

**UPPER ARKANSAS WATER  
CONSERVANCY DISTRICT**

**Regular Meeting of the Board of Directors**

**September 7, 2023  
1:30 PM**

A regular meeting of the Board of Directors of the Upper Arkansas Water Conservancy District was held Thursday, September 7, 2023, 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 September 6, 2023, at the offices of the Upper Arkansas Water Conservancy District, 339 East Hwy 50, Salida, Colorado.

**DIRECTORS PRESENT (IN PERSON)**

Gregory W. Felt (acting Chair)	Richard Hilderbrand	Brett McMurry
Robert B. (Bill) Donley	Tom French	Warren Diesslin
Thomas Goodwin	Tony Telck	Albert Eggleston

**DIRECTORS PRESENT (BY REMOTE VIDEO AND AUDIO CONFERENCING)**

Mannie Colon	Mike Shields	Tim Payne
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**DIRECTORS ABSENT**

Tim C. Canterbury

**DISTRICT OFFICIALS/STAFF MEMBERS PRESENT**

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

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

Richard Brown, Legislative Consultant	Denise Sanchez, Office Manager
Marcus Lock, Attorney	Wendy Ryan, Engineer

**DISTRICT OFFICIALS ABSENT**

Kendall Burgemeister, Attorney	Ken Baker, Consultant
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**STATE OFFICIALS PRESENT**

Dan Henrichs, Water Commissioner, District 12  
Talon Canterbury, Deputy Water Commissioner, District 12  
Jerry Livengood, Water Commissioner, District 13  
Joe Crabb, Deputy Water Commissioner, District 11

**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 Engineer  
Ashleigh Cogan, Deputy Water Commissioner, District 11

**EX-OFFICIO REPRESENTATIVE PRESENT**

Bill Canda, Custer County Commissioner

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

None

## RECORD OF PROCEEDING

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### EX-OFFICIO REPRESENTATIVES ABSENT

Shawn Williams, Buena Vista Public Works Director  
Drew Nelson, City of Salida Administrator  
Dave Schneider, Round Mountain Water and Sanitation District Manager  
Travis Payne, Canon City Water Superintendent  
Dwayne McFall, Fremont County Water Commissioner  
Sean Kelly, Poncha Springs Town Administrator

### GUESTS PRESENT (BY REMOTE VIDEO AND AUDIO CONFERNING)

Emily Tracy, Canon City Council member

### PLEDGE OF ALLEGIANCE

Vice Chairman Felt led attendees in the Pledge of Allegiance.

### INTRODUCTION OF GUESTS

Guests were asked to introduce themselves.

### MINUTES OF THE MEETING OF August 10, 2023

The minutes of the meeting of August 10, 2023, were approved upon motion by Director Hilderbrand with second by Director Telck.

### FINANCIAL REPORTS

Upon motion by Director Telck with second by Director French, the Board approved the monthly financial reports dated August 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 September 2023 projects which included Round Mountain Reservoir Feasibility Study, USGS Study Phase 3, Trout Creek Park Alluvial Storage, Trout Creek Intra-Ditch Exchange, and DCP Upgrade and Expansion.

Director Donley asked if Round Mountain reservoir will be filled by use of a well as opposed to a ditch out of the creek, and will they use the same water? Manager Scanga explained that the well will be augmented for filling through existing augmentation decrees. PM Goodwin added that there is already an existing well. Commissioner Livengood clarified that the water is one and the same and the water will be fully augmented to fill Round Mountain Reservoir. Manager Scanga stated that it could also be augmented through the District's augmentation plan.

Engineer Manera further explained that the well is a high capacity well located upstream of a large spring on the side of Grape Creek. He said it is not a deep aquifer well.

Director Hilderbrand asked about an update on the Monarch project and whether the forest service is following up on the success of the project. Manager Scanga stated that he would ask Jonathan Paklaian, Director of Arkansas River Watershed Collaborative (ARWC) and head of the Monarch project for a report and follow up presentation to the Board.

Director French asked if there are many companies that can drill a well the size of the Trout Creek well and if there was any trouble finding a driller?

Engineer Manera explained that he received two bids from a local drilling company and a national company with drill rigs in the area. He said the price is double what was expected based on prior

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conversations. He stated that there is work in progress and site visits to figure out why the costs have gone up. Mr. Manera further explained that to mitigate costs possibly drilling two higher capacity wells is possible to analyze what the cost would be on small diameter wells. He said they may not yield as much water but will give the District more bid opportunities with other well drilling companies.

Director Donley asked about the depth of the well. Engineer Manera said there are a couple spots in mind for drilling and one is about 2 feet above the river, 40-60 feet in depth. The other spot is 40 feet above the river and getting closer to the water will affect the cost. He stated that there is approximately 60 to 70 feet of alluvium that has no water in it and is very difficult to drill through. Engineer Manera added that he has met with a well driller and will also be meeting with Paul Moltz to look at the pipeline route.

### **CONSULTANT REPORT – Richard Brown**

Legislative Consultant Brown provided a written report of Legislative Updates for the Board to review. The report included the status of Bills of Interest, the 2024 General Election, and the Colorado Water Congress (CWC) Summer Convention.

Mr. Brown said the Water Resources Review Committee (WRRC) meets next Monday and Tuesday and he will send any interesting and relevant information to Manager Scanga.

Legislative Consultant Brown gave an update on the CWC Stakeholder comments to CDPHE on the proposed Dredge and Fill legislation. He said there was good discussion before the WRRC in Steamboat and CDPHE is trying to get as much stakeholder input as possible. He stated that there were a couple modifications with EPA and Water Congress and the working committee put together a letter of response of technicalities for rule making for the CDPHE. He added that Manager Scanga took a look at it and made some recommendations and the potential impact on irrigation ditches. His recommendation was accepted by Water Congress and went into the formal report to CDPHE.

Manager Scanga stated that his comment was included in the letter for CWC to CDPHE. He said there were other comments included in the letter to exempt irrigation ditches for all types of uses. He explained that his comment specifically stated that dredge material that falls into a stream from maintenance activities on irrigation canals which parallel natural streams, should also be exempt.

### **COMMITTEE REPORTS**

None

### **RESUME REVIEW COMMITTEE**

Nothing of significance or concern to the District in the July Resume.

### **MANAGER'S REPORT – Terry Scanga**

#### **Preliminary Budget review:**

Manager Scanga presented the 2024 preliminary budgets for the District and Enterprise. Copies of the budgets were posted to the Board member webpage and in Board member binders for review. Manager Scanga stated that increases in interest income and steady continued increases in storage space charges for project water and excess capacity are two areas of particular focus. He said that other significant areas are specific projects that the District is pursuing, such as the alluvial storage project and the Trout Creek Ditch Company Ditch intra-ditch exchange project. Mr. Scanga added that these two projects have been years in planning and are now close to fruition, especially the intra-ditch exchange.

Commissioner Canda asked when preparing the budget where do the numbers for fuel come from? Manager Scanga explained that fuel for the District is implicit in everything that has been bid to the District. He said the biggest impact for fuel is with projects. Mr. Scanga stated that all projects are based on scopes of work and take into account increases in fuel. He added that fuel is a component of Denver/Lakewood CPI of 5.59%, which he expressed is quite low. He further explained that the District budget requirement is the final number and that is the number which counts. He said he breaks the line items down so the Board understands the operations.

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Manager Scanga clarified for several Board members questions regarding Capital Outlay and maintenance repairs and building upgrades. He added that any expenditures not specified in the budget or exempted per the purchase policy have to be approved by the Board.

Manager Scanga clarified for Director Hilderbrand that a Drought Contingency Plan is a management document and is not intended to have formal Board approval because the management plan needs to be flexible to respond to unforeseen changes in infrastructure, restrictions in water yields or changes in demands. It is more of an ongoing management plan than a policy.

Manager Scanga explained to Director Felt that curtailment and emergency clauses are in all augmentation contracts. He said the augmentation contracts state that in case of events that are beyond the ability of the District to respond, such as natural disasters, which create an inability to meet district obligations then the District is not liable. He further stated that lease contracts have a different clause with broader emergency conditions.

### **Change of Bank for District and Enterprise accounts:**

Manager Scanga explained that the District and Enterprise have maintained a long standing relationship with Bank of the West. He said that Bank of the West has changed to a Canadian firm, BMO Bank of the West, and added that because we would have to transition accounts to a new foreign bank holding company and we are a local public entity, this presented itself as an opportunity to transition to a local bank company, High Country Bank, which has offices throughout our District.

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

Engineer Manera briefed the Board on current water cases. He said they have begun answering responses on the Triview Case.

### **LEGAL REPORT – Law of the Rockies, Marcus Lock**

#### **Stipulation in case 21CW3086 Town of Poncha Springs Acequia Water Right Change/Exchange.**

Manager Scanga explained that in 2021 Poncha Springs filed for a change of an irrigation water right, the Acequia Ditch, to augment Town uses and an appropriation of an exchange on the South Arkansas River. He stated that after engineering and legal reviews, staff and consultants determined that the sole issue of concern was the proposed continuing call at the headgate of the Acequia that CPW was seeking from Poncha Springs. Manager Scanga further stated that CPW was seeking to require Poncha Springs to continue to call, divert, and return the decreed right at the augmentation station. Manager Scanga said that after discussions with Poncha and CPW, they agreed to cease diversions once they hit a volumetric limit and therefore this language in the proposed decree was removed. He added that with this modification, staff and consultants recommend approving the stipulation.

Engineer Manera said the net result in the change case is the reduction in consumptive use and net impact to the stream.

Upon motion by Director Goodwin, seconded by Director Telck, the Board approved the stipulation in Case No. 21CW3086.

### **CHAIRMAN AND DIRECTOR REPORTS**

Vice Chairman Felt gave positive comments regarding the CWC Convention. He said the main focus revolved around the Colorado River Crisis.

Manager Scanga questioned the Board if they believe Powell and Mead are typically full? He said the normal condition is less than full and it would be an unusual condition for them to be full. Manager Scanga added that they are ordinarily less than full and it is a common, false notion among the general public to believe that they are full when they have historically been less than full.

### **NOTICES & MEETINGS**

- Arkansas Basin Roundtable, September 13, Pueblo Community College
- CWCB Board Meeting, September 20 & 21, Salida Steam plant
- CWCB-UAWCD Board and Staff Reception - 5pm, Tuesday, September 19th Steam Plant

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- Human Resource Committee, 9:30 am, October 12, UAWCD Office
- C9 Summit November 14, 2023

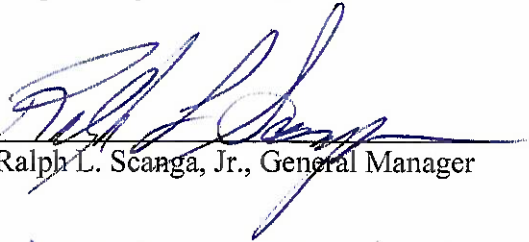
**ADJOURN**

There being no further business to come before the Board or Enterprise and upon motion by Director Donley seconded by Director Telck and approval of the Board, the meeting adjourned at 2:27 pm.

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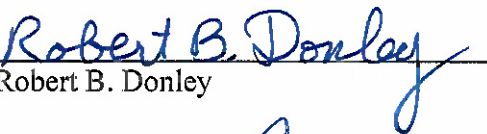
RECORD OF PROCEEDING

Respectfully submitted,

  
Ralph L. Scanga, Jr., General Manager

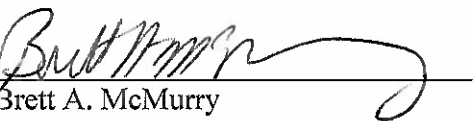
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Timothy C. Canterbury

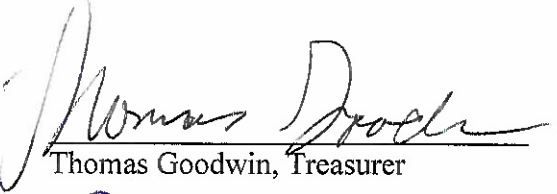
*approved remotely - no sign.*  
Mannie Colon

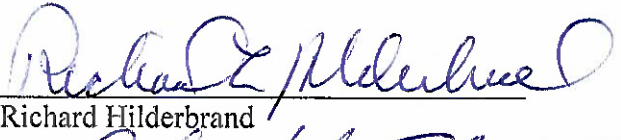
  
Robert B. Donley

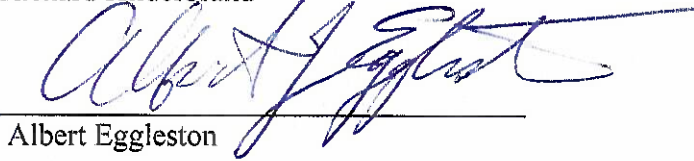
  
Gregory W. Felt

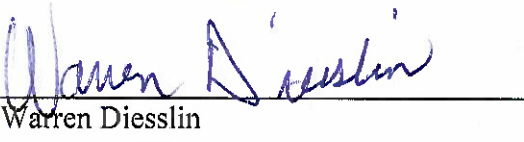
  
Tom E. French

  
Brett A. McMurry

  
Thomas Goodwin, Treasurer


  
Richard Hilderbrand

  
Albert Eggleston

  
Warren Diesslin

  
Tim Payne

  
Tony Telok

  
Mike Shields