

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

Tuesday, May 13, 2008

Directors Present: Larry Perkins, President; UV Henson, Secretary/Treasurer; Pablo Lopez, Director; John Gilbertson, Director; Tom Bruhn, Director

Directors/Staff

Absent:

Staff Present: Franklin McCasland, District Manager; Donna Lafferty, Office Manager

Guests Present: Jimmy Speed; Fred Stieg; Chelle Delaney of Quay County Sun; Drake Swenson; Johnny Irving; Phillip Box; Thomas Evans; Pete Tatschl; Cody Young; Robert Evans; George Evetts; Tommy Evans; Tom Bauler

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 Perkins called this meeting to order at 9:00 a.m. in the district office.

APPROVAL OF MINUTES – REGULARLY SCHEDULED MEETING APRIL 08, 2008-

Director Gilbertson moved to approve the draft minutes of the Arch Hurley Conservancy District's April 8, 2008, regular meeting with a correction to the paragraph about Roberta Ball's presentation. "according to this time of year" was added to the end of the paragraph. The motion was seconded by Director Henson. Motion carried 5 – 0.

Directors Voted:

Perkins – "YES"

Bruhn – "YES"

Lopez – "YES"

Henson – "YES"

Gilbertson – YES

VISITORS COMMENTS-

Pete Tatschl noted that a strategic workshop wasn't on the agenda yet.

MANAGER'S REPORT

District Manager Franklin McCasland made statements on the following items:

The burning of the canals and laterals are almost finished. The ditchriders are burning in Unit F & G.

As of May 13, 2008 water was released from Conchas Dam at a rate of 200 cfs.

The 660 Gradall is in working order and removing sand from small laterals to the main canal.

A meeting was held to discuss water issues on April 11th. In attendance was Larry Perkins, John Gilbertson and myself of AHCD and Fred Stieg and Verlyn Miller of Big Mesa. It was decided that I should meet with BOR in the near future to discuss the options of AHCD and Big Mesa.

Craig Hoffman and myself meet with USACE Joe Martinez at Conchas Lake. Joe showed us all the capital improvements. Over \$2,000,000.00 were spent in the head works, outlets, gate atomization and security camera and surveillance.

On April 21, I meet with BOR in Albuquerque to discuss Big Mesa and Military Screening. The people attending included, Nancy Purdy, Tammy Padilla, Gary Davis, Jim Wilber and myself. The BOR would like to see 1 contract with Big Mesa instead of adding 1 more contract to the four existing contracts. The BOR was very firm that no water rights could leave the project. They would support allowing more water to Big Mesa as long as it is done in the same manner as the past. All proceeds from the water, other than a small administration fee, would have to be applied to the back of our note. The BOR requested that I attend an "Assessment of Canals in Areas of Increased Urbanization Meeting" on May 14. More on Big Mesa will be discussed later in the meeting. There is no answer on the screening program.

I met again with Jack Goen on April 29. There was no water in the canal or the drain ditch behind his house. He still feels the AHCD is seeping on his property. I informed his that during the irrigation season we would put some bentonite in the canal behind his house. After the April 8 board meeting, John Gilbertson, Tom Bruhn and myself looked at the area. Jack wants all of the trees and cattails removed from the drain ditch and filled backing and dug back to grade. I don't think this is the answer to this problem.

We have had several phone conversations with Bob Elhinger of BOR in Denver concerning water measurement through the radial gates. He is attempting to get us the correct charts through Radgate. AHCD is installing gauges and repainting the gate height gauge on the three radial gates to get our Delta Height reading.

On May 1, an AHCD employee hit a deer with one of the older pickups. It was repaired with used parts and by our employees.

On May 5, Donna Lafferty and I attended a State Auditor seminar in Santa Fe. The new rules and regulations for 2008 were presented. The information is included in the board packet.

The option for employees to be paid through direct deposit is being considered. If direct deposit is implemented, a change will need to be made to the employee handbook.

DISCUSSION/ACTION I.S.C. RELOAN FUND

Director Bruhn moved to apply for the I.S.C. Reloan and the amount to apply for will be \$150,000.00, seconded by Director Lopez. Motion carried 5-0.

Directors Voted:

Perkins – “YES”
Bruhn – “YES”

Lopez – “YES”
Henson – “YES”

Gilbertson – YES

DISCUSSION/ACTION IRRIGATION FLOW METERS

Director Henson moved to rent a Doppler Flow Meter for one month for \$600.00. It was seconded by Director Lopez. Motion carried 5-0. If AHCD decides to purchase, 80% of the rent paid will be applied to the cost which is \$6,000.00.

Directors Voted:

Perkins – “YES”
Bruhn – “YES”

Lopez – “YES”
Henson – “YES”

Gilbertson – YES

DISCUSSION/ACTION 2008 WATER ALLOCATION REVIEW

At this time, the Board recommends that there will be no additional allocation of water.

DISCUSSION/ACTION-BIG MESA WATER CORP.

Director Lopez moved to contact attorney and begin the contract with Big Mesa. It was seconded by Director Bruhn. Motion carried 5-0. The BOR recommended that the current 4 contracts with Big Mesa to be put into just 1 new contract. Director Bruhn

would like to have “right to set price on water and change it” in the contract. It was stated that the legal fees would be paid by Big Mesa. The Board would like to have input in reference to this new contract and would like to review the contract before it is signed.

Directors Voted:

Perkins – “YES”
Bruhn – “YES”

Lopez – “YES”
Henson – “YES”

Gilbertson – YES

DISCUSSION/ACTION-APPROVAL OF 2009 BUDGET

Director Henson moved to approve the budget and leave the assessment at \$10.00 per acre and \$10.00 for delivery of a acre foot. It was seconded by Director Bruhn. Motion carried 5-0.

Directors Voted:

Perkins – “YES”
Bruhn – “YES”

Lopez – “YES”
Henson – “YES”

Gilbertson – YES

DISCUSSION/ACTION- APPROVAL OF RESOLUTION 2008-003

Director Bruhn moved to approve Resolution 2008-003. It was seconded by Director Gilbertson. Motion carried 5-0. The budget and resolution will be sent to DFA.

Directors Voted:

Perkins – “YES”
Bruhn – “YES”

Lopez – “YES”
Henson – “YES”

Gilbertson – YES

PRESIDENT’S COMMENTS-

President Perkins wanted to remind people that the water is on and to stay away from the canals. Also throughout the season, remind residents that the canal and roadways are private property. The burning crews have been a doing great job. The ditches are filling back up with sand after the crews have cleaned them out. He wanted to be sure that notes are kept on the releasing of the water at 200 cfs for future reference. That way the water could be brought down with the least amount of problems. I would like for the water to reach Jack County during the daylight hours.

DIRECTORS COMMENTS -

Director Henson was asked of a few farmers why the Board allocated 1” of water. He informed these people that a farmer with a sprinkler on 160 acres could run for 5 days. The allocation will also encourage farmers to pay their assessments.

Director Bruhn stated that it would be 2 weeks before the water gets to his area. When the water goes off, it should go off in reverse also. The pipeline from Logan to the south is trying to get federal authorization and the cost of the pipeline has doubled.

Director Lopez asked about the bindweed that is in this area. Nothing will kill bindweed. There is a bindweed mite, but all it does is just weaken the plant and it doesn’t spread as fast,

Director Gilbertson stated that if the bindweed mite doesn’t have bindweed to eat, it will just eat something else like cotton.

CONSIDERATION OF BILLS-

Director Henson made a motion to pay the submitted bills, seconded by Director Gilbertson. Motion carried 5-0.

Directors Voted:

Perkins – “YES”
Bruhn – “YES”

Lopez – “YES”
Henson – “YES”

Gilbertson – YES

EXECUTIVE SESSION

Director Bruhn moved to go into executive session to discuss threatened or pending litigation. The motion was seconded by Director Gilbertson. Motion carried 5-0.

Directors Voted:

Perkins – “YES”
Bruhn – “YES”

Lopez – “YES”
Henson – “YES”

Gilbertson – YES

Director Bruhn moved to cease the executive session where threatened or pending litigation only was discussed. It was seconded by Director Gilbertson. Motion carried 5-0.

Directors Voted:

Perkins – “YES”
Bruhn – “YES”

Lopez – “YES”
Henson – “YES”

Gilbertson – YES

ADJOURNMENT OF REGULAR MEETING-

Arch Hurley Conservancy
May 13, 2008 – Regular Meeting
Page 6

With no further business to discuss, the meeting was adjourned at 11:36 a.m. with unanimous vote.

ARCH HURLEY CONSERVANCY DISTRICT

Larry Perkins, President

ATTEST:

Secretary, UV Henson