

San Juan Water Commission

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MEMBERS:
City of Aztec
City of Bloomfield
City of Farmington
San Juan County
S.J. County Rural Water Users Association

Final Minutes Approved on March 1, 2017

SAN JUAN WATER COMMISSION REGULAR MEETING MINUTES JANUARY 4, 2017

The San Juan Water Commission met in a Regular Meeting pursuant to due notice, Wednesday, January 4, 2017 at 9:00 A.M. in the San Juan Water Commission's conference area in the San Juan Water Commission Office Building, 7450 East Main Street, Farmington, New Mexico.

CALL TO ORDER

Chairman K. Johns called the regular meeting of the San Juan Water Commission (SJWC) to order at 9:03 A.M.

Members Present

City of Aztec

Josh Ray - Commissioner

City of Bloomfield

Eric Strahl - Alternate Commissioner

City of Farmington

Jay Burnham - Alternate Commissioner

San Juan County

Keith Johns - Commissioner

Margaret McDaniel - Alternate Commissioner

Arrived at 9:30AM

S.J. Rural Water Users Assoc.

Jim Dunlap - Commissioner

Keith Lee - Alternate Commissioner

Members Absent

City of Aztec

Austin Randall - Alternate Commissioner

City of Bloomfield

Elwin Roark - Commissioner

City of Farmington

Cy Cooper - Commissioner

Legal Present

Doug Echols

Staff Present

Aaron Chavez

Shaun Bishop

Jacqueline Allcorn

Gordon Miller

Jimmy Hodges

Visitors:

(4)

In the absence of Commissioner E. Roark, Alternate Commissioner E. Strahl was the voting member for the City of Bloomfield. In the absence of Commissioner C. Cooper, Alternate Commissioner J. Burnham was the voting member for the City of Farmington.

APPROVAL OF AGENDA

Chairman K. Johns called for approval of the Final Agenda. Motion was made by J. Dunlap and seconded by J. Ray to approve the Final Agenda as written, and upon voice vote the motion carried unanimously (J. Burnham, J. Dunlap, K. Johns, J. Ray and E. Strahl all voted yes).

CONSIDERATION OF APPROVAL OF THE DECEMBER 7, 2016 REGULAR MEETING MINUTES

Motion was made by J. Dunlap, and seconded by J. Burnham to approve the December 7, 2016 regular meeting minutes, and upon voice vote the motion carried unanimously (J. Burnham, J. Dunlap, K. Johns, J. Ray and E. Strahl all voted yes).

COMMENTS FROM THE PUBLIC

There were no comments from the public.

CONSIDERATION OF RESOLUTION NO. 2017-01 ~ "ESTABLISHING PROCEDURES FOR GIVING NOTICE FOR MEETINGS OF THE SAN JUAN WATER COMMISSION"

Chairman K. Johns asked for the Commissions' consideration of approval of *Resolution 2017-01 Establishing Procedures for Giving Notice for Meetings of the San Juan Water Commission*. A. Chavez said each year in January the Commission adopts a resolution establishing procedures for giving notice for meetings. A. Chavez said that Resolution 2017-01 did not contain any changes to the current procedures for giving notice of the meetings.

Motion was made by J. Burnham, and seconded by J. Ray to approve *Resolution No. 2017-01 Establishing Procedures For Giving Notice for Meetings of the San Juan Water Commission*, and upon voice vote the motion carried unanimously (J. Burnham, J. Dunlap, K. Johns, J. Ray and E. Strahl all voted yes).

Unless otherwise specified, regular meetings of the SJWC will be held at 7450 East Main Street in Farmington, NM beginning at 9:00 A.M. on the first Wednesday of each month. Notice of all meetings will be posted on the bulletin board in the atrium at 7450 East Main Street, Farmington, NM and on the San Juan Water Commission's website at www.sjwc.org.

REORGANIZATION

At the first meeting of the year, the Commission selects individuals to serve as Chairman and Vice-Chairman of the SJWC for one year. Currently, Keith Johns is serving as the Chairman and Cy Cooper is serving as Vice-Chairman.

Motion was made by J. Ray, seconded by J. Dunlap to retain Keith Johns as the Chairman of the San Juan Water Commission and Cy Cooper as the Vice Chairman, and upon voice vote the motion carried unanimously (J. Burnham, J. Dunlap, K. Johns, J. Ray and E. Strahl all voted yes).

CONSIDERATION OF DRAFT RESOLUTION NO. 2017-02 ~ "A RESOLUTION ESTABLISHING THE HOLIDAY SCHEDULE FOR 2017 FOR THE SAN JUAN WATER COMMISSION"

A. Chavez said the 2017 Holiday Schedule was very similar to the SJWC's 2016 Holiday Schedule.
A. Chavez said the Commission's holiday schedule closely follows San Juan County's holiday schedule.
A. Chavez said a copy of the SJWC Holiday Schedule will be sent to San Juan County Finance Department for their use.

Motion was made by J. Burnham, seconded by E. Strahl to approve Resolution No. 2017-02 ~ "*A Resolution Establishing The Holiday Schedule for 2017 for the San Juan Water Commission*" and upon voice vote the motion carried unanimously (J. Burnham, J. Dunlap, K. Johns, J. Ray and E. Strahl all voted yes).

SAN JUAN WATER COMMISSION'S CONFLICT OF INTEREST POLICY

A. Chavez said the Conflict of Interest Policy was established on August 12, 2015 and that it is to be reconfirmed by signature annually, generally at the first meeting of the new year. A. Chavez noted the purpose of the Conflict of Interest policy is to protect the San Juan Water Commission's (SJWC) interest when it is

contemplating entering into a transaction and/or arrangement directly with a member entity, or another entity, that might benefit the private interest of a Commissioner or Alternate Commissioner of the SJWC. A. Chavez added, the policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to governmental, nonprofit or charitable organizations. A. Chavez said copies of the Conflict of Interest Policy were available for signature at the conclusion of today's meeting.

M. McDaniel entered the meeting at 9:15 AM.

DISCUSSION OF “ALTERNATIVE DEVELOPMENT STUDY MITIGATION FOR SPILLS TO ANIMAS RIVER” (PIPELINE FROM ALP TO NEW MEXICO)

Rick Cox, Senior Engineering Consultant for the San Juan Water Commission presented an update on the *Alternative Development Study Mitigation for Spills to the Animas River*. R. Cox said at the SJWC November 2, 2016 Regular Commission meeting, the Commission voted to approve preparing an Alternatives Development Study Mitigation for Spills to the Animas River. R. Cox said he was presenting via PowerPoint the results of the draft report that outlines the three chosen Alternatives - Small Diameter Pipeline, Large Diameter Pipeline and Increased Local Storage. R. Cox said his PowerPoint presentation would include *Alternative Considered – Pipeline Alignment - Small Diameter Pipeline – Large Diameter Pipeline – Increased Local Storage – Analysis of Alternatives – Conclusions and Open Discussion/Strategies*.

A. Chavez commented that the detailed “Draft” *Alternatives Development Study Mitigation for Spills to Animas River* report was also provided for their review in the meeting packet for today's meeting.

R. Cox said in response to the Gold King Mine incident of August, 2015, the San Juan Water Commission SJWC requested a development study of the three Alternatives - 1) A small diameter pipeline from Lake Nighthorse to SJWC member entities based on the peak monthly flow (43.47 cfs.) anticipated for the Animas La Plata Project 2) A large diameter pipeline from Lake Nighthorse to SJWC member entities based on the historic peak average daily flow for each of the members agencies, totaling 92 cfs. 3) Additional local storage to ensure a minimum of 14 days of peak daily demand storage for each SJWC member.

R. Cox addressed the Large and Small Diameter Pipeline by noting that there is approximately a 30.7 mile alignment for the two pipeline alternatives that follow U.S. Route 550 from Lake Nighthorse in Colorado to Aztec, New Mexico. From Aztec the alignment continues 27.5 miles, following State Route 516 and U.S. Route 64 to Kirtland, New Mexico. R. Cox said the hydraulics are favorable and this alignment requires no pumping. R. Cox said the increased Local Storage alternative assumes that each member will have a minimum of 14 day storage at the peak daily demand. R. Cox noted that costs summarized are for geo-membrane lined surface raw water ponds.

R. Cox said the estimated costs were developed at a conceptual level for the purpose of comparing alternatives and that the Small Diameter Pipeline Alternative is estimated to cost \$87,029,000, the Large Diameter Pipeline Alternative is estimated to cost \$194,892,000, and the Increased Local Storage Alternative is estimated to cost \$16,000,000.

R. Cox said all three Alternatives met the study criterion of satisfying SJWC member's water demands during a period when diverting from the Animas River was not possible because of river contamination or other causes. R. Cox said the Rights-of-Way issues for the pipeline alternatives were not addressed by this study. R. Cox said the construction of a large costly pipeline for the purpose of only using it during emergency conditions when diversions from the Animas River were not possible, was not a very practical solution. R. Cox said if the smaller pipeline were to be considered for additional investigation, a capacity use model would need to be developed to consider the actual demands for ALP water throughout the year to better define a future pipelines usage. R. Cox continued by saying the increase to local storage alternative is the least costly due to the advantage of incremental implementation, meaning, small portions of it can be implemented and its benefits are incrementally realized immediately; whereas the pipeline alternatives requires the entire trunk line to the first user to be constructed and operational before any benefits accrue. R. Cox said that the Increased Local Storage Alternative is both justifiable and the easiest alternative to implement, provided that the only criterion of implementation is meeting demands for 14 days when diversions from the Animas River are not possible. R. Cox concluded his presentation by thanking the Commissioners and Alternates.

A brief discussion followed that included: A-LP water rights, Bureau of Reclamation methodology, raw water storage, local funding issues, sharing of existing storage, eligibility for grants, treatment of contaminants in the Animas River, and the State of New Mexico's possible study/assessment on the human and ecological risks. A. Chavez recommended that staff investigate whether or not the State of New Mexico plans to conduct a study on human and ecological risk - and if the State does complete a study - that the staff request the report

and find out what the State plans to do with funds provided by the EPA. A. Chavez further recommended the Commission wait until the results from the State's study are released before decisions are made. J. Dunlap said, if possible, staff should look into participating in the study. Chairman Johns thanked R. Cox for his presentation and noted that staff's suggestion to wait on the State's study results would be taken under advisement and revisited at a future monthly meeting. A. Chavez said any additional comments and concerns regarding the *draft Alternative Development Study Mitigation for Spills to the Animas River* should be sent via e-mail to sjwcoffice@sjwc.org.

CONSIDERATION OF "AGREEMENT BETWEEN THE LA PLATA CONSERVANCY DISTRICT AND THE SAN JUAN WATER COMMISSION REGARDING CONTRACT WITH CLEAN PATH ENERGY CENTER, LLC.

A. Chavez said the "draft" agreement between the La Plata Conservancy District and San Juan Water Commission regarding the contract with Clean Path Energy Center, LLC (CPEC) has been reviewed and approved by the La Plata Conservancy District's Board (LPCD). J. Dunlap asked A. Chavez to give a brief overview of the Agreement. A. Chavez said the contract outlines the allocation of water and revenue (lease money) prior to and after the balance owed to the San Juan Water Commission is paid. A. Chavez noted that until LPCD repays the balance due, the Reservation Fee paid by CPEC will be split between the LPCD and SJWC - 78% to LPCD and 22% to SJWC. Noting, once the LPCD repays the balance they owe the SJWC, the Reservation Fee paid by CPEC will be split between the LPCD and SJWC - 30% to LPCD and 70 % to SJWC.

D. Echols added that the present Agreement is similar to the Agreement between the San Juan Water Commission and the La Plata Conservancy District. D. Echols explained that the first money will go toward paying the OM&R costs, then the Commission will get 10% of the gross LPCD revenues for overhead expenses, the balance would then be split equally (50/50) between the LPCD and the SJWC. LPCD could use their 50% to pay their indebtedness to the SJWC and after that; they could use the money to make improvements to their system, which they can use up there. The 50% that would be coming to the Commission would presumably be first used to repay their indebtedness to the County. J. Ray thanked D. Echols for providing a brief and concise legal explanation of the Agreement between the San Juan Water Commission and San Juan County..

Motion was made by J. Dunlap, and seconded by J. Ray to approve the *Agreement Between the La Plata Conservancy District and the San Juan Water Commission Regarding Contract with Clean Path Energy Center LLC*, and upon voice vote the motion carried unanimously (J. Burnham, J. Dunlap, K. Johns, J. Ray and E. Strahl all voted yes).

COMMENTS FROM THE COMMISSIONERS, ALTERNATES, AND STAFF

J. Dunlap said that he attended the Colorado River Water Users Association Annual Conference in December 2016. J. Dunlap said the Conference was well conducted and offered interesting topics. J. Dunlap expressed concern that there needs to be an increase of attendance by individuals who represent the water interest in New Mexico at the Annual Conference. J. Dunlap further expressed the necessity for the San Juan Water Commission to be in-touch with individuals who represent water interests in the Upper Basin. J. Dunlap said local water interest participation at the Colorado River Water Users Association Annual Conference provides the attendee an opportunity to be kept abreast of changes that may affect their entities long range water supply. J. Dunlap asked staff to send a list of the CRWUA 2016 Annual Conference topics to Commissioners and Alternates.

ADJOURNMENT

Chairman K. Johns called for a motion to adjourn. Motion was made by J. Ray, seconded by J. Dunlap to adjourn, and upon voice vote the motion was carried unanimously (J. Burnham, J. Dunlap, K. Johns, J. Ray and E. Strahl all voted yes).

There being no further business, Chairman K. Johns adjourned the meeting at 10:15 A.M.

**APPROVED THIS 1ST DAY OF MARCH, 2017
SAN JUAN WATER COMMISSION:**

Signature on File
Cy Cooper, SJWC Chairman