

SPECIAL BOARD OF DIRECTORS MEETING

October 12, 2006

A special meeting of the Board of Directors was held on Thursday, October 12, 2006. The Meeting was held in the ISC offices in Albuquerque. Attending the meeting were James Salopek, Joe Nelson, Robert Faubion, Bill Gary and Willie Koenig. Jerry Franzoy, Tom Simpson, Robert Sloan and Ramon Alvarez were absent. Also attending for EBID were Gary Esslinger, Henry Magallanez, Phil King, Steve Hubert and Steve Hernandez. The purpose of the meeting was to discuss the following topics:

- Update on operating agreement negotiations (EBID)
- Report on State Engineer Meeting with State of Texas (OSE)
- Discussion of OSE draft Offer of Judgment to EBID
- Discussion of letter from Connie Rupp to State Engineer concerning PBU
- Discussion of status of LRG District – Specific Regulations
 - Review of OSE Written comments to LRG Water Users Organization

The Meeting was called to order on a motion by Bill Gary, seconded by Robert Faubion. Motion carried.

Willie Koenig motioned and Joe Nelson seconded to go into closed session to discuss the above-noted topics. Motion carried. Following closed session discussion, Joe Nelson motioned and Robert Faubion seconded to return to open session.

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

James Salopek, President

Robert Sloan, Vice-President