

**MINUTES OF THE  
2148<sup>th</sup> REGULAR MEETING  
OF THE  
BOARD OF DIRECTORS OF THE  
MIDDLE RIO GRANDE CONSERVANCY DISTRICT  
MAY 20, 2019**

Directors having been duly notified, Chairman Duggins called the regular meeting to order at 3:00 pm at the MRGCD General Office. The following Directors and Staff were present:

**DIRECTORS**

Glen Duggins	Chairman
John Kelly	Vice Chair
Karen Dunning	Director
Joaquin Baca	Director
Beverly Romero	Director
Valerie Moore	Director
Michael T. Sandoval	Director

**STAFF**

Mike Hamman	Chief Engineer/CEO
Dr. DuMars	Chief Water Counsel
Patty Williams	General Counsel
David M. Fergeson	Secretary-Treasurer
Jeanette Bustamante	Administrative Officer/CPO
David Gensler	Water Operations Manager
Becky Burnham	Budget Analyst
Alicia Lopez	Engineer 1
DeAnna Philips	GIS Technician
Yasmeen Najmi	Planner/RRA
Christine Nardi	Human Resource Director
Jason Casuga	Engineer Manager
Joe Brem	Albuquerque Division Manager
Rebecca Thompson	Assessment Clerk II
Doug Strech	GIS Manager

The following names of individuals were interested viewers and/or participants:

Brain Wahlin, West Consultants	Susan Navarro-Cordova, FCNM
Jeff Willis, AMAFCA	Viola Sanchez, BIA
Larissa Gordon, FCNM	

**AGENDA ITEM NO. 1 – PLEDGE OF ALLEGIANCE**

Director Michael Sandoval led the Pledge of Allegiance.

Chairman Duggins welcomed the guests and declared a quorum.

**AGENDA ITEM NO. 2 – APPROVAL OF THE MRGCD BOARD MEETING AGENDA**

It was requested that Agenda Item 11.c. be combined with Agenda Item 8.b. since they are both are topics of a Report from the Finance Committee, albeit different dates.

Director Romero made the **MOTION TO APPROVE THE MEETING AGENDA**. Director Dunning seconded the motion. The **MOTION CARRIED** unanimously.

**AGENDA ITEM NO. 3 – APPROVAL OF MRGCD PAYMENT RATIFICATION AND ATTORNEY INVOICES****a. Consideration/Approval of Payment Ratification for May 20, 2019**

No discussion or comments regarding the May 20, 2019, Payment Ratification.

Director Moore made the **MOTION TO APPROVE THE MRGCD PAYMENT RATIFICATION FOR MAY 20, 2019**. Vice-Chair Kelly seconded the motion. The **MOTION CARRIED** unanimously.

**b. Consideration/Approval of March 2019 Invoice for Law & Resource Planning Associates**

No discussion or comments ensued regarding the March 2019 Invoice for Law & Resource Planning Associates.

Director Moore made the **MOTION TO APPROVE THE MARCH 2019 INVOICE FOR LAW & RESOURCE PLANNING ASSOCIATES**. Director Dunning seconded the motion. The **MOTION CARRIED** unanimously.

**c. Consideration/Approval of April 2019 Invoice for Law & Resource Planning Associates**

No discussion or comments ensued regarding the April 2019 Invoice for Law & Resource Planning Associates.

Director Moore made the **MOTION TO APPROVE THE APRIL 2019 INVOICE FOR LAW & RESOURCE PLANNING ASSOCIATES**. Director Baca seconded the motion. The **MOTION CARRIED** unanimously.

**d. Consideration/Approval of April 2019 Invoice for Wiggins, Williams & Wiggins**

No discussion or comments ensued regarding the April 2019 Invoice for Wiggins, Williams & Wiggins.

Director Sandoval made the **MOTION TO APPROVE THE APRIL 2019 INVOICE FOR WIGGINS, WILLIAMS & WIGGINS**. Director Baca seconded the motion. The **MOTION CARRIED** unanimously.

**AGENDA ITEM NO. 4 – APPROVAL OF MRGCD MEETING MINUTES**

**a. Consideration/Approval of Minutes for Regular Board Meeting - April 8, 2019**

Since Directors Dunning and Kelly were absent from the April 8<sup>th</sup> Board Meeting, they will abstain from the vote. Director Dunning also gave a shout-out to Christy for personally visiting employee's homes to assist with insurance when involved in an accident. Director Dunning also encouraged participation in the accidental insurance coverage that MRGCD offers its employees.

Director Moore made the **MOTION TO APPROVE THE MEETING MINUTES FOR THE REGULAR BOARD MEETING, APRIL 8, 2019**. Director Baca seconded the motion. The **MOTION CARRIED (with Directors Dunning and Kelly abstaining)**.

**AGENDA ITEM NO. 5 – PRESENTATION OF FINAL INFRASTRUCTURE & VULNERABILITY ASSESSMENT REPORT (MRGCD Drought Contingency Plan) - Brian Wahlin, West Consultants**

Brian Wahlin presented the Vulnerability and Infrastructure Assessments of the Drought Contingency Plan. They went back through historical records to find the worst drought periods. They also looked at global climate change models and future predictions of temperature and precipitation. The conclusions that came out of it were that there were more severe droughts in the past (back to 1621) and that climate change is projected to increase the frequency, intensity, and duration of droughts in MRGCD. Mr. Wahlin went on to discuss what West Consultants did to assess and evaluate the current status of District facilities from the standpoint of drought resiliency. He suggested additional measures the District can take that were already in the long-term infrastructure planning efforts of the District such as re-regulation reservoirs and significant system upgrades to improve real time farm demand deliveries.

Mike Hamman provided some clarity on the Water Smart program. In order for MRGCD to qualify for future water resiliency grants, MRGCD must have a detailed Drought Contingency Plan. This is the first step in getting the process underway to qualify for future infrastructure money, Farm Bill money, etc.

Chuck DuMars noted that because of the City of Albuquerque's activities, the water table is going up. He encouraged constant water conservation. He also noted how serious the Bureau of Reclamation is now about drought contingency planning. Dr. DuMars believes MRGCD is ahead of the curve.

There was extensive discussion with Board Members, Mike Hamman, Chuck DuMars, and David Gensler, adding their opinions and asking questions.

#### **AGENDA ITEM NO. 6 – ITEMS FROM THE FLOOR (Comments are held to six (6) minutes)**

There were no public comments at today's meeting.

#### **AGENDA ITEM NO. 7 – REPORT(S) FROM THE U.S. DEPARTMENT OF THE INTERIOR**

##### **a. U.S. Bureau of Reclamation – Ms. Jennifer Faler, Area Manager**

Ms. Faler was not in attendance of today's meeting.

##### **b. U.S. Bureau of Indian Affairs – Ms. Viola Sanchez, Designated Engineer (DE)**

Viola Sanchez reported that the May 1<sup>st</sup> forecast was in, and they are storing the minimum amount that is generated for storage, which is 13,845-acre feet plus other 500-acre feet for evaporation. Runoff is covering the water supply through the end of July.

Water was stored during Article VII restrictions when the snowpack was unknown.

Regarding water ops, they are also working on the proposed title transfer from Reclamation back to the District. The pueblos are supportive overall of the title transfer; however, they want more detail. They will be looking at the checkerboarded areas, which are the boundaries of the pueblos. They are trying to coordinate with counties and the assessors of three counties to make sure everyone has the same records, which would form the language that would support the title transfer. So, they are working the legal side and the technical side and trying to expedite it as much as possible.

Vice Chair Kelly added that MRGCD and BIA have been working for years on the title transfer to put MRGCD in a better position on multiple Corps of Engineer levee projects that are not on pueblo property. Vice Chair Kelly reminded Ms. Sanchez that one of the biggest levee projects is in Bernalillo County. Ms. Sanchez added that she does not think that everything has to be figured out before we move forward

Director Dunning asked if some of the disputed areas were under litigation. Ms. Sanchez responded that there have been some that are under litigation. Director Dunning clarified that she meant that maybe the language could be more general.

Regarding budget, Viola Sanchez reported that they have a budget for next year, and there is enough to pay MRGCD. Mike Hamman had mentioned earlier that MRGCD may be looking into the second payment method under the contract that would allow more money to be paid to MRGCD. She asked that she be given the information so that she can the paperwork and send it.

They are also starting on the new O&M contract, which doesn't expire until February of 2021. She is going to exercise the fifth-year option, which would cover until February of 2021. Ms. Sanchez reported that they are looking into everything out there and establishing whose responsibility everything is once and for all.

## **AGENDA ITEM NO. 8 – REVIEW AND DISCUSSION AND APPROVAL OF THE MRGCD FY20 BUDGET**

### **a. Review and Discussion and Approval of the FY20 Budget - David M. Ferguson, Secretary/Treasurer**

This year is the third year in a row that MRGCD has had a balanced budget. The budget shows a slight surplus of about \$48,000. Revenues are \$23.2M, and the expenditures are \$23.15M. The budget has stayed flat compared to prior years. This budget was presented to the finance committee on May 3<sup>rd</sup>, with the final budget being discussed with the finance committee at today's meeting.

This year's budget does not reflect an increase in the ad valorem, which makes up about 80% of the budget. Water service charge of \$43 that was approved last May went into effect January 2019, which is also reflected in this year's budget. Mr. Ferguson is recommending a 1.9% increase in water service charge, effective January 1, 2020, which would affect the budget in June of 2021. Interest income is up at 2.5%.

Expenditures remain pretty much flat. Salaries and benefits are up \$253,000, but that includes a 2% COLA and the extra increase in healthcare costs and a .25% increase of the PERA contribution. There is an expected increase in the worker's comp rate, which was built into the budget. There is nothing planned in this year's budget for capital outlay. There is a current request of \$4-million. MRGCD could spend \$4M and still need another \$10M to get all equipment changed out that is part of the aging fleet.

Chairman Duggins asked if every salaried position of MRGCD is taken into consideration when calculating the budget. Mr. Ferguson responded that every position's salary is taken into consideration as if it is filled; however, on unfilled position, they will try to project how long it has been unfilled and how long it will take to fill it. Just prior to finalizing the budget, they will go back and take one last look at the filled/unfilled positions and adjust the number. We also go

back and look at every benefit rate to be sure they are capturing the correct benefit rate, i.e., individual rates versus family rates.

Director Dunning clarified by adding that if there will be extra money in the budget, it is more than likely going to come from extra revenue than anything else because Mr. Fergeson is conservative on his projected numbers. Mr. Fergeson agreed that they do take a conservative approach on what counties are sending to MRGCD, but MRGCD hopes to collect more. On the salary side, however, we always have vacancy savings. Mike Hamman added that a large part of the budget is the actual salary and benefits. There are two major factors in accurately predicting the budget: ad valorem revenues and then salary and benefits.

**b. MRGCD Finance Committee Report 05-03-19 - Directors Kelly, Moore, and Romero**

Agenda Item 11.c, which is also Finance Committee Report but dated 5-20-19, has been added to this section with a change in the agenda, noted in above Agenda Item 2.

Vice Chair Kelly reported the finance committee had two meetings with Dave Fergeson, Mike Hamman, and Becky Burnham, on May 3<sup>rd</sup>, this budget was very well put together at their first round. Two years ago, the budget resolution laid out the plan to restore the assessment back up to 5 mils for residential property. This budget does not include another \$3 increase in the Water Service Charge, but it includes the increase that was approved in last year's budget that goes into effect in January 2019. Included was recommendation to increase the Water Service Charge by the CPI. So, that broad direction has been reached.

The Board took separate action to approve the cost of living allowance, which has been built into the budget. There is a big list of equipment that needs to be looked at. In the interest of keeping the budget where it was, at a balanced deal with some unknowns about Valencia County assessment and some other things, Mr. Fergeson came in with a budget that meets MRGCD's needs. It might be a little shy in the capital deal, but there will be some salary savings going into the end of this year's budget. Overall, the finance committee finds this budget in line with more broad direction from the Board Meetings, are more detailed direction during the finance committee meetings, and they do recommend approval of this budget.

Director Dunning made the **MOTION TO APPROVE THE MRGCD FINANCE COMMITTEE REPORT, 05-03-19**. Director Baca seconded the motion. The **MOTION CARRIED** unanimously.

Director Dunning made the **MOTION TO APPROVE THE MRGCD FINANCE COMMITTEE REPORT, 05-20-19**. Director Baca seconded the motion. The **MOTION CARRIED** unanimously.

**c. Consideration/Approval of FY20 Budget Resolution BA-05-20-19-77 - David M. Fergeson, Secretary/Treasurer**

**RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE MIDDLE RIO GRANDE CONSERVANCY DISTRICT  
BUDGET ADOPTION FISCAL YEAR 07-01-19 TO 06-30-20**

**Resolution No. BA-05-20-19-77**

**WHEREAS**, the staff of the Middle Rio Grande Conservancy District, State of New Mexico (the "District"), has prepared a budget for fiscal year 2019/2020; and

**WHEREAS**, said budget was developed on the basis of need following consultation with all departments, department supervisors and the Finance Committee of the Board of Directors; and

**WHEREAS**, the Board of Directors, being the Governing Body of the District, discussed and evaluated the budget at a regular meeting held on May 20, 2019; and

**WHEREAS**, the Board of Directors has determined that the assessed property tax mill rates will remain unchanged for the fiscal year 2019/2020 budget, and

**WHEREAS**, the Water Service Charge provided for under Section 73-18-8.1 (C) NMSA 1978 provides for the District to increase the Water Service Charge by a parity index or a cost of living index at year end which the District implemented beginning with FY 2015, and

**WHEREAS**, the District has increased the Water Service Charge annually in recent years to the current charge of \$43.00 per acre to bring it more in line with the cost of living increases that have occurred since 1995, and

**WHEREAS**, the unadjusted cost of living index for the period ending December 31, 2018 was 1.9%, the staff and Finance Committee has recommended, in accordance with Resolution M-05-22-17-150 approved by the Board of Directors on May 22, 2017, increasing the Water Service Charge by \$.82 to \$ 43.82 per acre effective for the 2020 calendar year.

**NOW, THEREFORE, BE IT RESOLVED**, that the Board of Directors, being the Governing Body of the Middle Rio Grande Conservancy District, hereby adopts the fiscal year 2019/2020 budget as presented, and directs the Chief Executive Officer and Treasurer of the District to request approval from the Local Government Division of the Department of Finance and Administration with mill rates of 5.0893 mills for Residential Property and 6.3334 mills for Non-residential Property (unchanged from fiscal year 2018/2019) but with an increase in the Water Service Charge to \$ 43.82 per acre to be effective January 1, 2020.

**PASSED, APPROVED AND ADOPTED this 20th day of May, 2019.**

**MIDDLE RIO GRANDE CONSERVANCY DISTRICT**

\_\_\_\_\_  
Glen Duggins, Chairman of the Board

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John Kelly, Vice-Chairman

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Joaquin Baca, Director

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Karen Dunning, Director

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Valerie Moore, Director

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Michael T. Sandoval, Director

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Beverly Romero, Director

**ATTEST:**

\_\_\_\_\_  
David M. Ferguson, Secretary/Treasurer

Director Dunning made the **MOTION TO APPROVE THE FY20 BUDGET RESOLUTION BA-05-20-19-77**. Director Baca seconded the motion. The **MOTION CARRIED** unanimously.

**d. Discussion and Concurrence of 3<sup>rd</sup> Quarter Financials - David M. Fergeson, Secretary/Treasurer**

David Fergeson explained the third quarter (March 31, 2019) financial reports. On the Budget to Actual report \$9.6 M in revenues remains to be received and \$6.8 M remains for expenditures. On the FY 18 to FY 19 comparison, there is an increase in revenues and expenses, which is largely due to the Corps of Engineers payment and the funds received to date on the loan from the NM Finance Authority which are currently between \$2.2 M to \$2.3 M.

Vice Chair Kelly made the **MOTION TO APPROVE THE 3<sup>RD</sup> QUARTER FINANCIALS**. Director Moore seconded the motion. The **MOTION CARRIED** unanimously.

David Fergeson reported that at this point, MRGCD has about \$750,000 projected salaries and a little over \$230,000 to \$240,000 in other savings. The recommendation from Mr. Fergeson and the finance committee is to take approximately \$500,000 of those savings (assuming the revenue flow continue to come in as needed) and use it for equipment purchases that were not allowed in the FY20 budget. The rest of the savings would then be applied to capital reserve fund for potential use later.

Vice Chair Kelly reminded everyone that a year ago, they reserved a budget surplus of about \$400,000, which was not spent on equipment. With that plus approximately \$500,000 now, that will put approximately \$1M in the capital reserve fund.

8d

Middle Rio Grande Conservancy District  
 Third Quarter Budget to Actual  
 For Fiscal Year 2019  
 (Unaudited)

Revenues	Budget	Revenues Recognized	Encumbrances	Remaining Budget
Ad Valorem	19,821,770	11,540,542	-	7,281,228
Water Service Charge	2,150,420	1,753,040	-	397,380
Ad Valorem Interest	216,000	146,747	-	69,253
Water Bank Fee	400,000	287,141	-	112,859
Contract with Federal Government	150,000	252,079	-	(102,079)
Contract with Federal Government	721,843	541,383	-	180,460
Contract with Local Government	293,097	-	-	293,097
Operation and Capital Grants	2,700,000	1,392,374	-	1,307,626
Other	198,500	118,936	-	80,164
<b>Total Revenue</b>	<b>25,651,630</b>	<b>16,091,642</b>	<b>-</b>	<b>9,619,988</b>

Expenses	Budget	Expenses Recognized	Encumbrances	Remaining Budget
Personnel Services	9,347,318	6,391,909	-	2,922,521
Employee Benefits	\$ 4,086,020	\$ 2,777,901	\$ 60,189	\$ 1,272,318
Employee Costs	211,960	103,497	35,280	72,299
Services	1,612,670	939,993	201,346	345,822
General & Administrative Expenses	591,609	193,717	74,920	352,147
Technology & Communication	375,823	228,794	23,440	129,662
Bank and Other Fees	22,500	16,868	-	4,725
Ad Valorem Collection Fee	369,500	241,850	-	127,650
Debt Payments	7,800	362,189	-	80,999
Utilities	109,350	75,874	-	31,395
Facility O & M	349,550	360,993	3,632	30,207
Division Expense	347,500	317,165	96,269	79,011
Vehicle & Equipment O&M	1,318,995	891,043	51,715	357,980
Federal O&M Services	355,093	624,451	230,642	-
Capital Outlay	3,969,000	1,482,880	1,775,310	223,308
Operation and Capital Grants	750,825	540,280	84,185	126,350
Special Projects	1,257,500	413,602	170,797	666,937
<b>Total Expenses</b>	<b>\$ 25,382,013</b>	<b>\$ 15,965,067</b>	<b>\$ 2,807,735</b>	<b>\$ 6,811,271</b>



Middle Rio Grande Conservancy District  
Third Quarter Fiscal Year 2019  
Comparison of Actual Revenues & Expenses  
(Unaudited)

Revenues	Fiscal Year		Increase (Decrease)
	2018	2019	FY19 over FY18
Ad Valorem	\$ 10,782,046	\$ 11,540,542	\$ 758,496
Water Service Charge	1,604,003	1,753,040	149,037
Ad Valorem Interest	141,887	146,747	4,860
Water Bank Fee	354,681	287,141	(67,541)
Interest on Investments	121,179	252,079	130,900
Contract with Federal Government Entities	541,383	541,383	0
Contract with Local Government Entities	-	-	-
Operation and Capital Grants	(8,667)	1,392,374	1,401,041
Land Sales	-	-	-
Other	176,180	118,336	(57,844)
<b>Total Revenues</b>	<b>\$ 13,712,692</b>	<b>\$ 16,031,642</b>	<b>\$ 2,318,950</b>

Expenses	Fiscal Year		Increase (Decrease)
	2018	2019	FY19 over FY18
Personnel Services	\$ 6,169,995	\$ 6,392,909	\$ 222,913
Employee Benefits	2,573,068	2,777,901	204,833
Employee Costs	121,355	103,497	(17,858)
Services	909,332	939,993	30,661
General & Administrative Expenses	529,686	193,717	(335,970)
Technology & Communication	324,041	228,794	(95,247)
Bank and Other Fees	13,479	16,869	3,390
Ad Valorem Collection Fee	226,888	241,850	14,963
Debt Payments	-	362,189	362,189
Utilities	69,041	75,874	6,833
Facility O & M	269,489	360,993	91,504
Division Expense	271,371	317,165	45,794
Vehicle & Equipment O&M	847,198	891,043	43,845
Federal O&M Services	498,853	624,451	125,598
Capital Outlay	468,470	1,482,880	1,014,410
Operation and Capital Grants	276,560	540,280	263,719
Special Projects	123,589	419,602	296,013
<b>Total Expenses</b>	<b>\$ 13,692,417</b>	<b>\$ 15,969,007</b>	<b>\$ 2,276,590</b>

Vice Chair Kelly made the **MOTION THAT OF THE YEAR-END 19 SURPLUS THAT IS EXPECTED FOR FY 19, \$500,000 BE APPLIED TOWARDS OUTSTANDING EQUIPMENT NEEDS WITH THE REMAINDER TO GO INTO THE CAPITAL RESERVE FUND FOR CAPITAL PROJECTS.** Director Sandoval seconded the motion. The **MOTION CARRIED** unanimously.

**AGENDA ITEM NO. 9 – REPORT(S) FROM THE MRGCD CHIEF ENGINEER - Mike Hamman, CE/CEO**

**a. Report from MRGCD Lobbyist - John Thompson**

The legislature is slowly starting to get the wheels moving again. A handful of committees have had organizational meetings. The Water and Natural Resources Committee's organizational meeting is scheduled for June 4<sup>th</sup>; however, no agenda is in place yet.

John Thompson and Mike Hamman are currently scheduled to meet with the Secretary of State on May 31<sup>st</sup> for initial discussions regarding implementation of the Local Election Act.

Director Dunning asked if anything was being prepared to be introduced this session. Mr. Thompson responded that if there is anything MRGCD wants to work on, now would be the time to do so. If there is something that MRGCD would like to discuss, it is important to get it on the agenda now, possibly for the June 4<sup>th</sup> meeting.

Director Dunning clarified her question as to what is the latest news on flood control authority for Valencia and Socorro Counties. Mr. Thompson responded that he is working with the folks from Valencia County, and, at this time, he does not believe they want a flood control authority. One of Mr. Thompson's objectives for this upcoming session is to try to get greater collaboration with the delegation from Valencia, at a minimum to get some greater funding levels to work on those issues. It is Mr. Thompson's belief that there would not be a formation of a flood control authority in Valencia or Socorro Counties.

Mike Hamman added that much discussion has taken place regarding a flood control authority. MRGCD is extremely reluctant to take the lead on this because MRGCD is not a flood control authority agency. MRGCD is hoping that Valencia County will take the lead. MRGCD could be a cohort with them, however. Mr. Hamman found out that there is money available through a farm bill for flood control and water salvage projects, for which an application will be started soon.

Another big project on the radar screen is state funding for the levee project from Bernalillo to Belen. The number one priority is to get the word out, working with the Governor's office and the legislature so that a couple of years from now, when they finalize design and construction, everything will be ready to go. The other option would be to get a levee taskforce up and running, which will be a good way to educate the City of Albuquerque so that it understands the importance of their seat at the table.

Chuck DuMars asked if there is any serious consideration being taken into account to reform the capital outlay process. Mr. Thompson responded that he feels it is incumbent upon the state to change the way it deals with capital outlay. He hopes that in the next five to seven years, there is a serious push to a new process happens.

Vice Chair Kelly noted to Mike Hamman that it seemed prudent to him to appear in front of the Water and Natural Resources Committee to talk about levees with the State Engineer, as well as the District Engineer from the Corps of Engineers, to discuss the issues in Valencia County. Vice Chair Kelly also wanted status on the letter of the map revision showing the flood plains to have been removed by construction of the San Acacia Phase I. Vice Chair Kelly noted that he believes Board must write a strong but friendly letter to the Corps reminding them of their obligations to provide us the data to submit the letter and map revision. He also believes that MRGCD should get on the agenda to talk about the levees. John Thompson agreed and said he would add this to the agenda for the June 4<sup>th</sup> Water and Natural Resources Committee meeting.

Chuck DuMars added that he believes the State Engineer should be invited to a meeting with the MRGCD Board to discuss his vision of the relationship between the State Engineer's Office and MRGCD.

**b. Award of Procurement under NM Sate Price Agreement 70-000-16-00002**



## Memorandum

**To:** MRGCD Chairman Duggins and Board of Directors  
 Mike A. Hamman, CEO/CE  
 David Fergeson, Secretary-Treasurer  
 Jeanette Bustamante, Administrative Officer

**From:** Richard DeLoia, Purchasing Agent *RD*

**Date:** May 14, 2019

**Re:** REQUESTING BOARD APPROVAL FOR CEO SUV

After thorough review MRGCD staff is requesting approval for a 2019 Chevy Tahoe replacement vehicle for CEO, per NM State Pricing Agreement #70-000-16-00002.

VENDOR	2019 SUV 4X4		UNIT COST	GRAND TOTAL
	MAKE	MODEL		
Melloy Chevrolet	Chevrolet	Tahoe	\$37,724.00	\$37,724.00

Damaged unit was involved in an accident and it has been determined as a total a loss by the insurance company, and a settlement is pending.

An accident occurred which totaled the prior vehicle. A Tahoe is needed for replacement.

Director Romero made the **MOTION TO APPROVE THE PROCUREMENT OF 2019 CHEVY TAHOE 4X4**. Director Moore seconded the motion. The **MOTION CARRIED** unanimously.

- c. **Removal of MRGCD Vehicle Assets from Inventory - Jeanette Bustamante, Administrative Officer/CPO**



# Memorandum

**To:** MRGCD Chairman Duggins and Board of Directors  
 Mike Hamman, CEO/CE  
 David Ferguson, Secretary-Treasurer

**From:** Jeanette Bustamante, Administrative Officer/CPO

**Date:** May 7, 2019

**Re:** Removal of MRGCD Assets to Surrender and Finalize Insurance Settlement(s)

Attached you will find draft letter to New Mexico State Auditor and Department of Finance and Administration advising them that two (2) MRGCD vehicles that were involved in an accident, and have been declared a total loss and the insurance settlement for these losses will require surrender of the vehicles to the insurance company.

Therefore, staff is hereby requesting Board approval for the removal of these assets from MRGCD inventory to surrender to the respective insurance companies as per the conditions of the settlement. Description of units below:

YEAR	MAKE	VIN #	MILEAGE	UNIT #
2016	Ford Expedition	1FMJU1GT4GEF08897	51818	13421
2012	Chevy Silverado	1GCNKPE04CZ284854	58000	43455

Upon Board approval letters will be finalized and submitted to the Office of the State Auditor and Department of Finance and Administration for formal notification.

cc: Accounting Department  
 MRGCD Property Specialist  
 Central files

Director Moore made the **MOTION TO REMOVE THE TWO VEHICLES ASSETS (AS ABOVE DESCRIBED) FROM INVENTORY**. Director Dunning seconded the motion. The **MOTION CARRIED** unanimously.

**d. Water Report - David Gensler, Water Operations Manager**

2019 continues to be a remarkable year. Snowpack has been stable for nearly two months. It reached a high at Cumbres Trestle over 34" in the latter half of March. Melt then rebuilt an inch or two multiple times over the next six weeks and, as of May 1<sup>st</sup>, was still sitting at 34". Three weeks later, there is 28" of water (water, not snowpack). That is actually water sitting there, frozen up in the column, just waiting to move. So, about 80% of our winter max is still sitting there in the latter half of May.

That puts Cumbres today at about 500% of normal for this time of year. That does not mean we are going to have a 500% normal runoff, but for this date and time, there is a lot of water still sitting there in the mountains. Most of the rest of the basin is similar. Cumbres is about the highest number out there, but most of the other stations in the upper Rio Grande, San Juan, some of the Sangres, are in the 200% to 300% range currently.

The 2019 runoff is really stretched out. The snow stayed around a remarkably long time. Although 2005 had more snow at its peak, 2019 is promising to equal it by lasting longer. The Rio Jemez, whose runoff is normally done and gone down to a mere trickle by the end of April every year, is still dumping about 200 CFS into the Rio Grande today.

NRCS came out with their May 1<sup>st</sup> numbers. El Vado, March to July, was 127%. Otowi was 133%, down a little bit from the previous forecast. Mr. Gensler believes they underestimated, and it's snowed some more since then. They will probably revise those numbers with the next forecast.

Mr. Gensler reported over the fall, winter, and well into the spring that we should not expect to get out of Article 7 Restrictions, and we did. As of Monday morning, we began storing normally at El Vado. Just the last seven days we have already stored over 21,000-acre feet. We will comfortably get to our original goal of 40,000-acre feet without having to use any credit this year, being able to save that credit for a future year. Foregoing our storage until mid-May was a bit of a gamble, but it paid off.

We should all be pleased with how this has worked out. It's been a real unexpected pleasure. If things continue as planned, we might even wind up the year in the black with the Compact with some carryover storage for next year.

As Ms. Sanchez mentioned, Reclamation has parked some water at El Vado as Prior and Paramount reserve. The DE finalized her accounting, and something around 14,000-acre feet is now in El Vado for that purpose. It almost certainly will not be needed this year. Since it was stored under Article 7 and restrictions were in effect, it will be released in the fall for delivery to Elephant Butte. That's a good thing as it will help us with our Rio Grande Compact status.

At the moment, Mr. Gensler still expects to struggle to meet our delivery obligations at the end of the year. It's kind of the odd paradox that in wet years, we have trouble meeting our delivery obligations. A lot of water stands on the flood plain, evaporates, we lose a lot. We are trying some different approaches this year with storage and coordination with the folks to the south. The river seems to be working a little more efficiently too. Relatively smooth increase in flows this year and cool temps so far and significant percentage of the flow at Otowi is showing up at Elephant Butte now.

Flows through the middle Rio Grande have been over 3,000 CFS since the latter part of April. We briefly reached 5,500 CFS in early May. Flows declined with some cooler weather to about 5,000 CFS. We have now returned to 5,400 CFS this morning, cool temperatures should cause one more little cool down before things start to heat up towards the end of May and into June. There will probably be a peak sometime in early to mid-June now.

Given the amount of snow still in the mountains, flow will remain high through July 1. Even after that date, I expect we will have substantial flow through the middle Rio Grande well into summer. So, no shortage of water for us this year.

Our concerns really are too much water and too much sand. Cochiti and Albuquerque are operating very normally and well. In Belen, however, things have been difficult. Sand has caused problems diverting at Isleta Dam, requiring daily cleanings. At times, sand has plugged the intakes, interrupting service to the east side canals in particular. On the west side, we found we need to run at reduced diversion. Since the drains are full, the river is backed up into our waste ways, and we have no way to get rid of excess water when we need to. It just requires us to be pretty cautious with that. If it does not go on a farmer's field, we do not have anything to do with it right now. Just have to be careful not to get too much in our canals.

At San Acacia, we are not diverting and probably won't until well into the summer, probably late summer. Unit 7 is running full, and we actually have to release to dump some of the Unit 7 water back into the river at San Acacia to prevent overtopping the Socorro area canals.

So, big changes from last year, when we were struggling to save every drop, depleting or storage rapidly, had already curtailed our water bank users, and we're wondering how far through the summer we were going to get before it all dried up.

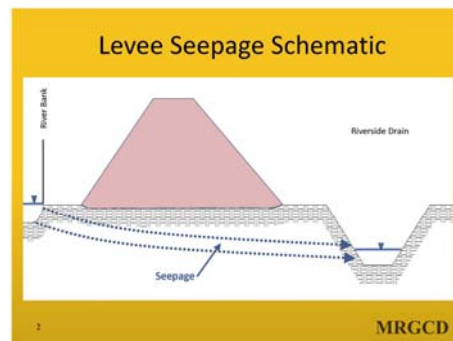
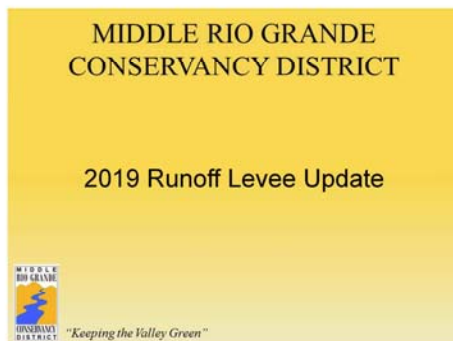
Chairman Duggins asked how much levels will go up to at peak discharge. Mr. Gensler responded that it is kind of hard to say. It just depends on the temperatures, how quickly things warm up, and what Colorado does. Mr. Gensler expects to see 6,000 or 6,500 CFS.

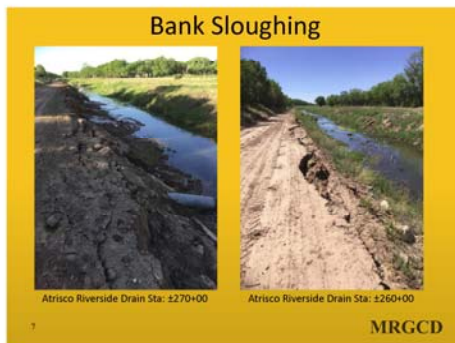
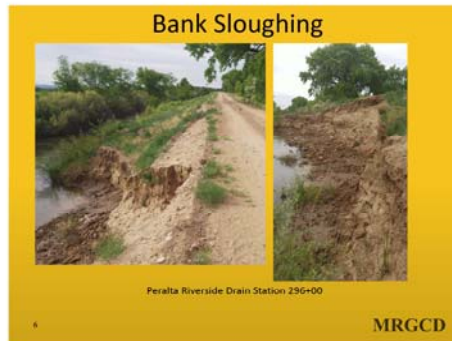
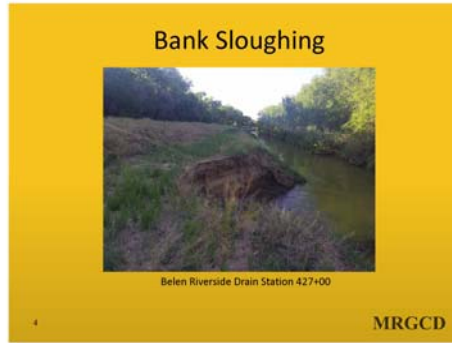
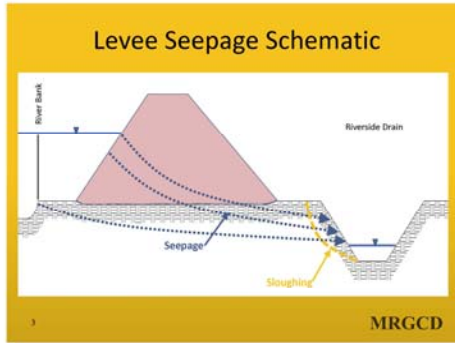
Chuck DuMars asked how Mr. Gensler thinks the minnows are doing. Mr. Gensler responded that he would assume that the minnow is going to do phenomenally well this year. Of course, the big concern is our numbers were very low in the October census. Should we not see any minnows produced by this, maybe there were not enough adults out there to really do their thing. Mr. Gensler suspects that we will see a lot of reproduction this year as there were enough adults out there. An interesting phenomenon, and its happening this year, is we find almost no eggs in high-flow years. In very low flow years, there are lots of egg salvage in the river, and the researchers find eggs everywhere. In in these high-flow years, we find almost no eggs, but, yet we have lots of young fish in the fall.

Vice Chair Kelly asked how the levees are holding up in the spoil bank areas with the 6,500 CFS forecast. Mr. Gensler responded that he did not don't know how they are holding up from an engineering standpoint; however, he believes we are seeing lower water levels against the levee for a given discharge than we saw in 2017. He believes the action of 2017 helped to provide a little cleaning action, and it has not been long enough for more vegetation growth to come back. The way flows went up this year, it was very orderly. We had pretty good flows, even back in March, and things have just trended upwards at a steady, gradual rate ever since then with really only one little downward hiccup, which might cause some silt deposition, maybe some bars to form. It seemed like the system is flushing itself relatively well this year.

David Gensler added that MRGCD crews are working daily to monitor and repair things, and they are finding a lot of sloughs and seeps to take care of.

**e. Report on Levee Conditions due to High Water and MRGCD's Preventative Measures - Mike Hamman, CE/CEO, and Jason Casuga, Engineer Division Manager**





- ### Monitoring
- Multi-Agency Coordination
    - MRGCD
    - ISC
    - USACE
    - BOR
  - MRGCD has installed staff gages at specific locations to measure depth of water against the Levee.
  - USACE hosted ESRI Collector App which allows for real time data dissemination
- 8 MRGCD





Jason Casuga presented a slide show of pictures of various points of the riverbank where seepage has occurred. He also showed pictures of bank sloughing. He discussed the maintenance issues that occur of maintenance to repair and maintenance to dredge material out of the drains. (Please refer to the slideshow of pictures.)

Mr. Casuga also discussed monitoring. MRGCD, ISC, Army Corps of Engineers, and Bureau of Reclamation are all working together to monitor. Staff gauges were installed at specific spots along the levee that could be read via an app on one's cell phone.

Vice Chair Kelly asked what was being for a filter as the slough areas are being backfilled. Jason Casuga responded that they are using filter fabric cloth.

Vice Chair Kelly noted that in a year like this year, the levee system can be MRGCD's largest liability. If MRGCD ever gets into emergency mode, Mr. Hamman has all the authority needed to call in Wagner Equipment and get a fleet of equipment to the spot. We also have multiple contractors to call out if things get tenuous.

Chairman Duggins asked how the Corrales siphon is doing. Mr. Casuga reported that he believes the Corrales siphon is holding up okay. The siphon itself is underwater, so there is not a perfect way to know, but he believes it has shown no structural issues.

Chuck DuMars noted that it sounds like MRGCD is doing it can to anticipate what the river might bring and all the forces it may muster to deal with any big event that might occur this year. Jason Casuga agreed with Dr. DuMars statement. Mr. Casuga believes MRGCD is being extremely proactive and has brought in partners where needed.

**f. Santa Ana Pueblo Request to Assist in the Resolution of "Indian Ditch" Concerns - Mike Hamman, CE/CEO**



Mr. Hamman presented the letter from the Governor of Santa Ana requesting assistance from the District to help resolve a long-standing issue on the "Indian Ditch" in Algodones. Mr. Hamman will be meeting with the Pueblo to resolve outstanding maintenance payments based upon the 1983 Agreement and will work with Director Sandoval and the BIA to schedule a mediation session to come to resolution and develop a long-term agreement satisfactory to both Pueblos and the District.



**PUEBLO OF SANTA ANA**  
OFFICE OF THE GOVERNOR

30 April, 2019

Middle Rio Grande Conservancy District  
Attn: Board of Directors  
P.O. BOX 581  
Albuquerque, NM 87103

**Re: Santa Ana Indian Ditch**

Dear Chairman Duggins and Directors,

On behalf of the Pueblo of Santa Ana ("Pueblo"), I write to request the support of the MRGCD Board of Directors in resolving some outstanding issues related to Santa Ana's Indian Ditch, also known as the Santa Ana Acequia (hereinafter, "Indian Ditch"). Additionally, the Pueblo requests Director Michael T. Sandoval, as the Sandoval County representative, facilitate a resolution regarding the newly installed turnouts by the Pueblo of San Felipe on the Indian Ditch.

Several weeks ago, the Pueblo was disappointed to hear from a Pueblo of San Felipe representative that the Middle Rio Grande Conservancy District (MRGCD) and Bureau of Indian Affairs (BIA) authorized the installation of two San Felipe turnouts on the Indian Ditch without authorization or approval of the Pueblo of Santa Ana. Upon Pueblo leadership discussions with both the BIA Designated Engineer, Viola Sanchez, and the MRGCD CEO, Mike Hamman, the Pueblo learned that no authorization was in fact provided by either agency, recognizing that the Indian Ditch is under the ownership and control of the Pueblo.

While the larger issue regarding the turnouts is strictly between the two sovereign Pueblos, there remain some outstanding issues related to the Indian Ditch that require MRGCD's attention. This includes years of outstanding payments to the Pueblo by MRGCD pursuant to the 1983 Agreement between the Pueblo and the MRGCD. In the past, and under the previous CEO, the Pueblo attempted to resolve the unpaid invoices issue without any success. Meanwhile, the Pueblo continues to maintain and operate the Indian Ditch at its own expense and to the benefit of non-Indian lands and potentially other Pueblo irrigators.


According to the Agreement, the Pueblo maintains and operates the Indian Ditch and its appurtenant structures and agrees to deliver water to certain non-Indian lands served by

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the Indian Ditch that are subject to the District's assessments for such service. In return, the District is required to pay the Pueblo 85% of the per acre assessment collected by the District for the Pueblo's service. Currently, the total assessments collected by the MRGCD is unknown to the Pueblo, including whether MRGCD collects an assessment from all the lands purchased by San Felipe Pueblo that benefit from the Indian Ditch. These issues must be resolved as we continue use of the Indian Ditch to serve non-Santa Ana Pueblo lands.

While the Pueblo acknowledges and appreciates Mr. Hamman's willingness to work with the Pueblo to address this issue, the Pueblo asks that the MRGCD Board of Directors make this a priority for him. Additionally, the Pueblo calls upon Mr. Sandoyal, to facilitate a Memorandum of Understanding between the two Pueblos regarding the use of the Indian Ditch by the Pueblo of San Felipe in light of the operation and maintenance expense provisions contained in the 1983 Agreement between the Pueblo and MRGCD.

Sincerely,



Pueblo of Santa Ana  
Timothy Menchego, Governor

Cc: Viola Sanchez, BIA Designated Engineer  
Mike Hamman, CEO, MRGCD  
Pueblo of Santa Ana – Department of Natural Resources

**g. Consideration and Approval of Resolution #M-05-20-19-162, Authorizing CE/CEO and Chief Water Counsel to Execute Final Rio Rancho/Bosque del Sol "Settlement and Cooperative Water Agreement" - Dr. Charles DuMars, Chief Water Counsel**

Both Mr. DuMars and Mr. Hamman presented a brief overview of the Settlement Agreement and recommended the Board approve and authorize the CEO and Chief Water Counsel to sign the final document.

**MIDDLE RIO GRANDE CONSERVANCY DISTRICT**

**Resolution Authorizing Dismissal of Protest of Application SD-08707 into RG-6754 et al. and  
RG-6745 et al. into SD-8707(T) and Authorization to Execute Settlement Agreement**

**RESOLUTION NO. M-05-20-19-162**

**WHEREAS**, on February 9, 2018, the Middle Rio Grande Conservancy District (MRGCD) filed a protest against certain water transfers being made by Bosque del Sol, LLC and the City of Rio Rancho. (See *MRGCD Protest, In re Application SD-08707 Into RG-6754 et al. and RG-6745 et al. Into SD-8707(T)*); and,

**WHEREAS**, the MRGCD and other Protestants have been negotiating with the City of Rio Rancho to develop a settlement solution that would provide for a mechanism for the City of Rio Rancho, the MRGCD and other protestants to work together to address the issues raised by water transfers in a collaborative manner; and,

**WHEREAS**, the MRGCD Board has had an opportunity to review a proposed settlement among the parties arrived at through this settlement process; and,

**WHEREAS**, in the interest of efficiency and problem solving the MRGCD Board agrees with the contents of the proposed settlement and seeks to have this settlement implemented and the MRGCD protest withdrawn;

**NOW THEREFORE**, The Chief Executive Officer of the MRGCD and its Chief Water Counsel are hereby authorized to sign the Settlement and Cooperative Water Agreement on behalf of the Board and, after signature, withdraw the protests pending before the New Mexico State Engineer.

Passed by the MRGCD Board of Directors this 20<sup>th</sup> day of May, 2019.

**MIDDLE RIO GRANDE CONSERVANCY DISTRICT**

\_\_\_\_\_  
Glen Duggins, Chairman of the Board

ATTEST:

\_\_\_\_\_  
David M. Ferguson, Secretary/Treasurer

Vice Chair Kelly made the **MOTION TO APPROVE RESOLUTION #M-05-20-19-162, SUBSTANTIALLY THE SAME AS REVIEWED BY THE BOARD ON MAY 20, 2019.** Director Baca seconded the motion. The **MOTION CARRIED** unanimously.

**h. Report on the Six Middle Rio Grande Pueblos Coalition Meeting, May 2, 2019 - Mike Hamman, CE/CEO**

Mr. Hamman gave a brief report on the meeting that focused heavily on water operations during the high spring runoff and water storage plans. Also provided an update on the PBU process and title transfer discussions.

**i. Approved Licenses for April 2019 (For Informational Purposes Only)**

Board members received the information in their board packets. No discussion regarding this topic ensued.



**MEMORANDUM  
ENGINEERING DEPARTMENT**

**F.Y.I.**

**TO:** Mike Hamman, Chief Executive Officer  
**FROM:** Matt Martinez, Licensing and Land Sales Coordinator  
**DATE:** May 16, 2019  
**RE:** MRGCD Licenses

The following license requests were approved by staff for the month of April 2019.

1. SP-006-2019 License with Mountain, Stream, Trails (MST), LLC to access the Rio Grande Bosque rights-of-way to conduct commercial boating operations.
2. SP-016-2019 License with NM Underground Utilities to discharge groundwater into the Albuquerque Riverside Drain per the City of Albuquerque "Iron Ave Storm Drain Improvement" project.
3. SP-019-2019—License with Natural Heritage New Mexico to collect data within the Rio Grande Bosque rights-of-way in support of the "New Mexico Rapid Assessments Method of Lowland Riverine System (NMRAM-LOWLAND)" project.
4. SP-021-2019—License with TLC Plumbing and Utility to discharge groundwater into the Los Lentos Interior Drain and to install an 18" Ø waterline within the outside 5' of the Los Lentos Interior Drain per the Village of Los Lunas "North Waterline River Crossing Phase II" project.
5. SP-022-2019— License with Cable Com, LLC to install buried telecommunications utilities within the outside 5' of the Alameda Interior Drain right-of-way.
6. SP-024-2019—License with Terracon Consultants, Inc. to drill geotechnical soil borings within the Alameda Interior Drain right-of-way in support of the "Alameda Drain and Trail Improvements Phase II" project between Interstate 40 and Montano.
7. SP-025-2019—License with Corrales Horse and Mule People (CHAMP) to conduct the 27<sup>th</sup> annual Corrales recreational equestrian ride within the Corrales Acequia and Sandoval Lateral rights-of-way.
8. 2-011-2019—License with the Comcast Cable to install and maintain a buried telecommunications utility within the outside 5' of the Alameda Interior Drain right-of-way.
9. 3-049-2018\_Amdl (2019)—License Amendment with the Village of Los Lunas to extend the construction completion date of an buried 18" Ø waterline within the outside 5' of the Los Lentos Interior Drain right-of-way.

**ADDED ITEM, Mike Hamman**

Mike Hamman reported that Jeanette Bustamante will begin phasing into retirement, which will be a six to eight-month process. Ms. Bustamante will reduce her work scheduled to part-time at three days per week. She will be transitioning her Board Meeting function to DeAnna Philips, with the goal of Ms. Philips taking over fully by July. Ms. Bustamante will then begin working with Richard and others to become certified in procurement and contracting officer roles.

**AGENDA ITEM NO. 10 – REPORT(S) FROM THE MRGCD ATTORNEY(S) (Chief Water Counsel and/or General Counsel)**

Chuck DuMars did not have anything to report.

Bruce Wiggins reported that the U.S. Supreme Court denied Bill Turner's cert.

**AGENDA ITEM NO. 11 – REPORT(S) FROM THE MRGCD BOARD OF DIRECTORS**

**a. Report on New Mexico Watershed and Dam Owners Coalition Conference May 1-3, 2019 - Director Kelly**

Vice Chair Kelly reported the highlights of the conference were interacting with the new State Engineer, John D'Antonio, and Gary Esslinger, from EBC. There was a lot of good-natured kidding and jokes told. They had a good technical conference, where MRGCD received some PHDs.

Vice Chair Kelly is not seeking reimbursement; therefore, no vote is required for approval.

**b. Report on Initial Conservation Meeting, May 14, 2019 - Directors Baca and Moore**

Director Baca reported that it was a very successful meeting with the initial members of the planning team. Good questions were asked. They discussed planning dates and initial ideas. They also discussed hiring someone to do the work. Director Moore added that she was very pleased with the quality of each member and added that she thought everyone would work together cooperatively.

Vice Chair Kelly made the **MOTION TO APPROVE REPORT ON INITIAL CONSERVATION MEETING, MAY 14, 2019.** Director Dunning the motion. The **MOTION CARRIED UNANIMOUSLY.**

**c. Report on Finance Committee Meeting, May 20, 2019 - Directors Kelly, Moore and Romero**

This topic was included in discussion in above Agenda Item 8.b.

**AGENDA ITEM NO. 12 – EXECUTIVE SESSION**

Vice Chair Kelly made the **MOTION TO GO TO INTO EXECUTIVE SESSION.** Director Dunning seconded the motion. Rollcall vote was administered with all members voting yes. The **MOTION CARRIED.**

Director Dunning	Yes	Chairman Duggins	Yes
Director Baca	Yes	Director Moore	Yes
Director Kelly	Yes	Director Romero	Yes
Director Sandoval	Yes		

**a. NMSA 1978 Open Meetings Act, Section 10-15-1(H)2**  
**1. Limited Personnel Matters - Performance Review of CE/CEO**

**b. NMSA 1978 Open Meetings Act, Section 10-15-1(H)7**

**1. Threatened or Pending Litigation - Rio Rancho / Bosque del Sol Settlement Agreement**

Vice Chair Kelly made the **MOTION TO RETURN TO REGULAR SESSION**. Director Moore seconded the motion. Roll call vote was administered with all members voting yes. The **MOTION CARRIED**.

Director Dunning	Yes	Director Sandoval	Yes
Director Kelly	Yes	Director Moore	Yes
Chairman Duggins	Yes	Director Romero	Yes

Mr. Hamman’s performance was discussed during Executive Session. The Board found that he has met and exceeded the Board's expectations with respect to the goals and objectives established, not just a year ago but over his tenure as Chief Engineer. It was recommended that Mike Hamman's base salary be increased by 5% from his current pay.

Vice Chair Kelly made the **MOTION TO INCREASE MIKE HAMMAN'S BASE PAY BY 5%, AS DISCUSSED DURING EXECUTIVE SESSION**. Director Romero seconded the motion. The **MOTION CARRIED unanimously**.

With no further comments, questions or concerns, Director Romero made the **MOTION TO ADJOURN THE MEETING**. Director Moore seconded the motion and the **MOTION CARRIED** unanimously.

The meeting was adjourned at 6:35 p.m.

Approved to be the correct Minutes of the Board of Directors of May 20, 2019.

**ATTESTED:**

\_\_\_\_\_  
David M. Ferguson  
Secretary/Treasurer

\_\_\_\_\_  
John P. Kelly, Vice Chair of the Board  
Middle Rio Grande Conservancy District