

HUERFANO COUNTY WATER CONSERVANCY DISTRICT

Minutes of Board Meeting

October 26, 2020

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 GoToMeeting on Monday, October 26, 2020 at 6:04 pm.

Directors participating: Lewis “Beaver” Edmundson, Michael “Sandy” White, Scott King, Kent Mace. Lonnie Brown’s absence was excused.

Secretary: Carol Dunn; **Attorney:** Steve Monson; **Engineer:** John Faux.

Guests identified: David Steffan, Doug Winter, Brian Lalander, Rachel Zancanella, Dave Bower, Jared Walter. There was one unidentified caller.

The meeting **agenda** was approved on a Mace/Edmundson **motion**.

MINUTES – The minutes for the September 28, 2020 board meeting were approved as presented on a Mace/Edmundson **motion**.

FINANCIAL REPORTS – Dunn noted two changes to the September 2020 financial reports: the bookkeeper mistakenly put Collaborative Storage Phase 5 project expenses under admin fees and listed one duplicate check for \$351. This will be corrected on the next financial reports. There was an Edmundson/Mace **motion** to accept the reports with that explanation. Dunn summarized the cash flow and the loan and grant information reports.

Dunn presented the 2021 budget for publication. The assessed valuation was received and the mill levy is expected to be slightly higher. The sale of the Ranch was put into the 2020 column for both revenues and expenses because of the payment due against the CWCB loan. There was a Mace/Edmundson motion to approve the budget for publication. Board approved.

OLD BUSINESS – None.

NEW BUSINESS –

Water case 2020CW8 – Richard & Carol Dunn, app for continued diligence on Carran Pond, 1.75 af/yr. The board decided to take no action on this case upon advice from the attorney.

Rachel Zancanella reported there’s no progress on installing the final monitoring well in the silt bed of the former Cucharas #5 reservoir. Two Rivers had a deadline of 10/23/20 to respond.

Fire Remediation grant projects: On behalf of ARWC, Dave Steffan reported on Spring Creek Fire 2019 Phase 3 progress. Enginuity has issued its final prioritization reports online, including the topographic survey, hydraulic modeling and geomorphic assessment. The 2020 project, which is currently in CWCB contracting and scheduled to begin 1/1/21, is based on the findings of 2019 Phase 3.

Sheep Mountain Augmentation Facility Phase 4 – Walter reported Frontier Environmental has poured the concrete for the footers, intake and weir walls. Heaters are being used to ensure the concrete doesn’t freeze. The second Frontier invoice has been approved by Lamp Rynearson. Faux was authorized to issue a change order to extend the schedule for substantial completion to December. Mace reported he asked Faux to re-examine the engineering due to the deep mud encountered at the diversion dam; Faux confirmed that the specified engineering is sound for the soil conditions encountered in the river bottom.

Wm. Craig Ranch – King reported the district’s Wm. Craig Ranch has been sold to Sierra Grande Investments LLC/Jasper Kenney for \$1-million. The buyer was amenable to the existing augmentation plan restrictions on the deed, including the dryup covenant and the need to have Rick Dunn’s and Stephen Wardell’s involvement with the Wm. Craig Ditch. Kenney may use Tier 2 water in the future, but no commitment has been made at this time. There was an Edmundson/Mace motion to ratify the sale and make the requisite payment to CWCB as regards the outstanding loan. Board approved.

King called a break at 6:53; meeting resumed at 7:02.

BILLS – White **moved**, Mace seconded, and board approved making a \$975,600 transfer to ColoTrust and paying the following bills, which total \$16,988.68:

Mountain States Financial group: bookkeeping –	\$120.00
Monson, Cummins & Shoheit – legal	\$4,982.90
Applegate Group – Collaborative Storage Phase 5, Bruce Cyn	\$5,780.25
Dunn Write: contract, mileage –	\$1,763.03
Dunn Write: Collab storage Phase 5 Bruce grant admin –	\$388.50
Dunn Write: Collab storage Phase 5 MSRE grant admin –	\$346.50
Dunn Write: Spring Creek Fire Flood Mitigation grant admin –	\$1,942.50
La Veta Carpentry: water analyst, Ranch –	\$200.00
La Veta Carpentry: water analyst, SMAF –	\$300.00
La Veta Carpentry: website maintenance –	\$150.00
Spanish Peaks Library, October rent –	\$65.00
Lamp Rynearson: augmentation accounting –	\$950.00

Payables when grant funds are received: Lamp Rynearson \$13,875.00; ARWC \$195732.67; Frontier Environmental \$90,000.00

At 7:03 there was a **motion** by Mace, seconded by White and approved by the board, to go into executive session to discuss matters involving the ACME Growers proposal for settlement of their payment default; the Walsenburg water rights in its reservoir; and pending augmentation water for Southway: 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 7:22 pm, White **moved**, Mace seconded and board approved closing the executive session and returning to open session. The meeting was called back to regular session at 9:00 pm.

Edmundson **moved**, Mace seconded and board authorized Monson and Dunn to work together to calculate the total value and monies involved in the revised contract with ACME Growers, negotiate with ACME to effectuate an agreement, and for King to execute the resulting document as discussed in executive session. Board approved.

There being no further business, meeting adjourned at 7:23 pm.

Scott King, President

Carol Dunn, Secretary