

**OFFICIAL MINUTES AND ACTIONS TAKEN
ARCH HURLEY CONSERVANCY DISTRICT'S
BOARD OF DIRECTORS**

Tuesday, April 10, 2007

Directors Present: Larry Perkins, President
David J. Foote, Vice-President
UV Henson, Secretary/Treasurer

Tom Bruhn, Director
John Gilbertson, Director

**Directors/Staff
Absent:**

Staff Present: William A. Conrad, District Manager
Jane Dunlap, Office Manager
Laura Bason, Office Manager Trainee

Guests Present: Landholders: Don Lopez; Jimmy Speed; Pete Tatschl, Donnie Bidegain

Corp. of Engineers: Gary Cordova, Roberta Ball, Mark Yuska

MEETING CALLED TO ORDER

Finding a quorum present and finding this regularly scheduled meeting of the Arch Hurley Conservancy District's Board of Directors duly advertised, as required by statute, District President Larry Perkins called this meeting to order at 9:00 a.m. in the district office.

President Larry Perkins informed the Board of the removal of the Executive Session item on the agenda.

APPROVAL OF MINUTES – REGULARLY SCHEDULED MEETING, MARCH 13, 2007

Director Foote requested the following amendments:

- Page 2, Paragraph 3 – add Mr. Roger Patrick's company name,
- Page 2, Paragraph 4 – change main tunnel in the third sentence to Tunnel 5,
- Page 3, Paragraph 1 – change h) to read water measuring devices – water meters.

Director Foote moved to approve the draft minutes of the Arch Hurley Conservancy District's March 13, 2007 regular meeting with noted corrections. The motion was seconded by Director UV Henson. Motion carried 5 – 0.

Directors voted:

Bruhn – “YES”
Gilbertson – “YES”

Foote – “YES”
Henson – “YES”

Perkins – “YES”

APPROVAL OF MINUTES – SPECIAL MEETING, APRIL 02, 2007

Director Foote requested amendments:

Paragraph 1 – the meeting was not held in the district office but at the NMSU Agricultural Science Center,

Paragraph 2 – change the sentence to read: “The purpose of this meeting was to discuss the information packet and questions that will be submitted to a water attorney relating to our existing contracts concerning the district’s water rights.”

Paragraph 4 – correct the spelling of “with”.

President Perkins stated that Jan Dunlap did not attend the meeting so should be removed from “Staff Present.”

Director Foote moved to approve the draft minutes of the Arch Hurley Conservancy District’s April 02, 2007 special meeting with noted corrections. The motion was seconded by Director Tommy Bruhn. Motion carried 5 – 0.

Directors voted:

Bruhn – “YES”
Gilbertson – “YES”

Foote – “YES”
Henson – “YES”

Perkins – “YES”

MANAGER’S REPORT

Bill Conrad informed board members that despite the on-again and off-again weather, we are about ready for water. A small amount of G Unit remains to be burned, but is serviceable at this time if we need to turn on the water. Downtime days have been spent servicing and getting machinery ready for the water season. We lost a differential in one of the Gradalls, and upon inspection determined that axles were broken in both differentials. We were able to salvage housing and axles from the old Granall and repair the broken one without having to purchase any new parts. The Rockwell axles are very difficult to find and very expensive, and we have now used up all the spare and salvage parts.

We received a fax today from Skip Vernon regarding his stance on what he refers to as issues. Larry and I have had telephone communications with him last week. Yesterday, Larry, David and I met with Rik Arndts of BOR to go over real estate boundaries of the Vernon property. A copy of the letter is attached as EXHIBIT A.

Apparently the state has asked an accounting firm in Albuquerque to do a survey of water districts payrolls. We are participating in that survey; however, the lady that called me said that from outward appearances, our pay is so low that it will likely not be included in the survey as it may skew their results.

The manager has been working with BOR and PRC and we may qualify as a governmental agency and be eligible for one of the common group health insurance policies. If so, it would be very beneficial to the employees and hopefully save us a lot of money.

CORP OF ENGINEERS – INFLOW FORECAST

The Area Manager at Conchas Dam, Gary Cordova, introduced his associates, Roberta Ball and Mark Yuska. Mr. Cordova apologized to Director Foote that he did not have the documentation that he asked for but wanted to assure him that his request has not been forgotten. He informed the Board that as far as the contract goes, everything is out there. The gate automation did not pass final inspection. The backup generator, camera and motion sensor provide 100% security. It is anticipated that the yield from snow melt will be approximately 40% of normal.

Ms. Ball explained her slide show of variable forecasts and/or predictions.

Mr. Cordova would like to get new digital flow-meters to get water readings.

Manager Bill Conrad brought up the capital outlay for Arch Hurley Conservancy District's intent to purchase flow-meters and asked if USGA might have a storage area that has measuring gauges and flow-meters available for us to use until we can purchase our own. Ms. Ball will give Bill a contact name and number to get answers to his question.

Ms. Ball stated that the snow-pack is average by NRCS's forecast.

Mr. Cordova gave a summary of the slide presentation and thanked Ms. Ball and Mr. Yuska for their assistance.

President Perkins called for a recess.

ACCEPTANCE OF RESIGNATION OF GENERAL COUNSEL – DEAN BORDER

Director Foote asked if this item and the next Agenda Item, Consideration of Nancy English as Attorney /Registered Agent, could be postponed until after the Agenda Item, to Approve Hiring an Attorney.

President Perkins tabled this item, moving Items 6 and 7 to after Item 9.

RESOLUTION #2007-004 – CHECK SIGNATURE AUTHORIZATION

President Perkins stated that the Arch Hurley Conservancy District Office has two new employees who are still on probation and not eligible for signature authorization.

Director Foote moved to add Kandace Zacharias, Payroll Clerk, to the check signature authorization. Director Bruhn seconded the motion. Motion carried 5 – 0.

Directors voted:

Bruhn – “YES”
Gilbertson – “YES”

Foote – “YES”
Henson – “YES”

Perkins – “YES”

CONSIDERATION OF NANCY ENGLISH AS ATTORNEY/REGISTERED AGENT and APPROVE HIRING ATTORNEY – PETER B. SHOENFELD

President Perkins turned the floor over to Manager Conrad and Office Manager Jan Dunlap to read the Procurement Code to the Board.

Ms. Dunlap read the State Procurement Code Regulation #1.4.1.52 Small Purchases of Professional Services:

- A. Application. A central purchasing office may procure professional services having a value not to exceed thirty thousand dollars (\$30,000) except for the services of architects, engineers, landscape architects, or surveyors for state public works projects, as that term is defined in Section 13-1-91 NMSA 1978, in accordance with Subsections B, D, and D of this section.
- B. Examination of offeror list. Before contacting any business, a central purchasing office is encouraged to examine the state purchasing agent's current list of potential offerors, if any. Central purchasing offices are encouraged to contact at least three businesses for written offers before selecting a contractor.
- C. Negotiations. A central purchasing office shall negotiate a contract for the required services at a fair and reasonable price to the state agency.
- D. Disclosure. If more than one business is contacted, the contents of the written or oral offer of one business shall not be disclosed to another business during the negotiation process. [1.4.1.52 NMAC – Rp, 1.4.1.52 NMAC, 09-30-05]

Director Foote interpreted this as we can hire for this position paying up to \$30,000.

Ms. Dunlap answered that we must get three (3) written offers before selecting.

President Perkins stated that phone calls were made and were given verbal bids.

Ms. Dunlap stressed that written forms on letterhead were needed so we could show documentation to justify the choice made after these documents were judged and compared.

Director Foote asked the definition of a Registered Agent.

President Perkins read the definition from the Affidavit of Acceptance of Appointment by Designated Registered Agent:

Each corporation shall have and maintain in New Mexico: a) a registered office which may be, but need not be, the same as its place of business; and b) a registered agent, which agent may be either an individual resident in New Mexico whose business office is identical with the registered office, or a domestic corporation, or a foreign corporation authorized to transact business in New Mexico, having a business office identical with the registered office. Agent's address must be acceptable for service of process purposes.

Director Bruhn stated that we have two written documents already - from Scooter Mitchell and Peter Shoenfeld.

Director Foote stated that we have one from Dean Border that covers Nancy English.

Director John Gilbertson moved to hire Peter B. Shoenfeld as our attorney. Director Foote seconded the motion. Discussion followed. Motion carried 3 -2.

Directors voted:

Bruhn – “YES”
Gilbertson – “YES”

Foote – “YES”
Henson – “NO”

Perkins – “NO”

ACCEPTANCE OF RESIGNATION OF GENERAL COUNSEL – DEAN BORDER

Director Foote moved to accept the resignation of General Counsel, Dean Border. Director Bruhn seconded the motion. Motion carried 5 – 0.

Directors voted:

Bruhn – “YES”
Gilbertson – “YES”

Foote – “YES”
Henson – “YES”

Perkins – “YES”

ARTICLES FOR WEB SITE APPROVAL

Director Bruhn handed out a 2/22/07 note to the Board of Directors Arch Hurley Conservancy District from Pete Tatschl. (ATTACHED AS EXHIBIT B)

Director Foote stated that the picture idea is not needed and personnel information might be a liability issue.

President Perkins stated that we will work with Mike again when he gets back about software so we can buy it.

Mr. Tatschl told how his Web Site works and the cost.

President Perkins thanked Mr. Tatschl. He asked that each Director talk to their constituents to find out what they would like to see on our Web Site before the next Board meeting.

COMMUNICATION / LIABILITY

Director Gilbertson explained that there is confusion with names on the Web Sites. There needs to be a distinct separation between other Web Sites and us. He asked that a Legal Notice be published three times in the Quay County Sun News letting people know how to verify that the information is from Arch Hurley Conservancy District. (ATTACHED AS EXHIBIT C)

Mr. Don Lopez advised that Arch Hurley Conservancy District should put a disclaimer on their front page of the Web Site stating that it is the official Arch Hurley Conservancy District site.

Director Bruhn suggested that the Legal Notice be changed to include our Web Site, add it to the District's letterhead. Also, change the Legal Notice's last line to read, "All views and information expressed on the Web Site of *archhurley.com*" are not the responsibility of Arch Hurley Conservancy District."

Director Foote recommended another change to the first paragraph of the Legal Notice to read, "**BE IT KNOWN TO THE PUBLIC** that the Web Site of *archhurley.com*" is a privately held Web Site, and is in no way connected to the Arch Hurley Conservancy District."

Director Gilbertson moved to publish the Legal Notice with amendments in the Quay County Sun. Director Foote seconded the motion. Motion carried 5 – 0.

Directors voted:

Bruhn – "YES"
Gilbertson – "YES"

Foote – "YES"
Henson – "YES"

Perkins – "YES"

SET DATE/TIME FOR 2008 BUDGET WORKSHOP

President Perkins, after receiving unavailability dates/times from all Directors, set the 2008 Budget Workshop to take place on April 26, 2007, at 5:30 p.m., in the Arch Hurley Conservancy District Office.

REVIEW WATER LEVEL CONCHAS LAKE – POSSIBLE ALLOCATION

It is anticipated that the yield from snow melt will be approximately 40% of normal.

DIRECTOR’S COMMENTS

President Perkins commended Manager Conrad and employees for their work and to the Board and people who attended the water workshop.

Manager Conrad stated that he received a letter from BOR about Executive Order 13327, Federal Real Property Asset Management, to accurately account, maintain, and manage real property assets in a cost effective manner. To meet these requirements, BOR requested information for their inventory on each Arch Hurley Conservancy District building (office, housing, garage, storage shed and maintenance) for the last five (5) years. We are gathering that information.

President Perkins asked Manager Conrad to stay on top of the information requested.

CONSIDERATION OF BILLS

Director Henson moved to pay the bills. Director Bruhn seconded the motions. Motion carried 5 -0.

Directors voted:

Bruhn – “YES”
Gilbertson – “YES”

Foote – “YES”
Henson – “YES”

Perkins – “YES”

PERSONNEL MATTERS – SALARY RECOMMENDATIONS

Manager Conrad informed the Board that he received a salary survey about ditch riders. The survey has been sent back and we are waiting on PRC’s answer although it seems that our salaries are nowhere near what others pay.

SKIP VERNON

President Perkins let the Board know that he talked to BOR regarding Mr. Vernon’s allegations about filing suit against AHCD.

Director Foote stated that it is a land problem between Skip Vernon and the Bureau and the Bureau doesn’t consider it an AHCD problem, only theirs.

Director Foote asked Manager Conrad to gather any and all records about storing the chemicals for Mr. Vernon.

Manager Conrad asked if he needed to called Chemtec and the hazardous waste people so we don’t incur liability on this.

President Perkins asked the Board if we needed to contact BOR letting them know that we are washing our hands of this and that they need to get the chemicals out of our warehouse. We need to contact our attorney to get this taken care of.

Director Gilbertson moved to get all the information on the Skip Vernon issue to Mr. Shoenfeld. Director Foote seconded the motion. Motion carried 5 – 0.

Directors voted:

Bruhn – “YES”
Gilbertson – “YES”

Foote – “YES”
Henson – “YES”

Perkins – “YES”

President Perkins asked Manager Conrad to find out what is going on at Love’s Truck Stop with our pipeline.

BIG MESA

Director Gilbertson stated that we should handle Blue Hole/Big Mesa the same as we handle Skip Vernon – turn it over to our attorney to find out what to do.

President Perkins stated that if the DRAFT document from the BOR doesn’t come back to our satisfaction, we should turn it over to our attorney.

ADJOURNMENT OF REGULAR MEETING

With no further business to discuss, the meeting was adjourned at 1:00 p.m. with a unanimous vote.

ARCH HURLEY CONSERVANCY
DISTRICT

President, Larry Perkins

ATTEST:

Secretary, UV Henson