

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

**Tuesday, August 13, 2013**

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

**Directors/Staff  
Absent:**

**Staff Present:** District Manager Franklin McCasland, Maintenance Supervisor  
Craig Hoffman and Office Manager Donna Lafferty

**Guests Present:** Jimmy Speed, Jearld White, Daniel Garcia, Misty Gulley, John  
Gilbertson, Fred Stieg and Lanny Ross of Big Mesa, Tom  
Dominguez of Extension Office

**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  
JULY 9, 2013**

Director Box made the motion to approve the draft minutes of the Arch Hurley  
Conservancy District's July 9, 2013, regular meeting. The motion was seconded by  
Director Henson. Motion carried 5-0.

Directors Voted:

Perkins – “YES”  
McEwen – “YES”

Box – “YES”

Evans – “YES”  
Henson – “YES”

## **MANAGER'S REPORT**

Today the Conchas Lake elevation is at 4,162.7 feet. Last year at this time the elevation of Conchas Lake was 4,157.5 feet. Conchas Lake received 15,597 acre feet of inflow for the month of July and had a loss of 1,925 acre feet from evaporation and other losses.

On July 10, AHCD mailed out a RFP for audit services for 2013, 2014, 2015.

On July 15, we sent a letter to the Chairman of the Interstate Streams Commission and the State Engineer with an invitation from the AHCD Board of Directors to host an ISC Meeting in Quay County.

On July 16, BOR inspected Madrid Bridge. The bridge has been reclassified as a culvert and the bridge will be removed from the BOR's federal transportation bridge inventory list.

On July 23, Craig Hoffman and I drove to Albuquerque and meet with all of the compact excavator equipment dealers. We chose the Volvo EC55C to lease for 30 days. This excavator's operating weight is 12,500 lbs and has a reach of 20 feet. A 30 day lease is \$2,160.00.

On July 24, I attended a Water and Natural Resources Committee and Drought Subcommittee meeting in Clovis. In attendance were 18 New Mexico Senators and Representatives, the State Engineer, Bureau of Reclamation, and other Irrigation and Conservancy Districts.

On July 26, Election petition forms were due in the AHCD office by 4:30 for anyone wishing to file for the AHCD Directors seat for the Municipal position and the At-Large position. Only one candidate for each respective position presented a petition and therefore, by the Plans and Regulations adopted by the Arch Hurley Board of Directors, are elected by acclamation without an election. Larry Perkins will retain his seat as At-Large Director and UV Henson for the Municipal Director.

In the board packet under information you will see AHCD Quarterly Financial report to DFA. There is also a letter to the Crop Insurance Companies regarding the availability of irrigation water for the 2013 irrigation season.

On July 30, we sent the BOR Arch Hurley's Crop Census report for the 2012 irrigation season and received an invoice from the BOR on AHCD annual debt payment. This year's debt payment of \$58,255 has been paid to the BOR.

On August 6, Estevan Lopez from the ISC responded to AHCD request to host an ISC meeting in Quay County. They are looking at a late October or early November timeframe for their meeting here.

On August 9, Misty Vick attended a CDBG grant workshop and New Mexico's new ICIP reporting requirements for public entities to receive future state funding.

The men have compiled a list by each unit of ditches throughout the district. The list is divided into three categories, ditches that are completely blown in with sand, ditches that can deliver water but, need dipped out and maintenance work that needs to be done.

We have been cleaning out the ditches that are completely blown shut. By the end of this week we will be done in A & B units and will be moving the equipment into C unit. They have completed most of the repairs of the delivery system in the district that were caused by the recent rain storms.

Arch Hurley Conservancy District was notified by the BOR of a letter that they received from a district producer regarding the status of the title transfer. The BOR has responded to that producer in writing. Attached are the two public documents for all of the producers in the Arch Hurley Conservancy District to review and understand that the Title Transfer process with the BOR has not been officially requested by the Board of Directors of AHCD. I will forward a copy of this BOR letter to our State and Federal congressional delegation for their information.

### **VISITORS**

Fred Stieg wanted to introduce the newest board member of the Big Mesa Cooperative, Lanny Ross of Albuquerque.

Tom Dominguez informed everyone that the County Fair starts tonight and there is a carnival. He wanted to invite everyone to the fair. Mr. Dominguez also wanted to inform everyone that he is moving to Otero County. He stated it was a difficult decision to make and that he would be back when Conchas Lake was full.

### **WATER ALLOCATION – CONCHAS LAKE ELEVATION**

Director Box the motion to allocate 3" with the following conditions: 1. the elevation be 4167.00 2. where applicable, RRA forms are complete and on file in the district office 3. all assessments are paid 4. water purchases are paid 5. orders are at 50 acre feet. The motion was seconded by Director McEwen. Motion carried 5-0. The water run will terminate when orders fall below 30 acre feet for 3 days.

Directors Voted:

Perkins – "YES"  
McEwen – "YES"

Box – "YES"

Evans – "YES"  
Henson – "YES"

**APPROVE AUDITOR FOR 2013, 2014 AND 2015**

After reviewing the bids, Director Box made the motion to approve Sandra Rush for Arch Hurley’s audit for 2013, 2014 and 2015. The motion was seconded by Director Henson. Motion carried 5-0.

Directors Voted:

Perkins – “YES”		Evans – “YES”
McEwen – “YES”	Box – “YES”	Henson – “YES”

**APPROVE POSTING OF FSA ON ARCH HURLEY WEBSITE**

Director McEwen made the motion to add a link to Arch Hurley’s web site so that FSA can post their information. There shall be no additional cost to Arch Hurley. The motion was seconded by Director Evans. Motion carried 5-0.

Directors Voted:

Perkins – “YES”		Evans – “YES”
McEwen – “YES”	Box – “YES”	Henson – “YES”

**APPROVE RESOLUTION 2013-005  
MEMBERSHIP IN EPCOG**

Director Henson made the motion to approve Arch Hurley’s membership in EPCOG with annual membership dues of \$250.00. The motion was seconded by Director Evans. Motion carried 5-0.

Directors Voted:

Perkins – “YES”		Evans – “YES”
McEwen – “YES”	Box – “YES”	Henson – “YES”

**APPROVE RESOLUTION 2013-006  
CDBG COMPREHENSIVE PLANNING GRANT**

Manager McCasland asked that this item be tabled. Misty Gulley informed the Board that this planning grant is a multi-county grant, San Miguel County and Quay County. This is the first time that a planning grant will affect 2 counties and so a determination

will need to be made on how that can be allowed. Rules and regulations are being checked.

**APPROVE RESOLUTION 2013-007  
CDBG PUMP GRANT AT CONCHAS LAKE**

Manager McCasland asked that this agenda item also be tabled. The reason is because statutes were requested of how special districts fall under a government entity. Under new requirements, an ICIP (Infrastructure Capital Improvement Plan) is necessary to apply for capital outlay, grants or legislative appropriations. The application will not even be considered if you do not have an ICIP. The deadline for the ICIP is September 30, 2013 at 3pm. Ms. Gulley passed out examples of an ICIP.

**APPROVE TO RESEARCH AND APPLY FOR BOR  
WATER SMART CONSERVATION GRANTS**

Director Evans made the motion to research and to apply for BOR Water Smart Conservation Grants. The motion was seconded by Director Henson. Motion carried 5-0.

Directors Voted:

Perkins – “YES”  
McEwen – “YES”

Box – “YES”

Evans – “YES”  
Henson – “YES”

**JOHN GILBERTSON  
DEBT FORGIVENESS**

Mr. Gilbertson read a letter about his concerns in regards to debt forgiveness. The letter follows:

I would like to address the Arch Hurley Board with some concerns and requests in regards to efforts being made to postpone and/or pay off the debt owed to the Federal Government. To obtain Title transfer to the district.

There have been attempts made along these lines previously with no acceptable outcome. The reality of this situation is that the Tucumcari project has never achieved the level of success needed to generate the amount of crops needed to satisfy the repayment of the loan. This loan is paid back based on the amount of crops raised. There is a minimum amount that is required even with no crop production from the project. Until recently this has not been adhered to and payments were based on production.

The remaining amount of this loan is somewhere between one and two million dollars and bears no interest. The amount of repayment on the minimum required is somewhere between \$1.25 and \$1.50 per acre per year.

When the question is asked as to why we would want to obtain forgiveness or in some way pay off this debt and what would be the benefits and/or changes to the district in doing so? The only answer is that there will be less paperwork to be done and other than that everything will remain the same!

If this is all there is to be gained then there appears to be no reason to pursue this venture.

In reality there has never been the amount of water available to meet the irrigation needs of the original 42,000 plus acres of this project.

The amount of water needed to produce a crop in this district is 3 feet per acre. The same as most of the water districts in the state. We have had very few years where this amount of water was available.

The practice of stacking water has become the norm rather than the exception. Using this approach to water shortages it takes two acres of allotted water to service one acre of irrigated farm land at an allocation of 18 inches. Thus making the production of the district one half of what it would be given the availability of water.

This situation gets dramatically worse as the allocation goes down. A six inch allocation requires five acres to be idle, to produce a crop on one acre. If this practice was not allowed the project would have become completely unworkable years ago. In short it takes water to make an irrigated practice work on an irrigated farm.

There are several things that need to be addressed as soon as possible that will determine the direction and approach that will need to be taken.

The first is a written plan of what the project will be after the debt is history and the title transferred! It needs to contain how the water will be tied to the land and how we plan to use the \$1.25. It is assumed that there has been enough thought and planning done on this that this vision of the future already exists. It just needs to be made available to affected land owners. The second is to request from the State Engineer of the State of New Mexico to compile a complete and comprehensive list of all the license and permit holders of all surface water in the Canadian River Basin above Conchas Dam.

This is not a water adjudication, only a list of claimed water, the location and amount claimed. We need to know the amount of available water and how much of it is junior to our license and how much is senior.

When these figures are obtained it will be easier to determine if there is now or ever was the amount of water needed to make Arch Hurley a viable and prosperous endeavor.

When can there be expected a written reply and timetable on these two requests listed above?

Thank you for your time: John Gilbertson

### **DIRECTOR’S COMMENTS**

President Perkins wanted to thank Manager McCasland and the crews for their diligent, hard work on the ditches. The written plan with the time-frame of 3 weeks is obtainable and a good tool for completing the maintenance work.

Director Henson asked if the annual payment to BOR had been made yet. Manager McCasland informed Director Henson that it was mailed today.

Director Box stated that he attended the AG Science Field Day on August 6<sup>th</sup>. He stated that he was impressed with NM Secretary of Agriculture and Director of NM Department of Agriculture Jeff Witte. In his presentation, Mr. Witte compared water usage between urban and rural areas.

### **EXECUTIVE SESSION**

Director Box made the motion to go into executive session. The motion was seconded by Director Evans. Motion carried 5-0. A roll call was taken and each of the directors voted yes. Directors went into executive session at 10:20 a.m.

Directors Voted:

Perkins – “YES”

McEwen – “YES”

Box – “YES”

Evans – “YES”

Henson – “YES”

### **EXECUTIVE SESSION**

Director Henson made the motion to come out of executive session. The motion was seconded by Director Evans. Motion carried 5-0. A roll call was taken and each of the directors voted yes. Directors came out of executive session at 11:15 a.m. President Perkins stated that only threatened or pending litigation and limited personnel matters was discussed.

Directors Voted:

Perkins – “YES”

McEwen – “YES”

Box – “YES”

Evans – “YES”

Henson – “YES”

### **CONSIDERATION OF BILLS**

Director Henson made a motion to pay the submitted bills. The motion was seconded by Director Evans. Motion carried 5-0.

Directors Voted:

Perkins – “YES”  
McEwen – “YES”

Box – “YES”

Evans – “YES”  
Henson – “YES”

### **ADJOURNMENT OF REGULAR MEETING-**

With no further business to discuss, the meeting was adjourned at 11:15 a.m. with a unanimous vote.

ARCH HURLEY CONSERVANCY DISTRICT

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President Larry Perkins

**ATTEST:**

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Secretary/Treasurer UV Henson



June 4, 2013

2013 JUN -6 PM 12: 27

Dear Mr. Hammon,

Enclosed please find a copy of a letter sent to legislators regarding the transfer of title process in the Arch Hurley Conservancy District. As you will readily see, many land owners with District water rights are not in favor of this transfer, despite what has been represented by the Arch Hurley Board of Directors to the BOR and lawmakers. Many land owners, are even unaware that the process has begun.

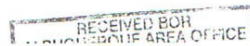
We would like to request from you, a summary of where Arch Hurley is in the transfer process, as a verbal request was made at an Arch Hurley meeting with no response from the current Board of Directors. In fact, the constituent requested to be informed as to where in the process Arch Hurley was and the Board responded by asking the constituent for more specific questions. In other words, no information was offered and none was received and the Board President even stated that the title transfer will be a Board issue, not something farmers will be involved in.

It is worth mentioning that at-length public discussions of the transfer and other issues are rarely noted in Board meeting minutes, but meetings are recorded by constituents and these recordings are available for as far back as 2003.

Please feel free to contact us if you have any questions. Our information is listed on the signature page.

Thank you!

Arch Hurley Conservancy District Producers





IN REPLY REFER TO:  
ALB-400  
WTR-4.00

United States Department of the Interior

BUREAU OF RECLAMATION  
Upper Colorado Region  
Albuquerque Area Office  
555 Broadway NE, Suite 100  
Albuquerque, NM 87102-2352

JUL 25 2013

Arch Hurley Conservancy District Producers  
6074 Quay Road AK  
Tucumcari, NM 88401

Subject: Response to Your Letter dated June 4, 2013 – Title Transfer Status

Ladies and Gentlemen:

Thank you for your recent letter and your inquiry into the status of potential title transfer actions between the Bureau of Reclamation and the board of the Arch Hurley Conservancy District (AHCD). To date, Reclamation has not received a formal request from the AHCD to enter into title transfer discussions for the Tucumcari Project, nor has Reclamation been contacted by any member of New Mexico's congressional delegation to evaluate that possibility.

While Reclamation appreciates your concerns, our contract with the AHCD requires that we make our formal communications on such matters with their elected or hired representatives. We encourage you to discuss your issues with the AHCD board.

My staff is willing to meet during normally scheduled business meetings to discuss these, or any other matters important to the AHCD.

Please express my appreciation to all of your fellow producers in the AHCD for their perseverance through these difficult years of drought.

Sincerely,

Mike A. Hamman  
Area Manager

cc: Mr. Franklin McCasland  
District Manager  
Arch Hurley Conservancy District  
101 East High Street  
P. O. Box 1167  
Tucumcari, NM 88401-1167