

**ELEPHANT BUTTE IRRIGATION DISTRICT
BOARD OF DIRECTORS MEETING
December 13, 2006**

The monthly meeting of the Board of Directors of the Elephant Butte Irrigation District was held on Wednesday, December 13, 2006. The meeting was called to order by President James Salopek on a motion by Joe Nelson, seconded by Willie Koenig. Motion carried. All board members are present.

EBID Staff present were Henry Magallanez, Engineer; Gail Norvell, Controller; EAC Co-Chairs Tom Hansen, Human Resources Director and Linda Armijo, Accounting Assistant.

Also present were Steve Hernandez and Steve Hubert, Hubert & Hernandez, P.A; Dr. Phil King, consultant; representatives from OSE; representatives from the Pecan Growers Association; and Marvin Tessneer, Las Cruces Bulletin.

Willie Koenig motioned and Ramon Alvarez seconded to approve the minutes of the November 8, 2006 Board meeting as presented. Motion carried.

The water supply outlook was presented. The storage totals on December 1, 2006 with a comparison for last year are as follows:

	12/01/2005	12/01/2006
Elephant Butte	385,980	460,330
Caballo	<u>14,170</u>	<u>39,444</u>
	400,150	499,774

Mr. Esslinger reported that water stored in the reservoirs was up due to the monsoons.

Items on the calendar were discussed. Dates include: RG Canalization Project meeting at EBID on December 12; Picacho Flood Plan Meeting at EBID on December 15; the meeting with OSE to be held on January 15th in Albuquerque. NWRA Leadership conference in San Diego, CA, January 4-5, 2007 which Gary Esslinger and Steve Hernandez will attend. The NM legislature will begin in February, 2007. The next meeting of the Board of Directors will be on January 10, 2007.

Henry Magallanez, presented the special use permits.

- 06-L-086 – Edward Alvarez; To operate and maintain a new vehicle crossing and to include all utilities at approximate station 12+00. Assessment; \$10,891.70.
- 06-L-087 – Ted Cox Farms; To operate and maintain three (3) existing vehicle crossings on the Deck Lateral approximate station 19+84, the Lower Chamberino Lateral approximate station 205+78 and West Drain approximate station 642+96. Assessment; \$3,722.51. Request all fees be waived for farm use.
- 06-L-089 – El Paso Electric; To construct, operate and maintain a new aerial powerline crossing on the Bannock Lateral at approximate station 72+50. Assessment; \$2,183.27.
- Encroachment agreement – Sterling Kelly; To maintain an existing fence encroaching on the San Miguel Lateral at various stations. Assessment, \$50.00.
- 06-L-081 – La Mesa (MDWCA); To construct, operate and maintain a new buried 6" waterline crossing the La Mesa Drain at approximate station 466+82. Assessment; \$5,595.64.
- 06-L-088 – PNM Gas Services; To construct, operate and maintain a new buried 2" poly gas line in a 4" steel casing crossing the Three Saints Main at approximate station 886-64 and the Anthony Drain at approximate station 301+64. Assessment; \$7,399.76.
- 06-L-090 – Las Uvas Dairy; To pipe, cover, operation and maintain a portion of the Angostura Drain from station 157+00 to 34-00 for approximately 12,300 feet. Assessment; \$45,745.19.

Total assessments for all permits: \$75,588.07

Total fees requested to be waived: \$ 3,722.51
\$71,865.56

Mr. Magallanez recommended approval of all permits with fees waived 06-L-087. Robert Faubion motioned and Joe Nelson seconded to approve the permits as recommended by the Engineer with fees waived on 06-L-087. Motion carried.

Mr. Magallanez discussed the Dona Ana Mutual Water Treatment Plan. EBID has taken no action on this effort. There are multiple and complex issues involved in the water treatment plant. EBID is reviewing opportunities for it's own surface water treatment plant.

Mr. Magallanez discussed the current SHIPO agreement in place. There is an increase in activities and interactions due to third parties initiating changes to EBID irrigation systems (i.e. Subdivisions notify SHIPO which inadvertently involves EBID).

Roll Call

Minutes Approval

Water Supply

Calendar

Special Use Permits

SHIPO Agreement Review

Current SHIPO practices are not conducive to water conservation or irrigation efficiencies. EBID must follow the SHIPO guidelines. Lee Peters, Hubert & Hernandez, PA. is reviewing the current agreement and processes in an effort to streamline the process and MOU.

Henry Magallanez reported on the progress of the maintenance season. Henry reported that the remodel of the Operations Department building is in progress and is expected to be finished in approximately four weeks. NADB pipe work is in process and due to be completed by the end of the maintenance season. Gail Norvell, Controller, reported that the NADB funding and disbursement requests are completed, though work in the field is on-going for pipe work and hydrology telemetry installation.

Maintenance Update

Dr. King presented the Hydrology report for the month of December, 2006. The amount of water available for allocation is 313,923 ac/ft., 161,000 ac/ft available for EBID currently. Dr. King is cautiously optimistic that efficiencies will increase. His prediction for the 2007 allotment as of 1/1/2007 is 10.7 inches. So far the snowpack is looking good, and just under 100% currently. There are some carryover issues to address with the BOR. Dr. King will provide a further forecast and information and update on the water supply in January, 2007.

Hydrology Report

Gail Norvell, Controller, presented the Financial Fact Sheet for the month of November, 2006. The fact sheet is as follows: Cash in the bank totaled \$652,770; assessments receivable totaled \$5,605,051; and investments totaled \$1,528,182 for a grand total of \$7,786,002. This amount reflects a decrease in assets of \$(631,302) over November, 2005. Special use fees collected were \$11,739.

Financial Report

Also presented were the draft financial statements for October, 2006.

Gail Norvell, Controller confirmed that the State of New Mexico, Department of Finance and Administration has approved the FY 2006/2007 budget as approved by the EBID Board of Directors.

FY 2006-07 Budget

Gail Norvell, Controller requested that the board review Christmas bonus options for employees. Jerry Franzoy motioned and Robert Faubion seconded to approve the bonuses as recommended by Gail Norvell, Controller. Motion carried.

Gary Esslinger gave an update for the month of December, 2006. Topics discussed include:

Managers Update

BOR Extraordinary maintenance at EB Dam for FY 2007. The BOR has notified EBID and EP#1 concerning an amendment to the budget and increase due to maintenance at EB Dam. Pre-formed drains at the top of the dam to drain rainfall off the dam are corroded. This will require maintenance and additional costs to resolve and therefore the increase the FY 2007 budget. EBID can request further information and clarification from the BOR if needed.

BOR Maintenance of EB Dam

Steve Hernandez and Gary Esslinger presented an update on FFA-Monthly Issues update. The House and Senate are democratic and FFA anticipates major changes in the committees. EBID needs to be watchful in activities (i.e. federal policy and legislation) that affect EBID. Endangered species is one area of concern. The water resources development act will probably fail. We have pursued \$25 million for flood control efforts and will use NWRA and FFA to watch what occurs in Washington.

FFA Update

NWRA conference update was presented by Steve Hernandez which included an update of new federal legislation committees now that Democrats control the House and Senate.

NWRA Conference

NWRA Leadership Forum is upcoming in San Diego, CA January 4-5, 2007. Gary Esslinger and Steve Hernandez, Hubert & Hernandez, PA seek approval from the board to attend the conference. Bill Gary motioned and Robert Faubion seconded the motion to send both to the conference. Motion carried.

NWRA Leadership Forum

Law of the Rio Grande Conference is upcoming in Santa Fe, NM February 1-2, 2007. EBID representatives and board members need to review calendars and make plans to attend. Schedules and reservations will be confirmed.

Law of the RG Conference

FFA conference in Las Vegas, NV is scheduled February 22-23, 2007. EBID representatives and board members need to review calendars and make plans to attend. Schedules and reservations will be confirmed.

FFA Conference

Legislative issues – State Government license plates was discussed. EBID and other local public bodies and irrigation districts encountered disapproval of government plates earlier this year. Statutes are being proposed to amend the language so that irrigation districts are included and may continue the opportunity to receive government license plates for vehicles. Federal Senate Bill 895 is now headed to President Bush for signing. This authorizes the BOR to build rural water supply projects and also set up federal loan guarantees for irrigation districts to rehabilitate their facilities.

Legislative Update

Tom Hansen and Linda Armijo gave the Employee Advisory Committee (EAC) update. Ms. Armijo thanked the board on behalf of the employees for the turkeys for Thanksgiving and those EBID Board members who attended the General meeting held on November 3 at Dickerson's Event Center. Meetings will be scheduled in January, 2007 to meet with representatives and employees.

Employee
Advisory
Committee
Update

Representatives from OSE, D. L. Sanders, Suzanne Hoffman-Dooley, Greg Lewis, Rolf Schmidt-Peterson, and others were present to meet with members of the New Mexico Pecan Growers' Association. Approximately 40 members of the association were present. The AWRM draft rules and regulations for the Lower Rio Grande Water Master District were discussed. The OSE presented their Goals, Issues, Alternative Administration and Steps involved in these processes and addressed questions and comments from the members of the EBID Board and members of the NM Pecan Growers' Association. The discussion was spirited and lengthy with concern over growth of the agricultural community, limits on water and increasing demands allowances for the city and county municipalities and domestic wells. The AWRM rules as presented were not accepted and further meetings will be held.

OSE visit

Mr. Esslinger discussed the NM ISC Reloan program. Mr. Esslinger reviewed the process and status of the current loan program for metering. The NM ISC has submitted a new loan contract agreement for review. The loan process and agreement have not yet been approved. Steve Hernandez comments that there is some disturbing language in the new proposed document that EBID cannot agree to regarding the OSE authority regarding the meter order.

NM ISC Reloan
Program

Jerry Franzoy motioned and Willie Koenig seconded that the board take a break for lunch. Motion carried. Following lunch, Bill Gary motioned and Jerry Franzoy seconded that the meeting be reconvened. Motion carried.

Lunch Break

Bill Gary motioned and Jerry Franzoy seconded to go into closed session to discuss legal matters. Motion carried. Pursuant to Section 10-15-1-h, NMSA of the New Mexico Open Meetings Act, the following topics shall be discussed in closed session:

Closed/
Open Session

Threat of Texas/NM Supreme Court Action; State ex rel. D'Antonio vs EBID (Stream Adjudication); Metering Order dispute; AWRM -LRG Basin Specific Regulations dispute; EBID vs. United States BOR, Operating Agreement/D-3 Curve and 1920 Act dispute; EBID vs. BOR No. CIV 90-95-HB, Mediation w/State Parks; Telecommunication Act and Qwest Fees Dispute; Notice of Intent to sue for flood damages; and SHIPO.

Bill Gary motioned and Tom Simpson seconded to return to open session. Motion carried by roll call vote with all members present agreeing to the motion to return to open session. During closed session the above-noted topics were discussed.

A tentative meeting is set with OSE in Albuquerque for Monday 1/15/07. The agenda is yet to be set, pending information from Steve Hernandez and Dr. King. The NM Pecan Growers Association is scheduled to meet with OSE on 12/20/06 in Albuquerque.

There being no further business, Jerry Franzoy motioned and Bill Gary seconded to adjourn the meeting. Motion carried.

Adjourn

The next meeting of the Board will be held on Wednesday, January 10, 2006

Next Meeting