

**ELEPHANT BUTTE IRRIGATION DISTRICT
BOARD OF DIRECTORS MEETING
January 11, 2006**

The monthly meeting of the Board of Directors of the Elephant Butte Irrigation District was held on Wednesday, January 11, 2006. The meeting was called to order by President James Salopek on a motion by Robert Faubion, seconded by Robert Sloan. Willie Koenig and Jerry Franzoy were absent.

Roll Call

EBID Staff present were Henry Magallanez, Engineer; Gail Norvell, Controller; EAC Co-Chairs Tom Hansen, Human Resources Director and Linda Armijo, Accounting Assistant; Ted Horner, Maintenance Chief; James Narvaez, Hydrology Director; Valerie Beversdorf and Fernie Ortiz of the Engineering Department; and Sammy Gonzalez of the Operations Department. Also present were Mariano Martinez, Dona Ana MDWCA; Jason Allen and Bud Starnes, NMSU Dept. of Ag; Elaine Socolofsky Zaley, Broker; Roberto L. Fietze and Eliza Fietze, Constituents; Richard Llanez, Constituent; Diana Alba, LCSN; Eric Fuchs, OSE; Ken Needham, Parsons Eng.; Jim Keeler and Joann Garcia, PERA and Nationwide Investments; and Marvin Tessner, LC Bulletin.

Also present were Steve Hernandez and Steve Hubert, Hubert & Hernandez, P.A and Phil King, Engineering Consultant.

Robert Faubion motioned and Robert Sloan seconded that the minutes of the December 12, 2005 Board meeting be approved. Motion carried.

Minutes Approval

Joe Nelson motioned and Robert Sloan seconded to approve the minutes of the December 12, 2005 Water Transfer Hearing.

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

Water Supply

	<u>01/01/2005</u>	<u>01/01/2006</u>
Elephant Butte	193,240	431,843
Caballo	<u>23,390</u>	<u>15,650</u>
	219,270	447,493

The Manager reported that as of the meeting date, it looked like we would be starting with 1 AF release as of now. It is anticipated that we will start delivery of water in March. The February board meeting would probably be the time to announce the opening of the irrigation season.

Items on the calendar were discussed. Dates include a meeting with staff from the OSE on LRG issues on January 12th; an operations meeting with EP#1, the BOR and Mexico to be held on January 27th; and a NADBank Utility Management Institute to be held in San Antonio, TX February 22 and 23.

Calendar

The Oath of office was read by Bill Gary, Tom Simpson, Robert Sloan and Ramon Alvarez. Certificates of Election were signed and will be forwarded to the Secretary of State.

Oath of Office

The matter of holding elections via mail-in ballot was discussed. It was decided that if other districts in the state were not interested in changing the current voting process, that we would not pursue the matter and continue holding elections as has been done in the past.

Election Procedure

The Open Meetings Act resolution 2006-01 was presented. Motion to adopt the Open Meetings Act Resolution 2006-01 was made by Bill Gary and seconded by Robert Sloan. Motion carried. Resolution 2006-01 is attached to these minutes.

Open Meetings Act

Ted Horner, Maintenance Chief, gave an update on the progress of the Maintenance Season. According to Mr. Horner, the season is moving along and we are in good shape with the jobs, but a late release date will help to get everything complete. Mr. Horner predicted that the scheduled jobs should be completed by the 1st of March.

Maintenance Update

James Narvaez, Hydrology Director gave the hydrology department report. Mr. Narvaez reported that his department is cleaning up loose ends and will have final water figures for the February meeting. He also said that his department is working on ISC task 26 which is installing RTU units on irrigation wells.

Ricardo Bejarano, Watermaster, discussed the idea of creating a third unit in the Hatch area to help with the additional work that came with metering. The northern unit irrigates 18,000 acres in the district and they feel that the added metering requirement causes them to be well behind in their timing efficiency. Henry Magallanez said that staff gauges are being installed and will help to alleviate the added work of metering. Ten of the staff gauges are already installed in the area the Engineering department hopes to have a good number installed prior to the opening of 2006 season. The Board questioned the cost of hiring two additional long-term employees vs. the cost of installation of staff gauges. Mr. Magallanez said that staff gauges cost between \$75 – \$100 for each turnout. Mr. Salopek ended the discussion by saying that the Board would take no action today and asked that Operations and Engineering come back next month with more information.

Third unit in North area

Henry Magallanez presented the following special use permits:

Special Use Permits

05-L-079 – Alfred D. Woodward; To Operate and maintain (2) existing vehicle culvert crossings on the East Drain at approximate station 452+87 and the Anthony Lateral at approximate station 60+50. Assessment, \$2,696.45, Waive Admin Fees \$1,333.33

05-L-080 – Jerry Williams; to construct, operate and maintain the installation of a new bridge crossing on the Dona Ana Outfall Channel for access to a new proposed subdivision. Assessment, \$1,654.31.

05-L-081 – Campbell's Properties; to operate and maintain a portion of the Las Cruces Lateral to be piped from May Street to Amador Avenue. Assessment, \$876.38

05-L-082 – Philip Philippou; to construct operate and maintain a new vehicle crossing on the Mesilla Lateral at approximate station 337+21. Assessment, \$1,086.09.

05-L-083 – Q-West Communication; to construct, operate and maintain a new buried communication cable crossing the Selden Lateral at approximate station 6+20. Assessment, \$1,650.15.

05-L-084 – El Paso electric; to construct, operate and maintain a new buried electric powerline crossing the Picacho Lateral at approximate station 506+72. Assessment, \$2,141.89.

05-L-085 – El Paso Electric; to construct, operate and maintain a new aerial electric powerline crossing the Picacho Lateral at approximate station 528+80. Assessment, \$2,141.89.

06-L-001 – El Paso Electric; to construct, operate and maintain a new aerial electric power line crossing the Castillo lateral at approximate station 1+90. Assessment, \$1,650.15.

Under Moratorium:

06-L-002 – Anthony Water and Sanitation; to construct, operate, and maintain a new 12” or 14” sewer line crossing and paralleling various laterals and drains to divert effluent discharge to the Rio Grande. Assessment, \$41,853.12.

05-L-074 – Dona Ana MDWCA – To construct, operate and maintain new various size water lines crossing the Shalem Drain at three locations: a 12” at station 6+80, an 8” at station 63+48, a 6 inch at station 87+50, a new 12” waterline crossing the Picacho Lateral at station # 57+90, and a new 6” water line crossing the Dona Ana Outfall Channel at (2) locations at Thorpe Road and at Elks Road. Assessment, \$19,970.38 (Less the amount for the crossing at Thorpe Road already permitted.) Request to waive all fees until blanket agreement is in place, \$19,970.38.

Total Assessments, \$54,408.10.

Henry Magallanez recommended approval of the licenses. Robert Faubion motioned and Bill Gary seconded to 05-L-079, 05-L-080, 05-L-081, 05-L-082, 05-L-083, 05-L-084, 05-L-085 and 06-L-001 approve License 05-L-073 as presented. Motion carried.

Robert Faubion motioned and Joe Nelson seconded to approve license number 06-L-002 for Anthony Water and Sanitation as presented. Motion

Mr. Magallanez discussed a water right variance application for Robert Frieze. Mr. Frieze is asking for a variance to stack four (4) acres on Salopek Road onto six (6) parcels which are less than two (2) acres each and are not contiguous in the Town of Old Mesilla. A variance is needed to stack onto flat rate parcels. Homes will be built on the four (4) acre tract and the homes will be using domestic wells that are already permitted. If they can't stack, their other options would be to sell to the City or give up the water rights. Robert Faubion motioned to accept the application. Robert Sloan seconded. Motion carried. This matter will be shown as a stacking application at the February meeting

A second stacking application request was presented for Mr. Victor Diaz and Mr. Magallanez recommended approval. Joe Nelson motioned to accept this stacking application. Bill Gary seconded. Motion carried.

Mariano Martinez of Dona Ana MDWCA came before the Board to discuss their request for a blanket agreement for their special use fees. DA MDWCA has met with District staff to formulate a blanket agreement. EBID staff is now working on legal issues. This agreement will be negotiated every five (5) years. Only water distribution lines will be covered with this agreement. Sewer lines will go on another agreement. They will be charged per one-thousand (1000) gallon units Mr. Magallanez recommend that we enter into a blanket agreement with DA MDWCA after working out the final details. Special use permits will still come before the Board for approval. Bill Gary so moved and Robert Faubion seconded the motion. Motion carried.

Following this discussion, Bill Gary motioned and Joe Nelson seconded to approve Special use permit 05-L-074 upon working out all of the legal details for the blanket agreement.

James Salopek presented Henry Magallanez with a plaque for earning of his Masters of Science in Civil Engineering from NMSU.

Plaque
Presentation

Gail Norvell, Controllor, gave the financial report for the month of December, 2005. The fact sheet is as follows: Cash in the bank totaled \$1,408,625; assessments receivable totaled \$4,081,876; and investments totaled \$1,641,456 for a grand total of \$7,131,957. This figure reflects an increase in assets of \$1,317,032 over December of 2004. Special use fees collected were \$6,089.

Financial
Report

Gail Norvell introduced Mr. Jim Keeler of Nationwide Retirement Solutions and JoAnn Garcia of PERA. Following discussion on the Nationwide 457 plan, Joe Nelson

Nationwide 457
Plan Adoption

motioned to adopt the Nationwide 457 plan. Bill Gary seconded the motion. Motion carried. Nationwide will make appointments to begin enrolling employees who wish to participate in Nationwide. Employees who are with ICMA and want to continue ICMA will be allowed to stay. All new employees will go on Nationwide if they choose to contribute to a 457 plan.

Ken Needham of Parson's Engineering discussed a proposed trip to California to tour two (2) irrigation districts that are also providing water to surface water treatment plants that are owned and operated by irrigation districts. Mr. Needham has located two districts that will host tours to EBID board members and staff for District education on policies, agreements, and operation and maintenance.

California ID
Tour

Robert Sloan motioned to send the Water Resource Committee, Gary Esslinger, Steve Hernandez and Henry Magallanez on the tour. Bill Gary seconded the motion. The tour will take place starting January 30 and ending February 2 in Modesto, California.

Robert Sloan motioned and Joe Nelson seconded that the Board break for lunch. Following lunch, Tom Simpson motioned and Robert Solon seconded that the meeting be reconvened. Motion carried.

Lunch Break

The Manager's update followed. Items discussed were as follows:

Manager's
Update

NADBank Utility Management Institute in San Antonio, TX beginning February 21 – Robert Faubion motioned and Tom Simpson seconded to send Gary Esslinger to the conference. Motion carried.

NADB Training

The Manager discussed a new reorganization of BOR. Mr. Esslinger informed the Board that Commissioner John Keyes will be gone in November of 2006 and the need to work fast to finish things while he is still the commissioner.

BOR
Reorganization

The Manager gave a Rio Grande Canalization Project meeting report. Carlos Marin is the acting Commissioner for the IBWC and there presently is no formal Senate confirmation under way that he is aware of to appoint a new commissioner.

RG
Canalization
Project

IBWC held a meeting with World Wildlife Fund, Greg Bloom from Bingaman's local office, Environmental Defense and EBID. The meeting set up a plan to fund the biological study and technical study necessary to complete the Record of Decision on the DEIS. IBWC will enter into a MOU with the Corp. of Engineers and will fund 100% of the two engineering studies.

IBWC will also enter into a MOU with EBID for technical services. IBWC is to help cost share and assist in funding for a total of \$600,000. The \$600,000 breaks down as follows: \$150,000 will go toward developing a safe harbor agreement to protect EBID water rights; \$50,000 will build a framework for IBWC to acquire surface water rights from EBID; and \$100,000 for comment and review of the Corp studies. The other \$300,000 will be for the Corp. of Engineers. It was agreed to have quarterly meetings on the status of the studies and the goal was to sign the ROD at a later date by all parties.

Recreational use of EBID facilities – The Manager reported on a letter from NM EM & NR that referenced EBID and NM EM & NR are working on insurance indemnity for state parks and adding EBID as an additional insured.

Recreations
use of EBID
Facilities

The Manager reported on the annual FFA conference in Las Vegas, NV, March 2 and 3, 2006. Robert Faubion motioned to send James Salopek, Gary Esslinger and Steve Hernandez to the conference. Motion was seconded by Joe Nelson. Motion carried.

FFA
Conference
and dues

Bill Gary motioned and Robert Sloan seconded to pay the annual FFA dues in the amount of \$2,000. Motion carried.

The Manager and staff reported on the matter of the metering order that went out by the OSE. It was estimated to cost over \$6 million to meter every well in the LRG. ISC has a reloan program that could assist farmers and staff was instructed to research the reloan program.

OSE Metering
Order

ISC funded 30 wells to demonstrate EBID's SCADA system to meter, so it may be possible to use the EBID telemetry system to tie into the Metering Program. Engineering reported that they have surveyed the majority of the wells and ½ will just need meters, ¼ will need modifications and cooling systems and the last ¼ have real problems.

EBID would be the agent to loan money or lease the meters under the ISC Loan Program. Farmers would be required to pay EBID back through their annual bill or through loans, or the District can seek legislation for money to set up complete monitoring and metering through EBID SCADA system.

Robert Sloan motioned and Bill Gary seconded to investigate all funding scenarios for metering for irrigation wells for farmers. Motion carried.

The Board recommended that legal staff send a letter to the OSE and point out the problems on the order and ask for an amendment to the metering order that would allow the meters to tie in with the EBID telemetry system.

Robert Faubion motioned and Joe Nelson 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; LRG Stream Adjudication Case, AWRM; EBID vs. United States, Operating Agreement, Amended Complaint; EBID vs. BOR No. CIV 90-95-HB, Mediation w/State Parks – Subsection I Credits; Anderson vs. EBID, Dona Ana Dam, Fillmore Dam; SHPO MOU; Hussain Temp Easement and Well Protest

Tom Simpson motioned and Bill Gary 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.

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

Adjourn

The next meeting of the Board will be held on Wednesday, February 8, 2006

Next Meeting