

HUERFANO COUNTY WATER CONSERVANCY DISTRICT

Minutes of Board Meeting November 2, 2015

The monthly meeting of the Huerfano County Water Conservancy District Board of Directors was called to order by President Sandy White on Monday, November 2, 2015 at 6:01 pm.

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

Secretary: Carol Dunn; Attorney: Steve Monson.

Guests: James Eccher, Norman Beatty, Gerald Cisneros, Ray Garcia, Al Tucker, Phil Cummings, Rebecca Cummings, Delmar Janovec, John Janovec, John Sakun, Caitlin Dunn; David Rinehart, Press.

White introduced the district's new director, Juan "Johnny" Vallejos. His term will expire 9/30/19.

Edmundson moved and Garcia seconded to approve the agenda. Board approved.

MINUTES – King moved and Edmundson seconded to approve the September 28, 2015 minutes as presented. Board approved.

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

Edmundson moved and King seconded to publish the 2016 budget and hold the budget hearing on December 11 at 6:00 p.m. at the admin building of the Career Building Academy. Board approved. The board's annual dinner will follow at La Plaza Inn.

OLD BUSINESS – Edmundson has negotiated with the Corsairs to alter their lease and winter up to 60 calves at the district's Ranch for two months. He suggested a price of \$8 per month per calf. Mace moved and King seconded to accept this change to the lease. Board approved. The lease also needs to be renewed, and the Corsairs are interested in staying another year. Edmundson also reported that Water Commissioner Doug Brgoch has suggested replacing the flume in the William Craig ditch.

Gerren Ponds tour: Edmundson reported that there are pros and cons to putting a reservoir on the Gerren site. Although it is close to the river, the water table is high and could cause expensive problems. Edmundson moved and King seconded to thank the landowner for the offer but pass on constructing a reservoir there. Board approved.

Water Infrastructure Improvements Grant: White reported that the grant application has been submitted to CWCB. If approved, work could start in mid- to late-2016.

A public meeting on the Upper Cucharas sediment basin design project was set for December 11 at 5:00 p.m. at the admin building of the Career Building Academy. The grant for the Cucharas Collaborative Storage Study was approved. A consultant must now be selected to perform project tasks. The storage collaborative group will meet again in January, 2016.

Farasita/Badito Phreatophyte Control Project: The grant application will be submitted by Upper Huerfano Conservation District in mid-November. White reported that HCWCD has committed no money to the project. UHCD will take the lead, but it has not de-

Bruce, so it needs HCWCD to handle the grant monies and has built in \$5,000 for HCWCD to handle this responsibility.

NEW BUSINESS –

Edmundson nominated Scott King for Board Vice President, seconded by Mace. There were no other nominations, and King was elected by unanimous consensus.

Grant application for HCFMLD: Dunn developed a grant application to the Huerfano County Federal Mineral Lease District for \$5,000 toward the local match on the Water Infrastructure Improvements Grant. Edmundson moved and Mace seconded that, since White is on the HCFMLD board, Scott King should sign the application, and it will be submitted to HCFMLD. Board approved, with White abstaining.

Personnel to perform duties: Edmundson suggested HCWCD has a couple options for getting the work done that previous board member Al Garcia was doing on behalf of the district. The options include asking Richard Dunn or Stephen Wardell about their interest in doing these tasks or dividing up the tasks between the two. King moved and Mace seconded to leave it up to the personnel committee to find the necessary personnel. Board approved.

Augmentation policy: White announced that the board will be discussing whether to cap the amount of augmentation water provided to marijuana-related businesses (MRBs). The board's subsequent discussion reflected a sentiment to allow a variety of businesses access to augmentation water, encouraging balanced growth, and to avoid monopolization of augmentation water by any one type of user. A resolution on this will be discussed at the next HCWCD meeting. Monson told the MRB representatives that, he was concerned with the amount of infrastructure expenditures that he had heard were being made by the MRB's, such as property purchases, building improvements, and drilling of deep wells, when there is not a permanent augmentation plan in place to provide for the replacement of their well depletions. They were informed that the current SWSP's are temporary and there is no guaranty that the District will be able to obtain a decreed plan for augmentation and provide them with augmentation in the future, although the District was continuing its efforts to have its Water Court case decreed. Monson informed the MRB's that the permanent augmentation plan remains substantially contested at this point by the State and Lucy Hibbard, a trial is possible, and the outcome is uncertain about obtaining a decree and the extent of the replacement to participants if a decree can be obtained. Monson said that he sought to clarify the situation with the MRB's and that they had to make their own business decisions and were proceeding at their own risk with expenditures before the final court decree and their ability to join the augmentation plan. The MRB's were also informed that the District is not their only option for obtaining augmentation water as they could proceed with their own plan in the purchase of water rights and water court action, even though they have invested money into being added to the district's SWSPs, ultimately there is no guarantee that they or anyone else will get augmentation water from HCWCD because of several variables, including the potential for drought and the pending status of HCWCD's water court case for a permanent augmentation plan.

COMMITTEE REPORTS —

Contract: Edmundson moved and Mace seconded to accept the OXY contract for augmentation water in 2016. Board approved.

King reported that Sandy White has been elected chairman of the Arkansas Basin Roundtable. The Roundtable has hired two people to coordinate 500+ potential water

projects identified in the Basin Implementation Plan, which was developed as part of the new State Water Plan.

DIRECTOR AND GUEST COMMENTS –

Thanks were extended to Al Tucker, Sandy White and Scott King for their service on behalf of Huerfano County on the Arkansas Basin Roundtable. There were five representatives of marijuana-related businesses in attendance, and they posed questions about the limits on augmentation water that are being considered.

A recess was called at 7:19 p.m. The meeting was called back into session at 7:40 p.m.

BILLS –

There was a motion by King, seconded by Edmundson, to pay the following bills, total \$38,077.20 plus a \$17,500.00 transfer to the ColoTrust account. Board approved.
Main Street Office Supply – Ink cartridges and office supplies \$98.94
Dunn Write – Contract, mileage, office supplies, shipping, mtg snacks \$1,643.98
Felt, Monson & Culichia – Board mtg, SWSP, New aug applicants, Aug plan \$8,557.45
La Veta Carpentry – Read wells and report to Faux, contract- October, plus 4 trips to test output of Sakun well as requested by Faux at TZA \$542.60
Al Garcia – Mileage expenses, not including board meetings \$2,343.41
TZA Water Engineers – Aug Plan, needs analysis, Board mtg, Gerren pond research, SWSPs, New participants \$24,754.40
Century Link – October phone bill \$71.42
Career Building Academy – Rent for October \$65.00

At 7:45 pm Edmundson moved, King 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 9:19 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 9:32 pm.

King moved and Edmundson seconded to change the meeting date of the next board meeting to November 19 at 6:00 p.m. Board approved.

There being no further business, King moved and Edmundson seconded to adjourn. Board approved. Meeting adjourned at 9:33 pm.

Sandy White, President

Carol Dunn, Secretary