

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

Tuesday, March 10, 2009

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

Directors/Staff Tom Bruhn; Vice-President

Absent:

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

Guests Present: Phillip Box, Jimmy Speed, Wilbert Pederson, Fred Stieg of Big Mesa, Don Lopez, Drake Swenson, Daniel Garcia, Rex Kirksey, George Evetts, Greg Quartieri of District VII and Richard Trujillo of Office of State Engineer.

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, President Perkins called this meeting to order at 9:01 a.m. in the district office.

**APPROVAL OF MINUTES – REGULARLY SCHEDULED MEETING
FEBRUARY 10, 2009-**

Director Gilbertson made the motion to approve the draft minutes of the Arch Hurley Conservancy District's February 10, 2009 meeting. The motion was seconded by Director Henson. Motion carried 4 – 0.

Directors Voted:

Perkins – “YES”

Bruhn – “ABSENT”

Gilbertson – “YES”

Lopez – “YES”

Henson – “YES”

VISITORS COMMENTS-

Phillip Box stated that it was a good visit with State Engineer's office last meeting, it was very informative and I see that they are here today. There were a lot of issues to work on and try to see what all can benefit both parties.

MANAGER'S REPORT

Today the Conchas Lake elevation is at 4162.01 feet. There has not been any large amount of measurable inflow into the lake for the month of February. Last year at this time the elevation was 4167.4 feet.

The office staff is working on the 2009 assessments. They will be mailed out approximately the third week of this month.

On March 6th Arch Hurley received the \$50,000.00 from DFA for the purchase of the excavator.

On April 7th all of the Arch Hurley employees will attend the pesticide applicator certification class that will be given by NMSU. Everyone is welcome to attend. The registration form is attached to our web site or you can contact Tom Dominguez for more information.

Mike Latham has completed the work on the Arch Hurley web site. Mike will give a demonstration of the web site later in the meeting.

Last month I reported that we were between check 6 and check 7 on cleaning out the Hudson Canal. Today we are above check 5 and past the half way point in completing the entire Hudson Canal. The two maintenance operators working on this project are doing an excellent job. The ditch riders are working on repairs of the delivery system and completing some custom work projects. Arch Hurley has done over \$10,000.00 dollars of custom work since the first of this year.

On March 6th I took pictures of diversions that were taking place on the Mora River.

Yesterday Peter Shoenfeld sent me an e-mail and informed me that Robert Ritter from Largo Canyon contacted him and has completed the well pump tests. He would forward the written results to Peter in the near future. Peter would then forward the results to us as soon as he got them.

On Saturday March 7th, we received a call that someone pulled out the cattle guard with a chain just south of Madrid Bridge. Mark was called to inspect the damage. It was determined that a new Ford Pickup ran through the cattle guard at a high rate of speed. The side rails of the cattle guard were sheared off and the bottom of the cattle guard was flipped out of the base. Repairs have been made to this cattle guard and the road is closed again.

A slide show of pictures was given. There were pictures of before and after repairs that are occurring around the project and pictures of ponds/lakes on the Salmon Ranch.

WATER ALLOCATION REVIEW OF CONCHAS LAKE

Director Gilbertson made the motion that no water be allocated at this time. The motion was seconded by Director Lopez. Motion carried 4-0.

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

RELEASE OF MORTGAGE

Director Lopez made the motion to release the mortgage for Devin and Deborah Kanapilly on their ISC loan. The motion was seconded by Director Henson. Motion carried 4-0.

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

SET I.S.C. RE-LOAN INTEREST RATES

Director Henson made the motion to leave the interest rate on I.S.C. Loans at 4%. The motion was seconded by Director Gilbertson. Motion carried 4-0.

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

REVIEW OF ARCH HURLEY.COM WEB SITE BY MIKE LATHAM

Mike Latham brought up Arch Hurley’s web site. It was presented on the east wall so that everyone could see it. He explained the function keys and how to post a comment. He showed where to view the agenda and minutes of Arch Hurley meetings. He showed recent postings and how to view accompanying web site to these postings. He answered questions from the attending people.

CANADIAN RIVER COMPACT MEETING

Manager Franklin McCasland attended the meeting on March 3, 2009. Manager McCasland stated that he wanted to report on 2 items. The Bureau of Reclamation took the Arch Hurley crop census with its information about crop averages and total acres of irrigated land and diversion. Roberta Ball gave a report on the snow pack. The forecast is 75% of average or 53,000 af. She stated that not very much of that would make it to Conchas Lake. The Fish and Wildlife Service is monitoring the Zebra Mussels, which get into aqua ducts and completely plug up outlet pipes. There aren't any in our area. I also want to report that the Arkansas River Shiner was on the endangered species list below Ute Lake. President Bush's administration removed the area below Ute Lake, which is a critical habitat area, and the Arkansas River Shiver from that list and now the environmentalist has filed a law suit to put that area and the Arkansas River Shiner back on the endangered list.

GREG QUARTIERI, DISTRICT VII WATER RESOURCE SPECIALIST RICHARD TRUJILLO, OFFICE OF STATE ENGINEER/LITIGATION & ADJUDICATION PROGRAM

Mr. Quartieri reported that he spoke with Christina Noftsker with the State Engineers Office Water Rights Program. He asked her about aerial photography. There is aerial photography of 1996 and 2005. If aerial photography is needed earlier than that, you would have to pay for it and with the current budget- not to sure. We could overlay the 2005 over the 1996 to give us information about changes. This will take some time since the limited personnel and covering 3 basins. We have started the ball rolling and request that AHCD send the pictures of the Salmon Ranch that were taken by Manager Franklin McCasland. District VII will try to work on this issue as must as possible, along with working on the backlog also. The research and follow-up will be time consuming. State Engineer's Office bought into a pool and will fly the whole state in 2009. Mr. Quartieri stated that he would make an effort to attend the Arch Hurley monthly meetings.

Mr. Trujillo from the State Engineer's Office talked about providing documentation to show beneficial use of the water rights that a person thinks that he has. Mr. Trujillo developed a pamphlet for ownership transfers on ranches. If it is done correctly you have to register with the State Engineer's Office. We are finding a lot of problems, a lot of landowners didn't do the transfer. Mr. Trujillo stated that a water master is definitely needed in the Mora area. Adjudication will happen at some time in the Mora area. I am from the Las Vegas area and where you see lakes now, they used to be ponds. Some of the questions for Mr. Trujillo included "Is there historical records or data in the Canadian River water shed that shows this area has X number of water rights?" "Does Arch Hurley, which has 300,000 af in lake for this project, have any say so or recourse to ground water in this project? Mr. Trujillo stated there have been a lot of protests when there has been an application for drilling a well. This issue is getting bigger and bigger. On domestic wells they used to issue 3 af and now it is 1 af. Another question was that a

person needs to show beneficial use, but how can we prove beneficial use in the Arch Hurley Conservancy District when we haven't got the 300,000 af of water to use. Mr. Trujillo suggested that if you have a question, call the State Engineer's Office and continue up the ladder until you are satisfied with the answer. There were some concerns about prior water rights. Is there historical precedence within the Mora area? The Mora River legal diversion was in the 1820's and other diversion later on and then the license for Arch Hurley in the 1930's. Then you have the pictures that Manager McCasland took at the Salmon Ranch. All of these chains of events are questions about senior and junior water rights. Proving these time lines will be difficult. Some of these water rights can be proved easily such as Arch Hurley. If diversions were made, they will have to be proved by the claimant. This is very complex and the only way to settle this is adjudication. If there are complex questions, get the questions to me and I will refer them to the appropriate personnel and we can get that person to a meeting to answer the questions. President Perkins stated that Arch Hurley has experience an absolute loss of water in the last 10 years. A good place to look is the diversions that have happened in the last 10-12 years. The question about water rights and how many Mora has is a question that can't be answered immediately, however the question of how come all of a sudden Conchas Dam hasn't received any run in is a question with a more immediate answer by looking at Springer and all the way down, look at the entire water basin with aerial pictures.

PRESIDENT'S COMMENTS-

President Perkins stated that another entity in Texas is the Canadian River Soil and Water Authority. It is willing to pay every bodies cost share to rid the salt cedars from Conchas Dam to Meredith Lake and all its tributaries. I appreciate everybody coming and Mike reviewing the web site, and encourage other constituents to get on the web site and use it. It is a major tool and should start using it for advertising. The crew is doing a good job, have got nothing but positive comments on how the District is looking. We are looking at a dry year, however we will be ready when we get that rain, will see some good results. I want to thank Greg and Richard for coming. It is important that we stay in contact. We are kind of dying in this situation and to a point where major people are going out of business. In reference to Director's comments about funding items on Arch Hurley's strategic plan, please look at the back of the Canadian River Compact Meeting tab. There is a Water 2025 Challenge Grant Program, which the Reclamation may provide 50/50 cost-share funding to irrigation and water districts for projects focused on water conservation, efficiency, and water marketing. Manager McCasland stated that he spoke with John Poland of the Bureau of Reclamation. The 2025 is called something different for the up-coming year. Mr. Poland will send information to Arch Hurley.

DIRECTORS COMMENTS –

Director Gilbertson stated that he was proud that Manager McCasland went to the Salmon Ranch and if you need to go in further he would go with him. I want to thank Mr. Quartieri and Mr. Trujillo coming to our meeting. We need to be proactive and start rowing our own boat. For years we have taken all this for granted, well it's not anymore.

It would be nice to have some water for leverage. Arch Hurley Conservancy District is headed in the right direction.

Director Lopez had no comments

Director Henson stated that with our strategic plan we need money to fund it through possible grants or cost-sharing. I want to let the Board know that Arch Hurley will make an additional \$1400.00 on a CD by changing financial institutions.

CONSIDERATION OF BILLS-

Director Henson made a motion to pay the submitted bills. The motion was seconded by Director Lopez. Motion carried 4-0.

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

ADJOURNMENT OF REGULAR MEETING-

With no further business to discuss, the meeting was adjourned at 10:45 a.m. with unanimous vote.

ARCH HURLEY CONSERVANCY DISTRICT

President Larry Perkins

ATTEST:

Secretary, UV Henson