

**UPPER ARKANSAS WATER
CONSERVANCY DISTRICT**

Regular Meeting of the Board of Directors

**October 10, 2024
1:30 PM**

A regular meeting of the Board of Directors of the Upper Arkansas Water Conservancy District was held Thursday, October 10, 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 October 9, 2024, at the offices of the Upper Arkansas Water Conservancy District, 339 East Hwy 50, Salida, Colorado.

DIRECTORS PRESENT (IN PERSON)

Timothy C. Canterbury	Richard Hilderbrand	Tony Telck
Tom E. French	Tim Payne	Albert Eggleston
Robert B. (Bill) Donley	Brett A. McMurry	Ben Lenth
Thomas Goodwin		

DIRECTORS PRESENT (BY REMOTE VIDEO AND AUDIO CONFERENCING)

None

DIRECTORS ABSENT

Mannie Colon	Mike Shields	Albert Eggleston
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DISTRICT OFFICIALS/STAFF MEMBERS PRESENT

Ralph L. (Terry) Scanga, General Manager	Gracy Goodwin, Projects Manager
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
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DISTRICT OFFICIALS ABSENT

Chris Manera, Engineer

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)

None

STATE OFFICIALS ABSENT

Rachel Zancanella, Division Engineer
Joe Crabb, Augmentation Coordinator
Will Scott, Water Commissioner, District 11
Dan Henrichs, Water Commissioner, District 12

EX-OFFICIO REPRESENTATIVE PRESENT

Dave Schneider, Round Mountain Water and Sanitation District Manager

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
Drew Nelson, City of Salida Administrator

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Travis Payne, Canon City Water Superintendent
Bill Canda, Custer County Commissioner
Sean Kelly, Town of Poncha Springs

GUESTS PRESENT

Erik Young, CPA, Stotler & Young PC
Lauren Duncan, CWCB Arkansas Water Plan Grant Coordinator

GUESTS PRESENT (BY REMOTE VIDEO AND AUDIO CONFERRNCING)

Joe Stone, Heart of the Rockies Radio News (joined late)

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 September 12, 2024

The minutes of the meeting on September 12, 2024, were approved upon motion by Director Donley with a second by Director Hilderbrand. A correction on minutes was made to indicate Ben Lenth and Richard Hilderbrand were both present at both the September meeting.

FINANCIAL REPORTS

Upon motion by Director Telck with a second by Director Goodwin, the Board approved the monthly financial reports dated September 30, 2024.

PROGRAM PRESENTATIONS

EX-OFFICIO REPORTS

None

PROJECT MANAGEMENT REPORT- Gracy Goodwin

Project Manager Goodwin presented the Project Update for October 2024. She reported on The Round Mountain Reservoir Feasibility Study, Trout Creek Intra-Ditch Exchange, Trout Creek Park Alluvial Storage, Chaffee County Groundwater Study, and UAWCD DCP Upgrade and Expansion

PM Goodwin clarified the electricity plans for the Trout Creek intra-ditch exchange wells for Manager Scanga, noting that there are some is a long wait time for obtaining Transformers for underground application. She indicated that these issues would be addressed once the final well placement is confirmed.

Manager Scanga informed Director Goodwin that once the wells are operational, they will maintain a minimum runtime of 24 hours and continue running to refill reservoirs on Cottonwood Crek, although specific plans are still under development. He explained that during a dry year on Cottonwood Creek, the frequency of water calls and availability of augmentation supplies would determine whether reservoir drawdown becomes necessary. Once surface water sources, including Thompson Ditch water, CID water, Ice Lake, and Silver Creek Ronk, are depleted, the wells would be utilized to replace water releases from the reservoirs or for direct augmentation use.

Director Goodwin proposed the use of a battery backup system with solar recharge as a potentially more cost-effective and efficient alternative to traditional electricity. Manager Scanga expressed interest in exploring this option, inquiring about feasibility and the associated costs.

Director Donley inquired about the comparison between alluvial storage and surface water. Manager Scanga explained that alluvial storage involves a less flexible water resource, as it cannot be fully emptied without pumping. He explained the relative value of storing water underground versus in above-ground storage vessels, noting that above-ground storage would likely incur higher operational costs. He

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emphasized that both types of storage are essential components of a comprehensive water management system.

CONSULTANT REPORT – Richard Brown

Legislative Consultant Brown provided a concise oral report on recent legislative developments. He highlighted some of the key ballot issues and mentioned that all candidates have left the state capital and are in the final stages of their campaigns. Ballots have now been mailed out. Mr. Brown noted that the next major step for the legislature is a meeting with legislative counsel to approve recommendations from the various interim committees. He added that following the election, the caucuses will convene to select their leadership and prepare for the 2025 legislative session.

COMMITTEE REPORTS

None

RESUME REVIEW COMMITTEE

Nothing of significance in the August Resume.

MANAGER'S REPORT – Terry Scanga

Associate Manager Felt provided the Board with an update on his transition to the role of General Manager over the past three months. He expressed his appreciation for working with Manager Scanga, highlighting their one-on-one meetings and the ongoing learning process. Felt noted that as he delves deeper into the UAWCD's policies and staff roles, he becomes increasingly aware of the complexities involved. He also mentioned his efforts to identify optimal health plans that cater to the diverse needs of the staff.

Presentation of the 2025 Budget:

The 2025 Budget was presented by Erik Young, CPA of Stotler & Young PC.

Mr. Young summarized the requirements for approval of the budget, which include a budget message budget narrative, 3 years of comparative data, no deficit spending, and a budget resolution. Mr. Young gave a summary of taxation as it relates to the general fund with details on the voter approved mill, and annual levy calculations for the tax revenue limit. The mill levy is set at .478. He said the Denver/Boulder CPI projection is used to determine inflation and this year there was a 2.7% decrease from last year. He further explained that there is sometimes a discrepancy between what is budgeted as opposed to what is collected and that there are a few discrepancies from last year. Mr. Young stated that for the 2025 Budget year, Tabor was temporarily reduced and is the most restrictive due to the increase in property valuations. He said that final valuations will be released by the county in November. He also brought attention to the capital outlay figure which is in the budget for water rights acquisitions and is the number that is used to balance the budget.

Setting of Budget Hearing:

Upon motion by Director French, seconded by Director Goodwin, the Board approved setting the budget hearing date for November 14, 2024, at 2pm.

Manager Scanga provided an update on the Alluvial Storage Project, continuing the discussion initiated by Director Goodwin earlier in the meeting. He informed the Board that Attorney Burgemeister had prepared a draft document and sent it to the Department of Corrections (DOC) Deputy Finance Officer. The DOC responded positively, indicating their willingness to begin working on the project.

ENGINEERING REPORT – Colorado River Engineering, Chris Manera

No Engineering 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.

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Atty Burgemeister briefed the Board on UAWCD applications in Case No. 22CW3093, Wenke Pond and applications the UAWCD is opposing, Case No. 22CW3088, Darell & Twila Geroux, Case No. 22CW3004, Triview/Treat change of Bale Ditches water rights, and Case No. 21 CW 3058, Triview Exchange.

Attorney Burgemeister clarified that following the response from the DOC, the District should file for a storage decree, an exchange decree, or a combination of both for the Trout Creek Alluvial Storage Project. Manager Scanga sought clarification from Attorney Burgemeister regarding the preliminary planning efforts. Attorney Burgemeister indicated his desire to collaborate with the modeling engineering company to gain a better understanding of the aquifer characteristics and incorporate this information into the application. He also mentioned an upcoming meeting with Chaffee County to discuss the possibility of an Intergovernmental Agreement (IGA) in lieu of a 1041 permit.

Manager Scanga inquired about the potential risks associated with the exchange, specifically the possibility of other entities opposing the process and the potential for modifying the decree without affecting other related issues. Attorney Burgemeister assessed the risk as low and suggested initiating a dialogue with the Division Engineer's office to establish a minimum operating rate for the exchange. He proposed negotiating a reduction in this minimum rate and using data to support the request.

Manager Scanga mentioned that several years ago, the Board approved a motion to pursue an exchange with the Helena Ditch. He inquired about the possibility of using this exchange to establish an earlier priority date. Attorney Burgemeister explained that an exchange priority can be established based on actual operations. However, since the District intends to seek a conditional exchange, the adjudication date would likely be in 2024 or 2025, potentially limiting the impact on priority.

CHAIRMAN & DIRECTOR REPORTS:

The Board discussed the annual Christmas party and decided on the week of December 16th.

NOTICES & MEETINGS

- ABRT Meeting, November 13, 2024, Pueblo, CO
- CWC Annual Convention: January 29-31, 2025, Hyatt Regency Aurora-Denver Conf. Center

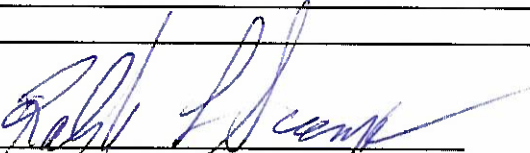
ADJOURN

There being no further business to come before the Board or Enterprise and upon motion by Director Donley seconded by Director Payne and approval of the Board, the meeting adjourned at 2:14pm.

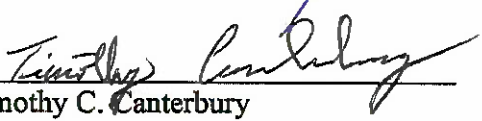
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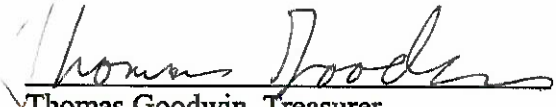
Respectfully submitted,

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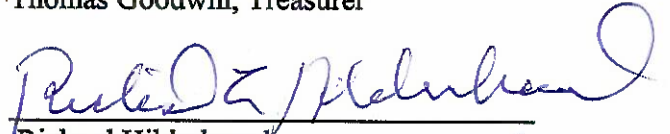

Ralph L. Scanga, Jr., General Manager


Gregory W. Felt, Associate Manager


Timothy C. Canterbury


Thomas Goodwin, Treasurer

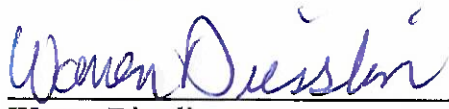
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Mannie Colon


Richard Hilderbrand

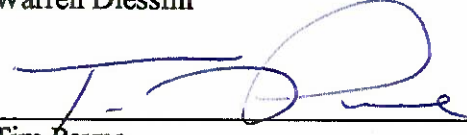
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Robert B. Donley


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Albert Eggleston


Ben Lenth


Warren Diesslin


Tom E. French


Tim Payne


Brett A. McMurry


Tony Telck

approved Remotely - no sign.
Mike Shields