

HUERFANO COUNTY WATER CONSERVANCY DISTRICT

Minutes of Board Meeting January 25, 2016

The monthly meeting of the Huerfano County Water Conservancy District Board of Directors was called to order by President Sandy White on Monday, January 25, 2016 at 6:00 pm.

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

Secretary: Carol Dunn; Attorney: Steve Monson.

Guests: Lenna Rauber, Doug Brgoch, Rick Dunn, Gerald Cisneros, Gerald Van Nort, Phil and Rebecca Cummings, Mayor Jim Eccher, Jim Berg, John Sakun, Kent Hay, Steve Werner, John Janovec; David Rinehart, Press.

King moved and Edmundson seconded to approve the agenda, adding items on Bruce Cantrell water rights and the contract with consultant Rick Parsons for the Cucharas Storage Collaborative project. Board approved.

MINUTES – King moved and Edmundson seconded to approve the December 11, 2015 minutes as presented. Board approved.

TREASURER'S REPORT – Edmundson moved and King seconded to accept the January 25 Treasurer's reports. Board approved.

King moved and Mace seconded to conduct an audit of the HCWCD 2015 financials at an estimated cost of \$3,750. Board approved.

OLD BUSINESS – Edmundson reported that Stephen Wardell will construct a new sand gate and will straighten up the Parshall flume. An expenditure of \$1,000 has already been approved for the sand gate. The water line from one end of the Ranch house to the other needs to be replaced on the north side of the house. The work will require a State plumbing permit. Edmundson will get an estimate, and the work will probably be done when the weather warms up.

The Ranch lease with Corsairs automatically renewed.

Monson gave an update on the Two Rivers court cases, which have been consolidated – one by the State enforcing a breach of the reservoir and one about enforcing the Welton winter call. The exchange case was separated out and finalized. The dispute over the status of the Cucharas reservoir has been sent to mediation. Two Rivers requested that HCWCD participate in the case, but until the mediation is complete, HCWCD will not get involved.

An executive summary of the State Water Plan was handed out. White described it as primarily a political document.

Bruce Cantrell approached White about HCWCD buying his water rights in the Cucharas River basin. It was the Board's agreement that, although this would be useful for a Cucharas regional augmentation plan, it too early. Also key is completion of the Cucharas Storage Collaborative Study.

The Cucharas (Pre-fire) Sediment Basins project is available online for download at the JW Associates website: <http://www.jw-associates.org/cucharas.html> . Any recommendations for changes are due by February 23.

At the first meeting of the Cucharas Storage Collaborative, the attendees approved the draft contract from Parsons Water Consulting (Rick Parsons). The budget will be 1/3 for modeling, 1/3 for civil engineering and 1/3 for cost estimating. Parsons will choose his

sub-contractors. King moved, and Mace seconded, to authorize White to sign the contract with Parsons Water when it is finalized.

The kickoff meeting of the project itself will be on February 23 at 6 pm in Huerfano County Fire District ambulance barn. Discussions will be held among the municipal providers and storage holders about what storage exists and where the shortages exist.

NEW BUSINESS – Water Commissioner Doug Brgoch reported that the Cucharas River has average flows for this time of year. Maria Lake is the calling entity now, sweeping the river. They get about 5 acre-feet a day, but there's currently no evaporative loss because it is iced over. This effectively eliminates a call from the Welton.

WC Lenna Rauber reported that no one is calling for water on the upper end of the Huerfano River. She is working part-time until March 1, then will be full-time until next fall. Rauber is taking an aggressive part in seeing that about 14 headgates under order to be replaced get done before April 1. There are hundreds that need to be replaced. Regarding water case 2015CW22 by Michael & Jane Smith Trust: app to make absolute, Gertrude Martinez Spring, 5 gpm: Rauber advised this will probably be administered as being futile.

Water case 2015CW3072 is by Bureau of Land Management: app for surface water rights, 7 springs located on public lands and tributary to Huerfano River, .0113 cfs combined.

The Board members agreed to not oppose either of these cases.

Monson reported that the SWEPI SWSP renewal is under the same terms as previous years. The topic will be addressed further in executive session.

Monson explained the new attorney retention agreement. Felt, Monson & Culichia is restructuring, with two senior partners retiring and two junior partners moving up. The new firm is Monson, Cummins & Shohet. There was a motion by Mace, seconded by King, to approve the new attorney retention agreement. Board approved.

There was a motion by King, seconded by Edmundson, to approve Resolution 2016-01-1 setting the 2016 meeting dates. Board approved.

Title insurance for the Sheep Mountain Ranch easement has been obtained from Dotter Abstract. Sheep Mountain is the dba but the legal title is held by Rialm LLC. Therefore, a new agreement is needed. The Board decided to ask for an extension of 120 days on the due diligence. John Faux of TZA Water Engineers has been made aware of the situation.

DIRECTOR COMMITTEE REPORTS—

King reported on the Ark Basin Roundtable Meeting. There may not be any DOLA grants over the next couple years. The Arkansas River Watershed Collaborative meeting is set for Lathrop Park on February 5 from noon to 3:30. ARWC is a sub-committee of the Roundtable. A coordinator has been hired and will sponsor meetings to determine projects for watershed health that the ARWC might take on. HCWCD will provide a note taker for the meeting, which will be paid out of storage collaborative funding.

DIRECTOR AND GUEST COMMENTS – Phil Cummings asked for clarification on his interest in an additional acre-foot of water. Another \$10,000 application fee will be required.

A short recess was called at 7:20 pm. The meeting reconvened at 7:39 pm.

BILLS –

There was a motion by Edmundson, seconded by King, to pay the following bills, total \$25,310.33 plus a \$11,500.00 transfer from the ColoTrust account. Board approved.
Mountain States Financial Group – January bookkeeping \$120.00
Dunn Write – Contract, mileage, postage \$1,625.23
Monson, Cummins & Shohet – New aug applicants, Aug plan, Two Rivers pleadings \$2,706.55
La Veta Carpentry – Read wells and report to Faux, January – \$200.00
Postmaster – PO Box fee, 6 months \$25.00
Walsenburg Insurance – Bond for Sandy White \$100.00
Glatfelter Public Practice – Liability & property insurance \$2,338.00
TZA Water Engineers – Mapping alternatives, Aug Plan, needs analysis, Sheep Mtn, SWSP, New aug applicants \$18,059.13
Century Link – January phone bill \$71.42
Career Building Academy – Rent for January \$65.00

Dunn was instructed to hold the rent check until the district's Epson printer and desk lamp are returned to the office. They were removed by someone from CBA with a key to the door. Dunn will research office space on the third floor of the Spanish Peaks Library in Walsenburg. The current CBA office lease expires on June 1, 2016.

At 7:50 pm King moved, Mace seconded and Board approved going into executive session to discuss matters involving the regional augmentation plan, ongoing litigation and SWSP, 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 8:24 pm, King moved and Mace seconded closing the executive session and returning to regular session. Board approved. The meeting was called back to regular session at 8:24 pm.

There being no further business, meeting adjourned at 8:24 pm.

Sandy White, President

Carol Dunn, Secretary

Accepted by the Board of Directors on February 22, 2016.

Attested by Carol S. Dunn, Secretary

Carol S Dunn