

Minutes

Eastern New Mexico Water Utility Authority

Town Hall

207 Clark Street (US 70), Elida, NM

Wednesday, August 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 Howell to approve the agenda which carried by acclamation.

AGENDA ITEM NO. 4 – APPROVAL OF MINUTES

Chairwoman Brumfield

A motion was made by Member Howell and seconded by Member Chandler to approve the minutes of the ENMWUA meeting in Portales on Thursday July 19, 2012 which carried by acclamation. Member Garza abstained.

AGENDA ITEM NO. 5 – BUSINESS ITEMS

A. Executive Session –

A motion was made by Member Chandler and seconded by Vice Chair King 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 the New Mexico Open Meetings Act. A roll call vote was made. All members voted in the affirmative and zero members voted against.

B. Action/Discussion Pertaining to Executive Session –

A motion was made by Member Chandler and seconded by Member Dixon to move back into open session. A roll call vote was made. All members voted in the affirmative and zero members against.

C. ENMWUA Administration

a. WTB 106 Extension – Adopt First Amendment to \$4,525,828 Loan/Grant Agreement dated March 13, 2009 (Loan/Grant No. 106 WTB)

b. Resolution #2013-03 Execution of NMED Grant Agreement 12-1356-STB

Paul reported on WTB 106, that was the one that expired & we got that reinstituted, my understanding is that we've spent all that down but as a last administrative thing the Finance Authority needed us to approve an amendment to the original agreement that gives the time extension. Essentially, we've already committed all the funds, I think been reimbursed for them so this is like closing the door behind it. I think you may all have a copy of that, it's just a

simple amendment that gives a time extension. So that's what's before you & we'll just get that signed before leaving today & send that back to the Authority with another task & we'll be done with that. So the request is to just approve the amendment as it's been sent to us from the Finance Authority. A motion was made by Member Howell & seconded by Member Bryant to approve the amendment which carried by acclamation. Paul reported on our capital outlay request for the interim groundwater pipeline, we've got a resolution to pass & then there's an agreement that's associated with that. Again, it's just some stuff to get approved, signed & back to the Environment Department & we'll have the agreement in place. So this is an adjunct to some work that we had been contemplating for awhile on the interim groundwater pipeline. This is an additional \$110,000 that the capital outlay would go towards that. If you like, I'd be happy to just read the resolution into the minutes & we can act on that. A motion was made by Member Garza & seconded by Member Bryant to approve the resolution which carried by acclamation. A motion was made by Member Dixon & seconded by Vice Chair King to approve the agreement which carried by acclamation.

D. Report from the Chair

Chair Brumfield reported I'm going to go on to the state activities & then we'll follow up with my report.

E. State Activities – Thompson

Joe reported I don't have a lot to report except that the New Mexico Finance Authority, there's so much chatter going around about how that's going to impact things going forward. We did get some feedback from Council Service & this is a tribute to Clay & Paul, they really liked what we did on that interim groundwater, the language that Clay came up with & it's something that I think you all need to be thinking about what we would do in the upcoming session relative to going back in for more severance tax bonds & if we would want to do that on the interim plan, how we'd want to work on that. That's something perhaps we could be discussing in the next couple of months, but there's an incredible concern with all the stuff that's happening & there's going to be a Water & Natural Resources Committee meeting which I'm going to attend at the end of the month on the 27th & 28th down in Truth or Consequences. A couple of the committee members, they want to talk about this stuff. They want to talk about regional water projects, how we're funding them & things that they can do to assist us in making progress.

F. Federal Activities – Ryan

John reported since the last meeting, Chairman Brumfield, Paul & I went to Washington DC to testify before the Senate Energy Committee on legislation that would guarantee funding for the rural water projects, as you know some 80 million dollars a year coming directly out of the reclamation fund, a mandatory account that would be a much more certain way for us to count on funding coming from the federal government. We'd still have to compete for it. The hearing went very well, I don't know if any of you saw it or saw the Chairman's testimony. It's on their website, the Senate Energy & Natural Resources Committee. You can go to the hearing on Senate bill 3855 or something like that, it's the rural water project authorization bill. It went really well, the Chairman made a very nice statement. There was about six members of the committee, Senator Bingaman chaired the committee, Senator Baucus the chairman of the Finance Committee actually came to testify which was a really good sign, that sent a message to

a lot of the lobbyists & interested parties in Washington that Senator Baucus really cares about this. Commissioner Connor testified as well, his statement was not a supportive statement of the administration, in large part because they don't have identified what the offset would be to pay for this budgetary change, but he got them to go a lot further than they were willing to go in their first drafts is my understanding. Commissioner Connor said the first drafts were pretty bad & OMB usually drives a lot of the administration position on legislation. Chairman & two other projects testified, there was a Western Water Research Association that testified in support, all the witnesses were supportive, the members for the most part were supportive. Senator Brazos from Wyoming was the Republican bird dog that seemed opposed to the content, Senator Murkoski was not. Sounded a lot more like well, we have water issues in Alaska that I would like to contemplate putting one of my own projects in there. As we saw, we heard from other members once it looked like this might be a vehicle that could move, Senator Wyden from Oregon said well you know I've got a project I want you guys to focus on. I think that's just kind of the nature of these bills, if they look like they're going to go people start tacking things on. I don't think anybody believes that we can pass this in the session prior to the election. This is more of a lame duck kind of issue, but Senator Bingaman was very helpful, asked some very good questions. We had some written questions that we responded to. We met with the other rural water projects & the committee staff about strategizing, should we do a bill in the House. The important part is that a hearing has been held on the bill, if they do put it into a moving vehicle in the lame duck session, they can point back to the fact that there was a hearing in the Senate Energy. It's a long shot still, but if Senator Baucus who will be around in the next Congress continues to prioritize this legislation, we'll be doing pretty well. With regard to regular funding issues, we have 1.9 million dollars that's kind of pending in limbo in the BOR's 2013 budget. There's been an agreement between Speaker Baynard & Senate Majority Leader Reed to do a six month CR which means that they won't do individual appropriations acts which is where our 1.9 million dollars is pending, so the likelihood of no additional money beyond the 1.3 that we've got with the Bureau that's already been appropriated & we have the ability to draw down on. We won't get any of this 1.9 until they resolve this six month CR that they're talking about. They haven't put the details together on the CR, there's some language that could give them the authority to allocate the money before the six months is up.

Chair Brumfield added I thought the meetings went very well, they were some of the best we've had. I thought the hearing went well, actually it went a little better than what I thought. I thought there would be more negative among the members, I was impressed with Senator Murkoski, she is the ranking Republican member on the committee & she had some very insightful comments & really was concerned about some of her villages in Alaska. I could see that this could grow a little bit from that. She's already followed up with some questions that we responded to & so we'll stay on top of all that. Senator Frankin from Minnesota is very supportive of it, because the Lewis & Clark goes into Minnesota. You can just see I think it's a great idea to have this bill because it brings so many people together & I think that was important that we saw support that may not have been there. One of the things I noticed the very first time I went to DC, there was not the support at that time that there is now. One of the things I did like, because of these other projects we are not in huge competition with each other, we are kind of all on the same page now in trying to get that support. Senator Bingaman, Senator Udall & Representative Ben Ray are all supportive of this bill. John reported Commissioner Connor in his testimony went into his support for the individual projects & specifically mentioned our project, as to the urgent nature of how fast our water table is diminishing. To some extent we

got a little extra focus on our particular project from the people that matter. Chair Brumfield reported one other thing, we did bring in Cannon Air Force Base & they are well aware of the great mission that we have out there & really want to work hand in hand with Cannon, so that's a key part of it.

G. Reclamation Report – Alderete

Paul reported I'll give this for Joe, we met with him yesterday. As part of our meeting, we have gotten everything over to Melinda Roberts at the Bureau who's been trying to finish our construction grant agreement which has been going on for some time now, so it looks like we're actually at the point where we're concluding that. We'll get a little bit more information into Joe that he'll just need for his records, but I think all of the actual documents & factual information & so forth is finally into them & acceptable to them, so we should have that included. Other than that, the only thing coming up with Reclamation is within the next couple weeks we really need to put together some of our suggestions for the ranking criteria that the Bureau's going to use. Regardless of how the Senate bill goes, they still have to prioritize their projects in any given year based on the budget & we did very well on the last one because if you look at the ranking criteria, fully 30% of it is urgent need & another 20% is how much actual money any particular project has put in on their project versus what the federal government has. Anyway, they have ranking criteria, those are out for comment now, they are the same essentially that were used last year & they worked in our favor, but I think there's been some discussion about maybe some more suggestions that we can make that would make things a little bit more favorable in our direction. We'll be talking about getting something into them & then we'll make that information available to everybody.

H. Financial Activities – Clifton

a. Financial Report

Don reported it's fairly simple, we took in \$282,000 & that was the balance of that \$4,525,828 grant/loan, so it paid the full amount of that loan & we spent \$127,000, so we're in very good shape at this point.

I. Project Development Activities

a. Drought Management Plan - Murphy

Dr. Murphy reported nothing much has changed since the last meeting that we had & we're still waiting for the data from the ISC's office.

b. Phase I Construction Update – Crockett, Gates

Greg reported also not a whole lot to report at this point, but we have initiated communications & regular conference calls with the contractor & we had one of those this week & discussed what their activities are at this point, as well as the short term schedule. Right now they are working on the administrative side of what they would do, they are waiting for further direction from the Authority on any sort of mobilization, in part because of the lawsuits out there & the potential schedules associated with those, so until that's better known they won't be mobilizing. I think we're having those calls on a biweekly basis at this point. Other than that, I don't think there's any particular construction update.

c. Interim Groundwater Pipeline Update – Crockett, van Gulick

Paul reported there's no update at the moment really. We'll be visiting with you & Vice Chair on that a little bit later to scope out some things but as of right now, there's no update.

J. Program Management

a. AMEC Contract for Phase I Intake Special Testing Services – Gates

Greg reported you may recall from the last two Authority meetings we discussed the need to add independent testing services as a subcontract to our contract. The purpose of those services is to provide independent testing of construction materials, things like concrete testing, things like that so you're actually testing to make sure you're getting what you paid for with respect to the contractor. This is the actual amendment which I believe is in your packet, to reflect the services for the duration of the construction. I would add that as we discussed previously, these services were contemplated in previous budgets in terms of the overall affect on the Authority & finances. A motion was made by Member Chandler & seconded by Member Dixon to approve the contract which carried by acclamation.

b. CH2M Hill Amendment 03 to Task Order 1 – Gates

Greg reported this is related to a fee increase, as well as a slight modification to scope on one of our existing time & materials task orders. This is specifically related to providing services associated with response to the lawsuits. A motion was made by Member Dixon & seconded by Vice Chair King to approve Amendment 03 to Task Order 1, which carried by acclamation.

c. CH2M Hill Amendment 04 – Task 2 Design Activities – Crockett, van Gulick

Paul reported in order for us to be continually moving forward, we need to be able to contemplate the beginning of this line of that part of the pipeline that would be from north Clovis all the way down to Elida. In thinking about this entire project & what's the best way to construct it, having initiated our effort up by the reservoir, it's time to see how much of the pipeline we can build in proximity to all of the communities & what this does is it just allows us to begin the design of that. So, absent figuring out what particular phase we want to do first, second & third, how we actually want to do that is important to be able to complete the entire design. Thinking optimistically, I'm expecting to get some traction with the Federal Government on funding, so we need to be ready. If something comes in, the contract will be in place & we can do the next phase of design, so the information that you have in front of you includes the cost for each package. Based on what we've seen so far in terms of funding, we should be able to during this construction phase, be moving forward on design. By the end of that we should have more funds, we can start on the next phase & then again based on our funding, we'll at least be construction ready & we'll have had time between then & now to work out how we want to phase it, which phases to begin with, how all that will work.

So this is just to be able to proceed with the design. In the fiscal analysis, there should be enough money in the budget, not counting what we need for construction, to be able to get started on the design, so that's what's in front of you. What we're asking for is approval of Amendment 4 for Task Order 2, it's something that was brought up almost exactly a year ago & it was put on the back burner, just because at that time we were completing purchasing the adjacent lot & there was a little bit of funding uncertainty in getting the amount all together for the construction, so now we're past that point & we know how much money we have & it's just time to bring this back up. A motion was made by Member Chandler & seconded by Member Garza to approve Amendment 4 to Task 2 which carried by acclamation.

K. Meetings Report – van Gulick, Koontz

a. Drought Task Force (none); NMISC 8/15, WTB 8/16, WRRRI 8/28

Paul reported there will be a WTB meeting tomorrow. This is specifically to address a complaint that Albuquerque had, it doesn't affect us per se but I'll be there to report on next month. There's a Finance Authority meeting coming up, we're going to be staying on top of that. In a nutshell, there aren't any meetings to report on from last month, it has been kind of quiet. There are a number coming up that we'll be talking to you about, the Water Resources Research Institute has a conference in Las Cruces coming up, this will have the current & the two past State Engineers, the ISC director will be there, Michael Connor from the Bureau will be there, Luke Martinez & his predecessor will be there, so obviously we're going to be there too & I'll be able to report to you on that. As Joe mentioned, there's an Interim Water & Natural Resources committee meeting, so that does affect us quite a bit, that will be a two day meeting in T or C, so we should have these things to report to you on next month & other than that I have nothing.

L. ISC Report

Paul reported I just took the trouble last night to get the current elevation, it is 3,775.1 feet. It looks like in the last month or so, its dropped a little over a half a foot. Since April, you can just see we're in a drought, the level's been dropping. Had a little bit of inflow back in June, so we'll report to you again next month.

AGENDA ITEM NO. 6 – FUTURE AGENDA ITEMS

Chairwoman Brumfield

The Water Authority elected to conduct the next meeting in Albuquerque on Wednesday, September 19, 2012 at 10:00 am.

AGENDA ITEM NO. 7 – PUBLIC INPUT

Audience

Chair Brumfield welcomed everyone to the meeting & stated if there's anyone here that has anything you'd like to bring forward, this is your opportunity. Robert Lumpkin stated at our last meeting, I made an effort to discuss the fact that the DMP had a model that I was wanting that model to reflect a little bit more of today's drought standards. I have numbers from ISC that shows that in the last ten years, the reservoir has lost 28,000 acre feet of water which averaged 2,800 acre feet per year. So far this year, we've lost 12,074 acre feet in 2012. There's going to be a little bit of a transition time between 2002 & 2012 numbers on sediment plans. Sediment plans has a major effect on the bottom of the lake. The acre feet at one time, the 50,000 acre feet

was at 3741, or close to that number & now the 50,000 acre feet is at 3753. Another point I'd like to make is that if we're talking about drought, we lost an average of 2800 acre feet per year for the last ten years & that's not counting 2012, the DMP mentions on the table 5-1 that the DMP said we had a flow of 7,000 acre feet, so that's quite a lot of difference. We would really like to see a DMP model that would reflect today's drought conditions because I really think that's something we need to look at. The amount of water between 3766, which is one of the triggers that the DMP would reduce the pumping by 30%, the amount of water available is only 49,000 acre feet between that level & the minimum pool level of 50,000 acre feet so those numbers don't give us a lot of leeway. Another point that also makes is the amount of water available between what Tucumcari/Quay County group is looking at for a DMP & what the Eastern New Mexico pipeline people are looking at for a DMP, the amount of water available is not a lot of difference. We have trigger points in our 3765 minimum pool level prior to the 3765 that could easily be changed or tweaked to where it would not be that much difference between the two plans. What I'm trying to say is there's not a lot of difference in the two plans, one of the plans has a higher minimum pool which would be a lot more useable level for the residents of Quay County on that reservoir, as far as recreation & our economy. We really do support this project. It would bring a lot of gross receipts into our area, it would help the state of New Mexico, I just conveyed that message to Ben Ray Lujan who visited with us, that we do support that, Ben Ray said he supports that, but I said we have these concerns. They're not frivolous concerns, we've studied this, we're not just making these statements because it seems to be something that would be popular. I support this project & everybody that I talk to in Quay county, I give them that same message, here's why we support that project & we should because of the activity it will bring to our area. Now it was mentioned to me, that's interesting because I'm sure there's people down there that would like to completely get this thing passed & not have it at all & I'm sure there are people there but everybody that I've talked to, especially after I talk to them why we support this project, agree with what I just said. I want to work with everybody. Another thing I want to do today is just compliment your group for when you do have an executive session, you don't throw us out. Every meeting I've ever gone to before when they have an executive session, they say everybody has to leave but us. I also wanted to compliment Elida for having this here & thank them for having this here. That was what I wanted to ask today & what I wanted to convey today. One of the things if I may, another one of our concerns is using our own intake structure. I really think we could work this out & one more thing I wanted to say is let's get these concerns answered & work together & we could really work together on this project & I think it could move it along even faster.

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

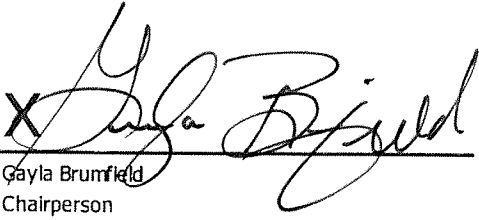
Chairwoman Brumfield

None.

AGENDA ITEM NO. 9 – ADJOURNMENT

Chairwoman Brumfield

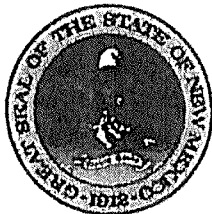
There being no further business to discuss the meeting was adjourned @ 11:10 am.

X 
Gayla Brunfield
Chairperson

X 
Caleb Chandler
Secretary

SUSANA MARTINEZ
GOVERNOR

THOMAS E. CLIFFORD, PH.D.
CABINET SECRETARY



RYAN GLEASON
DIRECTOR

SAM OJINAGA
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August 8, 2012

The Honorable Gayla Brumfield, Madam Chair
Eastern New Mexico Water Utility Authority
Post Office Box 760
Clovis, NM 88101-0760

Dear Madam Chair Brumfield :

The final budget of your local government entity for Fiscal Year 2012-13, as approved by your governing body, has been examined and reviewed. We find it has been developed in accordance with applicable statutes and budgeting guidelines. Sufficient resources appear to be available to cover budgeted expenditures.

In accordance with Section 6-6-2-(E) NMSA 1978, the Local Government Division (Division) certifies the final FY 2012-13 budget. *The Budget Certification Rule, 2.2.3 NMAC*, requires that the FY 2010-11 audit should have been already submitted to the Office of the State Auditor. The information obtained by the Division from the Office of the State Auditor's website indicates that you are in compliance with this requirement.


Budgets approved by the Division are required to be made a part of the minutes of your governing body according to Section 6-6-5 NMSA 1978. In addition, Section 6-6-6 NMSA 1978 provides that the approved budget is binding on local officials and governing authorities. Any official or governing authority approving claims or paying warrants in excess of the approved budget or available funds will be liable for such claims and warrants allowed.

Furthermore, state statute requires all revenue sources be expended only for public purposes, and when applicable, in accordance with the Procurement Code, Chapter 13, Article 1, NMSA 1978. Use of public revenue is also governed by Article 9, Section 14 of the Constitution of the State of New Mexico, commonly referred to as the Anti-Donation Clause.

Finally, please be advised that approval by the Division is required by Section 6-6-2 (G) (H) NMSA 1978, of all transfers between funds and all budget increases.

If you have any questions, please call me at (505) 827-8059.

Sincerely,

A handwritten signature in black ink that reads "Tom Dixon". The signature is fluid and cursive, with the first name "Tom" and last name "Dixon" clearly legible.

Tom Dixon

Budget and Finance Analyst

Cc, Don Clifton, Budget Officer, Eastern New Mexico Water Utility Authority