

HUERFANO COUNTY WATER CONSERVANCY DISTRICT

Minutes of Board Meeting March 26, 2018

The monthly meeting of the Huerfano County Water Conservancy District was convened at the Spanish Peaks Library, Walsenburg, CO by President Scott King on Monday, March 26, 2018 at 6:00 pm.

Directors present: Lewis "Beaver" Edmundson, Michael "Sandy" White, Scott King, Juan Vallejos. Kent Mace was absent and excused.

Secretary: Carol Dunn; Attorney: Steve Monson

Guests: Rick Dunn, Delmar Janovec, Doug Brdoch, Mayor Jim Eccher, Gail Terry, Rebecca Hoehne, Lenna Rauber.

White moved and Vallejos seconded to approve the agenda. Board approved.

MINUTES - White moved and Edmundson seconded to approve the February 26, 2018 minutes as presented. Board approved.

TREASURER REPORT – White moved and Vallejos seconded to approve the Treasurer's report. Board approved.

NEW BUSINESS – Brdoch explained water case 2018CW3009: Sam Knight application for finding of reasonable diligence, Little Lake Dalton, with water diverted from the Cucharas River, 27.3 acre-feet conditional. The #2 water referenced was purchased from Bruce Cantrell. The board asked Monson to do some research on this case. A statement of opposition would be due by the end of April.

River reports: Rauber reported there is not a lot of flow on the Huerfano. The call is #20 and will be #7 on March 30. Brdoch reported #13 is taking water on the Cucharas but that will be changing on March 27. At Cuchara #5 reservoir, Two Rivers Water & Farming had a dozer build a cut around the reservoir to divert water from flowing into it. All the water from the reservoir has spilled, and it's virtually dry now. Two Rivers received an order from the State Engineer to reinstall new trash racks after tearing the old ones out. All this work was accomplished in the past few weeks.

Huerfano County Road & Bridge has requested another acre-foot of water at a reduced rate for dust suppression at the gravel mining site on Sheep Mountain Ranch. White suggested talking about this issue at a later date when discussing whether there is more gravel to mine.

White moved, Edmundson seconded, and board approved being a \$250 sponsor of the Ark Basin Water Forum at Otero Junior College April 11-12, 2018. White will attend on April 11 and King will attend April 12. Board approved.

CWCB has approved HCWCD's grant application for phase 2 of the collaborative storage study, which is the geotechnical investigation of potential reservoir sites. The grant amount will be \$94,000. As soon as we receive notice to proceed, we can sign a contract with the engineer, since we want to get the work done this summer.

The next storage collaborative meeting was set for May 15 at 5:30 pm at the Walsenburg library. White suggested we host PEPO (public education arm of the Ark Basin Roundtable) to present a movie about the Arkansas River Basin. We will request PEPO funding to hold the meeting.

White reported that BLM is planning on leasing parcels for oil & gas development in the Upper Huerfano basin. Approximately 18,300 acres are involved, conditioned on environmental concerns, and the leases will begin around February 2019. White suggested that, as a result, HCWCD may have significant demand for augmentation water. He also expects that Huerfano County, Federal Mineral Lease District and possibly other local governments may support the leasing because of economic development.

SMAF update – Rick Dunn reported he met with John Galusha, Bill Brunelli, and Bill Cordova at the Sheep Mountain reservoir site over concerns there's not much more mineable gravel at the site. John Allis, TZA, will visit the site and decide what should happen after it is resurveyed.

Steve Wardell rented a small trackhoe to clean out the Wm Craig ditch, and reimbursement for the rental is due to him. Edmundson reported that Owen Shrout is going to do the irrigating for the coming season, has dragged the fields and will turn on the water for irrigation on April 1. Edmundson will talk to lessee Ernie Hart about running fewer cattle next fall. Sloan Smith, Whitetail Properties, would like an exclusive listing on the property. Rick Dunn advised that the Ranch really needs to be cleaned up around the buildings or it won't show well to prospective buyers. There was discussion about getting a contractor to cut firewood to clean up deadfalls, with liability covered through a contract.

ABRT meeting – King reported on the Arkansas Basin Roundtable presentation on Fountain Creek and tight grant money going forward.

GUEST COMMENTS: Gail Terry asked if we have the Ranch for sale and asked the price.

At 7:08 pm King called a recess. Meeting reconvened at 7:19 pm.

BILLS: White moved, Edmundson seconded and board approved paying the following bills, which total \$45,662.51:

Mountain States Financial group, bookkeeping & 1099 forms –	\$220.38
Monson, Cummins & Shohet: board mtg, SMAF, aug plan, Ranch, exchg storage	\$10,441.24
Dunn Write, contract, mileage, postage –	\$1,636.71
Dunn Write, BIP Coordinator grant admin, 2/2618 – 3/25/18	\$236.25
Dunn Write, Infrastructure improvements project, 2/25/18 – 3/25/18	\$367.50
Dunn Write, Phreatophyte control grant admin, 2/25/18 – 3/25/18	\$70.00
La Veta Carpentry: water analyst contract, March –	\$200.00
La Veta Carpentry: water analyst, SMAF Phase 1 inspect for TZA, 2/28/18 & 3/17/18	\$356.24
La Veta Carpentry: web site maintenance, March	\$150.00
TZA Water Engineers: water acctg, aug projection, assist w/ aug leases–	\$3,168.00
Colo Dept Public Health & Environment, air pollution annual emission fee, SMAF –	\$1.90
Garald Barber, BIP Coordinator invoice for February (grant pmt rec'd) –	\$5,208.65
Stephen Wardell, trackhoe rental to clean irrigation ditch –	\$997.15
Arkansas River Basin Water Forum, April 2018 –	\$250.00
Century Link, February phone bill –	\$55.30

Century Link, March phone bill –	\$47.19
HRS Water Consultants, water infrastructure improvements grant project	\$1,231.00
Chaparral Construction, river gages, water infrastructure improvements grant proj	\$20,960.00
Spanish Peaks Library, March rent –	\$65.00
ColoTrust, transfer to savings –	\$33,000.00

At 7:23 pm, there was a motion by White, seconded by Edmundson, to go 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 9:58 pm, White moved, Edmundson seconded and board approved closing the executive session and returning to open session. The meeting was called back to regular session at 9:58 pm.

The board agreed to authorize the notice of inclusion for Emerald Valley to be added to the permanent augmentation plan, with slight revisions made by TZA, contingent upon receiving commitments from the Emerald Valley principals to pay for litigation if it's required.

There being no further business, meeting adjourned at 10:05 pm.

Scott King, President

Carol Dunn, Secretary