

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

Tuesday, May 08, 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: Don Lopez; Jimmy Speed; Pete Tatschl; Fred Stieg; Bob Morgan;
Jerry Franklin; Bob Stubbs; Robert Curtis; Skip & Lee Ann Vernon,
Chelle Delaney, Quay County Sun; Jim Wilber, U.S.B.R; and
Chester Mattocks, C.P.A.

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 9:07 a.m. in the district office.

APPROVAL OF MINUTES – REGULARLY SCHEDULED MEETING, APRIL 10, 2007

President Perkins requested the following amendments:

Page 5, Director's votes – He voted NO instead of YES which changes the motion carried to 3 – 2 instead of 4 – 1 as indicated.

Director Foote requested the following amendments:

Page 3, Paragraph 3 – add, "Anticipated yield from snow melt is approximately 40% of normal.",

Page 4, Paragraph 2 – remove the 2nd paragraph leaving the Directors vote,

Page 5, Paragraph 5 – misspelled Director Foote,

Page 7, Paragraph 1 – move the sentence under "Review Water Level Conchas Lake – Possible Allocation to the first sentence under Director's Comments.

Director Foote moved to approve the draft minutes of the Arch Hurley Conservancy District's April 10, 2007 regular meeting with noted corrections. The motion was seconded by Director Bruhn. Motion carried 5 – 0.

Directors voted:

Bruhn – “YES”
Gilbertson – “YES”

Foote – “YES”
Henson – “YES”

Perkins – “YES”

MANAGER’S REPORT

Bill Conrad’s report is attached as EXHIBIT A.

Director Foote stated that Manager Conrad did the right thing by chaining and locking the problem turn out gates.

President Perkins thanked Manager Conrad.

SKIP VERNON – EASEMENT/RETENTION POND/WATER RIGHTS

Mr. Vernon thanked the Board for allowing him to make his presentation at this meeting. He gave a slideshow presentation, “Dispute Resolution Presentation.”

President Perkins asked Mr. Vernon what his interpretation of AHCD’s influence is on any of the land. AHCD has none; the Bureau of Reclamation owns it.

Director Gilbertson asked Mr. Vernon who approved the chemical issue.

Mr. Vernon answered that Mr. Cunningham, Attorney Border and Mr. McCasland approved it in 2005.

Director Gilbertson stated that the land and water are different issues.

Mr. Vernon stated that he has and will continue working to resolve the issues.

President Perkins thanked Mr. Vernon for his presentation to the Board.

REVIEW RE-APPORTIONMENT EVERY 5 YEARS (2008)

Ms. Dunlap, Office Manager, stated that the apportionment can only be changed after five years. Currently the apportionment is split 70% to 30% for Class A and Class B Assessments. The Board Packet has a Budget Worksheet showing the figures using a 60% to 40% apportionment using the \$10 per acre Assessment charge with the \$10 per acre foot water that could be used for the 2009 budget. This change shows an increase of \$86,000. A re-apportionment change cannot be done until the 2009 budget because the procedure must go before the Conservancy Court for approval first.

2008 PROPOSED BUDGET

President Perkins recommended that the Board look seriously at the \$10 per acre Assessment charge and use more reserves this budget, but everything is getting more expensive and we have to know that next year the assessment charge will have to go up.

Director Bruhn moved to stay with the 70%/30% apportionments for 2008. Director Foote seconded the motion. Motion carried 5 – 0.

	Directors voted:	
Bruhn – “YES”		Foote – “YES”
Gilbertson – “YES”		Henson – “YES”
	Perkins – “YES”	

RESOLUTION ADOPTING FISCAL YEAR 2008 BUDGET

Director Foote moved to adopt Resolution 2007-005 approving the proposed 2008 Budget subject to final approval from DFA. Director Bruhn seconded the motion. Motion carried 5 – 0.

	Directors voted:	
Bruhn – “YES”		Foote – “YES”
Gilbertson – “YES”		Henson – “YES”
	Perkins – “YES”	

2005 AUDIT REVIEW – CHESTER MATTOCKS, C.P.A.

Mr. Mattocks explained his Annual Financial Report and Independent Auditor’s Report for the Year Ended December 31, 2005 to the Board by page and answered all Board Member questions.

Director Henson moved to accept the 2005 audit review. Director Bruhn seconded the motion. Motion carried 5 – 0.

	Directors voted:	
Bruhn – “YES”		Foote – “YES”
Gilbertson – “YES”		Henson – “YES”
	Perkins – “YES”	

REVIEW WATER LEVEL CONCHAS LAKE – POSSIBLE ALLOCATION

Director Bruhn stated that there is no reason to change the Allocation at this time. Director Gilbertson seconded the motion. President Perkins approved the motion.

President Perkins called for a recess.

DISCUSSION – GENERAL COUNSEL/REGISTERED AGENT

After the recess, President Perkins stated that AHCD needs to schedule Attorney Shoenfeld to come to a meeting to be introduced to Board Members and staff.

Mr. Shoenfeld asked Director Bruhn to send him a packet of information needed to familiarize himself with AHCD business. Mr. Shoenfeld believes that AHCD followed the Procurement Code for hiring him. He stated that AHCD needs to name another Registered Agent through a service corporation.

President Perkins stated that no individual Board Member should contact our counsel; the AHCD Manager should be the only one to contact him. The Board will tell our Manager what they need from counsel.

Director Foote moved to ask a service company to act as our Registered Agent. Director Gilbertson seconded the motion. Motion carried 5 – 0.

	Directors voted:	
Bruhn – “YES”		Foote – “YES”
Gilbertson – “YES”		Henson – “YES”
	Perkins – “YES”	

REQUEST ISC FUNDS FOR NEXT FISCAL YEAR

Ms. Dunlap stated that AHCD has requested \$250,000 in previous years and ISC gives us what they determine to be a proper amount.

Director Bruhn moved to request \$250,000. Director Foote seconded the motion. Motion carried 5 – 0.

	Directors voted:	
Bruhn – “YES”		Foote – “YES”
Gilbertson – “YES”		Henson – “YES”
	Perkins – “YES”	

PRESIDENT’S REPORT

President Perkins stated that he has had good comments from constituents that things are running smoothly.

DIRECTOR’S COMMENTS

Director Bruhn talked to his constituents about what they would like to see on the AHCD web site. They would like to see a report from our Manager and water usage orders.

President Perkins suggested a listing of how much water each unit is running.

Director Foote stated that individuals who want to know how much water is actually delivered need to get the information from their ditch riders and the water clerk.

CONSIDERATION OF BILLS

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

Directors voted:

Bruhn – “YES”
Gilbertson – “YES”

Perkins – “YES”

Foote – “YES”
Henson – “YES”

VISITORS

Mr. Bob Morgan stated that the Board Packet has not been taken to Shipleys so copies can be made for distribution to constituents.

ADJOURNMENT OF REGULAR MEETING

Director Bruhn moved to adjourn the meeting at 12:35 p.m. Director Gilbertson seconded the motion. Motion carried 5 – 0.

Directors voted:

Bruhn – “YES”
Gilbertson – “YES”
Perkins – “YES”

Foote – “YES”
Henson – “YES”

ARCH HURLEY CONSERVANCY
DISTRICT

President, Larry Perkins

ATTEST:

Secretary, UV Henson