MEETING MINUTES

ENMWUA Regular Board Meeting

DATE: Thursday, May 23, 2024

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

1. Call to Order

The meeting was called to order at 3:01

2. Oath Of Office for ENMWUA Members

a) One member for the City of Clovis
   - Chris Bryant

b) One Member for the City of Portales
   - Eldon Merrick

c) One member for the Town of Elida
   - Durward A. Dixon

ENMWUA Attorney Kameron Barnett conducted the oath of office for Secretary Bryant, Member Merrick, and Member Dixon. Attorney Barnett explained that the renewing members new term begins as follows; for Member Bryant the new term begins May 2024 – May 2026, Member Merrick new term begins May 2024 – May 2026, and Member Dixon May 2024 – May 2025.

3. Roll Call

Roll was called, the following ENMWUA Board Members were in attendance in-person: Chairman Morris, Secretary Bryant, Member Merrick, Member Dixon, and Member Carter. ENMWUA Administrator Orlando Ortega and staff as well as ENMWUA Attorney Kameron Barnett, Jim Honea and Wendy Christofferson with Jacobs Engineering, Richard Olmos with Oscar Renda Contracting Inc. Joining electronically through Teams: Erik Harrigan with the Department of Finance and Administration, Joe Thompson with Thompson Consulting, and John Ryan with Capitol Consultants. Members of the public that attended: Maddison Willis with the Eastern New Mexico News.

4. Approval of Agenda

A motion to adopt the agenda was unanimously approved.

Result:	Approved by Vote (4-0)
Ayes: 4	
Nays: 0	

5. Approval of Minutes

a) The Board unanimously approved the minutes from the Regular Board Meeting held on Thursday, April 25, 2024, at 3:00 pm at the Texico Community Building, 211 N. Griffin Street, Texico NM.

Result:	Approved by Vote (4-0)
Ayes: 4	
Nays: 0	

6. Public Input

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

7. Monthly Financials

a) Approval of Monthly Financials for the Month Ending April 30, 2024. – Ortega

Mr. Ortega reported total revenues for the month ending April 30, 2024, were $12,246,912.89. Of that amount the Authority received revenue from USBR Grant Funds FW3, FW1, and Overall. Interest earned for the month of April 2024 was $38,755.65. Expenditures reported for the month ending April 30, 2024, were a total of $6,885,276.55. Bank account balances reported as of April 30, 2024, were as follows: ENMWUA Business Checking account had a balance of $182,355.80, ENMWUA Money Market account had a balance of $1,858,307.66, Capital Construction account had a balance of $5,384,510.75, ENMWUA CD #6325 had a balance of $2,596,239.94 and ENMWUA CD #6326 had a balance of $1,537,602.74. The total balance of all Authority accounts as of April 30, 2024, was reported at $12,695,630.90. A motion was made for approval, and a roll call vote took place.

Result:	Approved by Vote (4-0)
Motion: **Bryant**	
Second:	

Merrick	
Ayes: 4	
Nays: 0	

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

Mr. Ortega informed the Board Members at this time the authority is requesting a $275,000 Transfer of Funds. A motion was made for approval, and a roll call vote took place.

Result:	Approved by Vote (4-0)
Motion: Dixon	
Second: Merrick	
Ayes: 4	
Nays: 0	

8. New Business Items

a) Presentation and Request for Approval of the ENMWUA FY2025 Interim Budget. – Ortega

Mr. Ortega explained that the FY2025 Interim Budget has been in development beginning mid-March by the ENMWUA Administrator and have included participation from Hinkle & Landers, ENMWUA staff, and the Finance Committee. Mr. Ortega then presented the FY2025 Interim Budget beginning with revenues and their respected categories. He described the GL codes and provided further information on each line item and the new budget. A motion was made for approval, and a roll call vote took place.

Result:	Approved by Vote (4-0)
Motion: Bryant	
Second: Merrick	
Ayes: 4	
Nays: 0	

b) Resolution 2024-02 Adoption of the FY2026 – 2030 Infrastructure Capital Improvement Plan (ICIP) – Ortega, Bowens

Mr. Ortega expressed the ICIP is an important document that details the ENMWUA's project priorities over the next five years and the funding needed to accomplish those projects. He further explained the ICIP matches the Authority's updated five-year plan for infrastructure development to include the Infrastructure Bill funding, State, and local funding. Mr. Ortega stated the ICIP is used for WTB applications, NM grant applications, and various other submissions regarding the ENMWUA project. Mr. Ortega then asked Chief Procurement Officer Jacquelynn Bowens to provide further details. Ms. Bowens reported the ICIP FY2026-2030 and the secured funding on Capital Outlay, USBR Overall Grant, and NMFA Grant/Loan portion. The project amounts for the different studies were reported that the total for year (2026) would be $209,087,808, (2027) $70,190,784, (2028) $104,595,160, (2029) $337,394,304, and (2030) $8,306,572. A motion to adopt the agenda was unanimously approved.

Result:	Approved by Vote (4-0)
Motion: Merrick	
Second: Dixon	
Ayes: 4	
Nays: 0	

c) Review/Recommendation for Approval of ENMWUA 2024 Finance Plan and Resolution 2024-03 Adopting the 2024 Finance Plan. – Ortega, Harrigan

Mr. Ortega reported that ENMWUA updates the finance plan every two years with the goal to continually manage it accordingly. He shared the purpose for the update is to make necessary adjustments now that the two Drinking Water State Revolving Loans have been closed and have been added to the Authority's capital construction budget. Mr. Ortega then asked Erik Harrigan with RBC Capital Markets to provide further details. Mr. Harrigan provided in-depth details over the ENMWUA 2024 Finance Plan including Member Contributions and percentages as well as totals for Clovis, Texico, Portales, and Elida. A motion was made for approval, and a roll call vote took place.

Result:	Approved by Vote (4-0)
Motion: Bryant	
Second: Merrick	
Ayes: 4	
Nays: 0	

d) Request for Approval of Annual Service Agreement with Hinkle & Landers Certified Public Accountants for the Period of July 1, 2024, to June 30, 2025. – Ortega, Bowens

Mr. Ortega reported this is an annual contract for accounting services with Hinkle & Landers Accounting Firm. He informed the Board Members that there was a 15% increase from last year's contract and reflects the increased project activity. Mr. Ortega then asked Chief Procurement Officer Jacquelynn Bowens to provide further details. Ms. Bowens shared the procurement type: Contract renewal for Professional services under $60,000. Contract type: one-year hourly rate contract. Ms. Bowens advised this procurement meets State Statues 13-1-125 Subsection B, internal policies, and budgetary guidelines for this type of procurement.

Proposed Changes:

1. The yearly amount has changed from $47,400 to $54,510, an increase of $7,110.00 a year. The hourly rates amount increased managing shareholder hourly rate increased from $200 to $250, and the accountant manager/staff hourly rate increased from $80 to $85.
2. Term dates Starting 07/01/2024 ending 06/30/2025.

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

Result:	Approved by Vote (4-0)
Motion: Bryant	
Second: Merrick	
Ayes: 4	
Nays: 0	

e) Request for Approval of the FY2024 Audit Contract with De' Aun Willoughby CPA, P.C. – Ortega, Bowens

Mr. Ortega advised this contract is for audit services. It allows for quotes and services of three years with annual approvals from the State Auditor and the Governing Body. Mr. Ortega then asked Chief Procurement Officer Jacquelynn Bowens to provide further details. Ms. Bowens explained the procurement type: 3 Quotes Process completed in 2024, the quote included 3 years of Professional Services under $60,000. Contract Type: New one year contract prepared and approved by the OSA office. This Procurement meets State statues 13-1-125 subsection B, internal policies, and budgetary guidelines for this type of procurement.

A motion to adopt the agenda was unanimously approved.

Result:	Approved by Vote (4-0)
Motion: Merrick	
Second: Dixon	

Ayes: 4

Nays: 0

f) Request for Approval to Allow Extension of Contract for Professional Engineering Services with CH2M/ Jacobs Engineering. – Ortega, Bowens

Administrator Ortega shared that two years ago, the New Mexico Legislature made changes to the Professional Services Procurement involving large projects of $500 million or more. Allowing engineering services contracts to be extended for the life of the project with the approval of the Secretary of New Mexico Department of Finance. Mr. Ortega explained the ENMWUA Administration believes it is in the best interest of the Authority to retain CH2M/Jacobs Engineering for their professional engineering services for the duration of the Eastern New Mexico Rural Water System project given their knowledge, current involvement, and engagement with the many phases of the project. Mr. Ortega then asked Chief Procurement Officer Jaquelynn Bowens to provide further details. Ms. Bownes reported that this procurement extension has been reviewed and approved by the New Mexico Secretary of Finance and Administration on May 14, 2024, in accordance with New Mexico Statute Procurement Code 13-1-150.B.7.(b). Procurement type is sole source procurement completed in July of 2020. At this time the ENMWUA Administration is seeking your approval as the ENMWUA Board, which is essential to proceed with this extension. Ms. Bownes further explained this extension is critical to ensuring the successful completion and maintenance of the ENMRWS project, which is crucial for addressing our community's future water needs.

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

Result: Approved by Vote (4-0)

Motion:
Merrick

Second:
Bryant

Ayes: 4

Nays: 0

g) Recommendation for Approval Authorizing the ENMWUA Chairman and Secretary to Execute the Agreement between the ENMWUA and Harper Brothers Construction, LLC for the Construction of the Eastern New Mexico Rural Water System Raw Water 3 (RW3) Pipeline. –Ortega, Bowens, Honea, Barnett

Mr. Ortega informed the Board Members that this is the RW3 contract between the ENMWUA and Harper Brothers Construction, LLC for the construction of the RW3 pipeline. The contractor has met and accepted all the contract requirements, including securing the bonding and insurance requirements. The contract amount is $68,775,226.61 exclusive of New Mexico receipt tax. Mr. Ortega then asked Chief Procurement Officer Jacquelynn Bowens to provide further details. Ms. Bowens explained that the procurement meets State Statue 13-1-112, internal policy, and budgetary guidelines for the type of procurement. Jim Honea with Jacobs Engineering announced that Harper Brothers complied with providing further documentation that was asked from them and all contract requirements and binding information has been met. ENMWUA Attorney Kameron Barnett stated that he has reviewed the contract and believes that it is valid, and he would recommend it to the Board. A motion was made for approval, and a roll call vote took place.

Result:	Approved by Vote (4-0)
Motion: **Bryant**	
Second: **Dixon**	
Ayes: 4	
Nays: 0	

<u>h) Request for Approval Authorizing ENMWUA Administrator to Sign Notice to Proceed for Raw Water 3 (RW3) Pipeline Construction. – Ortega</u>

Mr. Ortega stated that this approval allows the ENMWUA Administrator to sign the notice to proceed for RW3 pipeline project and submit it to the contractor. Mr. Ortega further shared the notice to proceed notifies Harper Brothers Construction, LLC to start performing its obligations under the contract documents for pre-mobilization activities on Jue 21, 2024. A motion was made for approval, and a roll call vote took place.

Result:	Approved by Vote (4-0)
Motion: **Merrick**	
Second: **Dixon**	
Ayes: 4	
Nays: 0	

<u>i) Request for Approval Authorizing ENMWUA Administrator to Approve Change Orders for Raw Water 3 (RW3) Pipeline Project in the amount of $50,000 and less. – Ortega</u>

Mr. Ortega stated that this allows the ENMWUA Administrator to approve RW3 change orders up to $50,000. Chairman Morris presented that item (I) correlated with line item (G and H) and in previous various phases of the project a $50,000 approval was authorized. A motion was made for approval, and a roll call vote took place.

Result:	Approved by Vote (4-0)
Motion:	

Dixon

Second:
Merrick

Ayes: 4

Nays: 0

j) Request for Approval of Amendment #1 to the Professional Services Contract with Drake Industries, LLC involving Scope of Work for FW3A and FW1 Land Restoration. – Ortega

Mr. Ortega explained that the contract with Drake Industries, LLC allows the Authority to add scope of work and fees involving FW3A and FW1 land restoration. In addition, he provided further information on reviewing land for improvements and restoration as well as sharing that property owners items are put back how they previously were and activity on property is documented. A motion to adopt the agenda was unanimously approved.

Result: Approved by Vote (4-0)

Motion:
Dixon

Second:
Bryant

Ayes: 4

Nays: 0

9. Unfinished Business – N/A

10. Reports from Board Members and Staff

a) State Activities – Thompson

Mr. Thompson shared that he has been helping on the procurement issue with the Finance Administration as well as the legislative Finance Committee. He stated that he would be hearing back soon on a perspective hearing before the Legislative Finance Committee to provide them with an update on the project.

b) Federal Activities – Ryan

Mr. Ryan announced that a good amount of interest from our congressional delegation is allowing there to pressure to be put on the Bureau of Reclamation for funding in FY2025. He explained that there is a strategy to take place including the contribution of the project and what will be valuable moving forward when it comes to the House of Senate and work on getting to Washington DC to discuss further planning to ensure the project is on schedule and to get it completed on time.

c) Project Development Activities – Jacobs, Jim Honea

FW1 – Oscar Renda informed that the pipe installation was 66% complete (approx. 10.2 miles), Temp Fence (orange) 95% complete (approx. 13 miles), vaults in progress 22% complete on CARV/BO/SO/PRV vaults, Fiber optic conduit installation 65% complete (approx. 10 miles), and restoration (topsoil replacement 10% complete (approx. 1.5 miles). Kent Bienlien with Jacobs engineering reported that FW1 schedule update as follows: substantial completion date is 2/15/2025 and financial date is 4/9/2025.

RW1/RW2 – Mr. Honea reported that RW1A is about 14 miles from RW1 segment which is from the intake pump station of the Caprock pump station. He stated that RW1A 100% design, RW1B 60% design, and RW2 60 design.

RW3 – Mr. Honea announced premobilization notice to proceed will be in mid-June and will be transitioning over to Kent Bienlien for services during construction.

FW3A – Mr. Honea stated this project has been completed.

FW3B – Mr. Honea explained that the plan is to start field construction in July 2024.

Elida Lateral – Mr. Honea informed the board members that Jacobs is progressing with a 60% design, and it runs from Portales down to Elida.

Texico Lateral – Mr. Honea advised that Texico Lateral is 8" in diameter almost 5 miles. He said he officially received notice from Mr. Ortega to begin activities to begin again with a 100% design.

Intake Pump Station – Mr. Honea stated that Jacobs is progressing to a 9% design for the intake facility.

Caprock Pump Station – Mr. Honea advised Jacobs is moving at the same pace and with the same teams for the intake facilities and progress is at a 90% design.

Water Treatment Plant – Mr. Honea stated Jacobs started initial discussions with the contractor and reminded the Board that they're using CES for procurement on the project. He then provided detailed information about how everything is going.

Hydraulic Profile – Ms. Christofferson with Jacobs Engineering presented a detailed presentation that includes the intake pump station pumping about 782 feet head, or 340 PSI. She informed the board that the highest pressure is going to be down at the Creek where the lowest point of the entire system is.

d) Ute Reservoir USGS Report – Morris

Currently the Ute Reservoir Storage in ac/ft as of April 23, 2024, the Reservoir was at 157,400 ac/ft and as of today May 23,2024, was reported at 155,600 ac/ft for a loss of 1,800 ac/ft. The Ute Reservoir Water Surface Elevation in ac/ft as of April 23,2024, was reported at 3,781.28 ft and as of today May 23,2024, was reported at 3,780.99 ft for a loss of 1.56 inches.

e) Report from the Chair – Morris

Chairman Morris expressed the appreciation he has towards the board, administration, and the engineering team with the progress and efforts that have been made toward the project.

f) Report from the Administrator – Ortega

Mr. Ortega mentioned the Authority has a FW3B stakeholder meeting June 25th in Portales that includes inviting out all easement property owners and surrounding areas so they can be aware of the activities that are about to begin with the construction and answer and question or concerns the public may have. He shared that a preconstruction meeting will be the following day for contractors beginning on the project and staging equipment. Mr. Ortega informed the Board Members of the progress being made for the easements and only a few to be acquired still.

11. Future Agenda Items

a) Next Regular Meeting, Date, Time, and Location: Thursday, June 27, 2024, at 3:00 p.m. at the Clovis Carver Library (Ingram Room), 701 N Main St, Clovis NM 88101.

12. Public Input

13. For the Good of the Order

14. Adjournment

Meeting adjourned officially at 5:18 PM.

X ______________________________ X ______________________________

Michael A. Morris
Chairman

Chris Bryant
Secretary