

Tularosa Community Ditch Corporation Annual Shareholders Meeting

Tularosa Municipal Court Building 609 St. Frances St.

Minutes December 7, 2015

A. Meeting called to Order 7:12 PM

While waiting for the confirmation of quorum, State Representative Zachery Cook was introduced to the group by Commissioner Hobson. He graciously accepted the thanks given by our shareholders for the assistance in the last legislature to get the capital outlay monies for Pipeline Replacement Phase 1 Project. He stated that he is ready to help in any manner he can.

B. Pledge of Allegiance

C. Public Comments

The meeting proceeded with this section while waiting for quorum confirmation. Bobbie Brown asked whether anyone had contacted the Ditch about the problems of road problems due to water. Dan Abercrombie answered that question explaining that the problem lies with the base course used to make the roads. The collapse is due to using porous base course which induces collapse leaving water to accumulate in the depression. The question should be directed toward the Village. Commissioner Bookout has already talked to the Village about the problem but no results as yet.

Mr. Butch Davis commented that many people are installing culverts and wants to know if they are legal. Also, he has had many problems with blockages in the ditch leading to his property due to limbs down on private property and with owners who do not clean them out. Mr. Bookout let him know that any culverts are there with Mayordomo's knowledge but the problem of limbs down is something we will look into. Mr. Davis commented that the offenders are mostly newcomers who do not understand the importance of water flow. He also asked about the size of the approved culverts; are they supposed to be 24 inches? Mr. Baca told him that some are that size and others larger and that we can contact the sheriff's department for identifying those who are not in compliance.

D. Quorum was achieved at 7:30

E. Minutes from the 2014 Annual Membership meeting.

Maurice Hobson made the motion to approve the minutes as presented

Butch Davis seconded the motion

Motion passed

F. Approval of Minutes from Commissioners Quarterly Meeting September 21, 2015

Joseph Penn made the motion to approve the minutes as presented

Maurice Hobson seconded the motion

Motion passed

G. Financial Report September through November

Commissioner Lerner told the public that we are proceeding with an independent outside audit going back to 2010. This is a requirement for all communities who receive money which would put their income budget above \$30,000. Danielle Roberts and Commissioner Lerner have been working together to get this in order. We applied for a grant to pay the fees for the audit, over

\$4,000, and got confirmation two weeks ago that it was approved. We are glad to say that it does not have included in the 2016 budget.

Steve Lightle made the motion to accept as presented

Bobbie Brown seconded the motion

Motion passed

Resolution to accept the final quarterly financial statement for signature.

H. Presentation of 2016 Budget

Dan Abercrombie asked how we are putting forth a budget that shows more expenditures than income? Why are we going into the hole? Commissioner Hobson said we are looking for grants to go with the loans for our projects but our legal fees have to be paid to defend the ditch in court. Mr. Bookout told them that the Dávalos case went to Santa Fe to the State Engineer and it cost us over \$11,000.00. Mr. Abercrombie wanted to know if we are going to pass a rule to balance the budget. Joseph Penn asked if we are stating that we are going to spend the \$12,000 on legal fees. Commissioner Lerner said it was essential to write it into the budget so we can count on it if we need it. For that reason we are budgeting \$ 12,000 in legal fees if there be that eventuality. Maurice Hobson said the case will go back to District Court to make another ruling even though it has already been decided there. Mr. Abercrombie said the State Engineer should not have intervened and we should raise the rates. Commissioner Lerner responded that we just enacted that rate hike with the billing for 2016. Mr. Hobson told the public that much of our problem with the Office of the State Engineer rests with their lawyer, Lundeen. As to the functioning of the SE office, they reallocated the water of Rio Ruidoso from the farmers to the city without public input with cost Verhines his job but the water has not been returned to the acequia owners. The office of the SE does not appear to respect the farmers. Mr. Hobson went on to explain the terrible situation with the Atrisco land grant area south of Albuquerque that the commissioners of Bernalillo approved for the Santolino development for 97,000 more people and businesses by taking water out of the Rio Grande. Where is the water being recreated to accommodate those houses and businesses? The water is over allocated already and there are no hydrological or geological studies which support the development to that extent. Commissioner Hobson told the group that the commissioners are going up to Santa Fe in January with our representative Mr. Cook to meet with the new State Engineer.

Joan Price asked about recovering the legal fees from all the litigation. Norval Bookout told her that neither side can sue for that. This is a war of attrition. We as commissioners have the duty to protect our water. Joseph Penn asked if we could actually lose the case. Mr. Bookout said he thought the district judge will not allow his ruling to be over turned especially since the State Engineer is not a legitimate court. Mr. Hobson said the legal problems are similar to a death by a thousand cuts.

Maurice Hobson made the motion to accept the budget for 2016

Butch Davis seconded the motion

Motion passed

Resolution to accept the 2016 Budget was presented and signed by shareholders

I. Representative Cook was introduced at the beginning of the meeting while waiting to get our quorum

(C. Public Comments-continued)

Joan Price did not comment during the time this took place at the beginning of the meeting so she asked to comment before we moved on to the rest of the agenda. She brought a draft of paperwork she would like to hand out so the parciantes can keep their hours of fatigue labor cleaning their laterals. She said, "If we have a form to keep our hours it confirms our description of being an acequia. The unpaid labor is translated into a dollar value." She asked to hand out the draft to those present but Commissioner Lerner explained the need to review the language and citations of state statutes in the draft for verification. Chairman Bookout commented that keeping our fatigue hours will help us with the Office of the State Engineer when they try to intervene in our ditch description. It is also required that those who have a lateral in use at their residence are required to keep it clean.

Jim Brown added that he thinks it is a good idea and shows a way to defend ourselves. He also wants to speak with Robert Baca about putting real force behind the need to keep the ditch laterals clean and that way to have the properties in town in order. Commissioner Lerner asked the parciantes to keep their hours while cleaning the laterals this winter and spring. Mr. Brown asked if retroactive hours could be claimed. Chairman Bookout thought it was a good idea.

J. Open Meeting Resolution

Commissioner Lerner explained that each year it is important and required that we pass this resolution.

Dan Abercrombie made the motion to pass the Open Meetings Resolution

Butch Davis seconded the motion

Motion passed

K. Old Business

1. Update Dávalos case-this was covered in the beginning of the meeting before quorum was confirmed.

2. Cleaning Laterals-Commissioner Lerner reminded the public that the laterals needed to be cleaned during this rest period when water is not being delivered to the 49 Blocks and the ditches leading to farm lands.

L. New Business

1. Phase 2 Pipeline Replacement-Chairman Bookout expressed some doubt about if we have enough money to pay for the engineering design. We no longer can depend on the NRCS to do it for us for free as they are backed four years in design deadlines. Commissioner Hobson said the water fund is still going to be \$1,900,000 this year if the House and Senate do not invade those funds for other projects. Commissioner Hobson explained that we now have a much better flow of water pressure with larger diameter pipes (24" to 30"). Also, in the old pipeline, there was a dip where the silt collected and blocked the flow. It has been completely changed out and no longer has that dip. The second phase is to remove the smaller pipe for larger and remove the dog-leg in the design so it flows better. It is going to go from South Bookout to Marshall. We need to guarantee the easement as there are sheds built over the easement lines.

The second phase will be a little less expensive than the first phase but we are worried about the price of the engineering changing the bottom line of the overall project price. Dan Abercrombie is going to check in with the NRCS to find out what can be done.

2. Presentation of Salomon Baca as the new assistant Mayordomo-Robert Baca introduced his son as the new assistant and told the participants that he needs someone to be there in case he falls, in case he gets sick, so someone can learn the system as he knows it. He has not had a break in 10 years. He emphasized the complexity of the system that covers over 16 miles of ditches. Mayordomo Baca let them know that Salomon is not getting any extra money as he is taking from his salary to pay him. He has been part of the Rosalia Ditch for 40 years and that system is less complicated but in any given time, there can be a flood or blockages or neighbors who do not work together.

3. Outside Audit-this was covered in the financial section of the meeting.

4. Call for committee to review the by-laws in March. Commissioner Lerner explained that we need to review the by-laws. The March quarterly meeting will be the first chance to address them. She encouraged people to come to the meeting in order to form that committee.

5. Nominations for Commissioners

Maurice Hobson nominated Norval Bookout for Chairman

Jim Brown nominated Maurice Hobson for Treasurer

Steve Lightle nominated Karen Lerner for Secretary

The shareholders voted to keep all the board by acclamation

M. Adjourn

Karen Lerner made the motion to adjourn

Joseph Penn seconded the motion

Motion carried

Meeting adjourned 8:28 pm