

**UPPER ARKANSAS WATER
CONSERVANCY DISTRICT**

Regular Meeting of the Board of Directors

**April 11, 2024
1:30 PM**

A regular meeting of the Board of Directors of the Upper Arkansas Water Conservancy District was held Thursday, April 11, 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 April 10, 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	Thomas Goodwin	Warren Diesslin
Richard Hilderbrand	Tim Payne	Albert Eggleston
Robert B. (Bill) Donley	Tony Telck	

DIRECTORS PRESENT (BY REMOTE VIDEO AND AUDIO CONFERENCING)

None

DIRECTORS ABSENT

Mannie Colon Mike Shields

DISTRICT OFFICIALS/STAFF MEMBERS PRESENT

Ralph L. (Terry) Scanga, General Manager	Jord Gertson, Hydrologist
Kendall Burgemeister, Attorney	Gracy Goodwin, Projects Manager
Jennifer A. Scanga, Administrative Assistant	Chris Manera, Engineer

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

Denise Sanchez, Office Manager
Richard Brown, Legislative Consultant

DISTRICT OFFICIALS ABSENT

None

STATE OFFICIALS PRESENT

Job Crabb, Deputy Water Commissioner, District 11
Talon Canterbury, Deputy Water Commissioner, District 12
Jerry Livengood, Water Commissioner, Division 13

STATE OFFICIALS PRESENT (BY REMOTE VIDEO AND AUDIO CONFERENCING)

Will Scott, Water Commissioner, District 11

STATE OFFICIALS ABSENT

Brian Sutton, Augmentation Coordinator
Rachel Zancanella, Division 2 Engineer
Dan Henrichs, Water Commissioner, District 12

EX-OFFICIO REPRESENTATIVE PRESENT

Bill Canda, Custer County Commissioner

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

Sean Kelly, Poncha Springs Town Administrator
Dave Schneider, Round Mountain Water and Sanitation District Manager

RECORD OF PROCEEDING

EX-OFFICIO REPRESENTATIVES ABSENT

Shawn Williams, Buena Vista Public Works Director
City of Salida Administrator
Travis Payne, Canon City Water Superintendent
Dwayne McFall, Fremont County Commissioner

GUESTS PRESENT

Joe Stone, Heart of the Rockies Radio

GUESTS PRESENT (BY REMOTE VIDEO AND AUDIO CONFERRING)

Justin Kurth, Office of U.S. Representative Brittany Petterson
Cathy Garcia, Office of U. S. Representative Lauren Boebert

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 February 8, 2024

The minutes of the meeting on February 8, 2024, were approved upon motion by Director Donley with second by Director French. Director Hilderbrand corrected the mistitle of Commissioner Bill Canda. It was stated in the minutes as Bill Canda, Custer County Water Commissioner, correction is Bill Canda, Custer County Commissioner.

FINANCIAL REPORTS

Upon motion by Director Goodwin with second by Director French, the Board approved the monthly financial reports dated February 29, 2024. Upon motion by Director Goodwin with second by Director Donley, the Board approved the March 30, 2024, monthly financial reports. Manager Scanga reviewed the April quarterly District financial reports.

PROGRAM PRESENTATIONS

Hydrologist and Senior Water Resources Facilities Manager Jord Gertson discussed water exchange potential in the 4th in his Water Drop series. He provided a power point demonstration of a custom tool used to show stream flow, water exchange, and replacements. He also reported on the snowpack equivalent and snow telemetry sites. He displayed a graph showing daily reports of inflows and outflows. The daily report sheet prompted Mr. Gertson to create the Upper Arkansas District dashboard tool -- a data-centric electronic display that analyzes existing conditions and facilitates decision making for more timely and efficient management of the district water resources.

Manager Scanga stated that years ago he asked the State to update the daily report above Wellsville and it was never done. He said the dash tool is the answer to it for the District.

Manager Scanga asked Hydrologist Gertson how this information is used to determine where to store water. Mr. Gertson stated he uses the tool as a potential to predict a time frame and where to put water in the future, i.e. in storage or as augmentation water.

Mr. Gertson also provided a summary of the current volume of snow precipitation in UAWCD reservoirs using the CoCorahs mapping system.

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 April 2024 projects which included Trout Creek Park Alluvial Storage, Trout Creek Intra-Ditch Exchange, Round Mountain Reservoir Feasibility Study, DCP Upgrade and Expansion, and USGS Study Phase 3.

RECORD OF PROCEEDING

Some discussion ensued regarding the Trout Creek Alluvial Storage Project and the difficulty with moving forward due to lack of communication from the Department of Corrections. Manager Scanga stated that an email was sent to DOC urging them to either move forward or we would be moving the District resources elsewhere. We are awaiting a response.

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 the current water legislature. He summarized several pertinent water bills.

He reported on a few late bills that deal with water in one form or another. He stated that the biggest issue is how two bills, one in the senate, and one in the house deal with the Colorado response to the EPA decision by the Supreme Court case. He said the two bills are philosophically very different. He said Senate Bill 127 rests on the premise that if such a regulatory mechanism is to be created, it should be created within the Department of Natural Resources where there is a lot of pro chromatic structure already set up. Such as flood control, drought monitoring, etc. Mr. Brown said the other bill just came out of house agriculture and has gotten a lot of attention. He stated it is sponsored by the Speaker of the House, Rep. McClusky and she has been having an ongoing series of stakeholder meetings on these two version of dredge and fill legislation. He further stated that the water congress has been deeply involved and has put together a task force expertise. Mr. Brown said the committee hearing went until 10pm at night and was set forward as amended to the house finance committee where it resides. The amended version of the bill was just released and Mr. Brown stated he hasn't had an opportunity to read through it carefully. Mr. Brown explained that it relies on a new dredge and fill program structure to be developed by the Department of Public Health and Environment. Mr. Brown clarified the biggest philosophical difference between the two versions, Senate and House, is that CDPHE tends to be very a classic, regulatory body and they like to do lots of rules and regulations and consider it an issue of quality. One the other hand, the Department of Natural Resources, tends to be more collaborative with other groups and are more open to some sort of a dialogue.

Manager Scanga stated that the big part for the District is how irrigation is to be handled and how irrigation ditches are going to be affected under a State dredge & fill bill. He further stated that there were two pieces of concern with the McClusky Bill. He explained that many irrigation ditches carry agricultural water for irrigation, and municipal water combined. Manager Scanga said that if this bill were to pass exemptions should remain and those need to be maintained. He further stated that if a ditch passes through a wet land on its way to its final place of use, the ditch could lose its exemption and any work done on the ditch would be subject to the dredge and fill provisions.

Mr. Brown stated that both those items are a great concern to the mutual irrigation companies on the flat lands and he is unsure how it will be resolved and the bills are not close to any type of settlement.

COMMITTEE REPORTS

Chairman Canterbury updated the Board on the latest Human Resource Committee meeting. He stated that there were 3 applicants chosen to progress to the interview stage of the application process for the General Manager position. Interviews will take place next month.

RESUME REVIEW COMMITTEE

Nothing of significance in the January or February Resumes

MANAGER'S REPORT – Terry Scanga

Board of Directors Vacancy and Appointment for Division 5, Seat A

Manager Scanga informed Board members that Division 5, Seat A, Director Payne's seat is up for reappointment and applications are due May 1st.

Update of South Arkansas Reservoir Special Use Permits Fee (SUP) Increase:

Manager Scanga stated he had a meeting with Forest Service personnel from the and Rep. Peterson's office, and Senate Hickenlooper's office regarding the Forest Service Special Use Permit (SUP) fee increases. He expressed that the meeting went well and clarified that the Forest Service Permit fee is

RECORD OF PROCEEDING

\$82,000 a year for the District's three South Arkansas Reservoirs. He said this represents a 336% increase over last year's fees. He further stated that the District is paying by month at this time in anticipation that the District will receive a roll back from the huge increase. He further explained that the Forest Service determines the fee by use of a schedule based on land market value in each county. He said it is not determined by a specific appraisal of property. Manager Scanga explained how an appraisal works and recommended to the Board that the Board move forward with hiring an appraiser to do a type of feasibility study of what to expect for the results of an appraisal. Manager Scanga said the cost of a full blown appraisal is somewhere between \$10,000 and \$15,000 per vessel. Manager Scanga explained to Board members how an appraiser is hired through the Forest Service. He said they choose an appraiser from a yellow sheet list of appraisers. The Forest Service puts together the scope of work and the appraiser follows that scope of work. Manager Scanga recommended to the Board that the District hire an appraiser he has been in contact with first to do a type of feasibility study. He explained that if they are on the yellow sheet, the District cannot employ them or risk having them removed from the yellow sheet and unable to perform appraisals for the Forest Service in the future. Manager Scanga explained that the benefit of hiring an appraiser who has done these types of appraisals, and who understands the Forest Service, can provide the District with an estimate to determine whether it is feasible to move forward with an actual appraisal. Once an actual appraisal is done then the value from the appraisal would trump the use of the schedule for fee calculation, so we want to make sure the appraisal would come out lower than the schedule.

Upon motion by Director Donley, with a second by Director French, the Board approved to employ an appraiser for a preliminary assessment.

Update of Cottonwood Lake Dam Rehabilitation and SUP:

Manager Scanga updated the Board on Cottonwood Lake, stating that the rehabilitation is recovery of capacity which requires a Special Use Permit. He said he met with the Forest Service and they require an Environmental Analysis (EA) in order to grant a SUP. He further stated that the cost is incurred from an inhouse EA conducted by the Forest Service under a collection agreement to defray the cost to the Forest Service. Manager Scanga explained that the Forest Service does not have an inhouse cultural resource person, so the District is looking to hire one. He said an estimate was received and it will cost the District around \$11,000. Total cost for the forest service cost recovery for the EA and the cultural review would be approximately \$23,000. Manager Scanga said the District also needs Engineer Manera to develop a hydrology operation as part of the study.

Manager Scanga stated that there is not an agreement with the Forest Service at this time so no vote is necessary, however he asked the Board for approval to move forward.

Hydrologist Gertson gave a brief update on a survey conducted by Alpine Archaeology in 2009 before installing monitoring equipment for a telemetry station. He said the Forest Service was made aware of the survey and feels after 15 years it is necessary to conduct another cultural resources survey.

Approval of Western Interests Long Term Water Lease Agreement Modifications:

Upon motion by Director Donley, seconded by Director Goodwin, the Board approved the Western Interests Long-Term Water Lease.

Aurora Arkansas Valley Water Purchases & Proposed Cat. 2 Leasing:

Manager Scanga explained that Aurora purchased a farm with a group of water rights and their proposal is to not change the water right and use interruptible water supply agreements and operate in 3 out of 10 years under the Category two water outlined in the UAWCD and Southeast District's 2003 IGA. The IGA stipulated several Categories of water and that Aurora could not purchase or develop any new water supplies within the Arkansas Basin for 40 years. Manager Scanga stated that under Category One Aurora could continue with leases already in effect, and conduct additional leasing of water under Category two. The trigger of Category Two required several conditions. These conditions were outlined as having to be a dry year, which would be demonstrated by showing they had only filled their reservoir to 60% or less. Their proposal states that 60% of that storage capacity calculation would include new storage space and not just what existed in 2003. Manager Scanga said he nor Southeast District agrees with that.

RECORD OF PROCEEDING

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

Engineer Manera gave a presentation on Shoshone Hydroelectric & “Cameo” Water Rights and Basin Administration overview. His presentation included information on overview of the location of Shoshone and place of use, cameos and cameo calls in Grand Valley, water rights and administration, Trans-Basin and Upper Basin Reservoirs, historic stream flows in the Colorado River below Glenwood Springs, and two types of scenarios.

Director Hilderbrand asked which water rights would be impacted first? Engineer Manera stated that historic Shoshone calls have the potential to limit Trans-Basin diversions above the call location and the bigger junior upstream irrigation users are impacted the most.

Engineer Manera also presented the Triview Metropolitan District Change of Bale Ditch Water Rights Case No. 22CW3004. Included in his presentation was the location of Bale Ditch No. 1 and Bale Ditch No. 2 and water rights on both ditches, and South Arkansas tributary water rights. He discussed changing water rights, the lease fallow tool, and explained the hydrology of an irrigated field. He concluded his presentation with engineering concerns, sub-irrigation, exchange potential impacts, and enlargement rights and ditch loss from this change.

Hydrologist Gertson asked if wintertime return flows to the Arkansas would rely on exchanges on the South Ark to make their replacement? Atty Burgemeister stated that their position is that during the winter the calling water rights is at Pueblo Reservoir so replacements would be made there.

LEGAL REPORT – Law of the Rockies, Kendall Burgemeister

Opposition updates, transactional matters, applications, and updates were included in the Law of the Rockies written report made available to all Board members prior to meeting.

22CW3093 Application to Add Wenke Pond to 18CW3076 Plan:

Upon motion by Director Hilderbrand, with a second by Director Telck, the Board approved the proposed stipulation in Case No. 22CW3093 between the Upper Arkansas Water Activity Enterprise (UAWAE) and the State and Division Engineers.

21CW3058 Triview Exchange:

Upon motion by Director Payne, seconded by Director French, the Board approved the proposed stipulation in Case No. 21CW3058 between the Upper Arkansas Water Conservancy District (UAWCD) and Triview Metropolitan District.

Begin Executive Session: 4:00pm

Upon motion by Director Goodwin, with a second by Director Donley, the Board approved consideration of an executive session to receive board direction and legal advice on negotiation of remedies for anticipated changes in water rights administration in division 2 pursuant to CRS 34-6-402 (4) (b) (e).

Out of Executive Session: 4:53pm

Upon motion by Director Payne, seconded by Director Telck, the Board voted to move out of executive session.

Upon motion by Director Donley, with a second by Director Telck, the board authorized the District staff to develop and foster obtaining legislation regarding administration of water rights in Div. 2 thereby recognizing historic practice with all board members voting “aye”.

The Board also directed staff to develop a resolution opposing the Aurora Catlin Canal new water supply purchase. Staff was also asked to mail out to all directors the 2003 IGAs.

CHAIRMAN AND DIRECTOR REPORTS

Director French commented on a job well done at the annual Arkansas River Basin Water Forum (ARBWF).

RECORD OF PROCEEDING

NOTICES & MEETINGS

- HR Committee Meeting 1:30 pm, April 29, 2024
- ABRT Meeting 12:30 pm, May 8, 2024
- HR Committee GM Interviews 8:30 am, May 9, 2024
- UA BOD Meeting 2:00 pm, May 9, 2024

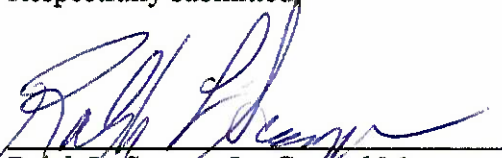
ADJOURN

There being no further business to come before the Board or Enterprise and upon motion by Director Donley seconded by Director Eggleston and approval of the Board, the meeting adjourned at 5:00pm.


[The remainder of this page is intentionally left blank.]

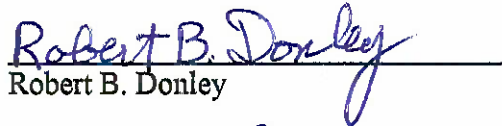
RECORD OF PROCEEDING

Respectfully submitted,


Ralph L. Scanga, Jr., General Manager


Timothy C. Canterbury

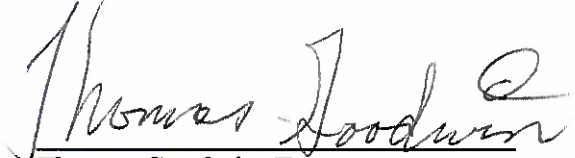

Mannie Colon

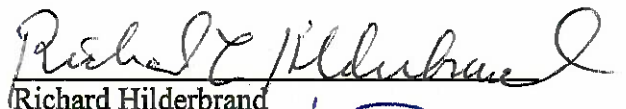

Robert B. Donley

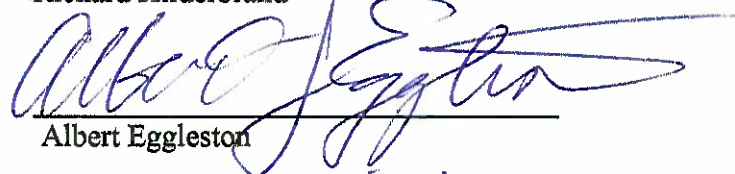

Gregory W. Felt



Tom E. French


Brett A. McMurry


Thomas Goodwin, Treasurer

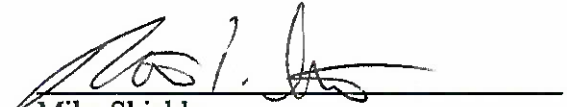

Richard Hilderbrand


Albert Eggleston


Warren Diesslin


Tim Payne


Tony Telck


Mike Shields