

**MINUTES OF A SPECIAL MEETING
OF THE
BOARD OF DIRECTORS OF THE
MIDDLE RIO GRANDE CONSERVANCY DISTRICT
ON THE WATER BANK
January 11, 2016**

Directors having been duly notified, Chairman Lente called the special meeting to order at 2:03 pm at the MRGCD General Office. The following Directors and Staff were present:

DIRECTORS:

Derrick J. Lente	Chair
Adrian Oglesby	Vice-Chair
Glen Duggins	Director
Karen Dunning	Director
John P. Kelly	Director
Chris Sichler	Director
Beverly Romero	Director

STAFF:

Michael A. Hamman	Chief Engineer/CEO
Dr. Charles T. DuMars	Chief Water Counsel
Bruce & Lorna Wiggins	General Legal Counsel
David Fergeson	Secretary/Treasurer
Jeanette Bustamante	Administrative Officer
Tom Thorpe	Public Information Officer
Doug Strech	GIS Supervisor
Lorenzo Benavidez	Socorro Division Manager
Estella Gamboa	Assessment Clerk

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

John Thompson, MRGCD Lobbyist Eugene Abeita Katie Babuska, Babuska Consulting Keith Candelaria, Bureau of Indian Affairs	Jeff Willis, AMAFCA Jessica Tracy, Pueblo of Sandia
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AGENDA ITEM NO. 1 – PLEDGE OF ALLEGIANCE

Chairman Lente requested Director Sichler to lead the Pledge of Allegiance.

Chairman Lente welcomed the guests and declared a quorum.

AGENDA ITEM NO. 2 – APPROVAL OF THE AGENDA

Chairman Lente called for approval of the agenda. Mr. Hamman reported that David Gensler, MRGCD Water Operations Manager was not available for this meeting and he will give a brief water report and requested that Mr. Gensler be added to the regular meeting as agenda item 7e.

Director Romero made the **MOTION TO APPROVE THE AGENDA AS PRESENTED**. Director Kelly seconded the motion. The **MOTION CARRIED** unanimously.

AGENDA ITEM NO. 3 – WATER AVAILABILITY REPORT – David Gensler, MRGCD Hydrologist

Mr. Hamman reported it has been a good new year and it was a really good fall in terms of precipitation throughout most of the basin and this is a good start for potential runoff. He said history has shown that having a really good soil profile is a contributing factor to the runoff in the spring. He said right now as far as the January 1st forecast goes for April through July forecasted runoff to El Vado is 105% average. Mr. Hamman said that some of the other watersheds on the Sangre de Cristo side and on the Jemez side are at 250% of average and things are looking good with another storm coming in later this week. He said the MRGCD started the season with roughly 30,000 ac-ft. in storage which is a combination of what remained in El Vado after releasing 25-26,000 ac-ft. to Elephant Butte for the Compact delivery obligations and it also includes the 19,500 ac-ft. of San Juan-Chama water. Mr. Hamman said with regard to Water Bank leases, they really believe that at this point in time, that it would be highly unlikely that there would be curtailments through the spring and into early summer; and there are no guarantees necessarily at this early juncture depending on the storage opportunities that are presented and there is a possibility of being out of Article VII during this period of time. He said from a storage perspective, the MRGCD is looking good and the present forecast there is a more than favorable situation for Water Bank leases.

Director Dunning said there are two triggers; one is storage and what is the other? Mr. Hamman said the other is the base or natural flow and is essentially releases from Cochiti and he went on to give a brief example. Director Dunning said the MRGCD is not looking at changing those trigger flows and Mr. Hamman responded not at this point in time.

Director Kelly said he is speaking to the triggers and he thinks there was agreement among the Board members that the triggers would be left as set for two to three years through various hydrological routines and not monkey with them, however, he has been asked by someone in the water business in the Valley and he feels the MRGCD triggers are too low early in the season and do not properly account for the amount of water needed to flush the system or what is needed to be left in the river and has there been an evaluation of those early season trigger levels with Mr. Gensler and is there input. Mr. Hamman said he thinks the triggers are going to be reviewed by staff and in preparation for next year, there may need to be some revisions and will be reported back to the Board.

AGENDA ITEM NO. 4 – MRGCD IRRIGATION/WATER BANK COMMITTEE REPORT & RECOMMENDATIONS ON WATER BANK LEASE RATES & FEES – Chairman Lente, Directors Sichler & Duggins

Director Sichler reported the committee met to discuss the administrative fee and the Water Bank lease rates as the policy requires. He said there hasn't really been any change in operations that would require a raise in the administrative fee or the Water Bank rates and the committee felt the MRGCD was in line with what other states in the West are charging for water. He said, at this point, it is the recommendation of the committee the administrative fee of \$100 and the Water Bank rate of \$50 remain the same as last year.

Director Kelly said it is his understanding, that as part of the budget process, the MRGCD was to increase the water service charge and that will go into effect a year from now; the \$34 reflects the increase that was done last year with the approval of the budget.

Director Sichler said he feels it is important to speak to other discussion items and one of those things the committee has been working on for the last couple of years is allowing farmers to choose their curtailment locations. He said initially it was started out that the irrigator could change it was on the same ditch and now that staff has become more comfortable with the policy, this has been expanded and he would like Mr. Hamman to speak to that. Mr. Hamman said staff has gained some experience from the past irrigation season and that Mr. Strech and his staff have taken on a monumental task of working closely with the Assessments staff to actually put together a comprehensive Ditch Rider log that essentially defines the status of each property within the District that details their assessment payments and water service charges, if they are on a Water Bank situation and the move from/move to locations. He said initially staff wanted a "walk" before they "run" kind of program and staff appreciates the Board's understanding of that. Mr. Hamman said staff put

together criteria to lay out the rules for the Water Bank and now they have methods for the Ditch Rider logs associated with Water Bank changes, staff thinks they can expand to larger hydrological units and will work closely with the ISOs and Assessments to ensure that information is shared appropriately. He said as staff gets more electronically diversified with field staff, the information can be updated to tablets, phones and other devices.

Director Sichler said he would like to add that the Water Bank policy as it has been evolving, he thinks the District and staff has been doing a good job of making it work really well for growers and producers and it has become more flexible. He said it is hard when irrigators are curtailed and can't water and the District is trying to make it as painless to the farmers and growers as possible.

Director Duggins said Director Sichler covered the meeting and the committee agreed to leave the charges where they were and would like to see more flexibility in the movement of the water from a dried lot A to another lot B and he would like to see that expanded.

Chairman Lente said he concurs with both reports. He said both he and Director Duggins are new members to this committee and one thing is clear that the MRGCD is working with the farmers and the mission of Keeping the Valley Green is holding true in 2016 and the MRGCD will continue to fight to protect the rights and practice of irrigation as best they can. He said he feels this policy and practice will get better as time moves on and he is proud to be part of this committee.

Mr. Hamman said as far as the trigger criteria, Mr. Gensler will be evaluating this and it's possible the storage figures may be a little high and it is also possible that some of the other stream flow figures could be adjusted as well. He said that David Fergeson, MRGCD Secretary/Treasurer has provided a schedule of Water Bank lease and fee revenue for FY13 through FY15 for the Board's information.

Director Oglesby said every year at this meeting he makes a point that he thinks the Water Bank should pay its full O&M contribution and if they are starting to see it as supplemental source of income that makes him even happier. He said he had one grammatical correction to the Water Bank lease agreement and he pointed that out. Director Oglesby asked about the status of the map of "moved from" lands; the water that goes into the Water Bank. He said he just wanted to confirm that there is a solid map of those lands in the event there are questions from Legislators and constituents.

Dr. DuMars said he has raised a question regarding the map and staff has indicated they are working on it. He said the MRGCD needs to demonstrate where those lands are coming from in the event of inquiries and it is an important piece of information. Dr. DuMars said the second thing he would like to mention is this MRGCD committee on water rights and irrigation and how it is becoming clear how these two issues are merging; the more they learn about where water is and with that information going to the Ditch Rider's database, the easier it will be to see how the water can be managed; particularly in the short years.

Director Kelly said it is his understanding that is with the \$100 administrative fee, and that is good for five years maximum, so where it says term of agreement on the Water Bank Water Lease Agreement, #4 the term of this agreement shall be for a term of blank years, with something to be filled in there, he doesn't see where it is restricted to five years maximum. Director Kelly said also under the annual payment it is stated the \$100 is for the first year of term only and it is not limited to five years anywhere; in his reading of this. He said perhaps staff could take a look at this and just be sure that is clear to the world. He said on the Water Bank Water Lease application it requires an update to 2016, the 2016 Water Delivery contract for new irrigation in the first paragraph after the property owner information, the second line of that paragraph, one of the letter s needs to be deleted at the end, property owners desires, one is plural and one is singular. Bruce Wiggins, MRGCD General Counsel had comments as well and pointed those out for correction.

Chairman Lente called for approval of the report. Director Oglesby made the **MOTION TO APPROVE THE REPORT ON THE MRGCD IRRIGATION/WATER BANK COMMITTEE BY CHAIRMAN LENTE, DIRECTORS SICHLER & DUGGINS.** Director Kelly seconded the motion. The **MOTION CARRIED** unanimously.

AGENDA ITEM NO. 5 – ITEMS FROM THE FLOOR (Comments are limited to three (3) minutes)

There were no Items From the Floor.

Director Kelly said he did receive a phone call from an irrigator in Bernalillo County, Daniel Bracken, on rumors that the Water Bank rate was going to increase. He said he did contact Director Sichler and was advised the rate was not going to change and he reported that back to Mr. Bracken. He said he also told him that if there was increase in the Water Service Charge, that would go into effect a year from now and would affect all water users.

AGENDA ITEM NO. 6 – SET WATER BANK LEASE RATES & FEES

Chairman Lente said the Water Bank committee has made their recommendation to leave the administrative fee the same as the previous year at \$100/acre and the Water Bank rate at \$50/acre.

AGENDA ITEM NO. 7 – CONSIDERATION OF RESOLUTION M-01-11-16-116.4 – ADOPTION OF WATER BANK RATES & FEES FOR 2015 IRRIGATION SEASON

RESOLUTION OF THE BOARD OF DIRECTORS
OF THE MIDDLE RIO GRANDE CONSERVANCY DISTRICT
ADOPTION OF WATER BANK RATES & FEES FOR 2016 IRRIGATION SEASON

M-01-11-16-116.4

WHEREAS, the Board of Directors (Board) of the Middle Rio Grande Conservancy District (District), has reviewed a recommendation from the Board's Water Bank Committee for fees for the 2016 irrigation season, and


WHEREAS, at a Special Meeting of the Board held January 11, 2016 called for the purpose of establishing Water Bank rates and fees, the Board approved the following for the 2016 irrigation season:

<i>Administration Fee</i>	<i>\$100/per lease</i>
<i>Water Service Charge (per acre)</i>	<i>\$34/acre/year</i>
<i>Lease Rate (per acre)</i>	<i>\$50/acre/year</i>


NOW, THEREFORE, BE IT HEREBY RESOLVED that the Governing Body of the Middle Rio Grande Conservancy District, hereby approves the fees and lease rates for the Water Bank hereinabove described.

RESOLVED: in session this 11th day of January, 2016.

MIDDLE RIO GRANDE CONSERVANCY DISTRICT


Derrick J. Lente, Chairman

ATTEST:


David M. Ferguson, Secretary/Treasurer

Chairman Lente read the resolution into the record and called for approval of the resolution.

Director Oglesby made the **MOTION TO APPROVE RESOLUTION M-01-11-16-116.4 – ADOPTION OF WATER BANK RATES & FEES FOR 2016 IRRIGATION SEASON.** Director Duggins seconded the motion. The **MOTION CARRIED** unanimously.

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

The meeting was adjourned at 2:35 pm.

Approved to be the correct Minutes of the Middle Rio Grande Conservancy District Board of Directors Special Meeting-Water Bank of January 11, 2016.

Attested:

David M. Fergeson
Secretary/Treasurer

Derrick J. Lente, Chairman
MRGCD Board of Directors