

HUERFANO COUNTY WATER CONSERVANCY DISTRICT

Minutes of Board Meeting October 24, 2016

The monthly meeting of the Huerfano County Water Conservancy District Board of Directors was called to order by President Sandy White on Monday, October 24, 2016 at 6:00 pm at the Spanish Peaks Library, 415 Walsen Ave, Walsenburg, CO.

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

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

Guests: Doug Brgoch, Keith Bouchard, Al Tucker, Gerald Cisneros, Gail Terry, Robin Hoehne, Manual Garcia; Bill Knowles and David Rinehart, Press.

White acknowledged the reappointment of Mace, Edmundson and King to the board of directors for four more years.

The agenda was approved.

MINUTES – Mace moved and King seconded to approve the September 26, 2016 minutes. Board approved.

TREASURER'S REPORT – King moved and Mace seconded to accept the financial reports. Board approved.

Budget – King moved and Mace seconded to accept the 2017 budget and budget message for publication. Board approved.

Edmundson moved and King seconded to restore the date of the next meeting to the 4th Monday, November 28. Board approved.

OLD BUSINESS – The BIP Coordinator letter of engagement has been received from Gary Barber and will be signed at the end of this meeting.

NEW BUSINESS – Brgoch explained the details of water case 2016CW11, Mark Cornelius (adverse possession) – The Cottonwood Springs well is from the 1950s and was part of the green space in a subdivision plat but now belongs to Huerfano County. It is decreed in the wrong location and not as deep as asserted. It has not been in use for 25 years. It was permitted for municipal and domestic use and must be augmented. There was an Edmundson motion, seconded by Mace, to not oppose these cases. Board approved.

Brgoch reported that the Cucharas River is near historic low flows. The Huerfano River call is at the #2. Senior water rights are not currently taking water. The area is extremely dry for this time of year.

The district will publish an announcement of the lease available for the William Craig (Camp) Ranch. Correspondence was received from Corsair Cattle Co LLC cancelling the current lease but indicating interest in bidding on 2017. King moved and Vallejos seconded to approve publication of the ad for the lease. Board approved.

DIRECTOR COMMITTEE REPORTS—

Ark Basin Roundtable report – King reported that Sandy White was re-elected as chairman. The loss of the lawsuit with the oil companies is reducing the amount of grant funding around the state. There is an attempt underway to tie water rights to conservation easements. GOCO will accept new conservation easements with water

rights and flexible interruption (3 years out of 10). A “forgiveness loan” can now be used as a match for grants. At the next Roundtable meeting a status report will be required on the HCWCD regional augmentation plan. White will report on investigation of an additional/alternative site for a reservoir. CWCB staff is in favor of adding this but wants to keep the Roundtable apprised.

DIRECTOR AND GUEST COMMENTS – Bouchard asked, if the Sheep Mountain site is chosen as the storage reservoir, would there be more water available for augmentation. White explained that a firm yield study is underway now, but the 10 acre-feet limit the board set on water available to marijuana-related businesses was not dependent on the firm yield.

White called a recess at 6:39 pm. Meeting reconvened at 6:51 pm.

BILLS – There was a motion by King, seconded by Edmundson, to pay the bills, total \$47,036.35, and transfer \$41,000 from the ColoTrust account. Board approved.
Mountain States Financial Group – October bookkeeping \$120.00
Dunn Write – Contract, ink, mileage \$1,767.03
Dunn Write – Cucharas Storage Collaborative admin work/grant match \$402.96
Dunn Write – Infrastructure Improvements grant work \$127.50
Parsons Water Consulting – Collaborative Storage project \$18,534.45
Monson, Cummins & Shohet – SWSP, board mtg, Aug plan, new applicants \$12,337.89
La Veta Carpentry – Read wells and report to Faux, October \$500.00
TZA Water Engineers – Aug plan, Sheep Mtn, SWSP, new applicants \$13,105.08
CenturyLink – Phone service (est), October \$65.00
Spanish Peaks Library – Rent \$65.00
The Signature – Legal notice for augmentation water \$11.44
Mace moved and Edmundson seconded to pay four BIP Coordinator invoices from Garald Barber (\$18,197.67) after we receive grant funds from CWCB.

At 6:54 pm Edmundson moved, King seconded and Board approved going into executive session to discuss matters involving the regional augmentation plan, ongoing litigation and SWSP, 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 7:56 pm, King moved and Vallejos seconded closing the executive session and returning to regular session. Board approved. The meeting was called back to regular session at 7:56 pm.

There was a motion by Mace, seconded by Edmundson, to approve and have Monson send the indemnification letter to Purgatoire River Water Conservancy District. There was an Edmundson motion, seconded by King, to authorize John Faux to file the 2017 SWSP to cover the marijuana-related businesses. Board approved both motions.

There being no further business, meeting adjourned at 7:58 pm.

Sandy White, President

Carol Dunn, Secretary