by Ken Burns, a very famous director that did a lot of work on the Civil War and I have a good friend that is in the cast Burrell Boots McCoy from Tucumcari. He passed away from dust pneumonia in the dust bowl days. I don't know how often he'll be in that program, but even if we don't know anybody, I think it'll be very educational.

Vice-Chair King stated an observation of mine when I was listening to Dr. Rowley and it may be something Mr. Smart talked to us awhile back. I think maybe we kind of missed the boat on something and Mr. Smart talked a lot about how they've brought up their own wells, so they won't be damaging our water, etc. That affects what the city of Portales went through last summer with our water problem, but it doesn't address the problem we're trying to solve in educating the public that this is a supply issue and even if you have wells in the state and I hadn't really thought about that until, well I thought about it when Mr. Smart was talking but then when Dr. Rowley was talking about the expense of hooking up to their building. That's something we might want to do an op ed on. Chair Brumfield stated that goes along with the interim pipeline too. I think there's been some thinking that well maybe this is the solution, well it's not the solution. The interim pipeline is exactly what that word says, interim. It is to take care of the short term situation with our water, it is not the long term answer at all. Vice Chair King stated I keep having people tell me that all the Authority needs to do is drill up more wells which will not fix the water problem, it may even speed it up. Chair Brumfield stated what would you think about doing, I'm going to go back to what Dr. Rowley was saying, about maybe doing an education forum maybe in Portales, you know go to Eastern, go to CCC. Put a program together, bring people in, we've got a great team right here and actually do that and really push it to get the word out. I think we could do something like that. We'll wait until after the first of the year, get through the holidays, then maybe do something like that.

Paul stated Madam Chair I can work with the team and talk with individuals and board members and then at the next meeting that can be on the agenda and we can discuss some ideas because you're exactly right not to beat a dead horse or anything, it is a supply issue. In all of the work that we've been doing up to this point, including most recently with Erik and this whole idea of looking at the financial end of things, you have to look at this cost curve for the groundwater. It's not a level curve, it doesn't cost a certain amount. It costs a certain amount now, but ten years from now as the water level is lower and the production is lower, it costs more and that curve just keeps going up. So even with things like drought management, if you look at

making up a shortfall now versus ten years from now, versus twenty years from now, cost is very different. At some point, I think Scott had some years ago a curve that he showed of that cost going up and the project intersecting it and we've reached that point where to rely on groundwater for anything is just not going to be a good strategy, it's not going to be feasible and it's also not within the control of the individual communities. The draw down of the aquifer is just not under your control, it's a much larger area that involves all of the agricultural activity. If Clovis right now and Portales were both to reduce their water usage to zero, it would have no effect. It's just not under your control, that curve will still be going up. If we switched over this project right now, ten or twenty years from now, any amount of water that needs to be made up is going to cost that. I think there is a lot of information that can be gotten out there and a lot of discussions that can be had around that. Vice Chair King stated I think if we were to have maps to show people. Another thing that I think is very confusing for people and it may be more of a government issue, is clearly across the Texas line everything is so lush and green possibly causing people to mistakenly think we're holding back on things or we're putting restrictions on things. I think it would be helpful to try to explain the difference in our attitudes for the use of that water long term because I know most of us from Portales when we go to Lubbock, we go across the Kakawate river and literally the minute you cross the state line, everything is gorgeous. I think we need to explain that. Dr. Murphy stated from years of trying to teach undergraduates about groundwater because they can't visualize it, farmers visualize it very well, but because they don't see it, that has to be made visual for them. Vice Chair King stated you're absolutely right. I've had people that live outside the city limits saying well that doesn't affect me. So, it's kind of interesting that folks don't see past their taps sometimes and they don't know where it goes.

Member Dixon asked about the possibility of developing an informative pamphlet for distribution in the Eastern New Mexico area about where the projects go and the history and the groundwater issues. Barbara answered we did when we started the first phase of design, we have all that information and we're actually in the process of updating it. But we haven't had this active involvement in the community working with property owners. I've actually had this conversation of having to get back out into the community, whether it's going to council meetings, I think there's a lot of ways you know op eds. Chair Brumfield stated I've been going to everything, rotary etc. I think it work all together: brochures, op eds, we probably need to beef all of that up. Paul stated we have been talking about those kinds of materials and I think that will be a good topic for discussion too. I think we could come up with some very effective presentations. I love Scott, but his presentations had a lot of words in them, so we're going to try to make something with that same information and maybe present it in something that gives you an idea of how is that changing and how has it changed in the last year. We have these reservoir reports, so I've been giving some thought to how we can have an aquifer report. One of the things EPCOR always talks about is how many more wells they're having to have. They had like 20 wells to get a certain amount, now they're having to have 56 wells to get that same amount. When you see that in a graph, that was really one of the turning points. I mean, I've always thought we've had a problem, but when I saw that three or four years ago, whenever that was, I thought that is scary. Member Howell reported when I first moved to Portales when I was a young kid, our best well pumps 1,000 gallons a minute, now that same well pumps about 220. And we have wells at that time were pumping 250, we're pumping 80 to 100 now. When I got there we had 16 wells, now we have 32 and we're getting ready to add eight more and we still

don't have the capacity we had when I got there sixteen years ago. Vice Chair King stated a couple other things I would suggest is maybe have a poster session, so people can formulate in their mind their questions. I think another thing that would be helpful would be to have somebody from the State Engineer's office come. One of our most vocal opponents in Portales brought it up and I think this is a good issue actually, is that we don't meter our agricultural wells. I think it would be nice to have someone from the State Engineer's office there to address that. Dave Richards stated I think that Greg's figures that he had given during some of the legal, offset some of the impact of the pipeline. To start with, the retiring of 71,000 acres of agricultural land, just to equalize the amount of water that would be used. That's without realizing you still have a declining asset or source. Most people will just go out and buy agricultural rights and drill more wells. Chair Brumfield stated a three or four months ago, I was behind a truck hauling water headed south of town. We know that there's several houses out there and we know they've always had a water situation in some of that area out there, but they were having water trucked in and city commission talked about it, so you know we have a problem and I think education is key. I'm telling you those graphs because people are visual are critical because this project needs to move forward.

Member Bryant stated I wonder how interested public television would be in getting on board with us and open a forum or something. Barbara stated going back to what Paul said, we'll put together a strategy and approach, maybe have a separate meeting. Information can be done concisely, but every time you think about it, you think ok so we've explained all this and then someone says so why are you building an interim groundwater pipeline? Why does Texas apparently have more water? Well, there's a reason for that. We're where the aquifer peters out. Conversely, why would we build an interim groundwater pipeline? To be able to convey that a. we have to build the project anyway, and b. it's not an even aquifer, so we can identify areas that will persist a little bit longer and that allows us to take advantage of that regional nature. Chair Brumfield stated that word does make people think that it's just an interim, we need a new name.

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

Chairwoman Brumfield

AGENDA ITEM NO. 9 – ADJOURNMENT

Chairwoman Brumfield

There being no further business to discuss the meeting was adjourned @ 11:05 am.

X

Gayla Brumfield
Chairperson

X

Caleb Chandler
Secretary

