

## Minutes

### **Eastern New Mexico Water Utility Authority**

Assembly Room at City Hall

321 N. Connelly, Clovis, NM

Wednesday, October 23, 2013 10:00 AM

- **(Call to order):** The meeting was called to order by Chairwoman Brumfield @ 10:05 am.
- **(Roll call):** Roll call was made and all members were present except for Member Hunton. A quorum was established.
- **(Approval of Agenda):** A motion was made by Member Garza and seconded by Member Bryant to approve the agenda which carried by acclamation.
- **(Approval of Minutes):** A motion was made by Member Shafer and seconded by Member Chandler to approve the minutes of the ENMWUA meeting in Grady on Thursday September 19, 2013 which carried by acclamation.
- **(Executive Session):** No executive session.
- **(ENMWUA Administration Items for Action):**
  - Farmer's Electric Cooperative, Inc., of New Mexico Application for Membership and Contract for Electric Service:

Ms. Crockett reported this is a request for approval for entering into an agreement with and to be a customer of Farmer's Electric. The background is there was a capital outlay of about \$100,000 from the 2011 Legislature that was for the Authority to run power to the intake facility. Farmers will run the primary power to the site and ASI will run/install the secondary power. A motion was made by Member Chandler & seconded by Member Garza to enter into an agreement with Farmer's Electric. The motion carried by acclamation.
  - ASI to install conduit for 480v Electrical Service from Farmers Electric to Intake Site:

Mr. Ortega reported we've been working with ASI to determine the cost for them to bring power to the site and that amount is \$3,329. Approval is needed from the Authority to enter into a change order with ASI for the specified amount. Vice-Chair King asked if the actual increase in the cost is only \$1,116 because there will be some money left from the capital outlay? Mr. Ortega answered that is correct. A motion was made by Member Bryant and seconded by Member Garza to approve entering into a change order with ASI for installation of the conduit. The motion carried by acclamation.

- ASI Change Order #1: Equitable Adjustment and Contract Time Extension due to Delayed Notice to Proceed:

Mr. Ortega reported this request is for equitable adjustment to ASI's contract in the amount of \$496,134.30 due to the delays caused by the lawsuit. Our intent is to find ways to offset this later with design changes to total the amount of the delay request. We are presently working on a value engineering process, which we're in the middle of now, to identify changes we can make to offset this cost. A motion was made by Member Garza and seconded by Member Bryant to approve the equitable adjustment and contract time extension for ASI. The motion carried by acclamation.

- CH2M Hill – Amendment 07 – On-call Services for Intake Screens, Tunnel and Forebay:

Ms. Crockett reported this request is for on-call services up to \$75,000. As a result of the value engineering, on the ground, and what we're seeing with the construction as well as being able to bring power to the site, there are some things we've identified that need to be redesigned. We're estimating that around \$30,000-\$35,000 is needed and we don't expect that the entire \$75,000 will be needed. It's only in case of contingencies. We're working with ASI now on the identified redesigns. A motion was made by Member Shafer and seconded by Member Chandler to approve the on-call services. The motion carried by acclamation.

- **(State Activities):** Mr. Thompson reported there's been some buzz in Santa Fe about the Water Trust Board running out of money, or not being able to run at the same clip. It seems like there's a resolution in the works. That's something we're following very closely. That dovetails with the stuff we need to do next, in terms of what our capital outlay request is going to be for 2014. I've heard that we're going to continue to work on the interim plan and find another appropriate project like we did this year in Portales. That's something I need your direction on as far as what the next component will be. Chair Brumfield asked is there something we can do with our interim pipeline (connecting to the communities), to jumpstart that, maybe on the studies? Ms. Crockett reported at this point, we're finishing up package 1. We could start the next phase of design, or we could maybe look at some towards construction. The problem is recipients need to spend capital outlay funds within 36 months. The word on the street is there's going to be somewhere in the vicinity of between \$700,000 - \$1,000,000 for House members and \$1,200,000 for Senate members. In that range, for us to go in and try and get \$500,000 is doable. Member Chandler stated, "I was told by DFA that they are putting reversion dates on those capital outlay bills now." Mr. Thompson reported the reversion dates have been 36 months. We have a self-imposed date of 12 months we put on ourselves because of the politics. It is likely there will be another round of scrutiny. We are going to benefit because what we're hearing out of the Administration is they want to focus on water. We do have to come up with a good project. Member Shafer asked have we received a signed contract back from DFA for the Elida pump

station? Mr. van Gulick answered it is his understanding that we do have a signed contract through NMED as of yesterday.

- **(Federal Activities):** Mr. Ryan reported the timing is not the best with regard to the Federal government. We went to Washington right towards the end of the fiscal year. We got back and met with the regional director (Mike Hammond with USBR) out of Utah. We have everyone on the same page and then the government shutdown happened. It was a little early to tell what their intentions are with regard to end of year money. They indicated that it could turn into carry over money into the next fiscal year and carry over money could be reprogrammed. They were looking to do end of year stuff but there were no deals, which has them in a bit of an uncertain mode, giving us a lack of direction with our request. I think I've told you before and it constantly is true that we have three different budgets that are being worked on at any given time. This continuing resolution (CR) that we're operating under now goes to mid January, then they will have to individually pass budgets for individual agencies or continue to pass CR's. I think we're making really good progress internally with BOR. I think we'll continue to move ahead on the regular budget process. The projects we're competing against are falling off. At some point, we're going to be prioritized at a higher level because of the dropping off of other projects. Mr. Daly asked why are the other projects dropping off? Mr. Ryan answered that a lot of the other rural water projects are getting completed. As they get completed, they no longer have authorization for more Federal money and the rural water budget is distributed among the remaining projects.
- **(Report from the Chair):** Chair Brumfield reported we've done some presentations. We've gone to Curry County and did a presentation there three weeks ago and we also went to the Portales City Council and did a presentation there that was very well received. Friday we have a bus tour of the intake structure (Wing Commander and four others) are going on that. We're going to show the base what we have going on and the reality of this project.
- **(Reclamation Report):** Mr. van Gulick reported right now there's an automated standard application for payment, which is a new system effective as of October this year. We've previously been sending in paper requests. One of the last things Joe Alderete did before the government shutdown was to make sure that the amount remaining in all the funds we have in our current construction grant agreement was accessible to the new system, because that is now the only way to access it. We filed our request electronically and that money was then successfully transferred to the bank.
- **(Financial Activities):** Mr. Clifton provided a monthly financial report for the month of September. We received \$647,000 in from the BOR. On October 1<sup>st</sup>, we received the \$1,151,000. WTB gave us the \$917,000 reimbursement, member contributions totaled \$19,000, so for the month \$1,584,917.82 in revenues. Year to date \$5.3 million which is

very good, we spent \$1,690,000. The biggest expenditure was payment to ASI for a construction progress payment of \$1,297,000.

- **(Project Development Activities):**

- NMED 604(b) Water Quality Planning Grant Update:

- Mr. van Gulick reported Dr. (Mark) Murphy has been visiting the stakeholders in the watershed and will continue meeting and visiting with them. Dr. Murphy will be out here again some days next week and he'll be present at the Ute Reservoir Water Commission meeting October 31st. Next month, we should have more of an update.

- Financial Plan Update:

- Mr. Harrigan reported at the last meeting he introduced the new finance plan. The new one presented today has no material changes, only refinements. *"We'll have a workshop to go over the plan at the next meeting. The main thing to keep in mind is that it's an expense driven model, where the expenses are the set cost and the revenue that comes in will allow you to cover those costs. Paul and I will be meeting with Don after this meeting."*

- Phase I Construction Update:

- Mr. Ortega reported we've reached the bottom of the shaft and we did so without the last controlled blast as anticipated. Presently, ASI is working on preparing the base so they can start setting pump cans and pump drains. Also, they're resuming work on the intake bench. The last row of rock bolt anchors was placed last Wednesday and the last round of shotcrete in the bottom of the shaft was done on Thursday. We don't anticipate any more (controlled) blasts at this time. We're right on schedule. Chair Brumfield asked how much longer until the construction is completely finished? Mr. Ortega answered that substantial completion is scheduled for July 2014.

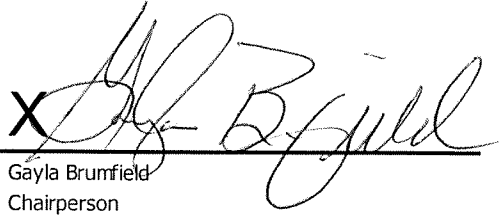
- Phase II Scope & Design Update:

- Ms. Crockett reported: *"This is just a summary of the work we're doing. All I wanted to highlight was under Task Order 1, the intake. We're pushing very hard to get electrical service to the site. We're continuing to coordinate with ASI for the construction cost savings. We're getting close to wrapping up Task Order #2. We're getting close to being able to wrap up the design of package 1, which is the interim groundwater. So, that is right on track and I think we're scheduled to be done by December. We're continuing work on the Elida pump station and coordinating with Portales and that's coming along. We've done quite a few outreach activities that Gayla talked about."*

Program Management:

- Mr. van Gulick reported that we have the WTB application for 2013 that's in-process and we're in good shape with regard to this current cycle. However, we need to make a request to the Finance Authority to expand the scope of this current cycle from intake construction only to include design of the interim groundwater pipeline. The 2014 application cycle has already begun. There was an initial application that was turned in on time. The fundable application will open on November 4<sup>th</sup> and will close in March 2014. Since money is getting tighter and tighter, each year the WTB adds more and more requirements to the applications and we are keeping up with those so far. It has been suggested we have a board retreat and Jennifer House (CH2M) is following up and has met with a few members. November 6<sup>th</sup> is when her trip to Portales is scheduled. Ms. Crockett asked do we want to go ahead and set a date for the retreat? Chair Brumfield asked about the first part of December. It was decided that an e-mail would be sent out with possible dates for the retreat.
- **(Meetings Report):** Mr. van Gulick reported on September 20<sup>th</sup> we met with Larry Walkoviak with BOR. On October 8<sup>th</sup> there was the WTB Phase 2 fundable application training. October 25<sup>th</sup> is the construction site visit with CAFB. There will be a meeting of the WTB next week on Wednesday, October 30<sup>th</sup>. October 31<sup>st</sup> is the Ute Reservoir Water Commission Meeting at 2:00pm in Grady. November 21<sup>st</sup> and 22<sup>nd</sup> is the Water Resources Research Institute conference in Albuquerque.
- Mr. Daly asked Mr. van Gulick where is the starting point for the interim groundwater pipeline for the areas that need the water delivered? Mr. van Gulick answered the first package runs north of Clovis to CAFB and the second package is from Clovis to Portales.
- **(ISC Report):** Mr. Stall reported the reservoir gained about 1,600 ac-ft since the last meeting and is holding at 145,000 ac-ft. and we've had around 10.32 inches of rainfall for the year.
- **(Future Agenda Items):** The Water Authority elected to schedule the next meeting in Portales on Wednesday, November 20, 2013 at 10:00am.
- **Public Input**
  - Mr. Ryan reported we did get a congressional delegation letter in support of increasing the priority for this project. It was sent to both OMB (Sally Erickson) and Commissioner Connor and all five of our delegation members signed it. Also, Commissioner Connor has been unanimously approved by the Senate Energy Committee.
  - Mr. Lumpkin stated I was going to make a statement on the new survey, but I'm going to wait for the URWC meeting.

- (For the good of the order): None
- The meeting was adjourned @ 11:15 am.

X   
Gayla Brumfield  
Chairperson

X   
Caleb Chandler  
Secretary