

Minutes

Eastern New Mexico Water Utility Authority

YAM Theater
219 S. Main Street, Portales, NM
Thursday, July 19th, 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 except for Member Garza. A quorum was established.

AGENDA ITEM NO. 3 – APPROVAL OF AGENDA

Chairwoman Brumfield

A motion was made by Member Bryant and seconded by Member Chandler 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 Thursday June 21, 2012 which carried by acclamation.

AGENDA ITEM NO. 5 – BUSINESS ITEMS

A. Executive Session –

A motion was made by Member Chandler 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. The six members present voted in the affirmative and zero members voted against. Motion carried by acclamation.

B. Action/Discussion Pertaining to Executive Session –

A motion was made by Member Bryant and seconded by Member Howell to move back into open session. A roll call vote was made. Six members voted in the affirmative and zero members against. Motion carried by acclamation.

C. ENMWUA Administration

a. 2012-2013 Open Meetings Act Resolution 2013-02 – Richards

Dave Richards reported every year you're required to adopt a new open meetings act resolution. What you have before you is identical to the open meetings act resolution you adopted in the past, other than the change of date & place & time of approval. So if there are any

questions we can address those, otherwise, this is an annual requirement that there's no change from the practice that you have been using for the past several years. A motion was made by Member Bryant & seconded by Member Chandler to approve the Open Meetings Act Resolution 2013-02. The motion carried by acclamation.

D. Report from the Chair

Chairwoman Brumfield reported she wishes to address a couple of items. The first thing is we've had a couple meetings with Cannon Air Force Base, letting them know where we are with our water situation. Also Ray Mondragon (EPCOG) put together a meeting that involved Cannon, as well as some of our legislators were there. Senator elect Pat Woods was there to bring him up to speed on where we are with the project. Went over our dire water situation & Cannon Air Force Base is doing their own study & it's finished & we should have that out probably within a week or so from now. When we make our visits to DC, we talk about Cannon because they're huge. I think they need to know what's going on in our community & that we are doing everything in our power to make sure their needs are taken care of as much as anyone. Great reports with that. Next, at the last city commission meeting that Clovis had, we've all talked about that the next phase will be the interim pipeline, we talked to Cannon about that. Our focus right now & the money that we received from Senator Harden was actually for a study for the interim pipeline, so we'll be working on that & again we don't know where the ag community will step up & in what area it will be located, but the city of Clovis did approve a letter to this board & basically it's a simple acknowledgement that they realize at some point we may be looking at an interim pipeline project. They have water rights out at Ned Houk Park and also at the airport & they're just letting us know they have those. No action to take on that, just an information point. The next thing is, some of you may have seen in the paper, Senator Bingaman's bill & Senator Udall, Senator Baucus also supported us & other senators from all the states this involves. There's a bill that's been put forward that will find the funding for several, I believe there's seven, water projects in six different states that have been authorized but not fully funded, so that is moving forward. Just wanted to give you a heads up on all of that. All good positive things moving in the direction of our project.

E. State Activities – Thompson, van Gulick

Joe reported I appreciate the fact you've raised the meetings we've had with Cannon. It was really impressive to me to see the commitment from the folks at Cannon & also to see our legislators, who you can tell are totally engaged in what's going on in our community. We've been making the rounds talking with a lot of folks. We're going to spend a lot of the next month getting people up to speed on things that are going on with the project, with the construction. If anybody is going to be up in Santa Fe in the next month or so, I know the folks at City Council Services would like to visit with us, there are some folks from the Administration who would appreciate an update. On a last note, the folks from the Water & Natural Resources Committee & we in the past have gone & done an update with them, but because it's a transition year with all the members up for reelection, they didn't really want to get into that because they feel they've been well briefed on the project, but we did have some interest from the chair in getting a briefing from us. Chair Brumfield stated I really do think we need to plan on making the rounds in Santa Fe. I can't say again how important the briefings are to Cannon & different people around the community in getting everybody on the same page.

F. Invited Speakers –

Unable to attend this meeting, someone will be in attendance at the October meeting in Portales.

G. Federal Activities – Ryan

As mentioned earlier, a bill has been introduced by Senator Baucus at the urging of Senator Bingaman & Senator Udall. As you know, we're working with our delegation to get a guaranteed funding stream for our rural water project. We've written a letter, it's in draft, Senator Bingaman wanted us to hold off until he introduced it. There was a quick attempt to try & get legislation that he introduced that we commented on the rural water project at about 100 million dollars a year to fully fund all the seven rural water projects. There's been a good deal of strategy into should we do a stand-alone bill, or draft it into an amendment. There was an attempt to draft it into an amendment for the farm bill that was on the Senate floor. Senator Bingaman scraped that, in large part because he was already taking some big hits on the farm bill. The new effort is a good effort in a lot of respects, it has nine Senators from the Western United States. Right now it is just a Senate bill, they are attempting to get a House bill, companion House bill to mirror & move in this same Congress. That hasn't been produced yet, but I know they're talking to House members to do that. Working with the seven other rural water projects to coalesce & help this effort get through the Congress. Senator Baucus is a good sponsor, he will be involved in a lot of the end of year discussions on tax policy. It's the taxing authority that is likely to be the place where we can find to fund this bill. Having Senator Baucus sponsor it, we'll be at the table with the White House, the House, & the Senate as they negotiate any end of year tax extenders or big large budget bills. They do plan to have a hearing on this bill, it has to happen either next week or the following week. They have a seven day requirement to notice the hearing, they're looking at next Thursday as the first opportunity. We will know by the end of today if they will have a hearing a week from today & if they have a hearing they indicated they would like the Authority represented. There are lots of other activities & strategies associated with that bill & trying to move that bill. Our delegation is working really hard to make this happen by the end of the year.

H. Reclamation Report –Alderete

Joe reported the grant agreement is moving forward to give the first money to you. I anticipate it will be awarded by the end of next month, so that's good news. Another thing I want to bring up, those seven rural water projects that are ongoing now have been sent a request letter to judge the program. It would be a good idea for the Authority to work with Paul in providing comments on that, ie. what are the best things, what are the bad things, where do we need to improve? If you can get involved in that, that would go a long way to pave the way for future projects.

I. Financial Activities – Clifton

a. Financial Report

b. Resolution 2013-01 Approval of Final Budget for year ending June 30, 2013

Don reported this report is for the year end June 30th. We took in 3.2 million dollars for the year, spent 2.8 million. You can see all the expenditures for the year listed there for you, so it was a good year. We still have a \$282,000 grant receivable from the Finance Authority for the end of that \$4,525,828 groan. I sent that in in May. I don't know what's going on there at the Finance Authority. Then I've got there the budget for the upcoming year, that's the big thick one. You can see on that third page, the small print we have general funds. We will start the year with \$1,535,000, we've got \$232,000 in grants this is \$100,000 state grant, \$110,000 state grant & a \$22,682 BOR grant. Other is basically member contributions & expenditures in general fund \$1,531,000 & if it worked this way, we'd end the year with \$1,678,000. Then we have the 4.5 25828 groan, there's \$282,000 left there that's owed to general fund for expenditures already made. Then we have the \$4,425,000 groan & \$86,000 that's already spent. We have the 2.9 million groan, the 4.3 million & the 3.7 million groan & we have budgeted operating expenses of 2 million 38 thousand. We have in there the budget for the intake structure at \$533,000 for construction management services for Occam. Our loan payments are now up to \$136,000. In that budget resolution, it also says you're including approving the fourth quarter DFA report. That's submitted by all entities, they've added that in there I guess to make sure we do it on time. Also, on the desk there's a balance sheet & then all the Water Authority expenditures & revenues. I do need you to approve the budget resolution. A motion was made by Member Bryant & seconded by Member Chandler to approve the budget. The motion carried by acclamation.

J. Project Development Activities

a. Drought Management Plan – Murphy

Dr. Murphy reported I think everybody knows we have a DMP, we also have comments from the steering committee. One of the comments that was most common was the need to include the new sedimentation data that the ISC has collected just recently. During the process of getting that data, because that took us past the end of the grant period, we asked for & were granted an extension until the end of the year to complete this project. We have a meeting of the steering committee which is scheduled for later today. We'll discuss the comments & where we see as the direction going forward with addressing these comments & to receive any more comments from members of the steering committee.

b. Phase I Construction Update – Crockett, Gates

Barbara reported we have a contractor, ASI, their contract has been approved. We have a pre-construction meeting this week. CH2MHill has worked with ASI & they are a great construction company. The meeting was about going over all these she talked about; communication, the relationship, who's responsible for what. We didn't get into any technical details, there are some things they do want to follow up with. It went really well, we did talk about public relations & supporting them especially initially with the construction & working with the local community. Occam & CH2MHill staff are all ready to go & get started & so is the contractor.

c. Interim Groundwater Pipeline Update – Crockett, van Gulick

Paul reported I just wanted to follow up with what Joe said. I will be working with John & some of you to get a comment into the Bureau, as to what it is about our project that gives us the best advantage when it comes to the funding criteria. They do have an annual report out about their criteria. Regarding the interim groundwater pipeline, basically, while the phase I intake is

being constructed we really need to be moving forward to get the next phase of construction ready. On the one hand, we've been talking about the interim groundwater pipeline & making strategic decisions on what portion to construct first & where that would be. On the other hand, we actually need to be moving forward with the design. By having the design completed, that allows us to move quickly on some of these things because our expectation is that funding will be steadily increasing, so we need to be prepared for that. So that's what we'll be working on, what I certainly recommend that we be working on. We're at 30% design for the entire project, we're at 100% for the intake obviously. Right now we'll be using additional capital outlay money to address how we can best incorporate the groundwater into the system & we hope with the ongoing state & federal funding stream, we'll be using that to complete the design. After the design is completed, then we'll be at a point where we can be using this other information based on the capital outlay, then we can sit down & decide which phase we want to start with first. We just need to look at all those, with the financial picture, the advantages & disadvantages & come up with what we think is probably the first one to start with & what's the next. Barbara reported Paul drafted up a project update about the interim groundwater project, so we've got something to take out to folks. We've brainstormed people off the top of our head, who might be interested in this, we've met with a few folks & generated lots of ideas, so our next step is to work with the Authority because we have to be, as you know, very strategic & very thoughtful about how we go forward on this. We met with folks like Ken Sowers, met with him because he was the New Mexico ag lender of the year last year, so it just made sense. So folks like that & we're getting very positive feedback & lots of ideas & suggestions. Our next step is we will be setting up a conference call or a meeting with whoever is appropriate from the Authority. It is appropriate for members of the Authority to attend some or all of the meetings.

K. Program Management

a. CH2MHill Additional Services to Task Order 1 for IGWP – Crockett

Barbara reported if you'll remember Task Order 1, that included the predominant subtask which was to complete the design of the intake facility. We had several subtasks & one of the subtasks was the interim groundwater pipeline & that was primarily from CH2MHill's perspective to address technically how could we get that water to the main transmission line. With this capital outlay & the idea of doing more one-on-one, face to face meetings what this task order is, is an amendment to that existing subtask in task order 1. It's basically to allow us to provide more support working with Paul & the Authority to work through this beyond just that technical piece. So it's not a new task order, we added some scope to cover our support, so that's what that's about. We will be tracking that separately, because that's required for capital outlay. A motion was made by Member Howell & seconded by Member Bryant to approve Task Order 1. Motion carried by acclamation.

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

Greg reported this is an additional service to our contract associated with specialty testing for the construction phase. This has been contemplated throughout the project that this would be needed. It is independent testing associated with construction so it's not put directly under the contractor for that reason. We've talked about this at the last two meetings that this will be coming & today this is also an informational update. We've worked with AMEC, who is the proposed subcontractor to help with scope & fee & that's going through the final review right now & we'll be presenting that at the next Authority meeting.

c. WTB #244 Update – van Gulick

Paul reported this is just a very brief update on the WTB groan. I have been contacted by the new law firm that's been hired within the last couple months by the Finance Authority. They're just wrapping up some of the last paperwork & needed some information to be able to do that, so I forwarded that to them. So anyway, we've gotten approval of it & all that's waiting now is the severance tax bond sale. I should have more information on this next month. If I do get anything in the interim, we'll probably come to you with a resolution like we have in the past on some of these groans. So that's where we are on the WTB groan for this year, of course the time to apply for next year is coming.

L. Meetings Report – van Gulick, Koontz

a. NMFA 6/29; Interim WNRC 6/26; Drought Task Force 6/28; IGWP Clovis/CAFB 7/2; NMISC & WTB 7/18

Paul reported we thought we'd just add a little meetings update, there have been a bunch & there will continue to be. There's the finance authority met on June 22nd, at that time all the projects were approved unanimously. There was some discussion generally about aligning various state applications, there's some overlap & people were concerned that they were approving the same project twice for additional amounts. I don't think that will affect us, but we'll be staying on top of that. Next was the interim Water & Natural Resources Committee meeting. Actually our project was represented. In the State Engineer's office report, we ranged from drought to damages to ongoing projects & so forth. That was a very productive meeting I thought & there was some discussion too at that time about what was in Senator Bingaman's bill. We had a chance to talk with Senator Harden & Representative Cook afterwards, they had a few questions. Generally, that was a very productive meeting. Clay reported I had the opportunity to attend the WTB meeting yesterday up in Santa Fe. There were a couple of items for discussion, it was a relatively short meeting regarding the water policy committee. There will be a couple of things we'll continue to follow, regarding some of the criteria as we move forward into the next year's application. Also, the drought task force convened back in June & that task force is an outcome of the Governor's executive order declaring the state emergency drought & they will continue to meet for the next couple of years. We just sat in to listen to what's going on with that, it's chaired by the State Engineer & it's made up of mostly cabinet secretaries. I heard reports from the state climatologist they are going to initiate a committee to look at specific mitigation measures to report back to the Governor's office, so that will be ongoing for the next couple of years. There's a website, I'd be happy to get that to anybody or put it on our website to keep track of that.

M. ISC Report

Paul reported there has been some precipitation; the current reservoir level is 3,775.6. If you look over the last couple of months there's been a few spikes since there's been some rainfall, it looks like it's holding kind of steady. One of the things that came out of the Water & Natural Resources Committee meeting is they're looking at La Nina actually subsiding & we're going to be getting into what they call a mild El Nino season, so we're looking at a wetter fall. Hopefully we'll see that in the reservoir. John Ryan stated in the legislation that just got introduced, Senator Bingaman came up with a concept, drafted & is putting it together to try & make it

happen before he leaves & Senator Baucus takes the lead. He gave that bill to another member to allow this process to move forward in a way that has a little bit more possibility & success. Totally unusual for a member of Congress that gives somebody else, to some degree, some level of credit over their own concept. Chair Brumfield stated that's been my impression with the Senator always & if you would let him know we appreciate that & he has been the champion for this project. He's been there every step of the way to make sure that things happened & he's worked so tirelessly, so we really want to thank him & please let him know. Diane Ventura stated I agree I think he would like to see this pass. Secretary Chandler stated Madam Chair, I think we should do something formally as a board, write a letter thanking him for the time. If no one has any objections, you could do that on behalf of the board?

AGENDA ITEM NO. 6 – FUTURE AGENDA ITEMS

Chairwoman Brumfield

The Water Authority elected to conduct the next meeting in Elida on Wednesday, August 15, 2012 at 10:00 am.

AGENDA ITEM NO. 7 – PUBLIC INPUT

Audience

Chair- Brumfield recognized Diane Ventura from Bingaman's office and thanked her for coming today. Ray Mondragon stated I just wanted to bring up an issue that is coming up on Tuesday at the state capital. The City of Portales voted to oppose a rule change that is being recommended. A proposed rule change is being recommended; implemented as a CDBG rule, part of the CDBG rule. (HUD Section 108). If there's a waste water project, infrastructure project, any infrastructure at all, if a business comes in & makes a loan under section 108 if CDBG rule change takes effect if that company or business goes default what will happen is that section 108 loan guarantee, if they go into default then section 108 will go over here & grab CDBG money & take it away & pay that. So I've asked please to take a look at this & oppose the rule change it will hurt the small, rural communities. Understand that Saturday at the resolutions committee for the New Mexico Municipal League, the resolution will be introduced & voted on to oppose that rule change & I'm on the agenda to testify before the committee on Tuesday at the state capital. I just wanted to advise you on what's going on. It was asked. you've already had quite a few communities contact you regarding this right? The opposing are the Village of Logan, Village of Mosquero, town of Clayton, City of Portales, City of Clovis has asked me to draft a resolution on their behalf. Roosevelt County will be voting against it. There's a resolution & it will be on the agenda for Curry County. The New Mexico Municipal League and NM Association of Counties will also be introducing resolutions to oppose. The Village of Melrose is also opposing the CDBG rule change.

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 @ 11:50 am.

X 
Gayla Brumfield
Chairperson

X 
Caleb Chandler
Secretary