

Minutes

Eastern New Mexico Water Utility Authority

Rio Chama Restaurant/Presidents Room
414 Old Santa Fe Trail, Santa Fe, NM
Monday, January 28, 2013 11:00 AM

AGENDA ITEM NO. 1 – CALL TO ORDER

Chairwoman Brumfield

The meeting was called to order by Chairwoman Brumfield @ 11:15am.

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 Dixon 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 Chandler and seconded by Member Howell to approve the minutes of the ENMWUA meeting in Clovis on Tuesday December 11, 2012 which carried by acclamation.

The following guests were introduced by Joe Thompson at the meeting: State Engineer Scott Verhines, Representative Wooley, Representative Crook, Senator Pat Woods, Representative Roch & Representative Dodge.

AGENDA ITEM NO. 5 – BUSINESS ITEMS

A. Executive Session –

A motion was made by Member Garza 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 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 Garza and seconded by Member Bryant to move back into open session noting that nothing was discussed other than the pending litigation. A roll call vote was made. All members voted in the affirmative and zero members against.

C. ENMWUA Administration

a. Resolution 2013-07 – Loan/Grant Agreement 244-WTB

Paul reported this is for the WTB grant and loan number 244. The total amount is \$3,788,834 dollars. It's a 10% loan, 90% grant and NMFA is expecting a 20% match. We've been working with a new law firm at NMFA. They and Don Clifton and Dave Richards and Paul have been in communication on this. All are in agreement now the recommendation by staff is to approve the resolution. A motion was made by Member Bryant and seconded by Member Howell to approve Resolution 2013-07 – Loan/Grant Agreement 244_WTB. A roll call vote was made. All members voted in the affirmative and zero members against.

D. State Activities – Thompson

Joe reported: *“Judge Johnson’s ruling has changed the whole conversation over at the Capitol, so we’re seeing a lot of folks that in the past have been sort of cautious, are now really coming around. We have 35 new legislators, so 1/3 of the Legislature is new. We’ve still got quite a bit to do, to go around engage those folks and educate them on the project. There are new chairs on many of the committees. So everything that’s happened is good, because it has given us a really good reason for going out and briefing folks. Last year, we had gotten a little bit of money for some stuff that we had not spent yet. We were just visiting earlier with Representative Crook. We need to make sure we get that money spent, because we are going to ask for more money this year for our pump station. The way things are right now at the Legislature, they really want you to spend the money as it comes in, and not be sitting on any money. It’s really good that we’ve had this happen, because it will allow us to immediately spend that money and make our new request. For those of you who are here today, I know there’s an event this evening. It would be great for you to touch base with folks and tell them hello and thank them. It’s really incredible the support that we’re getting. The one person we’d really want to visit with is Senator Engle. He had suggested that he might come over, but I’m not sure if he can. I was visiting a little bit with the State Engineer about the possibility of a meeting upstairs, so I’m trying to visit with some of the folks in the Executive Branch.”*

Chair Brumfield asked how much we are requesting for the pump station. Joe replied \$560,000. In the past few weeks, the Legislative Finance Committee released some new guidelines. The Governor’s office has released guidelines, so that’s one of the issues Joe is trying to sort out right now. They are saying that requests for projects that are not fully funded will be susceptible either to not being funded or to veto by the Governor. In our case, we will be able to make up the difference if the Capital Outlay is short. Chair Brumfield asked for the timeline to spend the money. Joe answered, *“Typically with severance tax bond funding one has three years. Like the money that we got last year, it’s not that it’s going to revert or something like that. It’s more just the way it’s gotten now since 2010 when SB 182 went through, it clawed back all that money. It’s just more now the way they look at stuff and say we don’t want to see money sitting and not being spent. That’s where these guidelines they’ve introduced, some of it is just the Executive Branch vs. the Legislative Branch and we’re stuck in the middle of that. It would be my advice that we try and do it right, so we don’t put ourselves in a position where we’re susceptible to that.”* Member Chandler asked Joe who is going to be the fiscal agent. Paul answered Clovis is still acting as the fiscal agent for the Authority, but the Authority is the one making the request. Paul further reported there will be a meeting on that with the State in April to see how to include our project in the State’s ICIP. This is a relatively new requirement that

the State is starting to push. Joe reported, *"What Paul is talking about is every year the Legislative Finance Committee adds a slightly different little thing and it's really just a way to make sure folks are serious about what they're requesting. This year they're saying has your project been on the ICIP for 5 years? Little things like that. Those are the types of things we'll be going around with staff, to make sure that we don't have a staffer that may not be familiar with what we're doing and segregate us for something that really shouldn't apply. You might recall last year, Governor Martinez, they put the word out and said we'd like everybody to tell us (Legislators) what their projects are. Our whole thing is we will do it the right way, so no one feels like we're trying to not follow the rules."*

E. Federal Activities – van Gulick (for Ryan)

Paul reported there's nothing to report at this time. In terms of staying on top of Senate bill 3385, we're still doing that. No news other than that.

F. Report from the Chair

Chair Brumfield reported I just have a couple things to go over. One is I would like to congratulate the Authority and our team for the recent decision from the Federal judge, as well as the other decisions and we're able to move forward. As a matter of fact, Mayor King and myself on Thursday met with Paul. We met at the lot in Logan and we went on to Tucumcari and ate. We've had several articles in the paper and I think that you've read that our intent is that we want to continue to work with Logan and Tucumcari, either throughout the drought management plan or sitting down, we'd like to come up with how we can work together in this because like we've said at every meeting and we'll continue to say at every meeting is that it does no one any good to drain the lake. We do not want to drain the lake. The lake is low and a couple of good rains would definitely help, but we're very happy to move forward. Our contractors I believe are going to be out there to start putting their equipment in within the next few days. We're moving on and making sure that our progress does not stop. We'll be working with our Legislators, as well as our first phase for the intake and our second phase for the pipeline. We're moving forward and I just want to again thank the Authority and thank the team because that was a lot of work and we had a lot of people involved and all the affidavits and going up there and doing all that we did and Greg on the hot seat in Federal Court. Anyway, we will move forward and congratulations again.

G. Public Campaign – Discussion

Chair Brumfield reported this is a discussion I think we started last meeting on how we can get out and make sure our message is out there saying how we're going to work with all entities involved and letting people know the situation. Paul started handing out the report on the lake and the aquifer levels and where that's going. Again, we've talked to Cannon Air Force Base and their study is out, we know that it's very critical and we're going to be impacted by the end of the decade. So, there are things we'd like to get out there in a public arena and I think Mayor King talked about maybe putting together some town hall meetings and that's what we're thinking. Paul, do you have anything you'd like to add to that?

Paul reported, *"Barbara would be talking now, but had a family emergency she needed to tend to in Texas. As you say, we've been working together to try and put together some materials and have some ideas on where the public campaign needs to go. Once Barbara is back in town, I'm expecting it within the next week or two at the most. We'll be sitting down to try and map out some of these things. In the meantime as you say, we've had an opportunity for example to give a presentation at the Water Trust Board. You've got copies of that presentation there, it was a really good opportunity to update them on the project and give a lot of good information. On the fourth page there you'll see in trying to get across the idea, among other things for example, if we could purchase and retire agricultural water rights and if that would provide a sustainable future that's what we would be doing. This fourth page shows you what the picture is. The declines are severe and it's outside of the member communities' control. It's an aquifer that we share with Texas. It's just not a feasible solution. In fact the picture is that really we're down to the point where we have a certain amount of time to build this project. The message is we have a problem, the other message is we have a solution. This project is the solution to the failing aquifer. Anyway, we're putting together a few things. The other message in all of this is that while the aquifer is declining, it's not just a matter of continuing to pump until it's gone, it's a matter of spending 2-3 million dollars yearly to keep up with the actual decline and production. There are municipal wells out there that are at 25 gallons per minute. Just to make up the 250 gallons a minute you used to get, you'd need 10 of those now. When Barbara's back we'll be sitting down and really mapping things out. This year is going to be one of a lot of public involvement and public education and outreach, so I think that's about it."*

H. Reclamation Report – Joe Alderete

Joe reported, *"I have no news. Until a budget is passed I can't even speculate, so let's see what happens. That's all I can say. I could guess, but it's just a wild guess."*

I. Financial Activities – van Gulick (for Clifton)

Paul reported, *"I won't read the numbers off for you, but in a little bit broader picture Don has been working with Joe who has done quite a lot in the last couple weeks. Due to the lawsuit and because of deadlines that we were running into and because we had the threat of an injunction, we could not proceed with construction until we got the decision from the judge. Now that we've got that, we've been able to send in an invoice to the Bureau. In their discussions with Congress, that affects their budget projections for 2015 and 2016, so we were that close from being negatively affected on our budget for a year and two and three years from now. So, Joe is working very proactively on that and with Don Clifton getting things into Joe very quickly, so we're on track with that."*

Joe Alderete reported, *"It's a good thing that Reclamation has been billed. In Reclamation's eyes, that's a giant step forward once you start billing. That's how they sometimes measure progress. As small as the first billing was, it's a lot of progress. I have fielded quite a few budget questions from our Washington office. What that means I don't know, but I've gotten quite a few calls. Hopefully, this will spur more money coming our way."*

J. Project Development Activities

a. Drought Management Plan – Dr. Murphy

Dr. Murphy reported, *“Greg and I are working on that, we are pretty much finishing that up. We’re on track to finish that sometime next week. That doesn’t mean that we won’t be continuing to look at the DMP, but we want to get that in.”* Joe Alderete reported *“as I said before, this document is not set in concrete. We hope that the Board will take another look at it. It’s a living document, add to it. But at least take a look at it every five years. Reclamation, through the grant process, can’t provide money to update it. So even though I’m not associated with that program anymore, I’m just letting you know how Reclamation works. I’ve seen a draft of it, it looks very good but it’s not for me to judge. It’s your document, you put into it what you want.”* Dr. Murphy reported *“I should also mention that we did get a request to consider meeting again. My response to that and I discussed that with Greg, is well they can call a meeting anytime they want, that’s the Ute Water Commission’s choice.”* Joe Alderete added, *“You can call a meeting whenever you like however, other members who are opposed to the water conservation plan have felt like they have been left out of the process. Personally I don’t think so, but they felt like they’ve been left out, so please call them, invite them. Whether they attend or not that’s up to them, but try to keep them in the loop.”* Dr. Murphy stated, *“I think we’ve always intended that to be the case, it’s just that the Ute Water Commission runs that show.”* Vice-chair King asked if the DMP is our document, why would we expect Ute Water Commission to call the meeting? Dr. Murphy answered, *“Once the plan has been created, anything else that falls after that goes back to the Ute Water Commission. If you’re not happy with the plan, we’ll change it but if you’re happy with the plan, then we’re done.”* Chair Brumfield asked what difference does it make who has the meeting? Dr. Murphy answered, *“It doesn’t, I guess, it doesn’t is the short answer. That’s the only point I’m making is if they want that to happen, Darryl has to say let’s do it.”* Chair Brumfield stated, *“I think that’s what we’ll do, we’ll get with Darryl, let us kind of figure it out. I think it’s a good idea to move forward.”*

b. Phase I Construction Update – Gates

Greg reported there has been a full notice to proceed issued for the phase I construction. The contractors are scheduled to be officially beginning February 4th. They have already done some preliminary site visits to scope things out. As anticipated, there will be some discussion given the timeframe from when the award was made to when they’re actually going to start work about what costs they’ve incurred or potentially changes, items that may have expired in the meantime.

c. Phase II Design Update – Gates

Greg reported we’ve also started work on the phase II design update on the pipeline. We have had some folks out in the Eastern part of the state looking at some surveying, as well as collecting data information, parcel information and land ownership information. There will be regular meetings with quality assurance/quality control process associated with those design efforts.

d. Interim Groundwater Pipeline – van Gulick

Paul reported that progress on this has been slowed due to resources being tied up in the lawsuit. However, this is back on the front burner.

e. Program Management – van Gulick

Paul reported, *“The only item of program management remaining is the 2013 WTB application. If you remember last year they met in April or March. There will be a meeting of the WTB again the same as last year and every project will be making a three minute presentation. That went really well for us last year. The more people we can have there this year the better, but it’s just three minutes allowed for each project and then they complete their process. Having said that, where we are right now is they’ve done their tier two review and we’re at the top of the list in our category so in putting together our application for this year, apparently we’ve hit enough of the correct things to make that happen. So it looks like we’re in good shape and on track.”*

K. Meetings Report – van Gulick

Paul reported January 18th was the Drought Task Force meeting and the take away message from that was simply that the drought is not expected to abate this year. The long term outlook for weather going forward is that the swings should be wider and the periods may be longer. Fortunately, having a reservoir is a good hedge going forward in the climate uncertainty because as rains are more intense, there’s more run off as the ground was drier to begin with, there’s a lot less infiltration. So to the extent that you can capture water instead and have that for use, so much the better. On January 16th there was an ISC meeting with nothing on the agenda that affected us, however the ENMRWS was mentioned. Amy Haas gave a legal update and we were included in that. An upcoming meeting is on March 5th at 10:00am at the Amarillo City Hall. It will be the annual meeting of the Canadian River Commission. Also upcoming is the April 24th meeting of the WTB.

L. ISC Report – van Gulick

Paul reported no recorded precipitation at the reservoir, and no inflow at Ute Creek. However, there’s been about 3/10ths of an inch last month, 3/10ths of an inch this month. The reservoir volume shows a little uptick at the end of the graph where there apparently was some effect from recent rains. The reservoir is at about 65% of the storage compact.

AGENDA ITEM NO. 6 – FUTURE AGENDA ITEMS

Chairwoman Brumfield

The Water Authority elected to conduct the next meeting in Elida on Thursday, March 21, 2013 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. Patricia Dominguez stood up to introduce herself and let the Board

members know she is working out of Senator Heinrich's Santa Fe office, while Diane Ventura is now out of the Roswell office of Senator Heinrich. Jonathon Martinez with the ISC stood up to introduce himself. He reported that the ISC is currently in the process of hiring a replacement for the Ute Dam caretaker position. An offer has been sent out and we have received a signed offer letter back, so the new person is expected to start next Monday. He's a local resident of Logan, has some experience working with state parks and ISC considers him a good fit for the position.

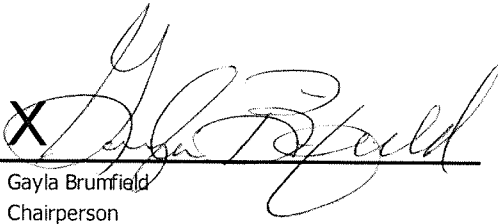
AGENDA ITEM NO. 8 – FOR THE GOOD OF THE ORDER

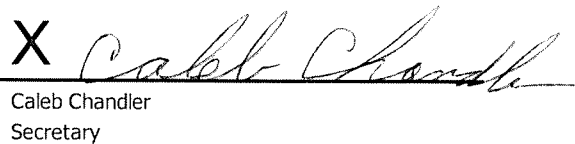
Chairwoman Brumfield

AGENDA ITEM NO. 9 – ADJOURNMENT

Chairwoman Brumfield

There being no further business to discuss the meeting was adjourned @ 12:30 pm.

X 
Gayla Brumfield
Chairperson

X 
Caleb Chandler
Secretary

