

# HUERFANO COUNTY WATER CONSERVANCY DISTRICT

## Minutes of Board Meeting September 25, 2017

The monthly meeting of the Huerfano County Water Conservancy District was called to order by President Scott King on Monday, September 25, 2017 at 6:03 pm.

Directors present: Michael "Sandy" White, Scott King, John Vallejos, Kent Mace, Beaver Edmundson.

Secretary: Carol Dunn; Attorney: Steve Monson.

Guests: Keith Bouchard, Doug Brgoch, Lenna Rauber, Gail Terry, Dr. John Davis, Rick Dunn; David Rinehart (press).

White moved, Edmundson seconded and board approved the agenda.

Minutes – White moved, Vallejos seconded and board approved the August 28, 2017 minutes.

Treasurer's Report – White moved, Edmundson seconded and board approved the treasurer's report.

Old Business – White reported the next step on the Collaborative Storage project is a geotechnical survey to choose the best reservoir site(s). A 50% match is required on the \$123,350 WSRA grant, and local government commitments have been received from City of Walsenburg, La Veta Fire Protection District, Maria Lakes Grazing Association. Huerfano County and Cucharas Sanitation and Water District have approved participation. Town of La Veta is pending, and at last month's board meeting, HCWCD committed \$10,000 toward the match. The board agreed to apply for funding of up to \$500 from the PEPO educational arm of the Arkansas Basin Roundtable in order to sponsor a meeting of the Cucharas Storage Collaborative to discuss the project and grant application.

Water Infrastructure improvements grant – An add to the grant of \$19,200+1,000 administration is being sought to repair two stream gages damaged during flooding on the Cucharas River in August. CWCB can issue a purchase order to HCWCD as the sponsoring entity. White moved and Mace seconded to execute the documents to sponsor the repair project at \$20,200. Board approved.

New Business – Water case 2017CW3048: Town of La Veta application for finding of diligence on Mexican Ditch appropriative right of exchange. Case 2017CW3049: Town of La Veta application for change of Coler System water rights regarding delayed return flows and ground water. Brgoch explained both cases. The board decided to take no action on these cases.

River reports: Rauber reported that many tributaries are still adding to the Huerfano system. Only a few ditches are on. HCWCD's Jose Maria ditch would be in priority and the #7 Wm Craig ditch is back on. A lot of diversion dams have been washed out. Brgoch reported the Cucharas is flowing and there is still water bypassing the Cucharas reservoir, with contributions from most side streams. Because of sufficient rains, there is little interest in running irrigation water.

Rules and regulations governing regional augmentation plan – Legal notices about the pending rules and regulations were published in the Huerfano World Journal and The Signature Newspaper on 9/14/17. A draft copy of the proposed rules and regulations was emailed to the entire HCWCD notification list on 9/12/17 and also posted from 9/11/17 through today at the La Veta Town Hall, Huerfano County Courthouse and Walsenburg City Hall.

Public comments: Dr. John Davis noted that, since the 1970s, cannabis is still prohibited by federal law. He reminded that doing business with cannabis growers puts HCWCD at risk of having its property searched and seized and endangers eligibility for federal grants. He encouraged the board to reconsider having this industry as an augmentation plan participant. Brgoch suggested that a description and process be called out in the rules and regs for an “approved participating diversion.” The rate schedule, which will be an attachment, will be set by resolution of the board. If federal policy on enforcement changes and interferes with grants and loans, the rules specify that HCWCD has the right to terminate the contracts with cannabis industry participants.

Resolution: White moved and Mace seconded to adopt the rules and regulations with the revisions discussed being made by Attorney Monson. Board approved.

Ranch property appraisal – Up to 25 acre-feet of level 2 augmentation water could be made available for purchase by the new Ranch owner. The property appraisal will include the annual income from gravel production, the Mapes well and Jose Maria ditch water. The Jose Maria could be listed as a participating diversion in the regional augmentation plan.

Sheep Mountain Augmentation Facility update as of 9/24/17 – The area for the SMAF pond project has been cleared of vegetation, and 90% of the pipeline is done. Huerfano County is now crushing gravel. Most of the silt fence is in place. If needed, Morgan Excavating has offered an employee and truck to water the hydroseeded areas. October 12 is Morgan’s new estimated completion date. County Administrator John Galusha seems to be satisfied with the gravel being produced. Monson reported that water for irrigation of the stockpiles will be used from the Huerfano County Road & Bridge take-out site on the Huerfano, as a joint effort with the County, and usage will be measured by the County procedure. Water used by Morgan for dust control since the beginning of the project is not clear, and Brgoch requested that Rauber be notified if Morgan is using water from an unapproved source. HCWCD has been clear with Morgan twice that the water cannot be taken from the landowner’s ditch. Mike Morgan told Rick Dunn his firm used 64,000 gallons of water through September 18, when they stopped. Brgoch referred to his notes that 60,000 gallons had been used as of August 28.

Edmundson reported that a letter has been sent to the ranch tenant, Owen Shrou, advising him that he needs to be irrigating. He is now irrigating. 12 tons of boulders were delivered to the gravel pit at the Ranch for use on the Wm Craig Ditch/diversion structure.

Guest Comments – None.

King called a recess at 7:15 pm. Meeting was called back to order at 7:29 pm.

Bills – White moved, Vallejos seconded and board approved transferring \$85,000.00 to ColoTrust and paying the following bills, which total \$136,532.72:

Mountain States Financial group, September bookkeeping – \$120.00

Monson, Cummins & Shohet, Bd mtg, Sheep Mtn, Aug plan, Perrino, Ranch sale	\$6,630.75
Monson, Cummins & Shohet, work for 5 growers/new applicants–	\$6,113.55
Dunn Write, contract, mileage, meeting expense –	\$1,624.63
Dunn Write, Infrastructure Improvements grant admin, 8/16/17–9/24/17	\$271.25
Dunn Write, Phreatophyte grant admin, 5/21/17–9/24/17	\$148.75
Dunn Write, PRWCD grant fiscal agent, 7/17/17 – 9/24/17	\$245.00
TZA Water Engineers, Water acctg, SMAF phase 1, Cucharas exchange app –	\$14,274.33
TZA Water Engineers, Inclusions growers/new applicants in Reg Aug Plan –	\$1,672.00
Paul Morgan Excavating, SMAF phase 1 construction –	\$99,281.50
La Veta Carpentry, Water analyst contract, September –	\$290.50
La Veta Carpentry, Water analyst assist TZA on Sheep Mtn Aug Facility –	\$834.04
Century Link, phone service, September –	\$55.52
Garald Barber, BIP Coordinator invoice for August 2017 (grant pmt received) –	\$4,151.83
HRS Water Consultants, Engineering on Infrastructure improvements grant proj	\$320.00
World Journal, Legal ad: Rules & Regulations –	\$15.84
Spanish Peaks Library, September rent –	\$65.00
CS Woods, SMAF sign –	\$418.23

Executive Session – At 7:33 pm there was a motion by White, seconded by Edmundson and approved by the board to go into executive session to discuss matters involving the regional augmentation plan and ongoing litigation including the purchase, acquisition, lease or sale of real, personal or other property interest as in CRS 24-6-402(4)(a); conference with an attorney representing the District for the purposes of receiving legal advice on specific legal questions pursuant to CRS 24-6-402(4)(b); and determine positions relative to matters that may be subject to negotiations, developing strategy for negotiations, and instructing negotiators pursuant to CRS 24-6-402(4)(e).

At 8:45 pm, White moved, Edmundson seconded and board approved closing the executive session and returning to open session.

There being no further business, meeting adjourned at 8:45 pm.

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Scott King, President

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Carol Dunn, Secretary