

**MINUTES OF THE
REGULAR MEETING
OF THE
BOARD OF DIRECTORS OF THE
MIDDLE RIO GRANDE CONSERVANCY DISTRICT
JUNE 25, 2018**

Directors having been duly notified, Chairman Kelly called the regular meeting to order at 3:10 pm at the MRGCD General Office. The following Directors and Staff were present:

DIRECTORS			STAFF	
John P. Kelly	Chairman		Mike Hamman	Chief Engineer/CEO
Glen Duggins	Vice-Chair		Tanya Scott	Chief Water Counsel
Joaquín Baca	Director		Bruce Wiggins	General Counsel
Karen Dunning	Director	Absent	Lorna Wiggins	General Counsel
Derrick J. Lente	Director		David M. Fergeson	Secretary-Treasurer
Beverly Romero	Director		Jeanette Bustamante	Administrative Officer/CPO
Valerie Moore	Director		David Gensler	Water Operations Manager
			Becky Burnham	Budget Analyst
			Alicia Lopez	Engineer 1
			Adrienne Martinez	Engineer 1
			Yasmeen Najmi	Planner/RRA
			Christine Nardi	Human Resource Director
			Jason Casuga	Engineer Manager
			Lorenzo Benavidez	Socorro Division Manager
			Mike Lopez	Construction QC Manager
			Joe Brem	Albuquerque Division Manager
			DeAnna Philips	GIS Technician
			Sloan Washburn	Belen Division Manager
			Willie West	Assistant Division Manager

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

CeCe Aguda, DockIt Consulting	Martha Salas
Martin Bailey, SunZia	Jeff Willis, AMAFCA
Antonio Ray Martinez, Socorro Co. Comm.	Scott Edeal
Gail Armstrong, State Representative	Cecilia Rosacker RGALT
Andres Romero, State Representative	Viola Sanchez, BIA
Michael T. Sandoval, Pueblo of San Felipe	Patricio Ruiloba, State Representative
James Martin, Lemitar, NM	

AGENDA ITEM NO. 1 – PLEDGE OF ALLEGIANCE

Director Lente led the Pledge of Allegiance.

Chairman Kelly welcomed the guests and declared a quorum.

AGENDA ITEM NO. 2 – APPROVAL OF THE AGENDA

Chairman Kelly asked to defer Item 4, Election of Board Chair and Vice Chair - Reorganization of the Board, until the next Board meeting or until all seven directors were in attendance of the Board meeting.

Mike Hamman asked to switch the order of 3.b. and 3.c.

Director Baca made the **MOTION TO APPROVE THE AMENDED AGENDA**. Director Lente seconded the motion. The **MOTION CARRIED**.

AGENDA ITEM NO. 3 – WELCOME TO NEW MEXICO STATE SENATORS AND REPRESENTATIVES WITH DISTRICT CONSTITUENTS WITHIN THE BENEFITED AREA OF THE MRGCD- John Kelly, Chairman

The following Special Dignitaries were introduced by Director Lente:

Representative Gail Armstrong, New Mexico House District 49, Counties of Socorro, Valencia, and Catron.

Representative Andres Romero, New Mexico House District 10, County of Bernalillo, South Valley of Albuquerque.

Representative Patricio Ruiloba, New Mexico House District 11, County of Bernalillo, South Valley of Albuquerque.

Representative Gail Chasey, New Mexico House District 18, County of Bernalillo.

The following Special Dignitaries were introduced by Director Duggins:

Martha Salas, County Commission from Socorro

Ray Martinez, County Commission from Socorro

a. Overview of the MRGCD Boundary, Facilities, Constituents, and Mission - Mike Hamman, CEO/CE

The composite image consists of four main parts:

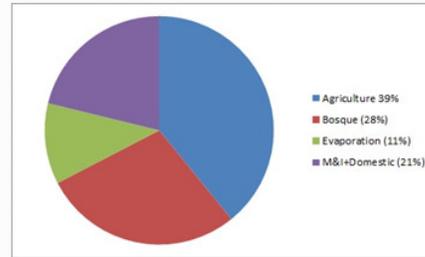
- Top Left:** A presentation slide titled "Presentation for Our Middle Rio Grande Valley Legislators" for the Middle Rio Grande Conservancy District, dated June 25, 2018, presented by Mike Hamman, CEO and David Gensler, Chief Hydrologist.
- Top Right:** A map titled "House Districts within MRGCD 2018 Session" with a legend listing 19 House Districts and their representatives, including Kelly K. Fajardo (R), Alonzo Baldonado (R), G. Andres Romero (D), and others.
- Bottom Left:** A map of the Middle Rio Grande Conservancy District showing various facilities: EL VADO DAM, COCHITI DAM, ANGOSTURA Diversion Weir, ISLETA Diversion Weir, SAN ACACIA Diversion Weir, and Bosque del Apache Refuge.
- Bottom Right:** A "MRGCD Mission Statement" which states: "THE MIDDLE RIO GRANDE CONSERVANCY DISTRICT OPERATES, MAINTAINS AND MANAGES IRRIGATION, DRAINAGE, AND RIVER FLOOD CONTROL IN THE MIDDLE RIO GRANDE VALLEY, PROMOTES EFFICIENT AND RESPONSIBLE WATER MANAGEMENT, PROTECTS THE ENVIRONMENT, WILDLIFE AND ENDANGERED SPECIES IN COOPERATION WITH OTHER LOCAL, STATE AND FEDERAL AGENCIES, AND PROVIDES MULTI-USE RECREATIONAL OPPORTUNITIES WITHIN THE MIDDLE RIO GRANDE VALLEY."

MRGCD Water Management

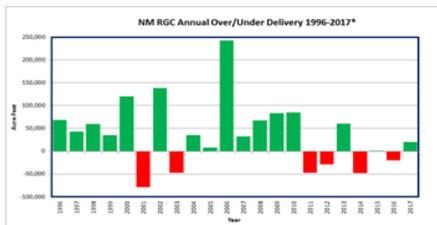
- 1) **Meet irrigation demands** while improving service and increasing system efficiencies: Board Policy is to achieve a minimum efficiency of one hour per acre at the turnout District-wide.
- 2) Operate in a manner that helps to keep New Mexico out of **debt status** to the Rio Grande Compact.
- 3) **Comply with ESA** through application of offsetting commitments and conservation measures in concert with all other agencies' actions to move toward recovery through adaptive management processes.

MRG Consumptive Uses

(not including evaporative loss from Elephant Butte reservoir)



- The MRG lives within its means today, aided by 66K a-f SJC project water, external to the RGC, that was planned for over 50 years ago by MRG water managers.



- *2017 delivery estimated. Actual delivery was 700 AF debit, after release of over 40K a-f RG water from El Vado in fall of 2017 intended to achieve near-zero.
- Over past 22 years, 16 years were over-delivery, 6 years were under-delivery.
- Over entire period, NM delivered 830,000 a-f more than required by the RGC, averaging positive by 37,700 a-f.
- Average over-delivery boosted by ESA releases in 2002, and exceptional summer rains in 2006, but overall indicates RGC is working as intended. NM is successfully meeting its delivery obligations.

Priorities and Major Projects

- Work steadily toward managing for severe drought
 - Grants, efficiency projects, on-farm improvements
- Protect District water rights and preserve lands
 - File PBU with OSE, enhance water bank, manage invasive species on over 30,000 acres of Rio Grande Bosque lands
- Develop Intergovernmental planning and projects
 - State, four counties, six Pueblos and cities
 - Flood protection, drought planning, Endangered Species
- Improve Constituent Services and Public Safety
 - Water delivery scheduling, trails, gates, weed/trash control, fire prevention, web-based services

Priorities and Major Projects

- Capital Improvement Projects
 - El Vado Dam, Corrales Siphon Replacement, New Bernardo Siphon, Aging Infrastructure District-wide
- 2016 Biological Opinion Projects and Commitments
 - Fish Passage Projects: 5-yr San Acacia, 10-yr Isleta Dam
 - Multiple Habitat Sites and Outfall Improvements
 - Water Operations for Spawning and Summer Survival
- Title Acquisition and Levee Projects
 - Bernalillo to Belen Levees
 - Albuquerque Area Levees

2018 Water Operations

- An extremely challenging year
- One of worst snowpacks on record, essentially zero runoff in the spring
- NM out of RGC Article 7 restrictions, due to 2017 water ops and movement of water to Elephant Butte to balance RGC credit/debit status
- BUT, no water physically available to store at El Vado, due to the lack of snow
- MRG valley completely dependent on carryover storage from previous years.

2018 Water Operations

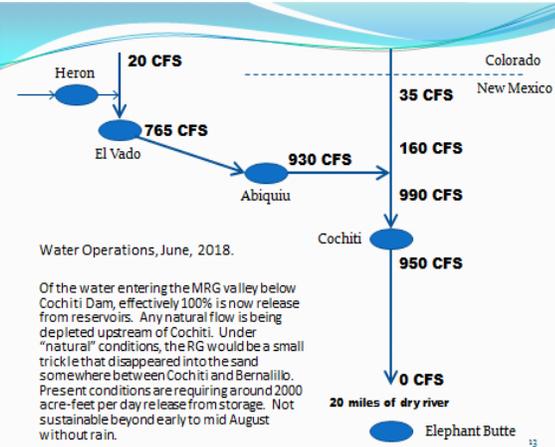
- Began the year with nearly 130K a-f water, of that about 60K a-f Rio Grande, and about 70K a-f SJC
- Most years MRGCD uses between 30K and 80K a-f supplemental storage, so seemingly plenty of water.
- BUT, in 2018, due to lack of runoff, began using storage to augment natural flows in early April!
- Now, at end of June, using the last of our RG water out of El Vado already, and starting to use the SJC

2018 Water Operations

- Currently, only the movement of MRGCD water through the MRG valley is keeping the RG flowing
- Only the movement of MRGCD water is allowing RCAA to operate
- Only the movement of MRGCD water is allowing ABCWUA to operate normally
- Only the movement of MRGCD water is allowing BOR to support RGSM populations in the wild

2018 ESA Operations

- Decision in early 2018 to allow early, controlled recession of river below San Acacia, to minimize mortality of RGSM, and to conserve limited supply of Federal species water
- Present operations keeping over 80% RGSM critical habitat wet and supporting fish
- Small engineered “jiggles” done in May to encourage RGSM spawning, MRGCD for Isleta reach, MRGCD/ABCWUA for Albuquerque reach
- Apparent success, with over 100K RGSM eggs collected for hatchery program, evidence of eggs/larvae in the wild, no water lost to middle valley users to do this



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2018 Potential Implications

- If rains do not come, MRGCD supply potentially exhausted by Mid-August
- Minimal operations maintained to deliver water to 88,46 acres of Pueblo’s lands with “Prior and Paramount” status
- Remaining Pueblo lands, and non-Indian users without irrigation water.
- Devastating crop loss, economic harm to MRG water users
- RCAA left with no water to operate on
- Loss of most of remaining RGSM habitat and wild population
- ABCWUA unable to divert SJ, return to 100% groundwater pumping
- And ???
- Not unprecedented for MRG water supply to reach these conditions, but it has been over 40 years since last occurred

Good News

MRGCD is much better equipped now to deal with shortage. Coordinated management with other MRG water agencies, efficiency improvements, and better understanding of the river system. Without these changes, we would be in much worse shape today, with few options



b. Water Supply Situation and Obligations - David Gensler, Water Operations Manager

Well, it's no secret that 2018 is an extremely challenging year for water operations on the Rio Grande. We begin the year with one of the worst snow packs on record. There was essentially zero runoff in the spring, numbers in the 15% or 17% range, or even less in some basins. We started out in spring out of Article 7 restrictions, which is a good thing, meaning we could use El Vado to store water normally. Unfortunately, there was physically no water available to store at El Vado this spring due to the lack of snow and runoff. That has created a situation where the valley is essentially completely dependent on carryover storage from previous years. That is kind of a normal situation, of course, for us. That's what the reservoirs were made for. Generally, we have a little bit more help from Mother Nature than we're seeing in 2018. We have to depend hugely on reservoir storage.

The one thing that saved us this year, at least for the time being, is that we did start out with a lot of carryover storage. 2017 was good to us, and we've been fairly frugal in our water operations the last several years, and we've managed to build up a little bit of a cushion. We went into the year with just shy of 130,000-acre feet of water, potentially on tap in the reservoirs, in various pools, some of it San Juan-Chama water, some of it Rio Grande water. A little less than half of it was Rio Grande water, about 60,000-acre feet. And the remainder, nearly 70,000-acre feet, was San Juan-Chama water, the imported water from the Colorado River Basin.

In a more typical year, the MRGCD, we expect to use somewhere between 30,000 and 80,000-acre feet of supplemental storage. It would seem like we had plenty of water to begin the year. Due to that low runoff, which was also accompanied with some fairly early warming, essentially no precipitation this spring, very high temperatures through part of the springtime, we started using storage to augment the natural flows back in early April.

It is now the end of June, but probably the last of our Rio Grande water is coming out of El Vado within a day or two of present. We are starting to use up that remaining San Juan-Chama supply.

Some things to ponder about in this extremely dry year on these 2018 water operations, currently, only the movement of MRGCD water through the middle Rio Grande valley is keeping the Rio Grande flowing. If it weren't for our releases of storage, there would be essentially zero water now arriving in the Rio Grande Valley. It is only the movement of the MRGCD water that's allowing the Rio Chama Acequia Associations to operate.

Our water passes by the Rio Chama Acequia Association head gates up on the Chama. There are about 14 or 15 diversions up there. Normally, they are allowed to use the natural flow of the Chama. The Chama is almost nonexistent. It was 18 CFS this morning. So, in the absence of all of our water moving down here for use in the middle Rio Grande valley, they would have no water to operate on. It is only the movement of MRGCD water that is allowing the Albuquerque-Bernalillo County Water Utility Authority to operate normally. They count on native Rio Grande flows, or, in some cases, other people's water moving down the system for their water to be conveyed essentially on top. Then, they divert their San Juan-Chama water, plus an equivalent amount of Rio Grande water, and then return the Rio Grande water from their waste water treatment plant. That strategy does not work if there is no other water in the river to allow them to operate. They would have the option to maintain their diversions and their operations but only by releasing an immense quantity of water essentially to deliver their consumptive San Juan-Chama water to their diversion point. We allow them to kind of ride on our coat tails. Without the movement of the MRGCD water, Reclamation would not be able to continue to support critical habitat and these Rio Grande Silvery Minnow populations in the wild today. It has been a pretty tough year.

In today's snapshot, there's about 35 cubic feet per second coming out of Colorado into New Mexico today, a very low flow. There is a little bit of accretion, few tributaries up there, some small stuff still coming out of the Sangre de Cristo's. There's a fair amount

of ground water accretion in the upper part of the system, up there through the canyons from the state line, down to about Pilar or Embudo.

Somewhere, down around Embudo, we have about 160 cubic feet per second in the Rio Grande right now. Rio Chama system is at 18 CFS. There is 20 CFS coming into El Vado and 765 coming out. That was actually increased to 800 this afternoon.

You can watch the reservoir drop. I was there on Thursday, and I walked down to the water line, and I planted a stick in the water, and I talked to some people for about 20 minutes. And when I turned back around, the water had receded two inches from the stick. So, the water is dropping very, very rapidly. El Vado will probably be effectively empty in a little over two weeks from today, if we can physically draw it down that far. At some point, we expose the intakes and cannot get any lower there.

El Vado's releases are augmenting the Rio Chama about 35 times the natural flow now. So, a tremendous amount of water coming out of storage to swell the Rio Grande downstream to what we need.

There are some releases happening from Abiquiu, federal waters coming out for the Minnow and waters coming out for the Water Utility Authority, and a little of that release from Abiquiu is district water too. Of that 27 CFS that's originating on that system, about 910 of it is coming out of storage today. Then, you get down to where Rio Chama enters into the Rio Grande there, upstream of Otowi Bridge. Down at Otowi, there's actually about 900 cubic feet per second in the river at Otowi today. That's going up too as we speak, because of the change in release at the reservoir.

We only have about 950 cubic feet per second passing through Cochiti Reservoir. There is no change in storage at Cochiti. About 950 cubic feet per second, entering the middle valley, 910 of that reservoir release. The implication is if it were not for the reservoirs and the release of water, there might be 40 CFS or so trickling into the middle valley. That water would disappear into the sand, somewhere between Cochiti Dam and probably well north of Bernalillo.

This is not a completely un-normal situation for us. It's fairly common to see these high reservoir releases and low natural flows, but they happen in late August, September, at the end of the year, things are starting to cool down. That is kind of the natural cycle of things. This was actually happening in the springtime. We should still be having huge snow melt coming out of the mountains yet in late June, but we are down to a trickle.

This brings us to some other things that have happened this year, 2018 ESA operations. Mr. Hamman eluded that back in 1996, the District was first faced with endangered species, and we've had a series of operational changes and things over the years, and a couple of Biological Opinions. Managing of the species is primarily a federal interest, because we are by and far the largest mover of water through the middle Rio Grande Valley, our operations have significant impacts on the species, and we are necessarily a part of the team that works to manage critical habitat for the fish, and there was a decision made in early 2018. The news media made a big deal about how the river was drying and so on. It was actually a very conscious decision to start to get that dry early in the season, thinking it was going to be better for the fish to go

ahead and start to shrink the river while we still had some water to work with to allow it to recede in a controlled way so that fish could move upstream and not be stranded, and that way conserve some of the federal water for the species till later in the summer and, hopefully, be able to weather this for a longer period of time before everybody simply runs out of water and we have no options left.

The present operations on the fish right now are keeping about 80% of the Silvery Minnow critical habitat wet and supporting fish. There were four engineered, we call them jiggles, done in May to encourage RGS spawning. That's a brief change in our diversion rates at our structures, to artificially make a little spawning spike and encourage the fish to release eggs. MRGCD did this for the Isleta reach and MRGCD and ABCWA working together did it for the Albuquerque reach, and there was apparently some success. There had been no eggs before the jiggles. After the jiggles, over 100,000 eggs were collected for the hatchery program. There has been some pretty good evidence of eggs and larvae in the wild. In doing so, we were able to do this with these jiggles by not using any excess water, and no water was lost to water users. It was just retimed and moved around a little bit differently.

So, we are sitting here in late June and our reservoirs are dropping quickly. If rains do not come, our supply is potentially exhausted by mid-August, and you can plainly see it's our supply that's propping up everything through the Middle Grande Valley. If that happens, the implications are that we would shift to some very minimal operations to continue to deliver water to about 8,846 acres of the Pueblo that have Prior and Paramount water right status. We would keep a little bit of water back in reserve to use to manage for deliveries to those lands only, should it become that bad. Remaining Pueblo lands and non-Indian users without irrigation water could potentially be dried up at that point in time, with devastating crop loss and economic harm to middle Rio Grande water users and the valley as a whole.

The Acequia Associations up on the Chama would probably see no water passed their head gates. They would probably suffer the same complications that the middle valley would suffer if we ran out of water.

I believe we would probably lose most of the remaining Silvery Minnow habitat and wild population.

The Water Utility Authority would not be able to divert their San Juan-Chama water, and they would have to return to 100% ground water pumping strategy, which has some costs to them, I think, both in terms of probably monetary value and also losing ground on the progress they've made in recent years of recovering their aquifer.

Probably may be a lot of other implications that we have not thought of yet. A couple that popped to mind right away would be riparian. The Bosque could be in very dire straits. It's already extremely dry. We're likely to see declining ground water levels throughout the valley and a lot of stress on our Bosque. Conditions are not unprecedented. Middle Rio Grande Valley has been without water a fairly large number of times in the past, but it's been over 40 years since the last time the Valley has experienced this, and I think it's kind of gone out of the memories of most people. We

have a much larger population and a lot of other things to consider now that did not exist 40 years ago, when the river dried.

There is a little bit of good news. I believe that we are much better prepared today to deal with shortage. We have intensively coordinated water management with the other water management agencies throughout the valley, daily or sometimes even more frequently water operations calls. Everybody knows what everybody else is doing, and we all work pretty well together to maximize the use of the water.

We have improved understanding of the river system and how it works. Without these changes, we would be in much worse shape today with very few options. Looking back to 1977, for example, the drought then and how water supplies were managed through that year. Without wanting to sound too judgmental, I think they screwed it up, they blocked releases and probably over-released at times and under-released at times, and it looks like they didn't make the most use of what was a very limited water supply in that year. I would like to think that we're a little bit smarter today, for no other reason that we have a huge amount of information today that they didn't have.

The District has made a fairly good investment over the last two decades in automation and water efficiency. The lower left there is a structure we built last year for efficient farm delivery. Minor little thing, but every little bit helps. These things allow us to deliver water to farmers more efficiently with less waste.

There are approximately 100 automated sites right now that control the water, and minimize loss. There is one that includes a component to where it delivers a guaranteed rate of flow back to the river to maintain a habitat area for the fish. Lots of good stuff has been done in the last two decades with automation and efficiency.

The big question weighing heavily on the mind, and firmly believe that we are going to make it through this year all right. But what is going to happen next year? If things continue on the present path, we stand a good chance of depleting everything in the bank, and we could be going into next year with no water available, very few options for us.

To make matters worse, we're probably digging a pretty deep hole down at Elephant Butte, not in terms of New Mexico's delivery obligations but in terms of total storage down there. We are likely to be deep into Article 7 restrictions and may not be able to use El Vado next year to store water, unless we have some credit relinquishments from the state.

We currently do have some relinquishments on the books. I think 37,000, 38,000-acre feet. So, there's a little glimmer of hope there. So, if we have a good year this year we could build up some more credit down there. Maybe the state will relinquish it to the District. We'll see how things go next year. But it's really worth looking forward a year or two down the pike and seeing where we're going to be.

Chairman Kelly asked how much water was coming out of Colorado. David Gensler responded that we are getting a small delivery of 500 CFS, combined.

c. Specific Priorities and Projects of MRGCD - Mike Hamman, CEO/CE

This portion was captured in Item 4.a.

d. Questions and Comments from Attending Senators and Representatives

Rep. Armstrong thanked the board for all that it does, and she appreciates all of the information that she is given from MRGCD. Chairman Kelly sought support in passing legislation to set up a framework for flood control authority for all of Valencia County and Northern Socorro County, from Isleta Pueblo to Bernardo. Rep. Armstrong said she would lend her support and asked that the MRGCD give her what they have, and she will be happy to work with it.

Rep. Romero asked Mr. Gensler for clarification on his comment during his presentation that the Albuquerque-Bernalillo County Water Utility Authority ("ABCWUA") relies upon MRGCD to operate normally. Mr. Gensler replied that as part of ABCWUA's strategy, they divert San Juan-Chama water. They also must divert some Rio Grande water. This only works as long as there is Rio Grande water to divert. Since MRGCD will exhaust the Rio Grande water, ABCWUA will need to increase their San Juan-Chama use. The San Juan-Chama water rides on top and most of its incidental losses are covered by the natural flow of the river. In that situation, their water will not be able to ride on top.

Rep. Romero then asked what collaboration was occurring between ABCWUA and MRGCD. Chairman Kelly responded that ABCWUA lent MRGCD quite a bit of water. MRGCD still owes them 30,000-acre feet. MRGCD has a very cooperative arrangement with ABCWUA with borrowing water. MRGCD is also pleased that ABCWUA has come out with their new 100-Year Plan, where they are no longer looking into acquiring pre-'07 water rights as part of their water portfolio. They are able to meet their expected demands through their own water rights holdings, conservation, and recycling.

Rep. Romero closed his remarks by thanking the MRGCD for all they do for the South Valley and asked that he be contacted if MRGCD needs anything at all.

Rep. Ruiloba added his thanks for all the work MRGCD does, and especially thanked Mr. Hamman for the role he plays in making the South Valley safer for his constituents. He also echoed what the other legislators said, that he is here to help.

Rep. Chasey thanked the MRGCD for all that they do, and also asked for the Board to reach out to her, should they need anything.

e. Closing Remarks

Director Lente closed out the section by thanking all of the Representatives for their time to attend today's meeting.

Chairman Kelly called for a five-minute recess.

AGENDA ITEM NO. 4 – ELECTION OF BOARD CHAIR & VICE CHAIR – REORGANIZATION OF THE BOARD - Lorna Wiggins, MRGCD General Counsel

Item 4 was deferred to the next meeting or when “all” seven Board Members are in attendance of the Board Meeting.

AGENDA ITEM NO. 5 – PRESENTATION SUNZIA SOUTHWEST TRANSMISSION PROJECT - SUNZIA Representatives

Jason Casuga introduced the SunZia representatives, which included CeCe Agouda from Docket Consulting and Martin Bailey, real property manager, with Southwest Power Group. They both represent SunZia Southwest Transmission Project. Jason thought it would be good, before we get too deep into the licensing process, to have them come to the Board and discuss their project, the size, and the scope, and advise who they are working with, etc.

MR. Martin Bailey stated SunZia is an independent developer of utility scale generation and transmission, headquartered in Phoenix, with a staff of ten with over 175 years of experience in the energy industry. Some of their major accomplishments include a Gila River, located in Gila Bend, Arizona, which is a 2,400-megawatt combined cycle, gas turbine facility; 600-megawatt lignite gasification coal, located in Rockdale, Texas; and 200 megawatts of solar project in Imperial Valley. They also do small distributed generation units where there's a thermal mix, typically in Central Valley, California, where they preserve peaches, apricots, and fruits of that nature. Southwestern Power Group is wholly owned by MMR Group. MMR Group is a construction, electrical, and instrumentation contractor. It's one of the top five in the nation, and it's headquartered in Baton Rouge, Louisiana.

The project itself is 520 miles, two circuits of 500 KB transmission with a transfer capacity of 3,000 megawatts. The purpose of the project is to bring high-quality renewable energy to western markets. There is a very robust wind resource located in Northern Lincoln and Torrance County, and that resource is constrained by not being able to get to markets.

SunZia has gone through an eight-year process. 184 miles of the 520-mile route is on federal land. In New Mexico, there are 134 miles of federal land, i.e., BLM managed or BOR or other entities of the federal government. There are some 96 miles of New Mexico state trust land that the project crosses. SunZia has a pending application with the land office. There are also some 90 miles of private land that the project crosses.

The next step in this process is to achieve all of our aerial crossing permits, and that's essentially why they are here today, to inform the Board about the project, so they can move forward.

The next step on the federal level, in order for the project to go into construction, is for BLM to issue what's called a Notice to Proceed. They are currently preparing this plan

of development, and it was submitted two weeks ago to the BLM and is currently under review. We're hoping for commercial operation in the year 2020.

Professor Pop from NMSU prepared an economic impact assessment. Mr. Bailey offered to provide the complete study to the Board members. The assessment shows economic benefits to Socorro County.

The 520 miles is intended to tie with wind generation facility in Lincoln County, New Mexico, and at the western terminus is a location called Pennell Central Substation, which is an existing facility. There are two proposed rights of way of 200 foot in width. The right to way request is 200 feet. Typical span between structures is going to be anywhere from 1,350 to 1,400 feet.

They are presently a little more than 60% design. They have signed contracts with tower providers, steel producers. They are looking to have two significant overhead EPC contractors working on construction for the project. Physical construction duration is anywhere from 24 to 30 months.

There is a laundry list of approvals and permits that they have already received. There are some environmental studies. They completed the NEPA investigation in 2015 with a record of decision. They executed a right of way grant with the BLM in September of 2016.

CeCe Agouda presented a slide that showed where all the markings and boundaries are located. There are two structures proposed on the fee lands. One is on the Middle Rio Grande parcel, and that structure SS SE151/1. Then there's the structure on the Bureau of Reclamation partial, east of the Rio Grande, and that's 151/2.

When they met with the District and with the BOR, they talked about what they would need for an application. It consisted of a plan of how would access be made for construction, how would access be made for maintenance; what kind of clearance would be required, what kind of biological/cultural impacts would there be. They have also coordinated with Hector Gomez of the BOR concerning both the cultural and the biological clearances. There was an Environmental Impact Statement done for the BLM and a Biological Opinion that was issued by Fish and Wildlife Service, and said there is no critical habitat being impacted. The area where the line is crossing the Rio Grande was actually burned in a fire in the last few years. He did mention that there is a mitigation requirement for the cottonwoods, and will be coordinating any mitigation with him. They have moved a structure slightly to minimize our impacts to the cottonwoods.

So, to date, to coordinate the Middle Rio Grande, they have been working towards this since last summer, and started working with Ms. Adrienne Martinez in January. They had a kickoff meeting in April. Mr. Gomez got back to them from the BOR that they confirmed this is in a fire area, and marked it as non-habitat for the willow flycatcher and the yellow billed cuckoo.

Director Moore stated she is not happy with the thought of going through with this project. She believes property values will be severely impacted by this project and that

this project will cause a big scar across Socorro County. Director Moore also asked if they considered routing this project through a non-populated area.

Mr. Bailey responded that there have been over 2,400 linear miles of study done as to environmental impacts through the EIS process. The EIS document is a BLM document. SunZia has not done an economic analysis on property values relating to the project. He did share that there is a total of 85 property owners, and 68 of them have entered into agreement with SunZia. So, he felt SunZia was making progress. Director Moore responded that it is not progress for New Mexico, its progress for Arizona and California.

Director Baca asked if SunZia could assure MRGCD that the transmission would carry 3,000 megawatts of renewable energy. Mr. Bailey responded that going back to 2006, National Renewable Energy Labs found this area to be one of the most robust wind resources in the west. From that study, which was redone going back to 2012, indicated that there was some order of magnitude between some 10,000 and 12,000 megawatts of that wind energy.

Director Baca then asked if Mr. Bailey had seen MRGCD's mission statement. He asked what is SunZia going to do to mitigate the poor esthetics. Even though, it's a burn section now, there are groups that actively work to restore sections of the Bosque.

Chairman Kelly asked for clarification on the potential of 10,000 to 12,000 megawatts of wind potential but wanted to know whose power is going to be on this line? Mr. Bailey responded that anybody who makes an interconnect request on the line, whether it be solar, whether it be gas, whether it be wind, SunZia has to offer them the ability to interconnect with the line. It's a federal regulation.

Director Duggins asked where the \$55-million amount of worth of economic value to Socorro came from. Mr. Bailey replied that it came from Anthony Pops' study. Director Duggins has learned so far that Socorro County has been guaranteed zero. That may be the jobs that we get in the project but they may be in Lincoln County. He also echoed Director Moore's' statements about the scar that this would leave in Socorro County.

Director Lente asked if there was a point where Mr. Bailey would be coming to the Board to request approval of a permit. Mr. Bailey responded that the application had been filed this week. Director Lente then asked, hypothetically, if the permit is not approved, does SunZia reroute and how long does it take? Mr. Bailey stated they would revisit the siting of the location, but he did not know where they would look (south or north). He also didn't know how long it would take. Director Lente then wanted clarification if SunZia was moving the power from the east side of New Mexico to Arizona and then where? Mr. Bailey said possibly California. Director Lente then asked what the amount of compensation to the District would be, and Mr. Bailey did not know as they had not discussed it with staff.

Chairman Kelly asked what you are doing at the other river crossings on this corridor, like the Gila or the San Pedro. Mr. Bailey did not believe they crossed Gila but did

cross San Pedro. Chairman Kelly then asked if SunZia was doing an EI or EIS with the Bureau. Ms. Agouda responded that Mr. Garcia, from the Bureau of Reclamation reviewed the Environmental Impact Statement that was prepared for the whole line under the jurisdiction of the BLM, and he determined that it covered his clearances that he needed from the aspect of the BOR for their compliance with NEPA. Ms. Agouda believed he was doing a categorical exclusion to cover their compliance.

Chairman Kelly went on that they have picked one of the narrower spots of the Rio Grande Valley to cross. So, the impact on migrating water fowl is going to be that much greater because the flyway is confined there, and that's right where one would pick for the power line to cross. Wouldn't it have made better sense to cross where the flood plain was a lot broader than where it's narrower? Ms. Agouda responded the analysis for the routing was conducted about ten years ago, and it's when the EIS started in 2008. Chairman Kelly continued asking about one circuit right now that is 1,500 megawatts that's 200 feet. Chairman Kelly then assumes that there's another circuit coming down the way that's going to be a parallel line on another 200 foot right of way? Ms. Agouda agreed. Mr. Bailey responded that the second circuit is subject to economic conditions and whether or not there's demand for the power.

Chairman Kelly asked why you talk about a 200-foot right of way versus a 1,000-foot-wide permitted corridor. It sounds like you bought five of these. Mr. Bailey responded no. In essence what's the 1,000-foot corridor is to facilitate moving within that 1,000 feet in case we run into construction constraints, such as terrain, cultural resources, where they will have to move outside of what the parallel is.

Chairman Kelly echoed back that it was his understanding that SunZia agreed to bury the line for a substantial portion to obtain military approval for White Sands and asked how much it costs to bury the line. Mr. Bailey responded approximately \$75-million to \$100-million. They will be charged a per-acre rate, based on the 200 foot right of way, at \$165 per acre per year.

Director Moore felt if MRGCD approves this one, more come in down the line because she believes Arizona and, especially California, will always demand more and more. She is not against the wind energy, but she thinks careful consideration should be given on this. In her opinion, Socorro will be completely stunted of any growth it may have, if these lines are built. She stated that as a board member, she is completely against this project.

Public Comment regarding SunZia:

Commissioner Salas then commented. She first thanked the board for the swim passes for the Socorro youth. She then thanked Director Duggins and Mike Lopez for all their help with flooding.

Commissioner Salas was at the PRC public hearing. She was able to hear sworn statements from Mr. Bailey and others from SunZia. She wanted to let the board know these things:

- The same company that did the EIS study for SunZia also did it for BLM.
- Professor Pop was ripped apart for saying that it was going to be economic development. He never did a study on White Sands Missile Range, on the personnel they were going to be losing.
- They never did a study on the farmers or ranchers in that area. He got all of his information from SunZia, nothing on his own research.
- California is paying Arizona to take their green energy from them because they have so much. So, why would we have the towers and have those transmission lines going to Arizona? Why aren't we able as New Mexicans, able to use that green energy? And if we do jump into it, how much is it going to cost us? Like even for the City of Socorro, it's going to be millions of dollars if we want to us that energy.
- New Mexico will not be able to tap into this.
- While she was at the PRC hearing, and under his sworn statement, he said that he had approval of the Middle Rio Grande Conservancy District.

Commissioner Martinez thanked MRGCD for the Socorro youth' swim passes. He then said that he thought that Commissioner Salas captured everything.

Cecilia Rosecker, Rio Grande Agricultural Land Trust, addressed the issues for the Board. They share a similar mission to MRGCD, to protect the environment, wildlife, and endangered species, and they do this working with local, state, and federal entities. They are a non-profit organization that works with landowners to protect the conservation values of their land.

She shared some information with MRGCD before about our easements and my concerns about how SunZia will impact these conservation easements. It puts them in a very vulnerable position in that they will have to defend those conservation easements, even from third party impacts. So, that could mean litigation. Should they use the power of eminent domain, they would be in a position to negotiate just value.

One of the things she wanted to really convey to the Board today is this North American Wetlands Conservation Act funding, because that funding is for migratory birds, and it has an impact up and down the valley. Through those NACA grants, we have had five \$1-million NACA grants in the last 15 years. We leverage those with 15-million dollars in conservation funds. Those leverage dollars came from donated conservation easements from our landowners. Three-and-a-half million in the last five years came from that. So, when we do a project in Socorro, it has an impact on conservation work in Bernalillo County and other counties. For example, one of the second NACA grant in the last five years with our donated conservation easements, we were able to leverage that million dollars. Half a million of that went to help purchase Valle Del Oro. It's also in their third NACA grant, it's going to do restoration and enhancement projects on Valle Del Oro.

She wanted to point out that one of our conservation easements, or actually two of them, are within a mile of the proposed crossing, and there are two historic crane roosts on either side of that crossing. We have two easements that protect that northern crane

roost. So, it will definitely have an impact. If all of you know cranes, they take a while to get up in the air. A mile isn't enough time for them to run and get over those lines.

She did read Cars, the wildlife expert's testimony on the area. He specifically described it as the narrowest crossing on the Rio Grande, the narrow ... and then also described that it's an area where bird congregate. Everything he described is everything we put in the NACA grants to access funding, and that is the something that's very unique about Socorro. Some of the last big wetlands in the state are in that area. They still have big, irrigated farms, which are critical for bird habitat. Those are the reasons we can access that funding. We're competing with coastal plains, with flooded forests, but because we have this very unique area in Socorro county where continental migrations pass through there, and many of them winter there, is why we're able to access those very important grant funding. We're partnering with Bernalillo County. Part of their conservation plan is to protect the flyway, and she met with Valley Del Oro just a few weeks ago. They said, "We just want to send those birds down to Socorro." And we're sending them into the line of fire. We're crossing the river at the narrowest gap on the Rio Grande, where all those birds are ... we're putting them in the fire line.

Director Duggins wanted to thank Ms. Rosecker for all she does.

Viola Sanchez asked if they could route their project north of San Acacia, on public lands. She also asked about environmental injustice. Mr. Bailey said he could not answer the question about the environmental injustice due to it being out of his scope, but he would let Mr. Hamman know who he could contact to get that information. He went on to answer that he believed they did consider that area. There were over 2,400 alternative routes that were investigated for environmental compliance.

Chairman Kelly reminded the Board that this presentation was for informational purposes only. He feels the board raised a lot of questions for Mr. Hamman and Mr. Casuga to follow up on. As the chair, he agreed with everybody here, that we certainly support green energy but not at the expense of New Mexico to the benefit of those living to the west of us that, they have as much as sunshine and wind as we do.

AGENDA ITEM NO. 6 – ITEMS FROM THE FLOOR

There were no items from the floor; however, Chairman Kelly did read a very nice thank you note from Ms. Beth Dillingham, who was honored for her years of service with MRGCD on 6/11/18.

Dear Middle Rio Grande
Conservancy District Board of
Directors and Staff.

Thank you so much for the
recognition and lovely
reception for me on June 11, 2018.
It was very kind of you to
honor me. I deeply appreciate
it. I would like to thank
all of you for your work
on behalf of all the citizens
of the Middle Rio Grande
Valley. I know it is so
difficult in times of drought
to balance all the interests
of people and the natural
world. I appreciate your
service and the care you
bring for all living things
to your work. Thanks So Much!
Betsy Dillish

AGENDA ITEM NO. 7 – REPORT(S) FROM THE MRGCD CHIEF ENGINEER - Mike Hamman, CE/CEO

- a. **Consideration/Approval of Contract Renewals Legal Counsel – Mike Hamman, MRGCD CEO/CE**
1) **LRPA, Chief Water Counsel**

Director Duggins made the **MOTION TO APPROVE THE CONTRACT RENEWAL OF LRPA, CHIEF WATER COUNSEL**. Director Baca seconded the motion. The **MOTION CARRIED**.

- 2) **WW&W, General Counsel**

Director Baca made the **MOTION TO APPROVE THE CONTRACT RENEWAL OF WW&W, GENERAL COUNSEL**. Director Duggins seconded the motion. The **MOTION CARRIED**.

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

Water report covered in 3.b.

- c. **Report on Meeting with the Coalition of Six Middle Rio Grande Pueblos Working Group, June 18, 2018 - Mike Hamman, CEO/CE**

This is the second meeting of the working group, the first being in May that led to a discussion and a letter agreement between MRGCD and the six Middle Rio Grande Pueblos Coalition that essentially allows for a technical swap. This will allow the District to cover the required P&P

storage schedule that is put together by the Designated Engineer, Viola Sanchez, via, the 1981 agreement where there's a calculation on a month-to-month basis of how much water should be in storage at El Vado to cover the remaining months of the operating year in order to have an insurance supply to assure the Prior and Paramount lands of the pueblos have sufficient supply to complete the irrigation season.

The normal way it works is that the water in storage traditionally has been Rio Grande native to cover the potential demand for the P&P lands based on worst case conditions. We used to compare to 1956, but we actually have more recently been comparing it to the year 2002, when we had one of the worst runoffs on record and a much extended summer period without any rain.

This year, because of our need to reserve our San Juan-Chama water as long as possible, given the fact that we're going to start the year in Article 7 in 2019. If we are fortunate enough to have some carryover storage based on summer rains, we prefer it to be San Juan-Chama instead of Rio Grande. So, it has no compact implications.

The other thing that the pueblos need to concern themselves with is if we go into strict P&P operations, the lands that are currently being irrigated that are called newly reclaimed lands are distributed between three and four pueblos that would have to curtail newly reclaimed lands. With that understanding, there is a very cooperative relationship here where the pueblos have allowed for and agreed to a swap, if you will, to hold for the remaining part of the season, through July, August, and September of quantity of water sufficient to meet their needs. It would be labeled San Juan-Chama water, and it could be any reservoir that we choose.

Right now, Bureau of Reclamation is not in favor of formally tagging any water in Heron. This agreement is strictly between the District and the Pueblos with the concurrence that as long as we have enough water in storage, it doesn't matter where and what kind of water it is. If we had gone with the formal requirements, we would have used our San Juan-Chama first and then native later.

It is to everyone's benefit that we do this. We will now get a revised letter from the coalition recognizing the new agreement for the remainder of the year and will continue to turn back water to the main district pool as the demand or the need for reserve storage does not result. In other words, as the season goes on, the need to maintain that P&P storage goes away as the season progresses. So that water would revert back to the general pool, allowing for all irrigation continue going forward as long as possible.

Chairman Kelly asked if this puts us in an awkward spot at the end of the year, trying to make Compact deliveries when we have used what has traditionally been the buffer amount that runs downstream in that illogical hydrograph in November and December? Mr. Hamman responded that this particular year, Compact deliveries are probably not going to be a problem for us. And if we are fortunate to get rains below Otowi, we could very well possibly end up with a decent credit. Because of the schedules and a really low year, our delivery requirements might have already been met. We will be taking a look at that here in the next couple of months. Colorado has made their deliveries already to New Mexico. We are in pretty good shape as far as our Compact deliveries to Texas.

d. Sponsorship of City of Socorro Swim Pass Program - Mike Hamman, CEO/CE

The Board discussed this in a previous meeting. The City of Socorro has requested that MRGCD basically mirror the swim pass program that MRGCD currently sponsors for Bernalillo

County to help local children in the community to utilize the public facilities for swimming as an option to them using the ditches and drains that are not only potentially dangerous but also could have some health issues associated with the water. Mr. Hamman is recommending that MRGCD sponsor \$8,000 to match other sponsor's (Socorro's local vendors) contributions. Mr. Hamman also recommended that MRGCD provide the same program to Valencia and Sandoval Counties.

Chairman Kelly noted that this is for informational purposes only, since this falls within Mr. Hamman's approving authority.

Director Romero was not at the meeting when this program was discussed. She asked when Mr. Hamman would be contacting Mayor Cordova of Belen and Mayor Griego in Los Lunas so that Valencia County can partake in the program. Mr. Hamman replied that he will be contacting them in the near future (new fiscal year begins next week, 7/1).

Director Lente suggested that there be some type of cap on the amount allocated for each county. Mr. Hamman replied that he thinks we need to have an upper limit budget on what we are willing to devote to a program and how it is allocated. Director Lente asked if Mr. Hamman could also contact Mayor Torres in Bernalillo so that they can also partake in the program. Mr. Hamman will contact him.

Director Baca read a note that Director Dunning sent in for this meeting (she is not in attendance today). Between 1991 and 1997, there were three drownings in Socorro County, six in Valencia County, and 56 in Bernalillo County. Director Baca would like to develop this program to be a little more comprehensive and have more of an educational approach.

Director Moore asked if there would some type of tag that MRGCD was funding the program. Mr. Hamman replied that in Socorro County a banner will be placed at the pool to show MRGCD sponsored the passes to keep children safe during the summer months, active, and healthy. Socorro County is also going to post the sponsorship on their website.

AGENDA ITEM NO. 8 – REPORT(S) FROM THE MRGCD ATTORNEY(S) (Chief Water Counsel and/or General Counsel)

Chief Water Counsel, Chuck DuMars, will be calling in for the Executive Session for his topics. General Counsel had nothing to report today.

AGENDA ITEM NO. 9 – REPORT(S) FROM THE MRGCD BOARD OF DIRECTORS

a. Report on Meeting with Bosque Del Sol, June 7, 2018 - Director Moore

Bosque Del Sol requested a meeting with Mr. Hamman, and Mr. Hamman invited Director Moore to attend. They met with Tim Thompson, who is the owner of Bosque Del Sol, and his lawyer, Hugo Hinosa. They discussed concerns. This topic will also be discussed in Executive Session.

Director Baca made the **MOTION TO APPROVE DIRECTOR MOORE'S REPORT, SUBJECT TO DISCUSSION DURING EXECUTIVE SESSION.** Director Duggins seconded the motion. The **MOTION CARRIED.**

b. Report on the Water Protection Committee, June 18, 2018 - Directors Lente, Duggins, and Baca

Director Lente will take the lead on the report out, which will occur during Executive Session.

Director Moore made the **MOTION TO APPROVE DIRECTOR LENTE'S REPORT, SUBJECT TO DISCUSSION DURING EXECUTIVE SESSION.** Chairman Kelly seconded the motion. The **MOTION CARRIED.**

c. Report on Irrigation Committee Meeting, June 25, 2018 - Directors Duggins, Lente, and Moore

AGENDA ITEM NO. 10 – EXECUTIVE SESSION

Director Baca made the **MOTION TO GO INTO EXECUTIVE SESSION.** Director Moore seconded the motion and the **MOTION CARRIED** unanimously

Director Baca	Yes	Director Moore	Yes
Chairman Kelly	Yes	Director Romero	Yes
Director Lente	Yes		

Director Moore made the **MOTION TO RETURN TO REGULAR SESSION.** Director Baca seconded the motion and the **MOTION CARRIED** unanimously (by roll-call vote).

Director Baca	Yes	Director Moore	Yes
Chairman Kelly	Yes	Director Romero	Yes
Director Lente	Yes		

Chairman Kelly said discussion was had and there were no decisions made

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

The meeting adjourned at 6:26 p.m.

Approved to be the correct Minutes of the Board of Directors of June 25, 2018.

ATTESTED:

David M. Fergeson
Secretary/Treasurer

John P. Kelly,
Chairman, MRGCD Board of Direc