

# HUERFANO COUNTY WATER CONSERVANCY DISTRICT

## Minutes of Board Meeting

March 22, 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, March 22, 2021 at 6:01 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 Alt, Carl Young, Theresa Springer, Josh Oden, Bill Tyner, Carrie Adair, Andrew Rowell, Randy Case, Bruce Lytle, Steve Harris, Duane Helton, Steve Leonhardt, Clarice Navarro, Don Sieke, Rachel Zancanella, Zach Schmidt. There were three unidentified callers, two who joined by phone and one by iPad.

The meeting **agenda** was approved.

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

FINANCIAL REPORTS – There was an Edmundson/Mace **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.

OLD BUSINESS – The HCWCD Annual Report to the Court was accepted for signature and submittal on a White/Mace **motion**, followed by a roll call vote that was unanimous.

The contract with Applegate Group has been signed by King and submitted to Applegate to make the change of water engineering firms official.

NEW BUSINESS – There were no new water cases.

**Board Meeting Dates:** The date of the June meeting was changed to June 14, and the July meeting to July 19 on a White/Mace **motion** with a roll call vote that was unanimous.

**Fire Remediation grant projects:** On behalf of ARWC, Theresa Springer gave an update on the 2020 project. ARWC held the second core stakeholders team meeting to set priorities of potential projects. Springer presented the first project summary: putting Indian Creek back into its channel. ARWC also provided smaller maps for the potential Middle Creek and Indian Creek projects.

**Collaborative Storage Phase 5:** Steve Smith, Applegate Group, updated the board on discussions about dredging Maria Lakes to make it deeper to increase capacity. He said an outlet will need to be engineered if that happens, with a change in scope for the grant. Rachel Pittinger recommended that be sent to the grant manager, Matt Stearns, and herself. Further discussion is planned before the April meeting.

**Sheep Mountain Augmentation Facility Phase 4** – Monson had comments to the Lamp Rynearson letter of completion. We’re waiting to receive a revised version.

**Sheep Mountain Augmentation Facility Phase 5** – Mace reported on activity so far. There have been adds to the estimated budget. The Colorado Water Well and Barry Rauber construction contracts are pending Monson’s review. Mace expects the reservoir can start taking water in June.

**Presentation by Family Ranch Holdings** – Steve Leonhardt and Bruce Lytle explained the organization is planning a 4,000-acre development and metro district northeast of Walsenburg

called Crown Valley Ranch, with up to 5,000 dwellings when fully built out. Board members posed questions about the 3-phase project, which is scheduled to finish up in the year 2045.

**Huerfano Regional Aug Plan** – An application for one acre-foot of commercial augmentation water on the Huerfano River was received from Malachite Spring. Kent Mace recused himself from the discussion, since this is his family’s business. The application was accepted on a White/Edmundson **motion**, followed by a roll call vote: King, White, Edmundson, Brown – yes; Mace abstained.

With assistance of water engineer John Faux and legal counsel, on a White/Brown **motion**, the board set pricing on Tiers 2 and 3 augmentation water. The price for Tier 2 – available with 70% reliability – is \$10,000 per annual acre-foot (\$700/af/year for annual lease). Tier 3 will be available “if and when” for \$250 per annual acre-foot. The roll call vote was unanimous.

**BILLS** – White **moved**, Edmundson seconded, and board approved by unanimous roll call making a \$11,500 transfer from ColoTrust and paying the following bills, which total \$40,914.91:

Mountain States Financial group: bookkeeping & 1099 form prep –	\$240.80
Monson, Cummins & Shohet: legal –	\$7,468.93
Dunn Write: contract, hot spot data, postage, mileage –	\$1,946.23
Dunn Write: Admin SCF flood mitigation grant 2020, 2/20 – 3/21 –	\$279.50
Dunn Write: Admin Collab Storage Ph5, MSRE, 2/21 – 3/21 –	\$526.75
Lamp Rynearson: water accounting December & January –	\$1,385.00
Walsenburg Insurance: bonds for White & Mace –	\$200.00
La Veta Carpentry: water analyst, Ranch –	\$200.00
La Veta Carpentry: water analyst, SMAF –	\$300.00
La Veta Carpentry: website maintenance –	\$150.00
Colorado Central Telecom: line of sight to establish account –	\$100.00
World Journal: legal ad for final pmt to Frontier Environmental –	\$41.04
Applegate Group: Collab Storage Ph5, MSRE –	\$3,598.75
Huerfano County: building permit, SMAF Ph5 –	\$155.26
CDPHE: annual air pollution emission fee, SMAF –	\$2.65
Frontier Environmental: SMAF Phase 4 progress + manhole steps add –	\$24,250.00
Spanish Peaks Library: March rent –	\$65.00
<u>Pinnacol Assurance: workers comp insurance addl. premium –</u>	<u>\$5.00</u>

King called a break at 7:50; meeting resumed at 8:00.

At 8:02 there was a **motion** by White/Edmundson 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, legal issues relating to renovation of Maria Lakes, negotiations on Maria Stevens reservoir; 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). Eight minutes of the session was held off the record for legal advice.

At 9:20 pm, White **moved**, Brown 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 9:21 pm.

There being no further business, meeting adjourned at 9:27 pm.