

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

Tuesday, June 11, 2013

Directors Present: President Larry Perkins, Vice President Phillip Box,
Secretary/Treasurer UV Henson and J.D. McEwen

Directors/Staff Director Robert Evans

Absent:

Staff Present: District Manager Franklin McCasland and Office Manager Donna Lafferty

Guests Present: Jimmy Speed, David Foote, Jearld White, Daniel Garcia, John Gilbertson, Sissy Young, Don Lopez and Steve Hansen of the Sun Newspaper.

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 9:00 a.m. in the District Office.

PLEDGE OF ALLEGIANCE AND INVOCATION

The Pledge of Allegiance was lead by President Larry Perkins and the Invocation was given by President Larry Perkins.

**APPROVAL OF MINUTES – REGULAR SCHEDULED MEETING
MAY 14, 2013**

Director Box made the motion to approve the draft minutes of the Arch Hurley Conservancy District's May 14, 2013 regular meeting. The motion was seconded by Director Henson. Motion carried 4-0.

Directors Voted:

Perkins – “YES”
McEwen – “YES”

Box – “YES”

Evans – “ABSENT”
Henson – “YES”

MANAGER'S REPORT

Today the Conchas Lake elevation is at 4,153.6 feet. Last year at this time the elevation of Conchas Lake was 4,158.6 feet. Conchas Lake received 590 acre feet of inflow for the month of May and had a loss of 1,796 acre feet from evaporation and other losses.

On May 20, we cleaned out the north boat ramp at Conchas Lake with the long reach excavator and two dump trucks. The USACE was billed for this custom work and payment has been made.

On May 21, Sandra Rush held the 2012 audit exit conference. The individuals in attendance were Donna Lafferty, Tina Garcia, Phillip Box, UV Henson and I. There were no findings to report in Arch Hurley's 2012 audit. There are some ending journal entries for Donna to post and a change to the language in Arch Hurley's employees pay advance agreement. This change will be brought to the board for approval in the July meeting. Ms. Rush will deliver the audit to Santa Fe before the June 1st deadline. Once the audit is approved by the State Auditor, it will be posted 10 days later on the N.M. State Auditors web site.

The 2012 audit was the last year of the three year audit contract that Arch Hurley had with Ms. Rush. We will contact the State Auditor and request approval to go out for bids from approved auditors for another three year contract.

On May 23, Mona Valicente called from the N.M. Attorney General's office and we visited regarding HB-21, the 72 hour agenda requirements for public entities. Arch Hurley was not in violation of the open meetings act for the May board meeting, as this new law goes into effect on June 14, 2013. We also talked about visitor comments during the Arch Hurley meetings and Ms. Valicente suggested that Arch Hurley include a public comment guideline in every board packet that is read at every meeting when we get to public comments on the agenda.

I have met with Susann Mikkelson regarding research for grant funding for Arch Hurley. She will assist Arch Hurley with identifying and securing grants to fund the installation of high volume pumps to be installed at Conchas Lake and funding for underground pipelines in the district.

On June 4, I attended an evening meeting in Nara Visa regarding the impacts of the Lesser Prairie Chicken listing in Quay County and the impacts and restrictions on property rights that it will have if the chicken is listed as a threatened or endangered species by the US Game and Fish.

On June 6, the last and final environmental permit was approved and Arch Hurley was able to install the bentonite plug in the head of the inlet channel at Conchas Lake. The USACE was billed for this custom work.

The Bureau of Reclamation began moving their equipment to the job site and the USACE built the road down to the inlet channel to transport the material out of the channel. Manager McCasland presented 3 pictures of the progress of the road at the inlet channel.

On June 7, we mailed out an assessment notices to remind all of the Class A property owners that the assessments are due July 1st. Arch Hurley will start applying interest to past due assessments after July 1st.

On June 10, the BOR started working at Conchas removing the rocks and silt from the inlet channel. It should take about ten days to complete this work.

With the recent moisture that has been received in the district, once there is some vegetation growth in the field to stabilize the soil from blowing we will start cleaning out those areas that will not get filled back up with sand after the next wind storm.

VISITORS

Daniel Garcia asked how the \$12.00 assessment is divided among the three funds. He was informed that Manager McCasland will be able to get him that information. Mr. Garcia commented on prairie chicken that if it is an endangered species, we need regulations on it. Mr. Garcia informed everyone that Fred Lopez passed away.

Don Lopez asked about if there had been any actions taken on transferring the project from the BOR to the District. Manager McCasland stated that he will meet with Mr. Lopez at a later time and answer his questions. Mr. Lopez stated that he would write a letter and address his questions. Mr. Lopez commented on measuring devices, he stated that everyone should be measured and the measuring should be accurate.

John Gilbertson asked if what Pres. Perkins read before the visitors section is the law. Pres. Perkins stated that what was read is what the Attorney General recommended to be read before the visitor's comments. A letter can be written or a person can talk with the board members if they have any questions. Manager McCasland stated that if a letter is written, it will be answered.

WATER ALLOCATION – CONCHAS LAKE ELEVATION

Director Box made the motion to not allocate any water due to the low lake elevation. The motion was seconded by Director McEwen. Motion carried 4-0.

Directors Voted:

Perkins – “YES”
McEwen – “YES”

Box – “YES”

Evans – “ABSENT”
Henson – “YES”

APPROVE RESOLUTION 2013-004

Director Henson made the motion to approve Resolution 2013-004 which pertains to the up-coming election in October. The motion was seconded by Director Box. Motion carried 4-0.

Directors Voted:

Perkins – “YES”

Evans – “ABSENT”

McEwen – “YES”

Box – “YES”

Henson – “YES”

CONCHAS LAKE INTAKE CHANNEL UPDATE

Manager McCasland reported that the work on the Channel has been delayed because of posting requirements and employee drug testing. Once work begins, the project should be completed in 10 days maximum. The trash racks will not be replaced, it is cost prohibitive.

ACCEPT OR REJECT BIDS ON ADVERTISED SURPLUS EQUIPMENT

Director Box made the motion to award the highest bid on each piece of equipment. The motion was seconded by Director Henson. Motion carried 4-0. The Case tractor will not be sold, it will be kept for parts.

Directors Voted:

Perkins – “YES”

Evans – “ABSENT”

McEwen – “YES”

Box – “YES”

Henson – “YES”

DIRECTOR’S COMMENTS

Vice-President Box read the following poem:

Two Kinds of People by Ella Wheeler Wilcox

There are two kinds of people on earth today,
Two kinds of people no more I say.
Not the good or the bad, for its well understood,
The good are half bad, the bad are half good.

Not the happy or sad, for in the shift-flying years,
Bring each man his laughter, each man his tears.
Not the rich or the poor, for to count a man’s wealth,

You must know the state of his conscience and health.

Not the humble and proud, for in life's busy span,
Who puts on vain airs is not counted a man.
No! the two kinds of people on earth I mean,
Are the people who lift, the people who lean.

Wherever you go you'll find the world's masses
Are ever divided into these two classes.
And, strangely enough, you will find, too, I mean,
There is only one lifter to twenty who lean.

In which class are you? Are you easing the load
Of the overtaxed lifters who toiled down the road?
Or are the a leaner who lets others bear,
Your portion of worry and labor and care?

Vice-President Box also read a letter stating his opinion and facts on various subjects and it follows:

At the May 14, 2013 there was some comments made to the BOD that were not the truth and I would like to remind the board and constituents of what the truth is.

A group on constituents has been coming to the board and asking for some financial relief due to the continuing drought. Some individuals have gone so far as to state that they believe that AHCD should "close its doors."

I would like to remind us of the promise our fore fathers made to the Bureau of Reclamation on the 27th day of December 1938 when they signed the contract with the BOR to investigate, plan and proposed to construct the Tucumcari Project. "... The Project was for diversion, carriage, distribution and beneficial use for irrigation, domestic and other purposes of the waters of the South Canadian River and its tributaries, which may hereafter be stored in the Conches Reservoir... for a supply of water supply from the Project of which it will be obligated to repay the United States a part of the cost of the Project..."

On page 14 of the contract under item 13, entitled "Competent Superintendence Required"

It states, "Until completion of the payment by the District to the United States of the construction charges are elsewhere herein provided, The District will provide at compensation adequate in the opinion of the Secretary, competent supervision, management and personnel for the operation of works hereafter transferred to it for operation and maintenance."

Therefore, we as present landowners of property, both Class A & B have an obligation to the Bureau of Reclamation and the United States of American and ALL of its citizens to repay the debt balance of \$1,852,196.72 currently owed to them.

In view of the above facts and at the request of a large number of AHCD constituents the present board started seeking how the obligation to the BOR might be met while providing financial relief to the constituents of AHCD.

In the September 11, 2012 board meeting a motion was made, seconded and passed, that ask the BOR to move the debt payment to the back end of the note during the duration of the drought.

In the October 9, 2012 board meeting it was reported that Manager McCasland, President Perkins, and Vice President Box would attend the 81st MWRA Water Conference in San Diego. Where BOR Commissioner Conner has offered to give a 15 minute meeting to discuss what BOR could do to provide financial relief for the AHCD constituents.

During the same meeting the proposed request from the BOR that AHCD should pay \$25,000.00 to have the BOR Ag Economists out of the Denver office do an area impact study. Once the study is completed the BOR will make a pay analysis recommendation regarding the debt payment. Further, discussion set some targets as to what specific recommendation AHCD should ask for.

During the November 13, 2012 BOD meeting Manager McCasland reported that, “On October 15th, President Larry Perkins, Director JD McEwen and I met with Senator Udall and his staff. We discussed the ongoing drought in New Mexico and the financial impact that the drought was putting on the landowners as well as AHCD. One item that was discussed was moving the annual BOR Payments to the back of the note until the drought was passed and we were able to allocate a full allocation to the farmers for several years. We also informed Senator Udall that we were attending the NWRA conference and we would be discussing this topic with BOR Commissioner Conner at the time.”

Further into that same managers report, it was reported that, “On October 30th, 31st, and November 1st, President Larry Perkins and Vice-President Phillip Box and I attended the annual NWRA conference in San Diego.”

Later in that same meeting, a report was given by the three attendees that met with Deputy Commissioner David Murillo and Regional Director Larry Walkoviak. During that meeting they promised to go over the contract with a fine toothed comb again to see what relief the BOR could offer AHCD. A copy of that report was made a part of the board meeting minutes.

As a result of this meeting a follow-up meeting was arranged by Deputy Commissioner Murillo and Regional Director Walkoviak for Manager McCasland and the board of directors to meet with Area Director Mike Hammer and Randy Rust in the Albuquerque

office to review the BOR's findings and offerings to assist AHCD in the relief of debt during the ongoing drought.

Later in that same meeting the AHCD Board of Directors moved to withdraw and defund its support of the \$25,000 impact study until further information could be obtained.

On December 12th Manager McCasland, Larry Perkins, Phillip Box and UV Henson, traveled to the Albuquerque BOR office and visited with Area Director Mike Hamman and staff member Randy Rust where we discussed what options the BOR had come up with to allow AHCD debt relief during the ongoing drought. We were told by these gentlemen that BOR could not extend the repayment contract without an act of Congress but could possibly do a supplemental contract that would defer the 2014, 2015, 2016 & 2017 payments until a later date prior to the last contract payment date.

They also recommended that we should also look at asking for a congressional action for which would provide for "Title Transfer," in effect that would forgive the \$1,852,196.72 debt that AHCD owes the BOR, while providing the opportunity for AHCD to guide its own future. They gave the manager a "Title Transfer List."

During the January 8, 2013 AHCD board meeting, resolution #2013-001 was passed to "... respectfully request a Supplemental Contract from the U.S. Bureau of Reclamation to suspend the District's annual debt payment until drought conditions are no longer present..."

During the meeting a report was given on the December 12th meeting in Albuquerque with BOR personnel. Several questions were raised from visitors. President Perkins then asked that all questions regarding debt deferral and title transfer be submitted to Manager McCasland. The BOR's checklist was shown to the audience and they were asked to get with Manager McCasland for a copy if they would like to have one. Manager McCasland was instructed to inform and seek the advice from Attorney Chuck DuMars on these two items.

On January 15th, Manager McCasland met with Chuck Dumars and Catherine Robinson, where he learned that they are very familiar with the Bureau of Reclamation's checklist.

Therefore, I respectfully, personally and officially disagree with the gentleman that left the board meeting with the comment that the trip to San Diego was a waste and lacked transparency.

I for one, along with others see the few dollars spent on that trip to be a great investment into the deferral and forgiveness of \$1,852,196.72 debt.

Again, let me remind everyone that the AHCD Board of Directors has made no other commitment(s) except to look for ways to be more financial responsible to its constituents.

If you do not ask you will not receive.

President Perkins stated that if there are any questions to Arch Hurley, please put the questions in writing. An answer will be forthcoming from Manager McCasland. There is nothing that is being withheld, Arch Hurley is a public entity and therefore documents are available to the public.

CONSIDERATION OF BILLS

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

Directors Voted:

Perkins – “YES”

McEwen – “YES”

Evans – “ABSENT”

Henson – “YES”

Box – “YES”

ADJOURNMENT OF REGULAR MEETING-

With no further business to discuss, the meeting was adjourned at 9:44 a.m. with a unanimous vote.

ARCH HURLEY CONSERVANCY DISTRICT

President Larry Perkins

ATTEST:

Secretary/Treasurer UV Henson

