

## **ENMWUA Regular Board Meeting**

DATE: Monday, January 25, 2016, 11:00 AM

LOCATION: Rio Chama Steak House  
414 Old Santa Fe Trail, Santa Fe, NM

### **1. Call to order**

The meeting was called to order by Chairperson Brumfield @ 11:04 AM

### **2. Roll Call**

Roll was called. The following ENMWUA Board Members were in attendance:

- Chairperson Gayla Brumfield
- Member Chris Bryant
- Member David Lansford
- Member Wendell Bostwick
- Member Ron Moore
- Member Sharon King

### **3. Approval of Agenda**

Agenda of ENMWUA regular meeting in Santa Fe on January 25, 2016

A motion to approve the agenda was made by Member Lansford and seconded by Member Bryant. The motion carried by a vote of 6-0.

### **4. Approval of Minutes**

Motion carries Minutes of ENMWUA regular meeting in Melrose on December 17, 2015.

A motion to approve the minutes from the regular meeting in Portales was made by Member Bostwick and seconded by Member Moore. The motion carried by a vote of 6-0.

### **5. Public Input**

No Input

## 6. New Business Items

### A. ENMWUA Items for Consideration/Action

- a. Request to Advertise for Office Manager Position– Howalt presented that over the last several months, he has been evaluating the need of the Authority to hire an internal office manager based. CH2M has provided administrative support over the last year while Hinkle and Landers has provided financial and account support. This is not the most efficient way for the Authority to do business. Looking at the financial perspective, invoices come in, Howalt approves, they are then sent to Hinkle and Landers to write the checks, Hinkle and Landers return the checks to Howalt and Howalt collects signatures from the appropriate signers. Looking at invoices and fees, they range between \$5,000 to \$8,000/month to pay for CH2M and Hinkle and Landers services. Howalt has drafted a job description with the help of CH2M that will pay an hourly rate between \$13 to \$18/hour, which would equate to around \$34,000 to \$48,000/year. The position will include a benefit package similar to the City of Clovis and Howalt's current package. The annual fiscal impact for these services would be about \$42,000 to \$58,000/year. With the Board's approval, Howalt would like to advertise the position based on the job description included in the board packets.

A motion to approve the Office Manager Position was made by Member Bostwick and seconded by Member King. Motion carried 6-0.

- b. Capital Outlay Request – Howalt presented two options for capital outlay requests to the Authority. The first option is the re-authorization of funding from 2013 for \$172,000 that was originally appropriated for the construction of the Elida Pump Station since the Authority had decided not to move forward with the Project. The reauthorized funds will be used for the construction of Bid Package 1: FW2 and Cannon Lateral. The second request for capital outlay does not currently have a dollar amount to request from the legislators. Howalt said he would like the Authority to discuss how much funding should be requested. The current financial state of State this year is tough in terms of budget available. Joe Thompson and Howalt visited with several legislative members in the morning and received this feedback.

Member Brumfield asked if we are currently talking about capital outlay, which is different from the \$5M expected from the Water Trust Board. Thompson replied after visiting with legislative members that the Authority may not want to submit a large capital funding request.

Given the current funding challenges the state is experiencing, Member Brumfield suggested that there is no benefit in asking for \$100,000 or \$200,000 amount since the Authority is working on receiving up to \$5M in construction dollars from the Water Trust Board this year. With respect to capital outlay, Member Brumfield suggested the Authority should request either a large amount or no funding. Member Bostwick replied that based on the conversations with legislators, there will be slim to no funding available this year especially since appropriations are also being cut. The preferred option is to re-appropriate funds from 2013 and focus on the current Water Trust Board funding request. The Authority can convey to their legislators that they understand the challenges this year, appreciates their endeavors and support of the Project and are

planning to give them a break this year and not request capital funding. Member King replied that she agrees. Member Brumfield stated that the Authority will concentrate and work on protecting the \$5M from the Water Trust Board as well as the reauthorization of funds that were originally appropriated for the Elida Pump Station.

A motion was made to pursue reauthorization of the capital outlay intended for the Elida Pump Station and focus on the Water Trust Board funding request by Member Bostwick and seconded by Member Moore. Motion carried 6-0.

## **7. Unfinished Business**

None

## **8. Reports from Board Members and Staff**

### **A. ISC Report – Stall**

Johnathon Martinez provided the ISC Report for Stall. Martinez provided a copy of the Ute Reservoir data for year 2015. The chart shows lake elevations for Ute Reservoir for year 2015 as well as the beginning of year 2016. In 2015, the reservoir level gained about 7.4 ft in elevation and 40,000 acre-ft in storage volume. The reservoir is currently at 96% allowable maximum capacity (based on the compact). Martinez mentioned said the Canadian River Compact commission meeting is tentatively scheduled for March 1<sup>st</sup> and will be held in Austin, TX. Howalt will be attending and will be giving a short update on the Project.

Member Bostwick asked if Ute Creek is running because of all the recent precipitation. Martinez responded that he did not believe so and that it has not run much this year. The rain events are coming down the Canadian River and the creek is not running right now.

### **B. State Activities – Thompson**

Thompson reported he expects the Water Trust Board funding request to stay intact. He does not expect any surprises during the session and Water Trust Board funding process. The Authority's efforts to meet with State staff to answer questions and update them on the project has been helpful. Help will be needed from the Board Members to talk to their state representatives. Thompson does not expect any surprises during the session.

Howalt agreed that the Authority's decision to focus on the Water Trust Board funding is a wise. The Project was recommended to the legislature for \$5M, which is above and beyond 15% cap usually put in place. Howalt said this is a great sign that staff are recommending the Project to the legislature. The next important date is the Water Trust Board March meeting. The Water Trust Board will finalize funding amounts in the May/June timeframe. This is a significant dollar amount and by combining with past awards he is hoping to get under construction by next year for a portion of the Clovis and Cannon AFB segment. Howalt mentioned that he is looking at other sources of funding and is working on how to construct a larger portion of the Cannon/Clovis segment. Howalt is hopeful the Authority will be in construction in about a year.

Thompson mentioned that a recommendation was made before the session so the legislative branch will have a say on the funding. Looking at the executive branch, they prefer that funding is based upon technical information and scoring. ENMRWS is the only Project with an urgent designation.

#### **C. Federal Activities – Ryan**

Ryan reported things look well for the Authority to receive federal money this year. This is evidence from discussion with Senator Udall who spoke with DOI Deputy Secretary Connor to help with the current physical year.

Preliminary numbers have been heard, however Ryan would prefer to not divulge any numbers for this fiscal year until finalized. He has been hearing good things and is expecting the project will be getting more money than we ever have before. The award amounts should be available in the next couple of weeks. Ryan mentioned that the USBR and our congressional delegation need to announce the funding prior to the Authority announcing the award.

The President's budget for fiscal year 2017 will be available the first week of February. Based on conversations with the USBR in ABQ and SLC (regional office), Ryan thinks this will be a low number. Ryan will continue to talk to Congress about increasing the allocation for rural water projects and is planning to go to the USBR to make arguments for fiscal year 2017.

#### **D. Report from the Chair – Brumfield**

Member Brumfield reported she met with Thompson and they agree that keeping the \$5M Water Trust Board money is absolutely critical. If awarded, this would be the most money the Project has ever received from the Water Trust Board. The Project is ranked the 2<sup>nd</sup> and was given a score of 77 points.

Member Brumfield also mentioned the report of potential funding from the USBR is good. Member Brumfield is hopeful, based on numbers she is hearing, because they are some of the highest that we have ever seen. With this, the Authority will be able to piece together enough funding to lay pipe and begin construction of the pipeline. Once this begins to happen, people will see that we are serious about the Project and we are hopeful that acquiring funding will become easier.

Member Brumfield mentioned that the Authority is planning to construct the first piece by Cannon Air Force Base and then extend to Clovis. The Authority hopes to have groundbreaking within the next few months because of the federal and state funding. The Authority needs to work diligently over next 30 days and continue to keep in touch with our federal delegation.

Member Brumfield mentioned that Howalt has done an incredible job with Thompson in regard to the interim legislative committees. Member Brumfield thanks Howalt for being a part of the team and that he has been a tremendous asset to project.

Member Brumfield reported the new office continues to come together. The Authority and Howalt are working to bring in furniture which should be arriving this week and the new sign is.

**E. Report from the Executive Director – Howalt**

Howalt reported the New Mexico Finance Authority (NMFA) Finance plan draft ordinance was sent out to each of the member communities. This week Howalt will be meeting with City of Clovis commissioners and attending the Melrose and Texico board meetings. Howalt will continue working with the communities in order to get the ordinances passed. Howalt explained the ordinance is a commitment from each community to pledge a revenue stream to pay their member contributions to the Authority. The Authority will then pledge these member contributions to NMFA in order to secure debt service on WTB loans. The NMFA requires that the Authority has a guaranteed revenue stream.

Howalt recommended a minor change to the ordinance language because it currently references the 2013 financial plan. He recommends adding "or most current," which will then not require the Authority to go back to the member communities every time the finance plan is updated. Howalt noted the last financial plan was completed in 2013, which he would like update every 2 years to reflect the current financial conditions of the Authority. Howalt plan to bring this up with the Authority at a later date.

Howalt thanked the sponsors of the luncheon. Sponsors included CH2M and Northwest Pipe.

**F. Financial Activities/Report – Howalt**

Howalt reported he received the final member contribution from the City of Portales for \$336,000 making all member contributions current and up to date. Total expenditures for the month were \$238,000 of which \$362 went to education, and \$35 to interest. The breakdown of professional fees are shown, which includes \$184,000 to CH2M, \$24,000 for Capital Consulting and Thompson Consulting, \$3,800 legal expenses, and \$4,800 for the audit. Howalt mentioned the financial audit was approved to go to print because there were no findings. The Authority has proved to be financially responsible.

Member Brumfield asked Howalt if he is talking about financial audit or the USBR audit. Howalt replied that this is the financial audit required by the State of New Mexico. The Authority has not received the written findings from the USBR audit. Howalt stated he met with the USBR about two months ago and at that time they had four minor comments. These included that the Authority provide a key sheet to tie the pipelines to CH2M billings and to make sure that Howalt is using a timesheet that is signed by the Chairperson and approved by the Board. Member Brumfield reported that at time of the audit, the USBR was happy with their findings and the audit went very well.

Howalt reported he is continuing to work with Hinkle & Landers to improve the Authority's accounting system and tracking to individual projects. Howalt is working with CH2M to complete a historical financial data dump.

Member Brumfield replied that the USBR is happy the Authority hired an executive director because the Authority is becoming their own fiscal agent. These were the two major findings found in the past that have been taken off the list.

#### **G. Ute Reservoir Management Program - Murphy**

Murphy reported he completed his semi-annual Ute Reservoir monitoring trip in October 2015. Murphy will be sending a draft report to Howalt next week. The report is currently going through the final edits.

Murphy presented a graph showing the temperature profile from three spots (Ute Dam near the intake, Ute Creek where marina is, horseshoe bend up from the Ute Lake Ranch development). The water is cooler in the fall and because the reservoir is “turning over” everything becomes about the same temperature and as a result is considered a well-mixed Reservoir. Murphy reported that there were also no surprises in the composition of the Reservoir including herbicides (none were found) and E.coli bacteria (none were found).

The parameters for carbonate (hardness of water) decreased since the sampling last spring, which indicates more fresh water was added to Ute Reservoir because of the increased precipitation last year. The Reservoir is currently in the normal range for PH and acidity, which is also an indication that fresh water was added to the system since last spring. Nitrogen increased from last year.

Member Bostwick asked about the salt cedar management program. Murphy answered the Authority is not doing anything in terms of salt cedar for this project. Member Bostwick replied that he understands the Authority is not, but the Authority has encouraged and supported these efforts. Howalt replied the Authority participates in the Watershed Management Plan, which has identified salt cedar management areas. Jack Chatfield is leading this effort watershed management program. Member Bostwick asked if the Authority is supporting his efforts. Howalt replied yes because the Authority working to assist and help create the watershed management plan. Member Bostwick noted the Authority is looking at quantity and quality. Murphy added that part of the report he is working on addresses specific best management practices in the watershed. These are specific goals that need to be met by the counties in the watershed for salt cedar management. Howalt mentioned the Authority can use the plan to seek dollars to implement it.

#### **H. Project Development Activities – CH2M**

FW2 Clovis to Cannon – Design is 100% completed. Easements continue to be acquired. There are a few that could have some legal issues between entities. The New Mexico State Land Office and Cannon AFB are a longer process and CH2M is working through those.

FW3 Cannon to Portales – The design is 90% complete and has been reviewed by Howalt. CH2M is working to finish up the design and is progressing with property easements.

FW1 CAFB to 15 miles north of Highway 60/84 – All of the field work has been completed. We are wrapping up a few reports and are in internal review for the 60% design.

Intake Facility – A presentation was made on the overall intake facility. It was announced that the project won the American Council of Engineering Companies – New Mexico's Engineering Excellence Awards Grand Conceptor prize.

## **9. Future Agenda Items**

A. Next Regular Meeting, Location, Date, and Time: Clovis, February 18, 2016 at 10:00 AM.

Member Bostwick said there has been some discussion about looking at wet water studies. Member Bostwick has had conversation with various entities, but he is unsure how to approach the issue. He would like to have a meeting with all of the representatives for the Authority as well as the representatives for the various federal, state, and local entities. There is a real possibility the Authority will have a pipeline in the next few years, but this is irrelevant without wet water. He will be travelling to Washington DC for the Association of Counties in February and will be speaking to the delegation. The Authority needs a workshop planning and roadmap established for how and where the Authority wants to go. Howalt replied that he will send out an email regarding a potential workshop. Member Bostwick replied that the Ute water group and the Authority have been looking at the process of reserving and planning for wet water for the last 50+ years and we need to get it done. He suggested the meeting will include the US Department of Agriculture, State Engineer, and the local agricultural community.

## **10. Public Input**

Member Brumfield announced the Clovis/Curry County Chamber legislative dinner this evening.

Member Brumfield thanked the sponsors: Northwest Pipe and CH2M.

Member Lansford asked if the Authority is legally required to provide water to their members. Member Lansford met with the US Department of Agriculture to talk about rural development grant loans. Member Lansford does not believe that the City of Clovis qualifies. Member Gayla mentioned that she believes the County does qualify for rural development grant loans.

Member Lansford asked if the folks without water can form a coop and then apply for US Department of Agriculture money and the Authority could then supply water to their system as the supplier. Member Lansford asked if this was something that the Authority is looking at and is the Authority Legally required to supply to that coop if they become a coop? Howalt replied the Authority is only required to supply water to its members. Curry County is a member of the Authority so the coop would need to work with Curry County. Howalt will research the issue and then put together a workshop. Member King advised that Howalt check with Roosevelt County Coop. They currently buy their water from the City of Portales.

Member Bostwick asked if the Authority should consider a county wide distribution system. The Authority can provide a tap on the line for county residents.

## **11. For the Good of the Order**

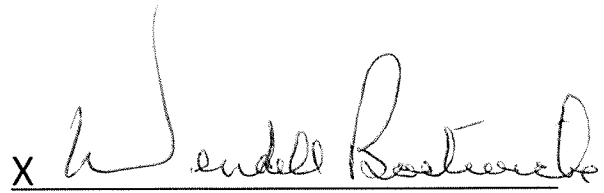
None.

## 12. Adjournment

Meeting adjourned @ 12:31 PM

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Gayla Brumfield  
Chairperson

x 

Wendell Bostwick  
Secretary