

MEETING MINUTES

ENMWUA Regular Board Meeting

DATE: Thursday, May 27th, 2021
LOCATION: ENMWUA Office (Sitterly Professional Center)
801 Pile Street, Clovis, NM 88101
(Limited In- Person Attendance)

Please Note:

Due to the COVID-19 concern, the Office of the Attorney General's Open Government Division (OGD) advises all public entities subject to the OMA to first and foremost follow guidance of the Department of Health and other health officials to ensure the health and safety of both members of the entity and the public. Accordingly, the most prudent thing to ensure compliance with OMA would be to postpone/cancel a public meeting. If, however, a board or commission had a time-sensitive matter to attend to, it may proceed with virtual meeting, provided its notice of meeting contains detailed information (password, phone number, etc.) about how members of the public may attend and listen via telephone, live streaming, or other similar technologies.

-Office of the New Mexico Attorney General

1 **1. Call to order**

2 The meeting was called to order by Chairman Morris at 3:31 PM.

3 **2. Oath of Office for New Member**

4 Appointee to represent the City of Texico, Max L. Carter was sworn the Oath of Office for the ENMWUA by
5 Administrator Orlando Ortega.

6 **3. Roll Call**

7 Roll was called. The following ENMWUA Board Members were in attendance in person: Secretary Bryant,
8 Member Garza, Chairman Morris, Vice-Chair Jackson, Member Lucero, and Member Carter. Administrator
9 Orlando Ortega and staff were also present. Members of the public that attended in person included Durward
10 Dixon, Mayor of Elida, Jim Honea with Jacobs Engineering, and Joe Thompson with Thompson Consulting.

11 **4. Approval of Agenda**

12 A motion to approve the agenda was made, and a roll call vote took place.

Result: Approved by Vote (6-0)

Motion:

Bryant

Second:

Garza

Ayes:

Nays:

13 **5. Approval of Minutes**

14 a.) A motion was made to approve the minutes from the ENMWUA regular Board Meeting held on Thursday, April
15 22nd, 2021 at 3:00 pm at the Elida Community Center. A roll call vote took place.

Result: Approved by Vote (6-0)

Motion:

Jackson

Second:

Lucero

Ayes:

Nays:

16

17 b.) A motion was made to approve the minutes from the ENMWUA Special Meeting held on Monday, April 26th,
18 2021 at 3:00 pm at the ENMWUA Meeting Room. A roll call vote took place.

Result: Approved by Vote (6-0)

Motion:

Bryant

Second:

Garza

Ayes:

Nays:

19

20 6. Public Input

21 Those announced who are attending the meeting online included Kevin Wilson with the Eastern New Mexico
22 News and the Authority's federal consultant, John Ryan with Capitol Consulting.

23 7. Monthly Financials

24 a) Approval of Monthly Financials for the Month ending April 30th, 2021- Ortega. Mr. Ortega briefed the
25 Board on the financials for the month ending April 30th, 2021. Total revenues reported for the month were
26 \$31,419.00. This amount includes the City of Texico's membership dues. No bank interest revenue was reported for
27 the month of April due to the monthly interest being posted late on May 2nd. The interest for the month of April
28 was not recorded by the accountants. The interest revenues that will be reported on for next month will include
29 both the month of April and May. Total expenditures for the month of April were at \$357,683.99. A monthly bank
30 transfer request was presented to the Board in the amount of \$175,000.00. A motion was made to approve the
31 monthly financials and the monthly bank transfer request, and a roll call vote took place.

Result: Approved by Vote (6-0)

Motion:

Jackson

Second:

Bryant

Ayes:

Nays:

32 **8. New Business Items**

33 a.) Request for Approval of Annual Service Agreement with Hinkle & Landers Certified Public Accountants
34 for the period of July 1, 2021, to June 30, 2022.- Ortega This contract presented to the Board is for an annual
35 renewal of accounting services with Hinkle & Landers, CPA. The new contracted amount is for a total of
36 \$33,960.00. An increased amount from the previous contract of \$1,018.00 was listed. This contract is for a term
37 of one year, beginning July 1, 2021. A motion was made for approval and a roll call vote took place.

Result: Approved by Vote (6-0)

Motion:

Lucero

Second:

Garza

Ayes:

Nays:

38

39 b.) Request for Approval of ENMWUA Office Lease Agreement with Sitterly Professional Center for the
40 period July 1, 2021 to June 30, 2024.- Ortega. The office space lease agreement with the Sitterly Professional
41 Center was presented to the Board with the following noted changes. A monthly increase from \$1,185.00 to
42 \$1,200.00 per month, as well as a change in contract term from a two-year agreement to a three-year agreement.
43 All items provided for the Authority's use remain the same. A motion was made for an approval and a roll call vote
44 took place.

Result: Approved by Vote (6-0)

Motion:

Bryant

Second:

Garza

Ayes:

Nays:

45

46 c.) Request for Approval of the FY2021 Audit Contract with De'Aun Willoughby CPA, PC.- Ortega, Bowens.
47 The contract with De'Aun Willoughby, CPA, PC was presented to the Board. Ms. Bowens explained that the Office
48 of the State Auditor gives an approved list of auditing services. The State Auditor also allows for quotes given by
49 auditors from the approved list to be given as a quoted amount for three-year terms, with annual approval each
50 year by the governing body. Ms. Willoughby was listed as an approved party. The Authority did reach out to four
51 different Auditors for quotes and Ms. Willoughby returned the lowest quoted amount. The quoted amount from
52 De'Aun Willoughby for auditing services was a total of \$15,903.00 per year, with the quoted price the same for each

53 of the three years. An annual approval will be needed each year to renew this contract. A motion was made for
54 approval and a roll call vote took place.

Result: Approved by Vote (6-0)
Motion:
Garza
Second:
Jackson
Ayes:
Nays:

55

56 d.) Presentation and Request for Approval of FY2022 Preliminary Operating Budget.- Ortega.

57 Mr. Ortega presented to the Board the FY2022 Preliminary Budget. Once the Preliminary Budget is approved, it will
58 be submitted to the Department of Finance and Administration. The Board reviewed the budgeted revenues
59 totaling \$40,750,456.76 and budgeted expenditures totaling \$28,146,978.00. There was discussion on proposed
60 changes that include the following newly budgeted items, possible update the Ute Reservoir Firm Annual Yield in
61 the amount of \$20,000.00, increase in salaries, as well as adding a budgeted line item for a new simple IRA program
62 for Authority employees. The amount for all operations and maintenance for the ENMWUA is budgeted at
63 \$144,017.40. Water Trust Board debt service budget which includes the annual payment in the amount of
64 \$162,734.00, and the pay as you go plan for debt reduction of the Water Trust Board Loans. The Authority has
65 scheduled to pay-off WTB loan, WPF-813 in the amount of \$221,409.00. This brings the total WTB budget to
66 \$384,143.00. The capital outlay expenses for all ongoing projects including the remaining FW2 project, the
67 construction budget for FW3A, the design and easement acquisition budget for FW3B, FW1, and Raw Water 3
68 totaled at \$27,030,086.23. A motion was made for approval of the preliminary budget and a roll call vote took place.
69

Result: Approved by Vote (6-0)
Motion:
Jackson
Second:
Garza
Ayes:
Nays:

70

71 e.) Engineer Recommendation of Award for the Eastern New Mexico Rural Water System Finished Water
72 Three A (FW3A) Pipeline Construction to Smithco Construction Inc. – Ortega, Jacobs

73 Mr. Ortega stated to the Board that the Authority completed the invitation to bid process on April 28, 2021 at 3 pm.
74 After the closing of the invitation to bid, Jacobs began conducting their canvassing and due diligence of the lowest
75 bidder. Jim Honea with Jacobs presented their findings on the lowest bidder, Smithco Construction. Mr. Honea
76 reviewed with the Board the checklist of items that Jacobs used to conduct their due diligence. It was stated that
77 only two other companies had submitted all required documentation by the deadline for the FW3A bid. These two
78 other bidders were considered non-responsive due to the lack of qualifications required for this project. Simthco

79 Construction has met all requirements as well as being the lowest bidder for the FW3A project. It was Jacobs
80 recommendation to the Board to award Smithco Construction the FW3A construction bid. A motion was made for
81 approval and a roll call vote took place.

Result: Approved by Vote (6-0)
Motion:
Bryant
Second:
Garza
Ayes:
Nays:

82

83 f.) Request for Approval Authorizing ENMWUA Administrator to Sign Notice of Award for FW3A Pipeline
84 Construction. -Ortega The Notice of Award Letter was presented to the Board. Approval of this document allows
85 the Authority to move on to the next step in executing the contract for the FW3A construction project. A motion
86 was made for approval and a roll call vote took place.

Result: Approved by Vote (6-0)
Motion:
Jackson
Second:
Lucero
Ayes:
Nays:

87

88 g.) Recommendation for Approval of the Execution of Agreement between the ENMWUA and Smithco
89 Construction Inc. for the Construction of FW3A Pipeline.- Ortega, Barnett. The contract presented to the
90 Board is between Smithco Construction Inc. and the Eastern New Mexico Water Utility Authority for the
91 construction of the FW3A pipeline. Smithco has submitted all required documents in conjunction with the signed
92 agreement. The documents submitted included all insurance and bonding for this contract and have been reviewed
93 by Mr. Ortega, Mr. Barnett the Authority's attorney and Jacobs Engineering. A motion was made for approval and
94 a roll call vote took place.

Result: Approved by Vote (6-0)
Motion:
Garza
Second:
Bryant
Ayes:
Nays:

95

96 h.) Request for Approval Authorizing ENMWUA Administrator to Sign Notice to Proceed for FW3A Pipeline
97 Construction. -Ortega With the execution of the agreement with Smithco for the FW3A project, the Authority
98 can provide Smithco Construction Inc. with an official Notice to Proceed letter on the construction of the FW3A
99 project. The official notice date to commence the disturbance of soil is on July 6, 2021. The time between the
100 approval of the agreement and the July 6th date allows for Smithco to review the construction documents, submit
101 RFI's, and submittals to our Engineering firm. A motion for approval was made and a roll call vote took place.

Result: Approved by Vote (6-0)
Motion:
Lucero
Second:
Jackson
Ayes:
Nays:

102

103 i.) Request for Approval Authorizing ENMWUA Administrator to Approve Change Orders in the amount of
104 \$50,000 and less.- Ortega Mr. Ortega presented to the Board that this authorization will allow change orders to
105 be approved by the Administrator under \$50,000, to keep the construction work moving in a timely manner. This
106 authorization, like what was approved for FW2 allows the processing of change order requests to keep the project
107 on track in a well-timed manner. Any amount over the \$50,000.00 will be presented to the Board for approval. A
108 motion was made for approval and a roll call vote took place.

Result: Approved by Vote (6-0)
Motion:
Jackson
Second:
Bryant
Ayes:
Nays:

109

110 **9. Unfinished Business N/A**

111 **10. Reports from Board Members and Staff**

112 a) Project Development Activities -Jacobs-(Jim Honea)
113 FW3A- Currently preparing for construction to begin. There are a few submittals and Requests for Information
114 (RFI's) from Smithco that Jacobs will be reviewing. One item to be noted was a meeting requested by Smithco
115 Construction with Jacobs on the lessons learned from past projects and what they can take away from any issues
116 that arose from FW2, any pitfalls and anything to be aware of before beginning the construction of FW3A. A pre-
117 construction meeting is scheduled this month on June 21st.

118 FW1- Legal descriptions for easement acquisition are nearly completed, with only three remaining properties that
119 have required an adjustment to the legal descriptions. There are a total of 23 identified properties that require an
120 easement. The permanent easement space is 85' wide and the temporary easement space is 50' wide. 10 of the 23
121 properties have been sent to out to request for an appraisal. We have not proceeded with contacting property
122 owners to begin appraisals on any we have not received receipts of letters from.
123

124 b) USGS Ute Reservoir Monthly Report- Ortega Mr. Ortega presented the USGS report from April 27th through
125 May 27th of 2021. There was a slight decrease of 5 feet reported in elevation. The USGS report lists not only the
126 elevation but also the storage of acre/feet of the Reservoir. This report will continue to be presented monthly to
127 the Board.

128 c) State Activities- Joe Thompson Mr. Thompson reported Mr. Ortega requested a meeting be set up with the
129 Interstate Stream Commission Director Mr. Schmidt-Petersen. The meeting was requested in anticipation of
130 questions that could be raised with concerns of annual firm-yield and minimum pool at Ute Reservoir. Mr. Schmidt-
131 Petersen expressed his continued support of the Authority's project. He did make a request for a list of the
132 ENMWUA's projects that are shovel ready since he will be making a request to the feds for a substantial amount of
133 funding for the Authority. Mr. Thompson would like to set up another meeting to visit with the Director again. Mr.
134 Thompson also reported that there has been an issue arising between the Governor and the New Mexico Legislature
135 regarding the large amount of funding that came from the federal government. This could potentially affect the
136 Authority since the state is navigating how to proceed with the large amount of funds and how to distribute these
137 funds to organizations like the Authority that are ready to start on the construction of these projects that are shovel
138 ready.

139 d) Federal Activities- John Ryan Mr. Ryan reported that funding potentials that has been presented recently is a
140 little different from the normal distribution of funding to the rural water projects. Because of the interest of the
141 new administration in passing an infrastructure bill there is question on when that funding will/could be available
142 either in the current fiscal year or possibly beginning in new fiscal year that starts October 1st. We are currently
143 fighting on all fronts for funding in the regular process and if there is extra funding available that we can spend in
144 completing these shovel ready phases. The best allies the Authority has right now are our congressional
145 representatives. Representative Teresa Ledger-Fernandez helped us in making a request for an increase of funds in
146 the Rural Water account for the House Appropriations Committee that has not acted yet on their funding
147 distribution. Lastly mentioned is that Washington D.C. is beginning to open, and Mr. Ryan believes that soon there
148 could be an opportunity for a visit to be scheduled with some of the Authority Board members along with Mr.
149 Ortega to give updates to our congressional delegation in-person as it had been conducted in the past.

150 e) Report from the Chair-Morris Chairman Morris expressed his appreciation for all the updates given to him by
151 the staff and members that are a part of the Authority. The Chairman stated he believes very much in the Authority
152 and the completion of the full project. He did agree about wanting to meet with members in D.C.

153 f) Report from the Administrator- Ortega Mr. Ortega stated that the past month's reported activities and
154 ongoing movements of the Authority was given in the monthly report he submitted to the Board. There were no
155 questions, but a comment from Vice-Chair Jackson wanted to acknowledge that Mr. Ortega gives a very detailed
156 monthly report and appreciated the information provided.

157

158 **11. Future Agenda Items**

159 a) Next Regular Meeting, Date, Time, and Location: June 24th, 2021 at 3:00 p.m. at the ENMWUA Office (Sitterly
160 Professional Center) 801 Pile Street, Clovis, NM 88101.

161 **12. Public Input N/A**

162 **13. For Good of the Order N/A**

163 **14. Adjournment** Meeting adjourned officially at 4:51 PM.

164 X 

165 Michael A. Morris
166 Chairman

X 

Chris Bryant
Secretary