

SPECIAL BOARD OF DIRECTORS MEETING

August 1, 2006

A special meeting of the Board of Directors was held on Tuesday, August 3, 2006. The purpose of the meeting was to discuss End of 2006 water season, August 1st water allotment use, Internal accounting of water, and D-3 allocation process. Joe Nelson and Willie Koenig were absent. Also present were Phil King, Engineering Consultant, Steve Hernandez, Legal consultant, Richard Bejarano, Water Master, Henry Magallanez, Engineer and Gail Norvell, Controller, and constituent, Richard Llanez.

The Meeting was called to order on a motion by Robert Sloan, seconded by Tom Simpson. Motion carried.

Discussion was had on the District's D-3 proposal to the BOR and EP#1 and the fact that the BOR had added allocation in storage and carry over storage to the proposal. There had been no response to the District's July 19th letter to the BOR. Gary Esslinger and Phil King left the room to call Bert Cortez of the BOR and ask for the BOR's response to the letter. Mr. Cortez informed the board that the District's offer had been accepted.

Following discussion with Bert Cortez, the board was informed that the D-3 offer to EP#1 had been accepted. A response letter was to be faxed from Connie Rupp.

Discussion was had on the internal meeting with EBID Hydrology and Operations departments. Mr. Simpson questioned why the board was not informed of the water crisis at the July 12 meeting rather than receiving a letter less than a week later that a decision had been made to end the season early due to lack of water. Mr. Simpson asked that we have current figures at our board meetings, rather than figures for the previous month.

On a motion by Jerry Franzoy, seconded by Ramon Alvarez, the last water order date for the 2006 irrigation season was set for August 25th at 12:00 noon. EBID water released for

delivery will be based on the "ready date" provided by the farmer. Orders will be based on staggered releases. The motion was unanimously passed by the Board.

Constituent Richard Llanez asked about the conserved water pool and water for sale. He was told that the only thing he could do would be to transfer from another farm as there was no water available for sale.

During this meeting, a rain event in the El Paso area caused major flooding and the District was called and asked if we could shut off our orders. This was granted.

Tom Simpson motioned and Robert Faubion seconded to send a sympathy card to the Gary Shiflett family on the loss of their daughter in an automobile accident. Motion carried.

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

James Salopek, President

Robert Sloan, Vice-President

This announcement was mailed to all constituents:

Elephant Butte Irrigation District Last Water Order Date Announcement

August 1, 2006

At a special meeting of the EBID Board of Directors held on August 1, 2006, the end of the 2006 irrigation season was discussed.

On a motion by Jerry Franzoy, seconded by Ramon Alvarez, the last water order date for the 2006 irrigation season was set for August 25th at 12:00 noon. EBID water released for delivery will be based on the "ready date" provided by the farmer. Orders will be based on staggered releases. The motion was unanimously passed by the Board.

The "ready date" for orders placed shall be no later than August 31st. Releases for water will be made according to the "ready date" order demand.

This final water order date is based on the water remaining in the District's allocation as of the date of the meeting. The last water order date could be extended if the current weather pattern remains in place for a longer period of time.

Due to the short supply of water, conserved water is not available for purchase, as originally indicated. Water must be transferred or purchased from other EBID constituents accounts.