

SPECIAL BOARD OF DIRECTORS MEETING

October 17, 2006

A special meeting of the Board of Directors was held on Tuesday, October 17, 2006. James Salopek, Robert Faubion, Willie Koenig, Tom Simpson, Bill Gary, and Robert Sloan were present. Jerry Franzoy and Joe Nelson were absent.

The purpose of the meeting was to discuss the following topics:

- FY 2006-07 Budget
- Excess Mesilla Drain, Nelson Clayshulte
- Closed session to discuss LRG Stream Adjudication Case: AWRM, Metering Order and offer of Judgment

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

Henry Magallanez presented a request to excess portion land of the Mesilla Drain from Nelson Clayshulte. Mr. Clayshulte is putting in a cluster development and asked for the portion of the drain to incorporate into his development. The Board discussed the matter and Robert Faubion motioned to proceed with the process to evaluate to possibility to excess portion of the Mesilla drain. Tom Simpson seconded the motion. Motion carried. The matter will be brought before the board at a future meeting after further study and or action.

Gail Norvell presented the FY 2006-2007 budget for discussion. After going over the proposed budget, Tom Simpson motioned that the FY 2006-2007 budget be approved as presented. Robert Faubion seconded. Motion carried.

There being no further business, Robert Faubion motioned and Robert Sloan seconded to go into closed session. Motion carried. Following closed session, Robert Faubion motioned and Willie Koenig seconded to return to open session. Motion carried. During Closed session, the matter of the LRG Stream Adjudication Case, AWRM; Metering Order and Offer of Judgment was discussed.

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

James Salopek, President

Robert Sloan, Vice-President
