

**Center of Colorado Water Conservancy District
Meeting of the Board of Directors
January 10, 2018**

The monthly meeting of the Center of Colorado Water Conservancy District was held on Wednesday, January 10, 2018 in the water district offices at 548 Front Street, Fairplay, CO 80440. Board President Briggs Cunningham called the meeting to order at 2:10 PM.

Members of the Board present in the office were Briggs Cunningham and Chris Fuller. Attending by telephone conference was Craig Steinmetz, Lisa McVicker, and Geri Salsig. Also present at the offices were Dan Drucker and Nola Knudsen.

APPROVAL OF THE AGENDA AND MINUTES

Geri Salsig moved to approve the agenda as amended changing review of the services contract from Operations Manager to Administrator contract. Chris Fuller seconded and the motion carried unanimously. Lisa McVicker moved to accept the December minutes as amended with a couple of spelling corrections. Craig Steinmetz seconded and the motion carried unanimously.

ADMINISTRATIVE MATTERS

2.1 Administrator's report on accounts – Nola Knudsen reviewed the monthly warrants with the Board. Warrants and invoices totaled \$26,618.41. Nola Knudsen advised the Board the CD with High Country Bank was due for renewal or cancellation. The CD was originally established per a requirement from the CWCB for hold one year's payment toward the current loan. The loan has now been paid and the CD is no longer required. The Board was also informed it was time to hire an Auditor for the 2017 audit. Hoelting and Company provided an agreement letter if the Board wishes to retain them for another audit period.

2.2 Treasurer's Review – Craig Steinmetz said the CD will mature on February 22, 2018 and he wanted the Board to consider the expenses for the coming year. The District has an approved loan of \$600,000 available if the District wanted to use it for the Chatfield project. He reminded Board members new property taxes will be received in 2018. Lisa McVicker suggests eliminating the CD and putting those funds presently in High Country in the Colotrust Plus account. The Center will likely be able to pay cash for future project expenses. Chris Fuller moved to retired the CD at maturity. The motion was seconded by Craig Steinmetz and carried unanimously.

Chris Fuller moved to approve the engagement letter from Hoelting and Company for the 2017 Audit. Geri Salsig seconded and the motion carried unanimously.

2.3 Approval of Invoices and Warrants – Lisa McVicker made a motion to approve the monthly warrants as presented. Geri Salsig seconded and the motion carried unanimously.

2.4 Presidents' State of the District Report – Briggs Cunningham provided a brief review of the 2017 year. He stated both reservoirs are functioning; water releases have been made from both reservoirs. There is no current litigation for damages. Briggs suggests Board members consider future new Board members when the need arises.

2.5 Election of the District Officers – Lisa McVicker moves to elect the slate of officers as they were in 2017. Chris Fuller seconded and the motion carried unanimously.

OPERATIONS MANAGER’S REPORT

Dan Drucker emailed an Operations Managers report to Board members prior to the meeting. Briggs Cunningham asked about the storage tank Dan investigated last month. Dan discussed the possible repairs that will be needed to make this tank usable. Dan could only provide a rough idea of approximately \$3,000 for repairs not including a purchase price. Geri Salsig shared that she knows an estimate to move the tank was approximately \$835.

3.1 Update on Administrator’s contract. There was discussion on billing for additional services if required. Chris Fuller moved to accept the Administrator’s contract with the amendment changing the PO Box number. Lisa McVicker seconded and the motion carried unanimously.

OLD BUSINESS

4.1 Update on Lininger Lake – David Shohet said his office is working on an operational plan the water commissioner wants to see in place. Matt Loose has sent a legal report with his findings to David Shohet and David will be reviewing this.

4.2 Update on Div. 2 Guffey-area Augmentation Plan – This was covered in Operation’s Managers Report.

4.3 Update on Indian Mountain subdivision water issues – David Shohet said a notice for an application to include Indian Mountain into the HASP plan went out January 3rd. There is a waiting period for opposers to respond. If Indian Mountain was included in the new plan, there would have had to have been a new vessel installation before HASP could augment them. David said he ended up putting them in the old plan. The idea is at some point to switch over as many lots as possible into the new plan to satisfy the CWCB. TZA was hired by HASP to move this along. Dan Drucker has been hired as the manager to move this project along quicker as well. There was a field trip the middle of December to view where potential reservoir space would go.

Dan Drucker said they are trying to get a cost estimate for the project from TZA to give to David Shohet and Madoline Wallace-Gross to give to the attorney for Indian mountain. TZA will not specify any used tanks. They will have a 15,000 storage capacity.

NEW BUSINESS

5.1 Discussion on new water source in the Chatfield Reservoir area – David Shohet received a letter from an attorney who has 165 annual acre feet of water in the Nevada Ditch. David advised the Board this is a possibility down the road to purchase and store it in Chatfield Reservoir. The appropriation date is very senior. Chris Fuller made a motion to direct Dan Drucker along with David Shohet to explore further information on this option. Lisa McVicker seconded and the motion carried unanimously.

UPDATE ON LEGAL ISSUES

David Shohet reported on the Deer Creek confidentiality agreement. Anything that is shared among the users remains confidential between the parties. The agreement has been approved for HASP, the Center, Lone Rock H²O, the Upper South Platte and Park County Board of County Commissioners. David is asking for instruction regarding participation in the confidentiality and common interest agreement. Chris Fuller made a motion to participate in this agreement. The motion was seconded by Geri Salsig and carried unanimously.

08CW268 – Park County Augmentation Plan - CR 59. David Shohet said he is still dealing with Park County that wants an easement; he is hopeful to get them out and wrap it up.

16CW3127 - Forest Glen – Madoline Wallace-Gross is the lead attorney for HASP in this case who is required to give comments back to the Applicant by March 5,2018.

16CW3184 – Bureau of Land Management – The Applicant has circulated a proposed decree and legal counsel is in the process of reviewing it.

16CW3197 – Mountain Mutual Reservoir Company - HASP filed a statement of opposition with Mountain Mutual with concerns the change of water rights does not adequately replace return flows. The irrigation numbers seem too low.

17CW3214- Lininger Lake – A new application for Lininger Lake has been filed seeking to appropriate a water right for Lininger Lake and to exchange water into Lininger Lake. The deadline for statements of opposition will be the last day of February 2018.

Other legal matters – Chatfield Reservoir – The court ruled in our favor, however, the Audubon has filed an appeal and sought an injunction to stop construction. A new agreement may be needed for Bennet/ Raley to continue to have them represent CCWCD in this appeal.

Chris Fuller made a motion to authorize Dan Drucker to agree to join other participants if the joint decision is to retain Bennet/Raley in this new appeal. The motion was seconded by Lisa McVicker and carried unanimously.

Chris Fuller moved to go into an executive session pursuant to Sections 24-6-402 (4)(a) C.R.S. for purposes of discussing the sale price of Randall and Sessions Ditch water and the County's use of water. The motion was seconded by Lisa McVicker and the Board adjourned to executive session at 4:29PM. The Board returned to regular session at 4:52. No decisions were made in executive session.

Chris Fuller made a motion to allow David Shohet to draft a letter to Park County regarding the storage of water and clarifying the language before it goes to Park County. Geri Salsig seconded and the motion carried unanimously. David Shohet was directed regarding the invoicing to Centennial to bill for \$10,000 and make the determination about rate adjustment next year.

DIRECTORS ISSUES

None presented.

Lisa McVicker moved to adjourn at 4:55 PM. The motion was seconded by Geri Salsig and carried unanimously.

Nola Knudsen, District Administrator

**Center of Colorado Water Conservancy District
Executive Session
January 10, 2018**

The members of the Board of Directors of the Center of Colorado Water Conservancy District adjourned the regular monthly meeting to executive session at 4:29 PM. Members of the Board present in the office were Briggs Cunningham and Chris Fuller. Attending by telephone conference was Craig Steinmetz, Lisa McVicker, and Geri Salsig. Also present at the offices were Dan Drucker and Nola Knudsen.

David Shohet said he had billed Centennial for the annual water but that he and Centennial have a disagreement with the interpretation of the invoicing. If the billing was adjusted from 2003 to 2018 it involves about a \$3500 increase. If adjusted when the Bargas loans were paid off, the rate adjustment would be approximately 10% rather than 35%. The question is whether the base rate should have been adjusted every five years. The legal fees could eat up whatever it takes to fight with Centennial over this. In 2018 they would still pay the \$10,000. The term of the agreement started in 2003 and should have been adjusted upwards every five years from there. David suggest we agree to bill \$10K this year and discuss on whether the starting point will be 2003 or 2013 next year.

Randall and Sessions Water – Part of the 1041 for the JTR agrees to give 5 ac of water of the Randall and Sessions water to the County. They have claimed this included storage in the JTR. David Shohet wants to know if the Board wants to clarify this matter and define what the counties use is. With Indian Mountain coming on, the District will not have storage capacity for the County as part of the normal operation. They will have to take the water in priority.

David Shohet suggested approaching them and make an agreement that will define the use of the Randall and Sessions water. Lisa McVicker suggested the timing is right and now being the time to have a conversation about this and have the two parties memorialize the agreement.

Chris Fuller moved to return to regular session. Lisa McVicker seconded and the Board adjourned at 4:52 PM.