

MEETING MINUTES

ENMWUA Regular Board Meeting

DATE: Thursday, August 24, 2023

LOCATION: Clovis Carver Library (Ingram Room), 701 N. Main Street, Clovis NM, 88101

1 **1. Call to Order**

2 The meeting was called to order at 2:59 pm, Chairman Morris inquired over the Authority's newest staff
3 member. Administrator Ortega shared her name is Danielle Ciancio, she comes to the Eastern New Mexico
4 Water Utility with 10 years of banking experience. She is familiar with accounts payable, receivable, general
5 ledgers, and 10 key.

6

7 **2. Roll Call**

8 Roll was called, the following ENMWUA Board Members were in attendance in-person: Chairman Morris,
9 Secretary Bryant, Member Garza, Vice-Chair Jackson, Member Lucero, and Member Carter. ENMWUA
10 Administrator Orland Ortega and staff as well as ENMWUA Attorney Kameron Barnett, and Jim Honea with
11 Jacobs Engineering. Members of the public that attended: Durward Dixon with the Town of Elida.

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13 **3. Approval of Agenda**

14 A motion to adopt the agenda was unanimously approved.

Result: Approved by Vote (6-0)

Ayes: 6

Nays: 0

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16 **4. Approval of Minutes**

17 a) The Board unanimously approved the minutes from the Regular Board Meeting held on Thursday,
18 August 24, 2023, at 3:00 pm at the Clovis Carver Library (Ingram Room), Clovis NM, 88101.

Result: Approved by Vote (6-0)

Ayes: 6

Nays: 0

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20 **5. Public Input**

21 Chairman Morris addressed the public for any comments, and no public input was made at this time.

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23 **6. Monthly Financials**

24 a) Approval of Monthly Financials for the Month Ending July 31, 2023. - Ortega

25 Mr. Ortega reported total revenues for the month ending July 31, 2023, were in the amount of
26 \$832,777.34. Of that amount the Authority received revenue from State Funds for a total of \$422,937.80
27 those included disbursement requests for SAP funds for Task Orders with Jacobs Engineering. Interest
28 earned for the month of June and July was \$1,755.15, expenditures reported for the month of July 2023
29 was \$936,305.01. Reported expenditures included payment to RW3 property owners for 3 parcels for a
30 total of 6 easements in the amount of \$19,302.75. Payment to Jacobs monthly invoices in the amount of
31 \$\$811,719.44. Bank account balances reported as of July 31, 2023, were as follows: ENMWUA business
32 checking account had a balance of \$305,056.67, ENMWUA Money Market account had a balance of
33 \$1,975,509.46, Capital Construction account had a balance of \$667,048.81, and the ENMWUA CD had a
34 balance of \$2,541,595.63. Reported as of August 24, 2023, ENMWUA business checking account had a
35 current balance of \$256,531.33, Money Market account balance sits at \$1,975,509.46, ENMWUA CD
36 balance is reported the same at \$2,541,595.63, and Capital Construction account has a current balance of
37 \$857,550.81. The total balance of all Authority accounts as of August 24, 2023, was reported at
38 \$5,631,187.23. A motion was made for approval of the monthly financials, and a roll call vote took place.

Result: Approved by Vote (6-0)
Motion:
Bryant
Second:
Lucero
Ayes: 6
Nays: 0

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40 b) Approval of Monthly Bank Transfer Request from Money Market Account #7111 to Business Checking
41 Account #7101. – Ortega

42 Mr. Ortega informed the Board Members at this time the Authority is not requesting a monthly transfer
43 of funds.

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45 **7. New Business Items**

46 a) Resolution 2023-10 Adoption of the Revised June 30, 2023, 4th Quarter Year to Date Financial Report. –

47 Ortega. Mr. Ortega explained after submission of the FY2023 4th Quarter Year to Date Financial Report
48 last month, both me and Hinkle & Landers, PC have had discussions with DFA Analyst Jeanell Sanchez
49 regarding the FY2023 4th Quarter Year to Date Financial Report. Mr. Ortega shared Ms. Sanchez made the
50 ENMWUA aware that we cannot have a negative balance on the DFA Annua Budget Form FY06.24 for the

51 estimated ending cash balance. These transactions that crossed the fiscal year should be recorded as a
52 transfer in the budgeted transfer column. Mr. Ortega informed the Board Members that the Authority's
53 accountants with Hinkle & Landers are present today via Teams and can provide more accounting details
54 of revisions that have been made as requested by DFA. Mr. Ortega introduced Mandi Aldaz and Lindsey
55 Lujan with Hinkle & Landers as they handle the ENMWUA accounting and asked them to provide further
56 details. Ms. Aldaz advised that she has been in touch with Janelle from DFA and she has reviewed all the
57 changes that the Authority has made. Ms. Aldaz stated that the ENMWUA and Hinkle & Landers were
58 clearly aware that there was a negative balance which totaled out to \$431,359.00. Ms. Aldaz presented a
59 detailed PowerPoint spreadsheet clearly identifying it was three Jacobs invoices and a \$200.00 amount
60 that was for easement filings fees. Ms. Aldaz explained that Hinkle & Landers left a negative balance
61 because funds were received in fiscal year 2023 but did not spend the expenditures until fiscal year 2024.
62 The Department of Finance and Administration asked that Hinkle & Landers to go back and instead of
63 leaving a negative balance, move those funds into the Authority's general funds for year-end purposes so
64 that everything at the year-end is sitting in a fund with a zero balance except for the general fund. Ms.
65 Aldaz informed the Board Members that a bar sheet was created for DFA to approve before the budget
66 adjustment. The 4th Quarter report for DFA is the Authority's actual expenditures and revenue which also
67 had a negative amount because we are currently in the new fiscal year, and it appears that the ENMWUA
68 is spending more than they have even though those funds have already been received but in a different
69 calendar year. Ms. Aldaz shared what will happen is the budget imbalances and after the new fiscal year
70 budget is approved, then Hinkle & Landers will go in and submit a new budget adjustment and take those
71 funds back out of the general fund and put them back into the other category and will match up with the
72 expenses for the new fiscal year.

73 A motion was made for approval, and a roll call vote took place.

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Result:	Approved by Vote (6-0)
Motion:	
Jackson	
Second:	
Garza	
Ayes: 6	
Nays: 0	

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76 b) Resolution 2023-11 Adoption of the Revised FY2024 Final Budget. – Ortega

77 Mr. Ortega reported once FY2023 4th quarter year to date report is approved/adopted, the Authority will
78 once again formally ask the Board members to consider adopting the revised FY2024 final budget.

79 A motion was made for approval, and a roll call vote took place.

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Result:	Approved by Vote (6-0)
Motion:	
Lucero	

**Second:
Bryant**

Ayes: 6

Nays: 0

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c) Request for Adoption of Resolution 2023-12 Approving a Drinking Water State Revolving Loan Fund Agreement Loan Number DW-5861 in the Principal Amount of \$15,150,000.00 by and between the New Mexico Finance Authority and the Eastern New Mexico Water Utility Authority of Curry and Roosevelt Counties, New Mexico joined by the City of Clovis New Mexico as Obligor. – Ortega, Bowens, Barnett

Mr. Ortega stated this is a DW-5861 City of Clovis loan for \$15,000,000.00 that the City of Clovis will upfront for a portion of their capital costs of the project. Mr. Ortega shared the following DW-5861 Resolution 2023-12 and loan agreement bullet points:

- This loan agreement is between the New Mexico Finance Authority and the Eastern New Mexico Water Utility Authority, joined by the City of Clovis as the obligor.
- Obligor is the City of Clovis. Obligor is the debtor, the entity who is contractually obliged to make payments of loan.
- The City of Clovis is providing an upfront \$15 million capital contribution from the city as a portion of their membership contribution.
- The City of Clovis' governing body by ordinance has pledged revenues of payment of this loan through a one-fourth of one percent (0.25) increment of the City's municipal gross receipt tax.
- Loan principal amount is \$15,150,000.00. \$15 million is the amount of the loan and \$150,000 is cost issuance.
- The City of Clovis and the NMFA have entered into an Intercept Agreement whereas the Pledged Revenues due to the City provided from the Distributing State Agency (Taxation & Revenue Dept.) will, under the circumstances specified in Section 5.2(a) of this Loan Agreement, be intercepted by the Finance Authority to satisfy payments due under this Loan Agreement.
- "Intercept Agreement" means an agreement between the City of Clovis and the Finance Authority, providing or the direct payment by the Distributing State Agency to the Finance Authority of the Pledged Revenues in amounts sufficient to pay Loan Agreement Payments under the circumstances specified in Section 5.2(a) of this Loan Agreement.
- Interest Rate – Zero percent interest rate. An "Administrative Fee" or "Administrative Fee Component" means the 0.25% annual fee payable to the Finance Authority for servicing of the loan.
- Closing date of DW-5861 is September 29, 2023.
- Repayment term is 30 years for a total of 33 years.

Mr. Ortega then asked Chief Procurement Officer Jacquelynn Bowens to provide further details. Ms. Bowens reported the loan amount is \$15,150,000.00 in total, the interim period is 36 months or 3 years. The project description is as follows: Finance the costs of the construction of portions of the Eastern New Mexico Rural Water System, including but not limited to engineering services, land acquisition, easement acquisition, electrical power to the facilities, construction of the Raw Water Conveyance projects for Sections 1 and 3, and shall include such other related work and revisions necessary to complete the Project. Ms. Bowens explained the Eastern New Mexico Water Utility Authority has met the required state environmental review process conditions for this loan. The procurement requirements are, New Mexico Procurement Code and 2 CFR 200. As of today, August 24, 2023, the Authority meets both requirements. There is currently no reporting and the spend down requirements is 36 months or 3 years. Mr. Ortega then asked ENMWUA Attorney Kameron Barnett to provide further details. Mr. Barnett informed the

122 Board members that after reviewing the Open Meetings Act, Grant Agreement, and the Application, he
123 believes the Authority has everything to proceed forward with this Loan Agreement.
124 A motion was made for approval, and a roll call vote took place.
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Result:	Approved by Vote (6-0)
Motion:	
Bryant	
Second:	
Garza	
Ayes: 6	
Nays: 0	

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127 d) Resolution 2023-13 Authorizing Submission of an Application for Funding to the New Mexico Water
128 Trust Board in FY2023. – Ortega, Bowens

129 Mr. Ortega stated this item for your consideration is a resolution that will authorize your administrator
130 and staff to submit an application for funding to the New Mexico Water Trust Board in FY2024 funding
131 cycle. Mr. Ortega asked Ms. Bowens to provide further details about the application. Ms. Bowens shared
132 this Resolution 2023-13 Authorizing Submission of an Application for Funding to the New Mexico Water
133 Trust Board in FY 2024. This Resolution ratifies and affirms the Governing body of Eastern New Mexico
134 Water Utility Authority submission of an FY 2024 WTB application. The FY 2024 Application is due
135 September 15, 2023. The ENMWUA plans on submitting the following scope of work:

- 136 • RW2 – Construction
- 137 • RW1 – Construction
- 138 • Design, easement acquisition, land acquisition, and construction of the ENMRWS' Intake Pump Station,
139 Caprock Pump Station, and Caprock Storage Tank.

140 Ms. Bowens further explained the Water Trust Board Application submission amount will be
141 \$20,000,000.00, which is a 10% Loan and a 90% Grant.

142 A motion was made for approval, and a roll call vote took place.
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Result:	Approved by Vote (6-0)
Motion:	
Jackson	
Second:	
Carter	
Ayes: 6	
Nays: 0	

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145 e) Recommendation for Adoption of Updated Purchasing Policies and Procedures Manual. – Bowens

146 Ms. Bowens advised the Board members under section 4.3 policy page 6, limiting language was updated
147 stating purchase order(s) over \$60,000 can be obtained by means other than a sealed bid the language
148 before only allowed a sealed bid. Section 4.5.3.1 policy page 7, the Authority added on the behalf of
149 governmental entities as not to exclude companies who obtain price agreements under the New Mexico

150 Procurement Code without Governmental backing. Section 5.4 policy page 7, CES was added as the
151 Authority is a member of this organization. Section 7 policy page 8, clarifying language was added. Section
152 9 policy page 9, the ENMWUA updated the CPO to purchasing agent to maintain consistency throughout
153 the policy. The abbreviation ITV was added which stands for invitation to bid as not to limit the Authority.
154 Subsection 9.4.1.3 was also added stating the ENMWUA is eligible to procure engineering and design
155 services for periods not to exceed the requisite time for project completion and a subsequent warranty
156 period under State Statue 13-1-150. B.7. Ms. Bowens stated that the Authority has reviewed and updated
157 the policy as needed and is now coming before the Board for your consideration of adoption.
158 A motion was made for approval, and a roll call vote took place.
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Result:	Approved by Vote (6-0)
Motion:	
Garza	
Second:	
Carter	
Ayes: 6	
Nays: 0	

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8. Unfinished Business – N/A

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9. Reports from Board Members and Staff

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a) State Activities – Thompson

164 Mr. Thompson explained the new revenue estimates were completed earlier this week and he advised
165 that there is about \$800 million dollars more than they initially thought. He advised one of the questions
166 that the LFC had for the project was if the ENMRWS project was going to be coming back and asking for
167 more money. Mr. Thompson stated that he has been visiting with the Legislative Finance Committee stall
168 to do everything the Authority can do to make sure there are no issues.
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b) Federal Activities – Ryan

171 Mr. Ryan announced a job well done to the Administrator and all the members that participated and
172 attended the groundbreaking ceremony with the delegation. Mr. Ryan advised a few things the ENMWUA
173 can expect from the Federal Government regarding additional money. He stated the regular appropriation
174 process has not produced a specific dollar amount for the Eastern New Mexico project. There was an
175 additional \$55 million dollars in the Senate Energy & Water Appropriation Bill that was dedicated to the
176 Bureau of Reclamation which they will distribute based on criteria and which projects need it. Mr. Ryan
177 explained that the Authority along with Jacobs Engineering are putting together a document that is going
178 to identify all the materials that will need a waiver for in the Buy America Build America provisions.
179

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c) Project Development Activities – Jacobs, Jim Honea

181 FW1 – Mr. Honea explained he received word from the contractor that pipe delivery is scheduled for
182 September 1, 2023. Work limit fencing and clearing and grubbing will continue.
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186 RW3 – Mr. Honea stated Jacobs is ready to submit the 100% design to Drinking Water Bureau,
187 Construction Programs Bureau, the Eastern New Mexico Water Utility Authority, Bureau of Reclamation,
188 and all other agencies in late September. Easement Acquisition is continuing to progress.

189 FW3B – Mr. Honea reported Jacobs is very close in finalizing contract with Simthco currently waiting on
190 Insurance paperwork to be submitted in order to provide them with notice to proceed.

191 Texico Lateral – Mr. Honea informed the Board Members Jacobs is progressing 100% drawings and
192 specifications. 6 Draft legal descriptions are ready with only 2 remaining to collect from the title company.

193 RW1/RW2 – Mr. Honea reported Jacobs is progressing 60% design on both RW1 & RW2. Mr. Honea
194 explained Jacobs still has quite a bit of special team geotechnical work to do.

195 Elida Lateral – Mr. Honea shared the design team is progressing towards 60%. He shared that the design
196 team was at the site this week and did a detailed site visit.

197 Pump Stations/Tanks – Mr. Honea stated the team is working towards 60% design and doing intake screen
198 condition assessment.

199 Water Treatment Plant – Mr. Honea stated Jacobs did some jar testing last week as they will be injecting
200 some chemicals for muscle control so that there's no muscle growth and the team can get into the pumps.
201 The two different types of chemicals that Jacobs will be injecting are called Earth pack and Potassium
202 Permanganate.

203 Drought Management Plan – Mr. Honea reported that the drought management plan was presented to
204 Administrator Ortega yesterday with Jen Knapp who developed the drought management plan
205 alternatives.
206

207 d) Ute Reservoir USGS Report – Bowens

208 Currently the Ute Reservoir Storage in ac/ft as of July 25, 2023, the Reservoir was at 175,600 ac/ft and as
209 of today August 24, 2023, was reported at 171,100 ac/ft for a loss of 4,500 ac/ft. The Ute Reservoir Water
210 Surface Elevation in ac/ft as of July 25, 2023, was reported at 3,784.21 ft and as of today August 24, 2023,
211 was reported at 3,783.47 ft for a loss of 8.88 inches.
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213 e) Report from the Chair – Morris

214 Chairman Morris thanked the staff and administration for all their hard work and dedication to the project
215 he stated it is such a privilege to get to be a part of this project and to serve on the Board.
216

217 f) Report from the Administrator – Ortega

218 Mr. Ortega reported that the Authority is ready for the next round of USBR funding for fiscal year 2024
219 which starts in October. He explained this will be year three of five on the distribution of the infrastructure
220 funding for this project. Mr. Ortega shared with the Board members that the Authority had a team out at
221 the intake facility earlier this month working on the intake facility evaluation of what needs to be
222 improved.
223

224 **10. Future Agenda Items**

225 a) Next Regular Meeting, Date, Time, and Location: Thursday, October 26, 2023, at 3:00 p.m. at the Portales
226 Memorial Building, 200 E. 7th Street, Portales, NM 88130.

227 **11. Public Input**

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229 **12. For the Good of the Order**

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231 **13. Adjournment**

232 Meeting adjourned officially at 4:35 p.m.

233 X  _____

234 Michael A. Morris
235 Chairman

X  _____

Chris Bryant
Secretary