

HUERFANO COUNTY WATER CONSERVANCY DISTRICT

Minutes of Board Meeting October 27, 2014

The monthly meeting of the Huerfano County Water Conservancy District was called to order by President Sandy White on Monday, October 27, 2014 at 5:31 pm.

Directors present: Lewis "Beaver" Edmundson, Michael "Sandy" White, Scott King, Al Garcia, Kent Mace.

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

Guests: Lenna Rauber, Doug Brgoch, Gail Terry, Jim Berg, Gerald Cisneros, Stephen Wardell, Carolyn Wardell, Max Vezzani, Phil Cummings, Rebecca Cummings, Ted Zorich, Jr, Delmar Janovec; Caitlin Dunn and David Rinehart, press.

King moved and Edmundson seconded to go into executive session for the purpose of a conference with an attorney representing the District for the purposes of receiving legal advice on specific legal questions as in CRS 24-6-402(4)(b). Board approved. The Board moved into executive session at 5:31 pm.

At 6:07 pm, King moved and Garcia seconded closing the executive session and returning to regular session. Board approved. The meeting was called back to regular session at 6:07 pm. The Board took a short recess. Meeting reconvened at 6:12 pm.

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

MINUTES – Garcia moved and King seconded to approve the September 15, 2014 minutes. Board approved. Garcia moved and Edmundson seconded to approve the October 6, 2014 special meeting minutes. Board approved. Edmundson moved and King seconded to approve the October 20, 2014 special meeting minutes as presented. Board approved.

TREASURER'S REPORTS – King moved and Garcia seconded to accept the October Treasurer's reports. Board approved.

Mace moved and Garcia seconded to accept the revised draft 2015 budget for publication in the local newspapers and to be posted for public inspection at La Veta Town Hall and Walsenburg City Hall. Board approved.

OLD BUSINESS – The Board discussed the Red Wing Augmentation Facility RFPs. King reported that his follow-up of the TZA Water Engineers references checked out and were very good. Edmundson reported he could not get in touch with two of Atencio Engineering's references, but of the references he was able to speak to, he didn't get any negative feedback. Each board member plus Water Commissioner Doug Brgoch and landowner Christy Wyckoff graded the two proposals on a standard evaluation form, including: experience with similar projects, key staff experience, project schedule, familiarity with HCWCD, project approach and cost. TZA received an aggregate score of 46.3, and Atencio received a score of 50.

Based on Atencio's higher score, there was a motion by Garcia and seconded by Mace to have Gary Hanisch send a letter of intent to work with Atencio Engineering on the RWAF. Board approved.

There was a motion by Edmundson, seconded by Garcia, to approve the Ditch Users' Agreement with the Wardells as it is now written and authorize White to sign it. Board approved.

Vezzani reported that the Gardner water station is in place, and the County is expecting it to be open very soon. It is supposed to be metered. Brogch suggested the attorney speak with Steve Witte about it, because it is not part of the current SWSP, and Faux acknowledged that the accounting on it is pending. Monson was authorized to speak with Witte. Mace asked to be notified as soon as it is operating and assured that, as soon as this flows, Malachite Spring will be closed, although it was originally reported by Amos Mace as closed in June.

NEW BUSINESS –

There was a motion by Mace, seconded by Garcia, that as a matter of policy HCWCD will make augmentation water available to marijuana grow operations. The motion passed on a roll call vote: Garcia yes, White yes, Mace yes, King yes, Edmundson no, because it violates federal law.

Faux reported that the interested marijuana growers have locations that are new and unique to the HCWCD augmentation plan. The lagging of depletions is unknown, and of greater concern is replacing the water where it needs to be replaced. Faux said discussions with the Division Engineer's office will be needed to determine what is reasonable and practical. At the very least, each instance will require the installation of a measurement station at each affected headgate. Faux gave his opinion that the augmentation is possible, but the issues need to be ironed out. The costs involved will depend on the number of measurement structures and negotiations with other ditch owners, so Faux recommended an application fee be required.

Attorney Monson has prepared a commercial augmentation water application form, specifically stating that legal, engineering and administrative/measurement fees will be paid by the applicant. The new application, which will apply to new users only, is designed to gather as much information as possible to determine the ability of HCWCD to serve the applicant's needs. The application form will be available from the HCWCD Administrator after October 28 by email.

There was a Garcia motion, seconded by King, to approve the application form as prepared by the water attorney and dated 10/27/14. Board approved.

Regarding water cases 2014CW3041 and 2014CW3045, there was a motion by King, seconded by Edmundson, to table discussion on these cases until the November regular meeting. Board approved. Brogch reported he recommended that the Division file a statement of opposition on CW3045.

Brogch introduced Lenna Rauber, new District 79 Water Commissioner on the Huerfano River.

Garcia reported that Dr. Rowland has purchased the District's Ranch hay at \$120/ton and will pay for it when he picks it up. Bud Adams purchased the small bales. The fence around the recharge pond is totally installed. The Parshall flume has been delivered and is ready to install. Garcia feels that two headgates need to be replaced. Dick Wagner is not finished working on the house yet but is supposed to finish in the next few weeks.

White and King reported that watershed health is now an issue for the Arkansas Basin Roundtable. White described the concept as an expanding one, although it started out as a way to control the flooding, sediment and debris downstream from forests after a fire. It now includes environmental interests and others which could affect the State Water Plan.

DIRECTOR AND GUEST COMMENTS – None.

BILLS –

There was a motion by Edmundson, seconded by King, to pay the following bills, total \$49,845.04, plus retroactively approve the payment of \$1279.27 to Jose Gandara for installation of a fence around the recharge pond, and transfer \$120,000 to ColoTrust from the checking account. Board approved.

Sporleder Feeds – Fence materials for ranch \$609.31
Andrea Lewis – Concrete culverts \$320.00
JW Associates – Watershed assessment \$11,380.20
Huerfano World Journal – Ad for new augmentation customers \$90.00
Carol Dunn – Clerical, mileage, ink \$1294.00
Alfred Garcia/Family Investment – hip waders \$108.49
Felt Monson & Culichia – Legal work \$9,528.40
Eric Andreatta – Backhoe for repair work on recharge pond at ranch \$510.00
TZA Water Engineers – Aug plan, SWSP, 1041 permit application \$25,368.78
Rick Dunn – Water analyst contract \$210.48
Walsenburg Lumber – Pipe, couplings, gas connections \$205.38
Gary Hanisch – Ranch lease letter \$200.00
Carol Dunn, reimburse payment to Desiree Rosenberg, Library meeting room \$20.00

Garcia offered to donate use of his equipment to improve the ranch to make it more salable. The Board discussed what might be the best timing for selling the property. Monson suggested waiting for the water court case to be finalized so the District knows what water rights are attached to the ranch. White deferred further discussion to the executive session under “negotiations.”

Faux reported that the season is over. 35 ac-ft of water went into the recharge pond, drained into the aquifer and moved to the river. The Division Engineer feels that the issue is resolved. Faux said HCWCD has credits coming back to the river because of the recharge pond. For the season so far HCWCD has “overreplaced” 11 acre-feet. Faux credited Al Garcia for the success of the recharge pond.

Break at 7:35 pm and reconvened at 7:44 pm.

At 7:44 pm Edmundson moved, Mace seconded and Board approved going into executive session to discuss matters involving the regional augmentation plan, ongoing litigation, SWSP and including the purchase, acquisition or lease 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 as in 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 8:44 pm, Edmundson moved and Mace seconded closing the executive session and returning to regular session. Board approved. The meeting was called back to regular session at 8:44 pm.

There being no further business, Garcia moved and King seconded to adjourn. Board approved. Meeting adjourned at 8:44 pm.

Sandy White, President

Carol Dunn, Secretary