

**UPPER ARKANSAS WATER
CONSERVANCY DISTRICT**

Regular Meeting of the Board of Directors

**September 12, 2024
1:30 PM**

A regular meeting of the Board of Directors of the Upper Arkansas Water Conservancy District was held Thursday, September 12, 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 September 11, 2024, at the offices of the Upper Arkansas Water Conservancy District, 339 East Hwy 50, Salida, Colorado.

DIRECTORS PRESENT (IN PERSON)

Timothy C. Canterbury	Mannie Colon	Mike Shields
Tom French	Tim Payne	Albert Eggleston
Robert B. (Bill) Donley	Brett McMurry	Ben Lenth
Thomas Goodwin	Tony Telck	

DIRECTORS PRESENT (BY REMOTE VIDEO AND AUDIO CONFERENCING)

Richard Hilderbrand

DIRECTORS ABSENT

Warren Diesslin

DISTRICT OFFICIALS/STAFF MEMBERS PRESENT

Ralph L. (Terry) Scanga, General Manager	Chris Manera, Engineer
Gregory W. Felt, Associate Manager	Kendall Burgemeister, Attorney
Jord Gertson, Hydrologist	Jennifer Scanga, Administrative Asst

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

Richard Brown, Legislative Consultant	Denise Sanchez, Office Manager
Gracy Goodwin, Projects Manager (joined late)	

DISTRICT OFFICIALS ABSENT

None

STATE OFFICIALS PRESENT

Talon Canterbury, Deputy Water Commissioner, District 11
Jerry Livengood, Water Commissioner, District 13

STATE OFFICIALS PRESENT (BY REMOTE VIDEO AND AUDIO CONFERENCING)

Will Scott, Water Commissioner, District 11
Dan Henrichs, Water Commissioner, District 12

STATE OFFICIALS ABSENT

Rachel Zancanella, Division Engineer
Joe Crabb, Augmentation Coordinator

EX-OFFICIO REPRESENTATIVE PRESENT

None

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

Sean Kelly, Town of Poncha Springs

RECORD OF PROCEEDING

EX-OFFICIO REPRESENTATIVES ABSENT

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

GUESTS PRESENT

Joe Stone, Heart of the Rockies Radio News

GUESTS PRESENT (BY REMOTE VIDEO AND AUDIO CONFERENCING)

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.

“KEN BAKER WATER ENTERPRISE BUILDING” DEDICATION

Ken Baker, several guests and retired staff members gathered together to officially dedicate the “Ken Baker Water Enterprise Building” to Mr. Ken Baker. Manager Scanga congratulated Ken Baker and presented him with the framed resolution for the building name change. Mr. Baker stated that the Enterprise was one of the most significant developments and gave credit to the late Denzel Goodwin, Jim McCormick and George Everett who were instrumental in the founding of the District and he expressed the importance of the late Justice Gregory Hobbs who was an expert in water law and a mentor to many in the water community. Mr. Baker commended and expressed his gratitude to Manager Scanga for his many years of service to the District as General Manager. Manager Scanga stated, “When asked about the early District’s headquarters, Ken would respond, ‘All the District’s operations and files are in my briefcase.’”

The meeting recessed briefly for the board members to personally congratulate Mr. Baker and for a photo opportunity.

MINUTES OF THE MEETING OF August 8, 2024

The minutes of the meeting on August 8, 2024, were approved upon motion by Director Hilderbrand with second by Director Donley.

FINANCIAL REPORTS

Upon motion by Director Payne with second by Director Telck, the Board approved the monthly financial reports dated July 31, 2024.

Upon motion by Director Hilderbrand with second by Director Payne, the Board approved the monthly financial reports dated August 31, 2024.

Audit Report

The 2023 Financial Audit Report was presented by Andrew Froese CPA of Hancock Froese & Company LLC via Webex audio/video conferencing. It was the auditor's opinion that the financial statements presented fairly, in all material respects, the respective financial position of the governmental and business-type activities, and each major fund of the UAWCD as of December 31, 2023, and the respective changes in financial position and where applicable the cash flows for the year.

Mr. Froese referenced the balance sheet for the Enterprise and General Fund totals for assets, liabilities, revenues, and expenditures

Upon motion by Director French with a second by Director Payne the Board approved the 2023 Audit report.

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PROGRAM PRESENTATIONS

Pond Inventory Project update by Water Commissioner Jerry Livengood, District 13:

Water Commissioner Jerry Livengood report on the ongoing Pond Inventory Project. He stated that there were 553 ponds inventoried over the summer by a number of employed summer interns. He further stated that the ponds encompassed Custer County, Districts 12, 13 & 15. Mr. Livengood gave rough data and said that as of September 4, 2024, there were 553 ponds identified initially from aerial photos. He stated that the interns inventoried 256 of those ponds. He said a couple of those interns are still working and adding data to the project. Mr. Livengood reported that 83 ponds do not have existing livestock water tank permits or erosion control dam permits. 42 of those ponds need to be breach, filled-in or augmented. He said there were 28 natural ponds identified and 2 Fire suppression ponds. He added that one was identified as a gravel pit by state statute. The final 62 ponds were not recognized as ponds but instead were imagery shadows.

Chairman Canterbury asked if the identified fire suppression ponds have been approved by county or have the potential to become fire suppression ponds? Mr. Livengood said they have not yet been approved but were submitted to the county and the applications are in progress.

Commissioner Livengood clarified for Manager Scanga that the 2 fire suppression ponds are pre 1972 and meet the specific criteria to become fire suppression ponds. He added that both ponds have to meet fire prevention safety standards. He further clarified that the two fire suppression ponds are in the wildland urban interface.

Manager Scanga asked how many of the 42 ponds are in the UAWCD's umbrella augmentation plan area? Mr. Livengood said he is unsure at this time but the intent is to further refine and interpret the data through the winter.

Manager Scanga suggested evaluating the ponds for the potential to be used as water storage vessels.

Engineer Manera asked Mr. Livengood for a total of the surface area for the 42 ponds identified as breach, fill or augment. Manager Scanga said that number would give the potential demand for augmentation. Mr. Livengood stated at this time they do not have this information but should have this information by the end of the survey.

Mr. Livengood clarified for Director Donley that the individual property owners have not been notified of the results of the ponds evaluated because the data is only preliminary, rough data. He added that there are over 200 more ponds to inventory.

EX-OFFICIO REPORTS

None

PROJECT MANAGEMENT REPORT- Gracy Goodwin

No Project Update presented.

CONSULTANT REPORT – Richard Brown

Legislative Consultant Brown provided a written report on Legislative Updates for the Board to review. The update included a summary of draft bills and current water legislature. The report was made available to all Board members prior to the meeting.

Manager Scanga discussed Draft Bill 10. This bill would require the Division of Water Resources to maintain a database of all water rights offered for sale and purchased in Colorado on or before January 1, 2026. Mr. Brown explained that a seller of a water right would be required to submit information related to the water right being offered for sale to the DWR prior to the sale of the water right. A purchaser of a water right would be required to submit information related to the water right that was purchased to the DWR after completing the transaction. He stated that current law excludes the conveyance of ownership of stock in ditch companies or other companies that constitutes a water right from the procedures and formalities required of real estate transactions. The bill requires that the

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conveyance of ownership of stock in ditch companies or other companies that constitutes water rights must follow the same procedures and formalities that are required for real estate transactions. Manager Scanga recommended opposing the bill.

Associate Manager Greg Felt stated that there might be benefits underneath the motivation. Mr. Brown clarified that there is a general feeling that there is a desire for more transparency. He said it should be an interesting discussion and he feels doubtful there will be enough votes for it to pass since it doesn't for example indicate what would happen if someone put their water rights up for sale and then quickly drop the sale.

COMMITTEE REPORTS

None

RESUME REVIEW COMMITTEE

Nothing of significance 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 explained that the budgets of the district are comprised of a General or Governmental Fund and a Water Activity Enterprise fund. He said the areas of greatest year to year variability are water studies and joint projects and salaries. He added that water studies and joint water projects are mostly offset by revenue from grants and cost-share partners. Manager Scanga stated that the 2025 budget shows a net gain in the General Fund and a net gain in the Enterprise Fund and a steady increase in available revenue budgeted in capital outlays and water rights acquisition funds.

Discussion ensued regarding keeping Manager Scanga on as an advisor to the new General Manager through the next year. It was decided among Board members that it is beneficial to continue to have Manager Scanga on the budget as a district advisor and to assist the new General Manager in 2025.

Associate Manager Greg Felt expressed the value of having Mr. Scanga stay as an advisor to him and to help in his transition as General Manager.

ENGINEERING REPORT – Colorado River Engineering, Chris Manera

Engineer Manera reported on the engineering work completed on the Triview/Treat Change of Bale Ditches water rights case which supplemented Atty Burgemeister's legal report.

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 presented by Atty Burgemeister. The report was made available to all Board members prior to the meeting.

Atty Burgemeister briefed the Board on the developments in the Triview/Treat Change of Bale Ditches water rights case. He displayed a map of an aerial view of the location of the Bale Ditches and the historically irrigated areas from Triview's initial engineering report. He summarized the outcome of the negotiations. He stated that the emphasis of the engineering report is the historical consumptive use that is being quantified and made available for the changed uses. Atty Burgemeister explained that the Triview rebuttal report specifies 70.6 annual acre feet per year of consumptive use.

Upon motion by Director Hilderbrand, seconded by Director Donley, the Board approved the presented stipulation between UAWCD and Triview Metropolitan District in Case No. 22CW3004.

CHAIRMAN & DIRECTOR REPORTS:

Director Donley asked about the Coleman Pond Agreement. Atty Burgemeister explained that a fully executed agreement has been received and the District has until next May to complete the breach. He said the next step is to determine if the pond can be made into a serviceable augmentation structure.

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Manager Scanga stated that he and Hydrologist Gertson are currently working with contractors to complete the breach. Engineer Manera stated that the plan is to try to breach lower than the embankment. Director Hilderbrand commented that he was pleased with the Round Table's approval of the grant to modify Cottonwood Lake Dam.

NOTICES & MEETINGS

- Chaffee County Commissioners Alluvial Storage Presentation 10:00 a.m., September 16
- Buena Vista Trustees Cottonwood Lake Rehab. Presentation 7:00 p.m., September 24
- C9 Summit October 1st and 2nd, Crested Butte
- ABRT Meeting, October 9, 2024, Pueblo, CO


ADJOURN


There being no further business to come before the Board or Enterprise and upon motion by Director Donley seconded by Director Colon and approval of the Board, the meeting adjourned at 3:05pm.

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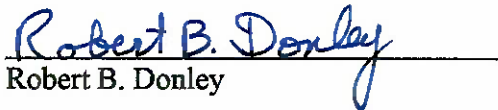
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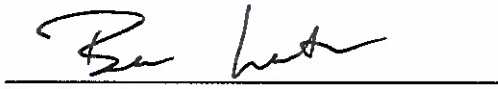
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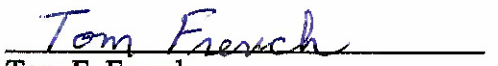

Ralph L. Scanga, Jr., General Manager


Timothy C. Canterbury

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Mannie Colon,


Robert B. Donley

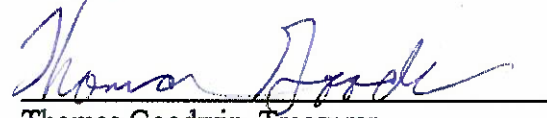

Ben Lenth


Tom E. French


Brett A. McMurry

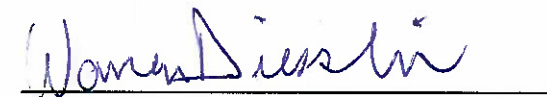
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Mike Shields



Gregory W. Felt, Associate Manager


Thomas Goodwin, Treasurer


Richard Hilderbrand

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Albert Eggleston


Warren Diesslin


Tim Payne


Tony Teich