

HUERFANO COUNTY WATER CONSERVANCY DISTRICT

Minutes of Board Meeting July 19, 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 in person at Walsenburg Housing Authority, 220 Russell Ave, on July 19, 2021 at 6:03 pm. A Zoom meeting was also set up and used for remote participation.

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

Secretary: Carol Dunn; **Attorney:** Ryan Farr; **Engineer** (by Zoom) Steve Smith.

Guests: Doug Brgoch, Mayor Brian Lalander, Steve Leonhardt, Randy Case, Sam Perry, Lenna Rauber, Don Sieke, Rick Dunn, Dave Steffan. **By Zoom:** Jim Alt, April Hendricks, Dave Bower, and one unidentified Zoom call-in user.

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

MINUTES – The minutes for the June 14, 2021 board meeting were approved as presented on a White/Mace **motion**. Board approved.

FINANCIAL REPORTS – There was a White/Mace **motion**, to accept the financial reports. Board approved. Dunn summarized the cash flow and loan information reports.

OLD BUSINESS – On behalf of Family Ranch Holdings, Randy Case read a letter to the board about the Crown Valley Ranch development, and Steve Leonhardt suggested additional meeting(s) when plans are farther along.

White made the following **motion**, which was seconded by Brown: I move we terminate discussions with Family Ranch concerning the District’s participation or cooperation in Family Ranch’s “Phased Approach to Optimization and Integration of Huerfano and Cucharas River Water Rights” as described in the engineering report by Lytle Water Consultants prepared for Family Ranch Holdings, LLC, dated December 2020.

In general, Family Ranch proposes water development in Huerfano and Pueblo Counties involving several water rights, including Robert Rice Ditch, Butte Valley Ditch, Orlando Reservoir, and Cucharas #5 Reservoir.

Discussions should be terminated since, after multiple presentations by Family Ranch and review of the engineering report: 1) There has not been a specific request of the HCWCD for what precise participation, cooperation, or support that Family Ranch is looking for from HCWCD; and 2) This board’s questions and concerns raised to the Family Ranch plan have not been sufficiently answered, including whether Family Ranch’s water development plan is: feasible, not speculative, provides sufficient and timely benefits to HCWCD and Huerfano County, and supports or accomplishes the export of water out of Huerfano County, in contravention of the District’s statutory requirements and desires of its constituents.

This motion does not preclude future discussions as circumstances may change. Board approved the motion.

Water case 2021CW3028: C. Edward Fulton, amended app for findings of reasonable diligence on 3 natural springs, tributary to North Middle Greek – each spring 15 gpm

conditional and used for livestock and wildlife. The board decided to take no action on this case.

NEW BUSINESS –

River reports: Lenna Rauber reported that gages are showing levels on the Huerfano River of 29' at Manzanares crossing, 25' at Badito and 15' at I-25. Doug Brgoch reported the Welton is still calling on the Cucharas River, and the gage indicates 10 cfs at the Highway 10 bridge. Regarding wildcat pond enforcement, in-person meetings are being held with pond owners. Rauber will be making field measurements to size the affected ponds.

Flood Warning Gages grant project: There was a significant rain event of over 2 inches of rain in 40 minutes on July 2 which caused debris to silt in the warning gage location on Middle Creek. The channel needs to be re-established so the gage can measure flow again. Gerald Blackler, Enginuity, has given an estimate of \$13,000 to address this. Board discussed reallocating some of the CWCB fire remediation grant. White volunteered to talk with Chris Sturm, CWCB, to learn about other potential funding sources.

Fire Remediation grant project: Dave Steffan reported the Lowes earthen dams on Indian Creek are finished. Additional work is planned for sawyers on debris, as well as seeding. Off-channel basins and attenuation zones are planned. The "Hotshots" are due on the worksite in a couple weeks. There are wildcat ponds that have been serving as sediment basins. After Theresa Springer sent a letter to Kevin Hauck in late June that could potentially endanger HCWCD's grant funding, Steffan was put in charge of the project.

Sheep Mountain Augmentation Facility Phase 5 – The mining permit report, fee and map are due on August 2. The site has been seeded; the board discussed whether the site is revegetated enough to close out the permit. Applegate Group will check into it. Mace reported the electricians are finished, the pump has been installed and wired in. A test of the pump is scheduled for 7/21 and will involve Brgoch, Steve Smith, Kent Mace and Stephen Wardell. Smith will clarify the exchange rates. Then we can slowly begin to fill the reservoir.

Collaborative Exchange: The lease with Corley Company for Twin Lakes water was revised on a White/Mace **motion**. The board discussed moving the leased water up to the SMAF reservoir.

Collaborative Storage Phase 5: Steve Smith, Applegate Group, reported it has been determined that the Bruce Canyon dam will be an "extreme risk" structure, and that will affect the engineering and subsequent construction cost. Applegate Group and Cesare will be working separately with Maria Lakes Grazing Association (MLGA) on the dredging feasibility. There was a motion by White, seconded by Brown that if a conflict exists, HCWCD waives it. Board approved. Don Sieke explained that MLGA is seeking funding sources for the Maria Lakes work once it is "shovel-ready." There was discussion that MLGA could increase the capacity of Maria Lakes by 642 acre-feet now through dredging.

Augmentation Plan: Ryan Farr and Steve Smith were asked to develop a one-page public-facing fact sheet about the difference between Tier 1 and Tier 2 augmentation water to be published on the district's website.

Regarding Tier 2 water, the application form is ready, and will be forwarded to Mace. The application fee was set at \$7,000.

Water Field Day – The date will be September 25 at the Gardner Community Center. Funding of about \$500 has been requested from ABRT-PEPO; approval is pending. Most of the invited speakers have been confirmed.

BILLS – White **moved**, Edmundson seconded, and board approved transferring \$172,000 to ColoTrust savings and paying the following bills, which total \$53,768.16:

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| Mountain States Financial group: bookkeeping | \$120.00 |
| Monson, Cummins & Shohet: Mtg, SMAF, Southway, aug plan, 2Rivers, Wbg SO | \$20,022.70 |
| Arkansas River Watershed Collaborative: SCF Flood Mitigation project | \$11,835.93 |
| Dunn Write: contract, supplies, data, and mileage | \$1,805.44 |
| Admin SCF flood mitigation grant 2020, 6/14 – 7/14 | \$885.31 |
| Admin Collab Storage Ph5, BCR, 5/24 – 7/14 | \$430.00 |
| Admin Collab Storage Ph5, MSRE, 6/12 – 7/16 | \$440.75 |
| La Veta Carpentry: water analyst, Ranch & SMAF + website maintenance | \$650.00 |
| Colorado Central Telecom: SMAF Phase 5 pumphouse one year internet service | \$883.33 |
| Hydrologik: 1 st payment on SMAF telemetry | \$16,000.00 |
| American Express: website hosting + plugin 2 yrs; annual fee; hotspot data 2 mo | \$479.70 |
| San Isabel Electric: monthly access fee at SMAF | \$150.00 |
| Spanish Peaks Library: July rent | \$65.00 |

There was a break at 9:25 pm. Meeting reconvened at 9:39 pm.

At 9:40 pm there was a **motion** by White, seconded by Brown and approved by the board, to go into executive session to discuss matters involving the Walsenburg water case, operation of the collaborative exchange plan, and augmentation plan participants. Discussion included 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 10:10 pm there was a White/Mace **motion** to leave executive session and return to regular session. Board approved.

There being no further business, meeting adjourned at 10:11 pm.

Scott King, President

Carol Dunn, Secretary