

**Center of Colorado Water Conservancy District
Meeting of the Board of Directors
April 11, 2018**

The monthly meeting of the Center of Colorado Water Conservancy District was held on Wednesday, April 11, 2018 in the water district offices at 548 Front Street, Fairplay, CO 80440. Board President Briggs Cunningham called the meeting to order at 3:03 PM.

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

APPROVAL OF THE AGENDA AND MINUTES

Lisa McVicker added Bear Creek Lake Reallocation under Old Business as 4.2. Chris Fuller moved to approve the agenda as amended. Lisa McVicker seconded and the motion carried unanimously. Chris Fuller moved to accept the February 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 \$40,221.83.

2.2 Treasurer's Review.

2.3 Approval of Invoices and Warrants: Lisa McVicker moved to approve the invoices as presented. Chris Fuller seconded and the motion carried unanimously.

OPERATIONS MANAGER'S REPORT

Prior to the meeting, Dan Drucker emailed the Operations Manager's Report to all Board members. There were no questions regarding the report.

Dan did inform the Board there were some items i.e., stair treads and a chair that were in the Smelter Pipeline reservoir; this may be the result of wind having blown them in the water rather than vandalism.

TZA provided a cost estimate this morning for piping, pipeline, tank etc., to Tarryall Creek for Indian Mountain; it was sent to the HASP board and will be sent to all CCWCD Board members

3.1 Update on Chatfield Reallocation Project issues:

OLD BUSINESS

4.1 Update on Indian Mountain subdivision water issues: There was a two-hour telephone conference call between two representatives from Indian Mountain and Tom Wells, Dave Wissel, John Matteson and David Shohet that was spent discussing how to deal with costs for the project. David Shohet said there was a lot of time spent expressing frustration regarding the costs being a moving target and having to install tank; as a result, a special HASP meeting was held. At the end of the meeting, Indian Mountain was offered a couple of different plans. The first option was HASP would pay 60% of the original cost of the storage vessel and Indian

Mountain would pay 40%. The present offer is that HASP will build and construct the entire project and pay for the cost and will bill Indian Mountain an annual fee of \$5,000. Indian Mountain was agreeable to the terms and conditions.

Yet to determine is how much water will need to be trucked.

Dan Drucker said in this week's Flume, there will be an ad for people who would provide a proposal to transport water for us as well as the applicants for director's position.

4.2 Bear Creek Lake Reallocation: Brown and Caldwell sent a letter to Lisa McVicker regarding purchasing some downstream water rights. Dan Drucker recalls they were told CCWCD was not interested in providing any financial support. The District has enough downstream storage and needs headwater storage now.

NEW BUSINESS

5.1 None

Patrons Comments

6.0 None

UPDATE ON LEGAL ISSUES

7.1 Acquisitions, IGA's, MOU's, and statements of opposition

Case 08CW268 – Park County Augmentation Plan: HASP has entered into a stipulation with the County and will be out of that case. The case will continue to be monitored to make sure that any final decree entered in this case is consistent with our stipulated decree.

Case 15CW3146 - CR 59 Application: Park County stipulated out of this case and the case is now complete. HASP will have to file for diligence n this water right in March 2024 to maintain this water right.

Case 16CW3127, Forest Glen, Case 16CW3184, Bureau of Land Management, and Case 16CW3197, Mountain Mutual Reservoir Company: In all three cases, HASP is the Opposer. Legal counsel is in the process of providing comments.

Case 17CW3114 – CCWCD is the applicant that filed an application to make a portion of the SPR absolute and for continuing diligence on all amounts not made absolute. The Court entered a final decree and made 33.31 acre feet absolute. 16.69 acre feet still remains conditional.

Case 17CW3168 – Mountain Mutual Water and Sanitation District: HASP is an opposer in this case. Legal counsel is seeing if they can negotiate a settlement.

Case 17CW3207 - James Tingle Reservoir: CCWCD is the applicant in this case seeking to make a portion of the JTR absolute. There are no opposers in this case and it should wrap up in the next 30 days.

Case 17CW 3214 - Lininger Lake: CCWCD is the applicant who filed an application seeking to appropriate a water right for Lininger Lake and to exchange water into Lininger Lake. There are

four opposers. An initial status conference will be held tomorrow, April 12, 2018. Legal counsel contacted TZA to support with engineering needs.

Case 17CW3205 - City of Aurora: There are no deadlines pending in this case yet. HASP has filed a statement of opposition to Aurora's plan to quantify the historical consumptive use of the McArthur Ditch water right and to change the type of use points of diversion/storage and place of use. A status conference will be held on April 19, 2018 to establish an initial case management plan.

Other Legal matters:

Centennial Water Lease – Centennial has decided they would like to lease the 126 acre feet of water that CCWCD has determined it would be available.

SPR Operations – David Shohet is presenting working with Garver Brown regarding his thoughts on future operations and diversion associated with the SPR. David gave Dan Drucker a proposed operations manual on how and what to divert to make sure we meet our obligations.

Leadville JV Liens - CCWCD has several recorded judgements against property owned by Leadville JV. David Shohet's office has been monitoring the bankruptcy pleadings. CCWCD has been named as a creditor in the proceedings and should be receiving notices of the case. David advised that CCWCD may want to consider hiring a bankruptcy lawyer to represent it in the bankruptcy proceeding to collect a portion of the outstanding judgment, however, the fees may eat up anything that could be recovered.

Deer Creek Measurement - Madoline Wallace-Gross and David Shohet have been working with Lone Rock. No new suggestions have been made about how to move forward. Lone Rock and Park County haven't said whether they would or would not be supportive of HASP if it fights this.

ADJOURN TO EXECUTIVE SESSION

Chris Fuller made a motion to adjourn to executive session pursuant to Section 24-6-402(4)(b) C.R.S. for the purpose of receiving legal advice on matters related to Deer Creek. Craig Steinmetz seconded and the Board adjourned to executive session at 3:49 pm. The Board returned to regular session at 3:56 pm.

DIRECTOR'S ISSUES

On April 13th and the 20th the advertisement for directorship will appear in the Flume. Craig Steinmetz and Briggs Cunningham will apply for re-appointment.

Lisa McVicker said the Water Colorado education fundraiser event is on May 11th. Lisa will attend with Craig Steinmetz representing CCWCD.

There being no further business brought before the Board, Chris Fuller moved to adjourn the meeting. Lisa McVicker seconded and the meeting was adjourned at 4:00 pm.

Nola Knudsen, District Administrator

**Executive Session
Center of Colorado Water Conservancy District
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The regular meeting of the Center of Colorado Water Conservancy District adjourned to an Executive session at 3:49 PM. Board members present in the office were Briggs Cunningham and Chris Fuller. Attending by telephone conference was Craig Steinmetz and Lisa McVicker. Also present at the offices were Dan Drucker and Nola Knudsen. Legal counsel, David Shohet was present by telephone conference.

Briggs Cunningham asked about the ramifications of measuring Deer Creek water.

David Shohet said HASP purchased the water with the impression that the water will always be available, however, if the measuring device is put in place, HASP may lose the water it paid for. A memo was distributed prior to the March Joint meeting outlining this situation and options. If there is a drought situation, CCW could lose up to 25 to 30% of the water. One option at this time is to wait for the state to do something. This will be discussed further in the joint meeting.

Lisa McVicker made a motion to return to regular session; the motion was seconded by Chris Fuller and the Board returned to regular session at 3:56 pm.