

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

Tuesday, October 14, 2008

Directors Present: Larry Perkins, President; Tom Bruhn, Vice President; U.V. Henson, Secretary/Treasurer; Pablo Lopez, Director; John Gilbertson, Director

**Directors/Staff
Absent:**

Staff Present: Franklin McCasland, District Manager; Donna Lafferty, Office Manager; Craig Hoffman, Maintenance Supervision

Guests Present: Chelle Delaney of Quay County Sun; Phillip Box; Jimmy Speed, Rex Kirksey, County Agent Tom Dominguez, Don Lopez and Drake Swenson.

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 9:05 a.m. in the district office.

**APPROVAL OF MINUTES – REGULARLY SCHEDULED MEETING
SEPTEMBER 9, 2008-**

Director Lopez made the motion to approve the draft minutes of the Arch Hurley Conservancy District's September 9, 2008 meeting. The motion was seconded by Director Henson. Motion carried 5 – 0.

Directors Voted:

Perkins – “YES”

Bruhn – “YES”

Gilbertson – “YES”

Lopez – “YES”

Henson – “YES”

VISITORS COMMENTS-

There were no comments from the visitors.

MANAGER'S REPORT

For the month of September, Arch Hurley delivered 3,027.7 acre feet of water into the project. The release from Conchas was 7762 acre feet. That equates to a 39.0% delivery rate. Inflow into Conchas this month was 2,167 acre feet, compared to 13,744 acre feet of inflow for August.

On Sept. 18th Gary Dean and Robert Maxwell from the B.O.R. Environmental Protection Dept. came to Tucumcari to inspect the shop and equipment yard for potential or existing environmental problems. They will submit their findings only to Arch Hurley in writing in approximately 30 days. They went over their findings verbally with Craig and me after the inspection. We have corrected a majority of the findings already. Some of the findings that were found were no labeling of empty drums, used oil drums, labeling the outside of the oil and carpenter building as flammable contents, update our MSDS sheets, purchase a storage fire cabinet for flammable containers that are used in maintenance shop. We purchased a 300 gallon stock tank and put the 275 gallon used oil tank inside and it will pass as a spill containment of waste oil. They liked the concrete containment structures around the fuel tank storage areas and that the used oil was picked up by Terry Service Center and burned in their shop heaters. They found no environmental contamination on the property. They would like to see the herbicides stored inside containment areas; we are working on that issue.

On September 24th I met with Jennifer Grogitsky, She is the State of New Mexico group health insurance representative. The best group plan that we could find for Arch Hurley employees is for them to participate with the State of New Mexico employee health insurance plan. There is also a representative from AFLAC to go over their insurance benefits. We have sent this information out to all of the Arch Hurley employees for their review. I will keep the expenditures for this employee benefit within the board approved budget. I also spoke with the State of New Mexico risk management division about getting Arch Hurley a quote for workers compensation insurance for 2009.

On September 26th Craig and I went to Mora County in the Rainsville area. This was to inspect and confirm the location of an application for a permit to drill a supplemental well to supplement surface water under OSE file # SD-0884. This application was filed by Alejandro Gallegos Jr. His farm is part of the Acequia del Sur community ditch that diverts water from Black Lake and is distributed through a series of dirt ditches through out Mora County. Mr. Gallegos has 18.69 acres of farm land. After speaking with Peter Shoenfeld, this is not the type of application that that we should protest. The final decision lies with the board of directors on what action, if any, to take in regards to the application.

On September 29th at 5:30pm to U.S.A.C.E. called and the lake elevation was 4163.1. With both head gates fully open, the release was 170cfs. The following morning the elevation was 4163.0 and release was 160cfs. The ordered release from the lake was

180cfs. The ditchriders were informed of the situation and it could possibly take several days to turn on a water order. Arch Hurley ditch riders will have to be as fair and equitable to all land owners and deliver water on a first ordered first delivered basis.

On September 30th the B-Unit ditchrider home on Cemetery Road was broken into. Several pieces of electronic equipment and personal items were stolen. The Sheriff's department was notified and a deputy was dispatched to investigate and file a report. Repairs have been made to the home.

On October 3rd I attended the grand opening of the State Engineer District VII office in Cimarron. State Engineer John D`Antonio introduced Tim Farmer as the District VII Supervisor. Mr. Farmer has started the process of staffing the district office. I invited Mr. Farmer and his staff to attend one of Arch Hurley`s Board of Directors meeting for some question and answers on the Canadian River Basin. He is willing to attend once he has a full staff.

On the weekend of October 4th and 5th, we lost surface levels to the point that we couldn't deliver water in A and B units. Monday the 6th, the lake elevation was 4162.4 with a release of 105cfs. The water release needed to be 165cfs to deliver the 105cfs order.

With both head gates fully open at Conchas, this is the recorded elevation = cfs release from the U.S.A.C.E.

4163.1 = 170cfs, 4163.0 = 160cfs, 4162.9 = 150cfs, 4162.8 = 140cfs

4162.7 = 130cfs, 4162.6 = 120cfs, 4162.5 = 110cfs, 4162.4 = 100cfs

4162.3 = 90cfs, 4162.2 = 80cfs, 4162.1 = 65cfs, 4162.0 = 55cfs,

On Monday, October 13, 2008, the water release from Conchas was turned off for the year.

TOM DOMINGUEZ INFORMATION ON COOPERATIVE WEED MANAGEMENT AREA

Mr. Dominguez informed Board and visitors about Cooperative Weed Management Area program. At this time, there isn't a program in the Tucumcari area. The Ag and Home Ec Day is January 29, 2009 and would like to have a couple of volunteers to represent Arch Hurley. President Larry Perkins and Manager Franklin McCasland volunteered.

DISCUSSION/ACTION DAVID FOOTE

Director Gilbertson made the motion to send the letter to David Foote and no further action be taken. It was seconded by Director Lopez. Motion carried 5– 0.

Directors Voted:

Perkins – “YES”

Bruhn – “YES”

Gilbertson -“YES”

Lopez – “YES”

Henson -“YES”

DISCUSSION/ACTION 2008 ALLOCATION REVIEW

There will be no water allocated at this time.

DISCUSSION/ACTION APPROVAL OF 2008-2010 AUDITOR

Director Henson made the motion to approve Chester W. Mattocks as the 2008-2010 auditor. It was seconded by Director Bruhn. Motion carried 5 – 0.

Directors Voted:

Perkins – “YES”

Bruhn – “YES”

Gilbertson “YES”

Lopez – “YES”

Henson – “YES”

TOM BRUHN DISCUSSION ON QUAY ROAD X

After listening to Mr. Tom Bruhn’s concerns of right-of-way easement and safety issues and viewing some pictures of the road in question, Manager McCasland was instructed to write a letter to landowner stating that the fence should be moved so that Arch Hurley could recover it’s easement. A reflective barrier will be installed until this is resolved.

PRESIDENT’S COMMENTS-

President Larry Perkins commented on how well the 1” allocation was handled. I had phone calls that were commenting both ways. It was a tough decision to make allocating the last inch of water, it out weighs any complaints about efficiency. I want to thank all the visitors and the participants in the Strategic Plan Workshop at the previous meeting and stated that there will be another workshop before the executive session today. The District has gained knowledge and information on efficiency during this water season. The ditchriders and maintenance personnel have already planned for the winter jobs during this off season.

DIRECTORS COMMENTS -

Director Gilbertson said that water run is officially over. I would like to have on next month's agenda a resolution stating "no water leaves the District". Asked why the strategic plan wasn't part of the meeting and President Perkins stated that once the Strategic Plan is completed, it would be put on the agenda and adopted by the Arch Hurley Conservancy Board.

Director Lopez had no comments.

Director Bruhn asked if the resolution "no water leaves the District" be in draft form by the next meeting. It was suggested by Manager McCasland to wait and present the resolution when Canadian River District 7 Supervisor, Tim Farmer is present and that way he would know Arch Hurley's position on all water issues.

Director Henson asked about the interest from the Arch Hurley employees in the health insurance. Manager McCasland stated that the employees have until December 1 to sign up for the insurance and some of the employees are already covered under their spouse's insurance. Manager McCasland is also waiting for a quote from the State on Workman's Comp insurance.

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"		Lopez – "YES"
Bruhn – "YES"	Gilbertson - YES	Henson – "YES"

At this time the regular meeting was recessed and Rex Kirksey handled the Strategic Workshop concerning Arch Hurley's Mission Statement and Short and Long Term Goals.

EXECUTIVE SESSION

At 11:58am Director Bruhn made the motion to go into executive session to discuss threatened or pending litigation. It was seconded by Director Lopez. Motion carried 4-0.

	Directors Voted:	
Perkins – "YES"		Lopez – "YES"
Bruhn – "YES"	Gilbertson – "NOT PRESENT DURING VOTE"	Henson – "YES"

EXECUTIVE SESSION ENDED

Director Lopez made the motion to come out of executive session at 12:50pm. The motion was seconded by Director Henson. President Perkins stated that the only items discussed in executive session were threatened or pending litigation. Motion carried 5-0.

	Directors Voted:	
Perkins – “YES”		Lopez – “YES”
Bruhn – “YES”	Gilbertson - YES	Henson – “YES”

ACTION FROM EXECUTIVE SESSION

Skip Vernon

Director Bruhn made the motion to send a letter to Peter Shoenfeld asking him to answer the questions that the Directors had about the Skip Vernon case. The motion was seconded by Director Henson. Motion carried 5-0.

	Directors Voted:	
Perkins – “YES”		Lopez – “YES”
Bruhn – “YES”	Gilbertson - YES	Henson – “YES”

Big Mesa

In the matter with Attorney Domenici concerning Big Mesa, Director Bruhn made the motion to have Attorney Peter Shoenfeld contact them and inform them that Arch Hurley is willing to consider this issue if the proper procedures are used. The motion was seconded by Director Henson. Motions carried 5-0.

	Directors Voted:	
Perkins – “YES”		Lopez – “YES”
Bruhn – “YES”	Gilbertson - YES	Henson – “YES”

ADJOURNMENT OF REGULAR MEETING-

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

ARCH HURLEY CONSERVANCY DISTRICT

Larry Perkins, President

ATTEST:

Secretary, UV Henson