

**ELEPHANT BUTTE IRRIGATION DISTRICT
BOARD OF DIRECTORS MEETING
December 10, 2008**

The monthly meeting of the Board of Directors of the Elephant Butte Irrigation District was held on Wednesday, December 10, 2008. The meeting was called to order by President James Salopek on a motion by Bill Gary, seconded by Jerry Franzoy. Motion carried. Board members in attendance are James Salopek, Robert Faubion, Bill Gary, Jerry Franzoy, Tom Simpson, Willie Koenig, Robert Sloan, Ramon Alvarez and Joe Nelson.

Roll Call

EBID personnel present were Gail Norvell, Controller; James Narvaez, Hydrology Director; Valerie Beversdorf, Computer Resources Director; and Henry Magallanez, Engineer, Dr. Fernando Cadena and Linda Armijo from the Engineering Department.

Also present are Michael Walsh, and Jeffrey O'Hara of Chicago Climate Change; Lee Brown of H2O Economics; Hilary Brinegar of NMDA; Beth Bardwell of WWF; Fernie Ortiz of CLC; Dr. Thomas Maddock, III Hydrology Consultant; Calvin Chavez of OSE; Marvin Tessneer of the Bulletin; Steve Hernandez, Stephen Hubert & Lee Peters of Hubert & Hernandez, P.A; Phil King, Hydrology Consultant.

The water supply outlook was presented. The storage totals on December 1, 2008 with a comparison for last year are as follows:

Water Supply

	<u>12/01/2007</u>	<u>12/01/2008</u>
Elephant Butte	352,020	597,750
Caballo	22,160	19,830
	<u>374,180</u>	<u>617,580</u>

Items on the calendar were discussed. Dates include: OSE will be here today at 1:00 PM during closed session; Sierra County Flood Commission on 12/11/08; Stakeholders Collaborative meeting with WWF on 12/16/08; EP#1 meeting concerning the Montoya Drain on 12/17/08; EBID Winter shutdown at noon 12/24/08 thru 1/4/09.

Calendar of Events

The next meeting of the Board of Directors will be held on Wednesday, January 14, 2009.

Beth Bardwell gave a presentation on the WWF Collaborative Project. On Tuesday, December 16, 2008 a Stakeholders meeting will be held at the offices of EBID. The purpose of the meeting is for stakeholders to provide input and comments to the Corps conceptual restoration plan for a 105 mile reach of the Rio Grande. In June 2004 Commissioner Duran of IBWC issues the final EIS and ROD. EBID and WWF oppose IBWC's preferred alternative. Unresolved issues on the EIS are: taking Senior water rights; increase flood risks; decrease efficiency of water deliveries; bring down the hammer of the ESA. In 2005 EBID and WWF submitted a proposal for collaborative investigation to better integrate irrigation deliveries, flood protection and habitat enhancement. The collaborative effort and objectives are to share information with stakeholders in 3 separate meetings and submit joint recommended language for ROD to IBWC. The Conceptual Restoration Plan is a conceptual plan. Before implementation there will be a detailed site plan and data collection to include location of sites, target habitats, prescription for restoration, a water budget and a cost estimate. There will be a total of 30 sites totaling 553 acres in the plan.

WWF Status of Collaborative Project

Lee Brown presented the Chicago Climate Change to the board. Gov. Richardson has funded the Chicago Climate Change to see if there is a possibility of a water exchange in the state of NM. It is a study in the beginning stages and will be done to discover a potential water basin in NM. Chicago Climate Change operates around the world in trading commodities of all sorts. Mike Walsh explained the value of using a more organized mechanism for open trading. The value of the program is that it is an organized commodity market, low cost and valuable to use. This is an electronic exchange process. An advisory committee currently exists which includes the OSE, IBWC, PNM, UNM, Intel, Middle Rio Grande, as well as stakeholders and others. Chicago Climate Change recommends that a pilot program can be implemented and expect that may occur in the next six months. Alternative energies can be developed through this exchange as well. Credits can be received by displacing emissions, which is occurring currently thru the program. The Mimbres basin is currently involved in a program with David Berkshire that is an auction process. There is a lot of favorable circumstance in the state of NM, but the key is to start small. Chicago Climate Change is not a broker firm, but an exchange. They do not take title, or buy or sell.

Chicago Climate change

Henry Magallanez presented the Special Use Permits for the month December, 2008 as follows:

Special Use Permits

Under Moratorium

- 08-L-061 – ISC; To operate, maintain and/or construct various monitoring wells at various locations within the district boundaries. Assessment, N/A.

Non-Moratorium

- 08-L-060 – El Paso Electric – To construct, operate and maintain an existing electric power line crossing the Garfield Drain and to replace existing poles with new poles at approximate station 140+00. Assessment, \$3,416.67.

Jerry Franzoy motioned and Robert Faubion seconded to approve the special use

permits as presented. Motion carried.

Total Assessments For All Permits	\$3,416.67
Total Fees Requested To Be Waived	<u>\$3,416.67</u>
	\$ 0.00

Leo Barrett, Maintenance Project Director, was not present at the meeting and no report was provided for the Maintenance Department for December.

Maintenance Update

James Narvaez and Phil King gave the Operations and Hydrology reports for the month of December.

Hydrology Report

James Narvaez reported that he is working on the final BOR charges for 2008, as well as 2007. EBID used 329,294 ac/ft. in the year. Dr. King reports 145,000 ac/ft allocation as of 12/1/08, with 60% conveyance over 90,640 acres amounts to approximately 1 acre foot. EBID farmers have the impression EBID has a lot of water at this point in time. There is a combined storage of 625,000 ac/ft, with 604,000 in Elephant Butte Lake and 20,000 in Caballo Reservoir, and 65,500 Rio Grande Compact credit water, 28,000 San Juan Chama water and available for release is approximately 531,000 ac/ft. The carryover for El Paso #1 is 233,000 which is the maximum amount. EBID used about 55% of US District water and El Paso #1 used about 45%. The articles in the newspapers indicate there is a lot of water, and EBID needs to prepare a press release to clarify this information. Snowpack is behind normal and behind last year, and it is too early in the season to predict the outcome at this date and an accurate forecast will be available in January, 2009. Dr. King advises a proper allocation at the beginning of the irrigation season, starting with an allocation of 1 acre foot to begin the 2009 irrigation season.

Valerie Beversdorf, CRGIS Manager, said she had no department report for this month.

CRGIS Update

Gail Norvell, Controller, gave the report for her department:

Controller Report

The Financial Fact Sheet for the month of November, 2008 is as follows: Cash in the bank totaled \$498,002; assessments receivable totaled \$6,872,767; and investments totaled \$2,121,925 for a grand total of \$9,581,694. This amount reflects a decrease in assets of \$(60,253) over November, 2007. No extraordinary costs were presented. Extraordinary receipts were: Special use fees \$50. Also presented was the draft financial statement for October, 2008.

Financial Report

Representatives from Verizon Wireless presented a proposal for wireless services and equipment under the State of New Mexico and WSCA. Summaries of current EBID cell phone minutes usage was included for information and proposal for Verizon rate plans, including mobile to mobile, nights and weekends and equipment options. The presentation included the Verizon coverage areas, reliability of service and contract terms including equipment upgrades, setup and training for new equipment and account management. Verizon will provide demo cell phones to EBID to test the service areas and connection issues, particularly in the Hatch area. No changes in cell phone numbers will be necessary if the move is made to Verizon.

Cell Phone Proposal

Gail presented the Contract renewal for Pressure Sensors with Instrumentation Northwest. Joe Nelson made a motion and Jerry Franzoy seconded the motion to approve the contract renewal. Motion carried.

Pressure Sensor Contract

Gail presented the Contract renewal for Radio Telemetry Units. The Contract renewal includes price reductions for equipment. Jerry Franzoy made a motion and Bill Gary seconded the motion to approve the contract renewal. Motion carried.

RTU Contract

Gail presented the Contract renewal/extension for IT Professional services for Dave Nelson until June 30, 2009. Bill Gary made a motion and Jerry Franzoy seconded the motion to approve the renewal and extension. Motion carried.

IT Professional Services Contract

Gail presented the board with historical and average fuel prices in the state of NM as well as the local region. Based on the information provided and the current fuel prices, the board determined that a change in the vehicle allowance is warranted. Tom Simpson motions and Jerry Franzoy seconds to reduce the vehicle allowance on a bi-weekly basis by \$100.00 at the current time. A monthly review of the fuel prices will be conducted and monitored by the board.

Vehicle Business Expense

Linda Armijo gave an update for the Employee Advisory Committee. EAC employee representatives have obtained approval from their staff and middle managers to serve an additional year on the committee. The EAC will be meeting in January, 2009 to review the EAC bylaws and being work on projects for the new fiscal year.

EAC Update

Gary Esslinger gave the Manager's report. Topics discussed were as follows:

Manager's Report

President Bush has appointed Bill Ruth as the U.S. Commissioner of the IBWC to replace Carlos Marin.

President Appoints Commissioner

The NWRA Leadership forum January 6-7, 2009 will be held in Phoenix, AZ. Gary Esslinger and Steve Hernandez will attend the conference. Bill Gary motioned and Jerry Franzoy seconded the motion to approve attendance at the forum. Motion carried.

NWRA Leadership Forum

Steve Hernandez gave the legal update. The following topics were discussed:

Legal Update

- LRR 297 – Migratory Bird Act - Steve Hernandez says there are 1,000 pages on regulations of birds and states that EBID is protected. Beverly Singleman is working

on the project and has completed her report. This LRR is closed.

- LRR 300 – Claus Shuerman - Josh Smith has not clarified the status of this matter but EBID should be cleared of any wrong doing. This LRR remains open until legal can clarify the status.
- LRR 302 – City of El Paso – Montoya Drain – A meeting is scheduled on 12/17/08 in El Paso. Henry Magallanez indicates there is a construction meeting scheduled in January, 2009 with NMDOT. There will be a uniform permit process with El Paso PSB. The volume of water under the permit has been exceeded. There is consideration to sale of the drain which would resolve the issues and provide revenues. This LRR remains open.
- LRR 303 – Hatch easement – Hatch hired an engineering firm to survey the Placitas arroyo and the process can continue when the survey is completed. LRR is closed.
- LRR 304 – Lions Gate – Steve Hernandez is currently working on this issue. LRR is open.
- LRR 308 – Garfield Dam JPA – Lee Peters has a meeting scheduled 12/17/08 and is working on a MOU. LRR is open.
- LRR 318 – Section 7 Consultation agreement. Robert Faubion motioned and Ramon Alvarez seconded the motion to approve the agreement. Motion carried. This LRR is closed.

Tom Simpson motioned and Robert Sloan seconded to recess to lunch. Motion carried.

Bill Gary motioned and Robert Sloan 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:

Open/Closed
Session

- State ex. rel. D'Antonio vs. EBID (Stream Adjudication)
- AWRM Amicus Appeal Brief
- EBID vs. United States BOR; (U.S. Dist. Ct NM) No. CIV 00-1309
- EBID vs. United States BOR and N.M. St. Parks (U.S. Dist. Ct. NM)
- Qwest vs. EBID, 07-CIV-163 (LRR 289)
- Intervention on Parasol Dairy NMED Permit (LRR 289)

Robert Sloan motioned and Willie Koenig seconded to return to open session.

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

Adjourn