

HUERFANO COUNTY WATER CONSERVANCY DISTRICT

Minutes of Board Meeting April 26, 2021

The monthly meeting of the Huerfano County Water Conservancy District, which had been properly noticed and was available for public participation, was called to order by President Scott King online with Zoom on Monday, April 26, 2021 at 6:02 pm.

Directors participating: Lewis “Beaver” Edmundson, Michael “Sandy” White, Scott King, Kent Mace, Lonnie Brown.

Secretary: Carol Dunn; **Attorney:** Steve Monson; **Engineer:** Steve Smith

Guests identified: Jim Berg, Rebecca Hoehne, Doug Brgoch, Rick White, Rachel Pittinger, Doug Winter, Bill Tyner, Andrew Rowell, Randy Case, Bruce Lytle, Steve Harris, Steve Leonhardt, Don Sieke, Rachel Zancanella, Zach Schmidt, Dave Steffan, Brian Lalander, Dave Bower, Phil Cummings, Rhonda. There were two unidentified callers who joined by phone.

The meeting **agenda** was approved.

MINUTES – The minutes for the March 22, 2021 board meeting were approved as presented on a White/Mace **motion**, followed by a roll call vote which was unanimous.

FINANCIAL REPORTS – There was a White/Brown **motion**, followed by a roll call vote that was unanimous, to accept the financial reports. Dunn summarized the cash flow and the loan and grant information reports. The HCWCD annual audit will be held May 17.

OLD BUSINESS – Family Ranch Holdings (FRH) was represented by Steve Leonhardt, Randy Case and Bruce Lytle for responding to questions raised by HCWCD in Steve Monson’s April 5, 2021 letter to Leonhardt expressing the Board’s concerns with the planned Crown Valley Ranch (CVR) development, Pueblo County development near Colorado City, and use of Huerfano County water rights outside Huerfano County. Case spoke about seeking cooperation between FRH and HCWCD moving forward with the proposed project. Board president King expressed that further personal attacks by Lindsey Case or any other member of FRH against any member of the board would not be tolerated. The CVR development sketch plan was shared onscreen. FRH views were presented about benefits to Huerfano County from the rebuilding of Cucharas Reservoir No. 5 and development of Orlando Reservoir, including development within Huerfano County, use of the Cucharas Reservoir No. 5 for exchanges and storage by HCWCD, and recreational benefits of a rebuilt Cucharas Reservoir No. 5. Deferred by FRH at this time were: 1. concerns raised regarding financial condition and ability of Two Rivers Water & Farming (TRWF) to perform the Service Agreement with FRH due to uncertainties with TRWF in the delinquent secured loan payments due to the Colorado Water Conservation Board (Orlando Reservoir and its water rights as collateral) and the TRWF dispute now in litigation over ownership and control of the majority shares of Huerfano-Cucharas Irrigation Company (HCIC), owner of Cucharas Reservoir No. 5 and its water rights; 2. TRWF use of the Robert Rice Ditch pending input from TRWF; 3. the matter of population projections to support the extent of the project. FRH presented its position that the HCIC system is for the use of water rights in Pueblo County; the Orlando Reservoir system is for use within Huerfano County; the overall proposed project for development within Huerfano and Pueblo

Counties will increase the overall water use of the two reservoir systems used within Huerfano County. Concerns raised by HCWCD with FRH were: 1. the \$200-million cost of the project, which involves the rebuilding of Cucharas Reservoir No. 5, development of Orlando Reservoir, and use of their associated water rights; 2. how the project costs would be paid for; 3. what requests would be made upon HCWCD for contribution; 4. existing HCWCD commitments for water rights storage through the Cucharas Basin Storage Collaborative; 5. the proposed project's development and revitalization of water rights in Huerfano County and use of those water rights outside of Huerfano County in Pueblo County; 6. policy and legal obligations of HCWCD to not be involved in water projects that provide benefits outside of the District boundaries. FRH mentioned a potential committee or work group, but no action was taken pending further response by FRH to the remaining concerns raised in the April 5, 2021 letter.

NEW BUSINESS – Upon recommendation of counsel, the board decided to take no action on the following water cases: **2021CW3** Elena Coppola, app for finding of reasonable diligence: Petrie Pond – 35 phf (Deer Creek) irrigation & stock water. **2021CW5** Gibson Rokich Living Trust, app for conditional water rights: 4 Rokich springs, 4.33 gpm total, livestock, lawn, garden. **2021CW3012** Samuel Knight, app for reasonable diligence & make conditional water right partially absolute: Dalton Pump & Pipeline, Little Lake Dalton, 27.3 af. **2021CW3019** Deborah Blouin, app to make absolute, confirm water rights, confirm appropriate right of exchange, approve augmentation plan: Ojo Springs #1 & Blouin Spring #1 (S Abeyta Creek) up to 4 af cumulative, for water hauling; replacement aug water from Navajo Western Water District lease – Coler Ditch & Reservoir. Bill Tyner explained that the Division of Water Resources personnel will be meeting on April 27 to discuss the cases.

River reports: Brgoch reported that the call on the Huerfano is #14 as of today. There are strong flows coming off the burn scar into Pass Creek. Snowpack is quickly melting. The Cucharas is also taking high flows from the burn scar, and the call is #11.

Fire Remediation grant projects: Lonnie Brown gave a quick summary of progress on the 2020 project. The core team decided that the return of Indian and Price Creeks from the roadway to their channels was an emergency priority. Significant Spring runoff was causing further head cutting and sediment entering the system. Both Creeks were diverted back to their channels on April 8, preventing the highest runoff period from doing further damage.

Collaborative Storage Phase 5: Steve Smith, Applegate Group, updated the board on Bruce Canyon Reservoir engineering: The hydrologic analysis has been submitted to Dam Inspector Mark Perry, and the geotechnical analysis has been completed. On Maria-Stevens Reservoir enlargement engineering, he has drafted a letter to CWCB explaining the dredging option to increase capacity at least 642 acre-feet and suggesting the scope of work for the grant project could be revised to engineer an appropriate outlet structure. Rachel Pittinger agreed to review the draft letter and comment on it.

Sheep Mountain Augmentation Facility Phase 5 – Mace reported the pumphouse is well underway and expected to be finished by May 10. The transformer has been installed. The electrical work has been delayed because of supplier issues but is expected to be finished May 30. The pump station equipment is due to be delivered by June 30. Silt from burn scar runoff has been deposited at the sluice gate.

White and King reported on the Arkansas Basin Roundtable meeting. There may be potential funding from CWCB in a couple years for improving forest health through thinning.

BILLS – White **moved**, Mace seconded, and board approved by unanimous roll call making a \$54,000 transfer to ColoTrust and paying the following bills, which total \$89,649.21:

Mountain States Financial group: bookkeeping –	\$120.00
Monson, Cummins & Shohet: legal –	\$12,217.00
Dunn Write: contract, hot spot data, mileage –	\$1,944.88
Dunn Write: Admin SCF flood mitigation grant 2020, 3/21–4/25 –	\$473.00
Dunn Write: Admin Collab Storage Ph5, MSRE, 3/22–4/25 –	\$668.65
Lamp Rynearson: water accounting Feb. & SMAF Phase 5 engineering –	\$5,482.50
Walmart Check Printing –	\$32.26
La Veta Carpentry: water analyst, Ranch & SMAF + website maintenance –	\$650.00
Pipeyard: 8” flap valve for SMAF Phase 5 pumphouse –	\$476.52
Barry Rauber: SMAF Phase 5 pumphouse construction –	\$10,800.00
Applegate Group: Collab Storage Ph5, MSRE & water accounting/engineering –	\$4,935.50
Alpine Electric: SMAF Phase 5 pumphouse electrical –	\$9,769.00
Frontier Environmental: SMAF Phase 4 final payment of retainage –	\$42,014.90
<u>Spanish Peaks Library: April rent –</u>	<u>\$65.00</u>

King called a break at 8:07; meeting resumed at 8:16.

At 8:16 there was a **motion** by White/Brown and on a roll call vote unanimously approved to go into executive session for purposes of receiving legal advice and instructing negotiators on the presentation by Family Ranch Holdings and legal issues relating to River Ridge Ranch non-tributary well; legal references: 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); 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 9:04 pm, White **moved**, Edmundson seconded, and on a unanimous roll-call vote, board voted to close the executive session and return to open session. The meeting was called back to regular session at 9:05 pm.

There being no further business, meeting adjourned at 9:15 pm.

Scott King, President

Carol Dunn, Secretary