

**UPPER ARKANSAS WATER
CONSERVANCY DISTRICT**

Regular Meeting of the Board of Directors

**January 4, 2024
1:30 PM**

A regular meeting of the Board of Directors of the Upper Arkansas Water Conservancy District was held Thursday, January 4, 2024, commencing at 1:30 pm at the District offices, 339 East Hwy 50, Salida, Colorado, following the Water Activity Enterprise committee meeting, notice having been given by posting of Notice and Agenda on January 3, 2024, at the offices of the Upper Arkansas Water Conservancy District, 339 East Hwy 50, Salida, Colorado.

DIRECTORS PRESENT (IN PERSON)

Timothy C. Canterbury	Gregory W. Felt	Brett McMurry
Tom French	Mannie Colon	Warren Diesslin
Richard Hilderbrand	Tony Telck	
Tim Payne		

DIRECTORS PRESENT (BY REMOTE VIDEO AND AUDIO CONFERENCING)

Mike Shields	Thomas Goodwin
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DIRECTORS ABSENT

Robert B. (Bill) Donley	Albert Eggleston
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DISTRICT OFFICIALS/STAFF MEMBERS PRESENT

Ralph L. (Terry) Scanga, General Manager	Chris Manera, Engineer
Jennifer A. Scanga, Administrative Assistant	Gracy Goodwin, Project's Manager

DISTRICT OFFICIALS/STAFF MEMBERS PRESENT (BY REMOTE VIDEO AND AUDIO CONFERENCING)

Denise Sanchez, Office Manager	Wendy Ryan, Engineer
Richard Brown, Legislative Consultant	Kendall Burgemeister, Attorney

DISTRICT OFFICIALS ABSENT

Jord Gertson, Hydrologist

STATE OFFICIALS PRESENT

Talon Canterbury, Deputy Water Commissioner, District 12
Dan Henrichs, Water Commissioner, District 12
Job Crabb, Deputy Water Commissioner, District 11

STATE OFFICIALS PRESENT (BY REMOTE VIDEO AND AUDIO CONFERENCING)

None

STATE OFFICIALS ABSENT

Brian Sutton, Augmentation Coordinator
Will Scott, Water Commissioner, Division 11
Rachel Zancanella, Division Engineer

EX-OFFICIO REPRESENTATIVE PRESENT

Travis Payne, Canon City Water Superintendent

EX-OFFICIO REPRESENTATIVES PRESENT (BY REMOTE VIDEO AND AUDIO CONFERENCING)

Dwayne McFall, Fremont County Commissioner

EX-OFFICIO REPRESENTATIVES ABSENT

Shawn Williams, Buena Vista Public Works Director

RECORD OF PROCEEDING

Drew Nelson, City of Salida Administrator
Dave Schneider, Round Mountain Water and Sanitation District Manager
Bill Canda, Custer County Water Commissioner
Sean Kelly, Poncha Springs Town Administrator

GUESTS PRESENT

Erik Young, CPA, Stotler & Young PC

GUESTS PRESENT (BY REMOTE VIDEO AND AUDIO CONFERNING)

Emily Tracy, Canon City Council member

PLEDGE OF ALLEGIANCE

Chairman Canterbury led attendees in the Pledge of Allegiance.

INTRODUCTION OF GUESTS

Guests were asked to introduce themselves.

MINUTES OF THE MEETING OF December 7, 2023

The minutes of the meeting of December 7, 2023, were approved upon motion by Director Colon with second by Director Hilderbrand.

FINANCIAL REPORTS

Upon motion by Director Telck with second by Director Colon the Board approved the monthly financial reports dated December 31, 2023.

PROGRAM PRESENTATIONS

None

EX-OFFICIO REPORTS

None

PROJECT MANAGEMENT REPORT- Gracy Goodwin

PM Goodwin provided a summary of grants in progress via a power point presentation. She gave an update on January 2024 projects which included Trout Creek Park Alluvial Storage, Round Mountain Reservoir Feasibility Study, DeWeese Reservoir Feasibility Study, DCP Upgrade and Expansion, and USGS Study Phase 3.

Manager Scanga clarified for Director Colon cost for DeWeese Project.

CONSULTANT REPORT – Richard Brown

Legislative Consultant Brown provided a written report of Legislative Updates for the Board to review. The report included a summary of bills in action and updates on current water legislature.

Manager Scanga asked about the bill regarding the ethic committee. Mr. Brown stated that the bill failed.

COMMITTEE REPORTS

None

RESUME REVIEW COMMITTEE

Nothing of significance in the November Resume.

MANAGER'S REPORT – Terry Scanga

Adoption of an official posting place:

Upon motion by Director Colon, seconded by Director French, the Board approved the District lobby and website as designated official posting places.

RECORD OF PROCEEDING

ARWF Sponsorship:

Upon motion by Director Payne, seconded by Director Hilderbrand, the Board approved a \$2500 sponsorship.

Letter to Senator Hickenlooper regarding Special Use Permits:

Manager Scanga explained to Board members the unanticipated large increase of the USFS special use permits for reservoirs the district owns or operates on Federal lands. He stated it is a 323 percent increase from 2023. The USFS stated that the increase is to recognize the increase in property values in Chaffee County. Manager Scanga further explained that he has been in contact with the Salida District Ranger and his staff to request a reduction in this increase and he has also contacted U.S. Senator Hickenlooper's staff for assistance. Manager Scanga said under the permits the USFS may increase the rate annually and follows the change in GDP Implicit Price Deflator Index and the valuation of property. He further stated that the GDP-IDP or property value increase from 2023 to present day are significantly less than 323 percent. He added that the local ranger district has requested a response from Washington and in the interim the District will pay a portion of the fee as it seeks an adjustment in fees and he is also waiting for a response from Senator Hickenlooper's office. The letter was attached to the Manager Report for all Board members to review.

Much discussion followed among the Board regarding the increase.

Manager Scanga explained that raising the fee is fair but it is not fair to raise at 323 percent. He said the fee should be offset in fairness to the district since our water rights and storage provide significant recreation and environmental benefits. He stated that in Chaffee County 15% of property is private land and 85% is public land and axiomatically the value of the private is going to be extremely high because it is such a small proportion of the total thus the existence of that large of a proportion of public land increases the pressure on the price of private land value automatically. He added that this needs to be taken into consideration. He further added that the District uses are very limited. He said at this time of the year, we are unable to access our reservoirs and there is only a small percentage of the year that they are accessible and usable. Mr. Scanga advised the Board that he plans on contacting Senator Mike Bennett's office for support as well.

Director Payne commented that it doesn't make sense to have one public entity charge another public entity since it all comes out of the same taxpayer's pocket.

Director Goodwin questioned how much it affects Pilt funding. Manager Scanga stated that with a 323 percent increase in land values the Federal Government should start paying more to the counties.

Manager Scanga explained for Director Colon the Tabor requirement and why the Budget hearing was continued until this month. He stated that the legislature passed late legislation that changed the assessed valuations which in turn affects the mill levy. He said that the assessed valuation was an unknown variable prior to January 3rd. He stated that after the special session set by Governor Polis was conducted, the District received new assessed values and then the mill levy was able to be set. He added that Tabor is a constitutional provision and would require a vote of the people in order to change it.

Chairman Canterbury called for a 10 minute recess at 1:48pm.

Meeting reconvened at 1:58pm

2:00 pm Budget Hearing:

Erik Young led the Budget hearing informing the Board of Final Budget numbers. He stated that assessed valuations were delayed until January 3rd and it has been determined that the amount of money to be raised by taxation for the purposes for the year 2024, levied on 2023 assessed valuations, is \$688,599 all of which is general property tax. He said the mill levy is set at a rate of .0478, temporarily reduced to .381 mills. He further stated that the district will have to certify the 2024 Budget to the counties by January 10, 2024 and that assessed valuations are significantly less and there was a temporary reduction due to the Tabor Limit which is the most restrictive for the year 2024. Mr. Young added that it will not affect the bottom dollar amount.

RECORD OF PROCEEDING

Chairman Canterbury invited guests to comment or ask questions as part of the budget hearing. Hearing none, Manager Scanga read aloud the Budget Resolution.

Upon motion by Director Payne, seconded by Director Goodwin, the Board approved the Budget Resolution.

Budget Hearing Closed: 2:19pm

ENGINEER'S REPORT – Chris Manera, Colorado River Engineering (CRE)

Engineer Manera gave a brief update on current engineering projects. He expressed how well the meeting and the property walk through went with DOC and stated that there are no imminent failure risks and he is working on a possible pipeline route.

LEGAL REPORT – Law of the Rockies, Kendall Burgemeister

Opposition updates, transactional matters, applications, and updates were included in the Law of the Rockies oral report presented by Atty Burgemeister.

Consideration of an Executive Session, 2:19pm:

Upon motion by Director French, seconded by Director Hilderbrand, the Board approved to enter into executive session to discuss negotiation strategies and receive legal advice regarding a Water Augmentation Agreement with the Town of Buena Vista pursuant to CRS24-6-402 (4) (b) & (e).

Out of Executive Session, 2:55pm:

Upon motion by Director Felt, seconded by Director Colon, the Board voted to exit executive session.

No actions were taken after the executive session.

CHAIRMAN AND DIRECTOR REPORTS

Director Colon informed the Board of the upcoming Arkansas River Basin Water Forum in March urging Board members to attend.

NOTICES & MEETINGS

- ABRT Meeting 12:30 pm, January 10, 2024
- CWC Annual Convention, January 31 – February 2, 2024, Hyatt Regency Aurora-Denver Conf. Center
- Ark. River Basin Water Forum, March 6-7, 2024, Otero College, La Junta

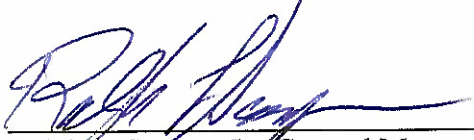
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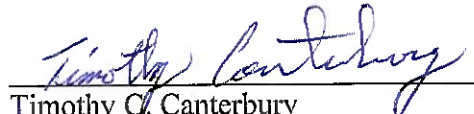
There being no further business to come before the Board or Enterprise and upon motion by Director Colon seconded by Director French and approval of the Board, the meeting adjourned at 2:59 pm.

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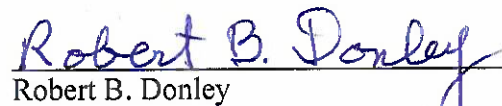
RECORD OF PROCEEDING


Respectfully submitted,


Ralph L. Scanga, Jr., General Manager

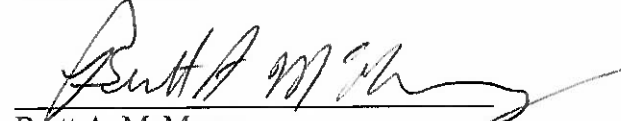

Timothy C. Canterbury

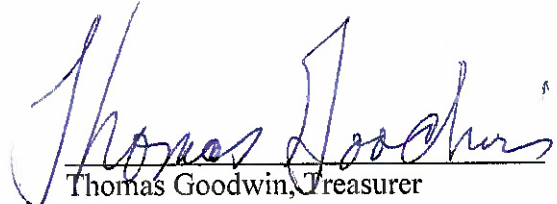

Mannie Colon

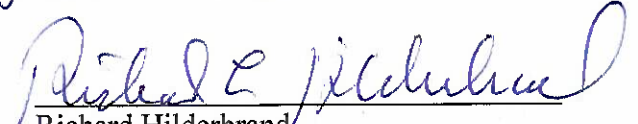

Robert B. Donley


Gregory W. Felt


Tom E. French


Brett A. McMurry


Thomas Goodwin, Treasurer

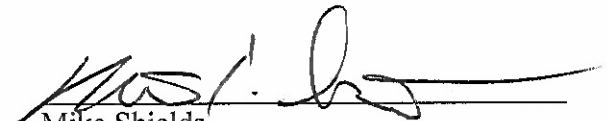

Richard Hilderbrand

absent - no signature
Albert Eggleston


Warren Diesslin


Tim Payne


Tony Telé


Mike Shields