

**UPPER ARKANSAS WATER
CONSERVANCY DISTRICT**

Regular Meeting of the Board of Directors

**November 14, 2024
1:30 PM**

A regular meeting of the Board of Directors of the Upper Arkansas Water Conservancy District was held Thursday, November 14, 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 November 13, 2024, at the offices of the Upper Arkansas Water Conservancy District, 339 East Hwy 50, Salida, Colorado.

DIRECTORS PRESENT (IN PERSON)

Timothy C. Canterbury	Brett A. McMurry	Ben Lenth
Tom E. French	Tim Payne	
Thomas Goodwin	Tony Telck	
Rich Hilderbrand	Warren Diesslin	

DIRECTORS PRESENT (BY REMOTE VIDEO AND AUDIO CONFERENCING)

Mike Shields

DIRECTORS ABSENT

Mannie Colon	Robert B. (Bill) Donley	Albert Eggleston
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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
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DISTRICT OFFICIALS ABSENT

Gracy Goodwin, Projects Manager

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

Bill Canda, Custer County Commissioner

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
Travis Payne, Canon City Water Superintendent

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

GUESTS PRESENT

Joe Stone, Heart of the Rockies Radio News
Bob Senderhauf, Custer County
Erik Young, CPA of Stotler and Young PC

GUESTS PRESENT (BY REMOTE VIDEO AND AUDIO CONFERENCING)

Allen Keeling, Colorado Division of Water Resources (CDWR)

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 October 10, 2024

The minutes of the meeting on October 10, 2024, were approved upon motion by Director Payne with a second by Director Telck.

FINANCIAL REPORTS

Upon motion by Director Goodwin with a second by Director Telck, the Board approved the monthly financial reports dated October 31, 2024.

PROGRAM PRESENTATIONS

Budget Hearing:

At 2:00 pm Chairman Canterbury opened the public hearing and asked Erik Young of Stotler and Young PC provide information on the proposed 2025 budget. He said the mill levy is set at a rate of .0478, temporarily reduced to .390 mills. Mr. Young stated that assessed valuations and certifications will be significantly less, however the district is still subject to compliance with the Tabor Limit which is the most restrictive for year 2025. Mr. Young added that it will not affect the bottom dollar amount of the budget revenue. There were no questions from the public.

Upon motion by Director Goodwin, seconded by Director Telck, the Board approved the 2025 Budget Resolution. One opposition from Director Payne.

Budget Hearing Closed at 2:12pm

EX-OFFICIO REPORTS

None

PROJECT MANAGEMENT REPORT- Gracy Goodwin

Project Manager Goodwin shared a written update of November projects for all Board members to review prior to the meeting. The report included project updates on Round Mountain Reservoir Feasibility Study, Trout Creek Intra-Ditch Exchange, Trout Creek Park Alluvial Storage, Chaffee County Groundwater Study.

Due to Project Manager Goodwin's absence, no discussion regarding the November update took place during the meeting.

LEGISLATIVE CONSULTANT REPORT – Richard Brown

Legislative Consultant Brown provided a concise oral report on recent legislative developments. He explained that there are two races in the House which will probably result in an automatic recount. He stated that the new legislature will begin orientation briefings next week at the capital and run approximately one a week for three weeks. He said that many chairmanships will probably be selected and announced the week of Thanksgiving. He added that with so many new legislators, it will take

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leadership a while to populate the committees and is dependent on the partisan split which will be determined by the outcome of the bills. He further added the first Water Congress State of Affairs meeting will take place, December 10, 2024.

Manager Scanga asked about the Water Resource Review Committee (WRRC) and their thoughts on water legislation. Mr. Brown stated there are about a half dozen bills to come forward from Water Resources. He said that The Water Resource Review Committee (WRRC) is expecting several water-related bills. One significant bill aims to modify severance tax procedures, which could impact funding for the Water Conservation Board. Mr. Brown explained that the state faces a budget shortfall, and there's concern that the Joint Budget Committee (JBC) might reduce funding for water programs. Additionally, there's uncertainty surrounding potential legislation to address land management issues related to water transfers.

Manager Scanga stated that he received a request from the Lower Arkansas Water Conservancy District (LAWCD) via a memo detailing what they would like to establish in revegetation. He further stated that it would allow more detail to legislation as to timelines, etc., on how to calculate success in a revegetation program. He added that Mr. Knapp was a big influence on revegetation for Pueblo West. Mr. Scanga said that he believes Mr. Knapp witnessed a lot of holes in the legislation including the lack of guidelines outlining the full potential of revegetation. Manager Scanga expressed that he feels Mr. Knapp's desire was to see more direction addressed in the statute.

COMMITTEE REPORTS

None

RESUME REVIEW COMMITTEE

Manager Scanga presented the September 2024 Resume to the Board. He highlighted Case No. 23CW3040, a 2024 junior water right application that required re-filing due to the State of Colorado Division 2's mandate for a plan of augmentation. He said this is because the Arkansas River is over-appropriated.

Manager Scanga explained that the applicant seeks to irrigate 20 acres with a 5-year lease from the Pueblo Board of Water Works for a mere 10 acre-feet of water. He stated that this is insufficient, as 20 acres typically require at least 40 acre-feet for successful irrigation.

Manager Scanga expressed concerns about monitoring and control of this proposed water use. He said that given the intended diversion from the Arkansas River, he recommended the District oppose the application to protect water rights in the Arkansas River and expressed that a formal decree with specific reporting and replacement requirements is essential.

Atty Burgemeister noted that while 10 acre-feet may not seem like a substantial amount of water, the cumulative impact of imperfect administration is a concern.

He explained that there are no significant legal disputes or questions regarding the individuals' right to divert water or its beneficial use. However, there's a concern about whether the decree contains sufficient language to ensure proper operation of the proposed plan.

Atty Burgemeister recommended filing a statement of opposition and negotiating a stipulation on administration. He emphasized the need for more information to clarify assumptions made in the application.

Manager Scanga noted that the proposed replacement location is at the point of depletion. He emphasized the importance of maintaining this location, particularly considering its geographic position. He also highlighted the need to include this location in the decree. The property in question is located at Big Bend in Chaffee County.

The Board approved opposition to Case No. 23CW3040, as moved by Director Payne and seconded by Director French.

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Nothing of significance in the October 2024 Resume.

MANAGER'S REPORT – Terry Scanga

Alluvial Storage Negotiations:

Manager Scanga provided an update on the Trout Creek Alluvial Storage Project. He stated that negotiations are ongoing with the Department of Corrections (DOC) regarding an easement and pipeline route from the Helena Ditch to two infiltration fields on DOC property. He said that the District plans to lease both the ground for the infiltration fields and the pipeline route.

Manager Scanga explained that while a proposal has been sent to the DOC and a counterproposal received, the District is still negotiating the terms. The counterproposal includes higher costs than initially proposed by the District.

Manager Scanga expressed optimism about reaching an agreement with the DOC, which would then be presented to the Board for executive session discussion and final approval. He outlined the potential costs, including a 50-year pipeline route and annual fees for each infiltration field with a 3% annual increase. He said that once the agreement with the DOC is finalized, negotiations with the Cogan family will commence, as the pipeline route is needed to deliver water to their property.

Water Education:

Manager Scanga presented the Heart of the Rockies Radio Group Water Podcast Proposal for a title sponsorship of \$12,500 per year. Manager Scanga emphasized the importance of a comprehensive, long-term water education program for the entire state of Colorado. He highlighted a potential partnership with Joe Stone of Heart of the Rockies Radio News to create a podcast. This format would allow for one-on-one discussions, reaching a wider audience, and creating a timeless resource for future reference.

Joe Stone presented the podcast concept, emphasizing its potential to educate the public, water community, and those less familiar with water issues. He suggested starting with audio and transitioning to video in the future. Mr. Stone requested the District's sponsorship of the podcast.

Associate Manager Felt inquired about the podcast's frequency, to which Mr. Stone responded with an initial goal of two episodes per month, with aspirations of weekly releases.

Director French asked about the podcast's long-term vision, and Stone expressed a desire to maintain it for at least five to ten years.

Mr. Stone clarified to Associate Manager Felt that the podcast would include a significant social media component.

Upon motion by Director Payne, seconded by Director Hilderbrand, the Board approved the podcast sponsorship and participation.

ENGINEERING REPORT – Colorado River Engineering, Chris Manera

Engineer Manera updated the Board on the Round Mountain Reservoir Project. He said that during the latest design submittal from Round Mountain Water and Sanitation District Engineer there were concerns raised by the State Engineer's office Dam Safety Branch on stability issues related to soils and piping underneath the foundation of the dam. According to the Dam Safety Branch, the source of the concern of the piping was due to water leaking through the liner of the reservoir. Their solution was to double line the reservoir to add a layer of extra insurance. Engineer Manera stated that there are cost increases to be addressed with the double lining, however there could be benefits to having a second liner. He added that once the review is completed, the plans will be submitted to the State.

Engineer Manera provided a power point presentation updating the Board on the Trout Creek Ditch Company Intra-Ditch Project. The update included project location, exchanges and conditions, Moltz agreement, project funding and the feasibility study, the Trout Creek Intra Ditch Exchange well and pipeline and the CWCB grant, test wells, and engineering design.

Mr. Manera provided an overview of the project, explaining that the UAWCD in the Cottonwood Creek Basin is utilizing reduced diversions from the Trout Creek Ditch. To compensate for this, they're

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substituting water from a well tributary to the Arkansas River. This project involves Paul Moltz's water rights and a well on his property. The Trout Creek Ditch Company Ditch, a senior water right, historically sweeps Cottonwood Creek for a large portion of the irrigation season and prevents upstream water exchanges thereby requiring reservoir releases for augmentation demands during these periods.

Mr. Manera explained the details of the proposed Intra-Ditch Exchange, which involves a 2.0 cfs water exchange through both stream and ditch segments. The UAWCD Moltz well, located on the Moltz property and tributary to the Arkansas River, will be utilized for this exchange. The exchange is subject to specific conditions, including maintaining ditch loss within the system, adhering to a historical use period of May 1 to October 24, ensuring a minimum exchange of 0.5 cfs, and adjusting splitter boxes and monitoring ditch loss to safeguard other water rights.

Manager Scanga explained that the 0.5 cfs of water equates to an acre-foot of augmentation supply per day. Over the 180-day irrigation season, this amounts to a significant 180 acre-feet of water added to Cottonwood Creek. He emphasized that this quantity exceeds the present capacity of Cottonwood Lake.

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.

CHAIRMAN & DIRECTOR REPORTS:

Director Hilderbrand informed the Board about an invasive plant species, Eurasian Water Milfoil, that has been identified along the Arkansas River below Pueblo. This plant species was also discussed at the recent Round Table meeting.

Director Goodwin expressed sincere gratitude to Manager Scanga for his dedication and service as General Manager of the UAWCD. This meeting marked Mr. Scanga's last as General Manager, as he is set to retire at the end of 2024. Director Goodwin acknowledged Mr. Scanga's invaluable contributions and unwavering commitment to the District and its mission.

Director French provided an update on Director Colon's condition following his recent stroke. He shared that Director Colon is slowly recovering and requested that the Board keep him in their thoughts and prayers.

Chairman Canterbury proposed commissioning a portrait of Manager Scanga to be painted and framed, alongside those of past Board members and founders who have made significant contributions to the District.

Upon motion by Director Telck, seconded by Director Goodwin, the Board approved the proposal.

NOTICES & MEETINGS

- **Annual Holiday Celebration Board & Staff Gathering – 5:00 pm, December 6, (formerly Stoke Restaurant)**
- **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 French and approval of the Board, the meeting adjourned at 2:58pm.

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Respectfully submitted,



Ralph L. Scanga, Jr., General Manager

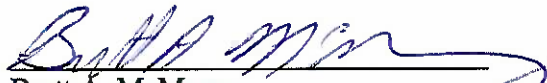

Timothy C. Canterbury

absent - no signature
Mannie Colon

not present
Robert B. Donley


Ben Lenth



Tom E. French


Brett A. McMurry


approved Remotely - no sign.
Mike Shields



Gregory W. Felt, Associate Manager


Thomas Goodwin, Treasurer


Richard Hilderbrand

absent - no signature
Albert Eggleston


Warren Diesslin


Tim Payne


Tony Telck