

Center of Colorado Water Conservancy District
Meeting of the Board of Directors
September 11, 2019

The monthly meeting of the Center of Colorado Water Conservancy District was held on Wednesday, September 11, 2019 at the water district offices located at 548 Front Street in Fairplay. Board President Briggs Cunningham called the meeting to order at 3:24 PM.

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

APPROVAL OF THE AGENDA AND MINUTES

Lisa McVicker moved to approve the agenda as presented. The motion was seconded by Craig Steinmetz and the motion carried unanimously. Lisa McVicker made a motion to approve the August minutes as amended. Chris Fuller seconded and the motion carried unanimously.

Lisa McVicker made a motion to table the swearing in of an officer to the October meeting. Craig Steinmetz seconded and the motion carried unanimously.

ADMINISTRATIVE MATTERS

1. Administrator's report on accounts: Nola Knudsen reviewed the monthly warrants with the Board. Invoices for September totaled \$39,889.87. This is comprised of \$ 17,143.20 of monthly warrants and a \$22,746.67 payment to CRMC.
2. Treasurer's Review: None
3. Approval of Invoices and Warrants: Chris Fuller moved to approve the invoices and warrants as presented. Geri Salsig seconded and the motion carried unanimously.

Appointment of Budget Officer for 2019: Chris Fuller made a motion to nominate Craig Steinmetz to serve as the 2019 Budget Officer. The motion was seconded by Geri Salsig and carried unanimously.

Geri Salsig made a motion to hire Craig Erickson to assist Craig Steinmetz in budget preparation. Craig Steinmetz 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.

3.1 Update on Indian Mtn. Project – No questions

3.2 Update on Division 2,1041 Permitting – ERO is working on final permit application and we should have it in a week or two.

Dan said he attended an AWRA sponsored field trip to Aurora and Colorado Springs water facilities on the other side at the Antero pump station to see what they are doing to correct inappropriate impacts on the Arkansas River between Leadville and Turquoise Lakes and Twin Lakes. It was a good field trip and should help us if we have to do any dealing with Aurora.

OLD BUSINESS

4.1 Updates on Deer Creek measurement litigation – David Shohet said he is working on completing agreements with other Park County entities; he is just waiting for comments back. W.W. Wheeler has been busy working on permitting. We now have the last permits and approvals to move forward. They are still working on a few design items. The plan should be done any day now. Wheeler is contacting contractors this week. David said there is a lot of progress being made.

NEW BUSINESS

5.1 TBD

UPDATE ON LEGAL ISSUES

Case 16CW3184 (Opposer) BLM – Monson, Cummins & Shohet is the lead for this HASP case. HASP has filed a statement of opposition to BLM's application which has been set for trial in October 2020.

Case 17CW3205 (Oppose) – City of Aurora - Madoline Wallace-Gross is the lead attorney for HASP in this case. HASP and Aurora are currently trying to schedule an in person meeting to discuss settlement.

Elk Horn Ranch Owners Association – Elkhorn Ranch is a subdivision next to Indian Mountain. They have been in litigation with Bar Star over augmentation water issues for several

years. Elkhorn contacted HASP about a possible relationship between the two parties regarding augmentation of Elkhorn Ranch. HASP could augment them as they do Indian Mountain. HASP will follow-up with Elkhorn on a potential relationship over the next 90 days.

Indian Mountain is having problems with well reporting and accuracy. HASP is replacing more money than needed; they are in discussions regarding the actual amount of augmentation water needed to replace IM well depletions. The discussions are ongoing and will likely continue for several months.

JTR Pipeline – Lamp-Rynearson (formerly TZA) has been contacted about continuing to fine tune proposed JTR the pipeline proposal and will hopefully have accurate cost in the next 30-40 days.

Case 19CW3154 – Mountain Mutual - Mountain Mutual doesn't have a blanket plan unlike HASP. MM provides augmentation water for about 50 separately decreed augmentation plans. Most of the augmentation plans contain one or two of Mountain Mutual's augmentation sources. Mountain Mutual is seeking to amend these. David Shohet said he is recommending HASP file a statement of Opposition as Mountain Mutual will exchange water in areas that may potentially be injured if they exchange or do not replace water appropriately.

ADJOURN TO EXECUTIVE SESSION

Lisa McVicker moved to enter executive session pursuant to Section 24-6-402(4)(b) C.R.S. for the purposes of receiving legal advice on (1) the potential purchase of water for Adventure Placer (2) Park County storage in the JTR. The motion was seconded by Chris Fuller and carried unanimously. The Board entered executive session at 4:01 PM.

The Board returned to regular session at 4:19 PM

Chris Fuller made a motion to amend the Leach Trust to clarify the excess augmentation water and the right of first refusal based on the finding of what is excess. Geri Salsig seconded and the motion carried unanimously. Legal counsel was directed to draft an amendment clarifying these issues.

PATRONS COMMENTS

None

DIRECTOR'S ISSUES

Geri Salsig suggested placing an advertising in the Guffey Shares paper regarding any interest in replacing her directorship. Chris Fuller was headed to the JTR but found the combination of the lock is changed. At the Smelter Pipeline Reservoir, most of what has been treated is gone, but Chris found one new patch of weeds. Lisa McVicker said the Annual South Platte Forum is coming up on Oct 23. Lisa will email Board members further information.

There being no further business brought before the Board, Chris Fuller moved to adjourn the meeting. Geri Salsig seconded and the meeting adjourned at 4:22 PM.

Nola Knudsen, District Administrator

Center of Colorado Water Conservancy District

Executive Session

September 11, 201

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

David Shohet reviewed the history regarding the right of first refusal regarding the purchase of excess water for Adventure Placer. The Leach family wants to sell property and it is unclear what is included in the sale. When David read the agreement, he saw that HASP has right to purchase excess water for Adventure Placer. What water is excess, is the question. David believes until the Leach family gets a court decree to remove that water from the augmentation plan, it is not excess. Ed Hartshorn agrees but the language is not very clear. It is unclear as to what the Leach family are trying to retain and what they are wanting to sell. Whomever owns the water will have to go to court and have it removed. The sale of land does not trigger the exercise of the right of first refusal.

David reported on the continuing issue with Park County and JTR water storage. He put together a memo to document the history of the interaction between Park County and the Center and how we got here. Park County still wants permanent storage for \$50 an acre foot per year.

The County tends to need the water during July, August, September and this is when the Randall Ditch is often out of priority. The Center is just passing on our costs to the County. David suggests just having a sit down to discuss CCW's intent.

Lisa McVicker made a motion to adjourn executive session at 4:19. The motion was seconded by Chris Fuller and carried unanimously.