

SPECIAL BOARD OF DIRECTORS MEETING

September 21, 2005

A special meeting of the Board of Directors was held on Wednesday, September 21, 2005 for the purpose of setting the FY 2005-2006 budget. All members were present at this meeting.

1. Call to Order. The Meeting was called to order on a motion by Tom Simpson, seconded by Robert Sloan.
2. Fiscal Year 2005-2006 Budget. Several options for raising the rates for the tax on water righted acres were discussed. The Board was looking for the right amount of increase in order to cover operating expenses and allow the District to begin recouping its reserve that was depleted due to the drought and the fact that the rates had not been raised in several years.

After much discussion, Bill Gary moved and Joe Nelson seconded to increase the assessment from \$50 per acre to \$65 per acre. There would be no charge for the first acre foot, if available. A reserve charge of \$10 per acre foot would be charged for available water above the first foot. Motion carried.

It was decided to hold growers meetings to let the farmers know what to expect with the new billing.

The Board asked that the Manager look into the idea of doing more spraying and less mowing in the canals and drains.

The Public Employee Retirement Association retirement plan was also included in the budget and pending DFA approval will take effect on November 1, 2005.

3. Procurement/Funding Options.

Representatives of the State National Bank (SNB) made a presentation on assisting the District with financing to purchase computer software, consulting fees and the possible purchase of the building located at 525 S. Melendres. This building, if purchased, would be used to house the growing Hydrology Department. SNB will initiate the appraisal if the District should choose SNB for the financing.

Representatives from the Bank of the West (BOW) made their presentation for assistance in the District's financing to purchase computer software, consulting fees and the possible purchase of the building located at 525 S. Melendres. BOW would finance at terms agreeable with the District with variable interest rates based on prime which could be changed while working up the best package for the District.

Following the bank presentations, Ms. Norvell discussed the option of using the District's Local Improvement District (LID) fund for a portion of the financing. The funds would be formally borrowed from the LID at a rate of 2.5% for a one-year term through a signed promissory note.

4. RFP 2005-01A – Water Resource Information System.

RFP – 2005-01 A Water Resource Information System agreement to be entered into between EBID and CH2MHill. Price for the contract is \$300,000. This system will provide data to record flow and headings and will tie the same into the District's SCADA system. When this system is in place, ditchriders will no longer be metering turnouts and headings. The District's meters must be on the internet by March of 2006.

5. RFP 2005-03 – Design and Implementation of a Comprehensive Hydrologic Data Management System. This RFP is for a professional services contract to do the design and implementation of the system. Cost of this contract is \$100,000.

Following discussion on the two RFPs, Bill Gary motioned and Robert Faubion seconded to approve the purchase of the software and the hiring the consultant for a total cost of \$400,000 and to approve the purchase of the building at 525 S. Melendres at or below the appraisal. Motion carried.

The funding for RFP 2005-03 will be from the LID fund. The funding for RFP 2005-01A will be through bank financing. The funding for the building will be through bank financing. The Manager will have the authority to make decisions on the most advantageous offer from the banks that proposed financing and has authority to sign all appropriate loan documents.

6. The Board discussed an idea from Jerry Franzoy of splitting the payment of fees; i.e., part when the bills go out and the rest prior to the start of the water season. Staff and management will look into this option to see if it is feasible and can be worked into the District's billing program.

7. Resolution Adoption. Two resolutions were presented. The first resolution (EBID Resolution No. 2005-02) was for the adoption of the budget for FY 11/01/05 to 10/31/06.

The second was a resolution approving Affiliation with the Public Employees Retirement Association and Participation in Municipal General Member Coverage Plan 1 (EBID Resolution No. 2005-03). This resolution allows EBID to be an affiliated public employer as provided for in the Public Employees Retirement Act, and that PERA be adopted as the retirement plan for employees of the Elephant Butte Irrigation District.

Bill Gary motioned to adopt both the resolution approving the FY 2005-06 Budget and the resolution adopting PERA as the District's retirement plan. Jerry Franzoy seconded the motion. Motion carried.

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