

**UPPER ARKANSAS WATER  
CONSERVANCY DISTRICT**

**Regular Meeting of the Board of Directors**

**December 7, 2023  
1:30 PM**

A regular meeting of the Board of Directors of the Upper Arkansas Water Conservancy District was held Thursday, December 7, 2023, 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 December 6, 2023, at the offices of the Upper Arkansas Water Conservancy District, 339 East Hwy 50, Salida, Colorado.

**DIRECTORS PRESENT (IN PERSON)**

Timothy C. Canterbury	Gregory W. Felt	Brett McMurry
Tom French	Mannie Colon	Warren Diesslin
Thomas Goodwin	Richard Hilderbrand	Albert Eggleston
Mike Shields	Tony Telck	

**DIRECTORS PRESENT (BY REMOTE VIDEO AND AUDIO CONFERENCING)**

Tim Payne

**DIRECTORS ABSENT**

Robert B. (Bill) Donley

**DISTRICT OFFICIALS/STAFF MEMBERS PRESENT**

Ralph L. (Terry) Scanga, General Manager	Ken Baker, Consultant
Kendall Burgemeister, Attorney	Jord Gertson, Hydrologist
Chris Manera, Engineer	Gracy Goodwin, Projects Manager
Jennifer A. Scanga, Administrative Assistant	

**DISTRICT OFFICIALS/STAFF MEMBERS PRESENT (BY REMOTE VIDEO AND AUDIO CONFERENCING)**

Denise Sanchez, Office Manager	Wendy Ryan, Engineer
Richard Brown, Legislative Consultant	

**DISTRICT OFFICIALS ABSENT**

None

**STATE OFFICIALS PRESENT**

Talon Canterbury, Deputy Water Commissioner, District 12  
Jerry Livengood, Water Commissioner, District 13

**STATE OFFICIALS PRESENT (BY REMOTE VIDEO AND AUDIO CONFERENCING)**

None

**STATE OFFICIALS ABSENT**

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

**EX-OFFICIO REPRESENTATIVE PRESENT**

Sean Kelly, Poncha Springs Town Administrator

**EX-OFFICIO REPRESENTATIVES PRESENT (BY REMOTE VIDEO AND AUDIO CONFERENCING)**

Dwayne McFall, Fremont County Commissioner

## RECORD OF PROCEEDING

---

### EX-OFFICIO REPRESENTATIVES ABSENT

Shawn Williams, Buena Vista Public Works Director  
Drew Nelson, City of Salida Administrator  
Travis Payne, Canon City Water Superintendent  
Dwayne McFall, Fremont County Commissioner  
Dave Schneider, Round Mountain Water and Sanitation District Manager  
Bill Canda, Custer County Water Commissioner

### GUESTS PRESENT

Erik Young, CPA

### GUESTS PRESENT (BY REMOTE VIDEO AND AUDIO CONFERRING)

Joe Crabb, Division of Water Resources, Division 2  
Emily Tracy, Canon City Council member

### 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 November 9, 2023

The minutes of the meeting of November 9, 2023, were approved upon motion by Director Felt with second by Director Telck.

### FINANCIAL REPORTS

Upon motion by Director Goodwin with second by Director Colon the Board approved the monthly financial reports dated November 30, 2023.

### 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 2024 budget. Mr. Young informed the Board of the Senate Bill signed by Governor Polis changing the assessed valuation methodology causing a change in the respective county's assessor deadline for certifying these values until January 3<sup>rd</sup>. He stated that the Board will have to approve the 2024 Budget before January 10, 2024 when mill levy certifications are due to the respective counties. He further stated that assessed valuations will be significantly less however the district is still subject to compliance with the Tabor Limit which is the most restrictive for year 2024. Mr. Young added that it will not affect the bottom dollar amount of the budget revenue. Manager Scanga explained to the Board that not knowing the actual valuation modifications until certification from the counties it would be impossible to set a mill levy value. At this point Manager Scanga recommended to the Board that the Budget Hearing be continued to next month and the regular scheduled meeting moved up a week to meet the January 10, 2024 mill levy certification deadline. There were no questions from the public.

Upon motion by Director Goodwin, seconded by Director Hilderbrand, the Board approved to continue the Budget Hearing to January 4, 2024 at 2pm.

### EX-OFFICIO REPORTS

None

### PROJECT MANAGEMENT REPORT- Gracy Goodwin

PM Goodwin provided a summary of grants in progress via a power point presentation. She gave an update on December 2023 projects which included Trout Creek Park Alluvial Storage, Round Mountain Reservoir Feasibility Study, DeWeese Reservoir Feasibility Study, DCP Upgrade and Expansion, and USGS Study Phase 3.

## RECORD OF PROCEEDING

---

---

### CONSULTANT REPORT – Richard Brown

Legislative Consultant Brown provided a written report of Legislative Updates for the Board to review. The report included a summary of Special Session- SB23B: Property Taxation.

Mr. Brown expressed that property taxation is a complex and complicated piece of legislation. He briefly explained how the process works in the tax system. He said that SB23B-001 is designed to force a reduction in the percentage that actual market value is made subject to taxation assessment rate. He stated that it increased the exemption deduction from the current level of \$15,000 to \$55,000 for most taxpayers. Mr. Brown added that the two changes will affect the property tax liability for tax year 2023. He further added the notices should be in property taxpayer mailboxes before General Assembly reconvenes on January 10, 2024.

Consultant Brown clarified for Consultant Baker that there is a clause in the Tabor Law that allows Enterprise operations to do their work outside Tabor formulas. He stated that over the years there have been a number of Supreme Court decisions refining Tabor application. Mr. Brown expressed that currently political philosophies for those who have always been opposed to Tabor have found the political climate to be receptive to “watering down” Tabor affects. One piece of legislation passed during special session was the modification of Tabor surplus which will occur in 2024. He explained that the previous legislation was structured so that higher incomes received proportionately more than lower income taxpayers. He added that the philosophy was much like progressive taxation with the idea being that those with higher incomes were contributing more taxes, fees, and other kinds of revenue and that it was appropriate for them to receive a higher refund from the surplus. Legislative Consultant Brown further explained that legislation this year repealed that mechanism and made it uniform across all taxpayers.

Mr. Brown added that the new Tabor law will not affect the Activity Enterprise and how it has been implemented since the Hobbs Act.

### COMMITTEE REPORTS

None

### RESUME REVIEW COMMITTEE

Nothing of significance in the October Resume. The November Resume was not available at the time of meeting.

### MANAGER’S REPORT – Terry Scanga

#### **Long-Term Lease for Central Colorado Mountain Riders:**

Manager Scanga briefed the Board on specifications for a Long-Term Water Lease with Central Colorado Mountain Riders. He said the District would be making replacements for 5 years for one acre foot of water for dust control in Chaffee County. He added that water would be pumped from the Arkansas River and the District would provide the replacement water.

Manager Scanga explained that water for the lease would be subject to water availability. When questioned by the board about the policy for leasing since this was dust control for a recreational activity, he said that the District leases for a variety of reasons and out of priority depletions affect all water rights and protect water rights within the system, including irrigation water rights. He added that if water is available and it protects water rights, then that furthers the beneficial uses of water in the district. He further stated that Central Colorado Mountain Riders would have to obtain administrative approval or approval of a substitute supply plan. Manager Scanga explained the benefits of leasing water and that leasing water is different from providing augmentation. He said the lease agreement would be to lease water for a temporary substitute supply plan that Central Colorado Mountain Riders would have to obtain.

Upon motion by Director Goodwin, seconded by Director Felt, the Board approved the Long-term lease for Central Colorado Mountain Riders.

## RECORD OF PROCEEDING

---

### **Long-Term Lease for Western Interests on Tallahassee Creek:**

Manager Scanga explained that the water lease would be for 5 ponds and the lease includes the standard district long-term lease terms and conditions. The ponds are located in augmentation area 2 where water is subject to availability so a permanent augmentation plan is not an option which the lessee is seeking. Mr. Scanga stated that it is a 30 year lease for 5 acre-feet of water per year. He said Western Interests will be filing an application in water court this month for their own augmentation plan.

Upon motion by Director French, seconded by Director Goodwin, the Board approved the Long-Term lease with Western Interests on Tallahassee Creek. Director Payne abstained from voting.

### **ENGINEER'S REPORT – Chris Manera, Colorado River Engineering (CRE)**

Engineer Manera presented a power point presentation summarizing the Triview Metropolitan District change of Arkansas Valley Irrigation Canal (AVIC) water right. He explained that the water right is priority number 76 and was decreed for irrigation purposes and diverted from Cottonwood Creek. Mr. Manera listed the most senior water rights on Cottonwood Creek and their location with respect to the AVIC. He explained the changing water rights and water balance components. He stated that the AVIC is a junior water right for Cottonwood and its location on the system is such that it was seldom able to divert its full supply. This in turn had an effect on the amount of acreage irrigated and the degree to which it was irrigated. Mr. Manera defined Evapotranspiration and the relationship between the nuances of the decree priority and the application of water to meet the crop irrigation water requirement on the AVIC irrigated fields. Engineer Manera explained that he used the Lease Following Tool which development the District sponsored. Also included in Engineer Manera's presentation was the lease fallow tool methodology and how it tracks diversions, ditch losses, efficiencies, soil moisture, irrigation water requirements, return flows, and depletions. His analysis calculates a lesser amount of HCU than the applicant is calculating.

Following discussion around the lease fallow tool, Mr. Manera explained return flows and injury potential. He concluded with a brief explanation of accounting management for TriView water right change.

Manager Scanga asked Mr. Manera if Triview has proposed any specific designs for recharge pits? Mr. Manera stated that acreage estimates but no actual designs. Mr. Manera clarified for Manager Scanga that surface area will need to be augmented.

### **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 made available to Board members prior to meeting.

### **CHAIRMAN AND DIRECTOR REPORTS**

Director Colon informed the Board of ARBWF Annual Convention in March.

Director Felt updated the Board members of the Water Ag and South Platte CWCB Board member ... has taken the position.

### **NOTICES & MEETINGS**

- **ABRT Meeting 12:30 pm, December 13, 2023**
- **CWC Annual Convention – January 31 – February 2, 2024, at Hyatt Regency Aurora-Denver Conference Center**
- **Ark. River Basin Water Forum, March 6-7, 2024, Otero College, La Junta**

### **ADJOURN**

There being no further business to come before the Board or Enterprise and upon motion by Director Colon seconded by Director French and approval of the Board, the meeting adjourned at 2:59 pm.

*[The remainder of this page is intentionally left blank.]*

Respectfully submitted,



UPPER ARKANSAS  
**WATER CONSERVANCY**  
DISTRICT

**NOTICE AND AGENDA**

Notice is hereby given that a regular meeting of the Upper Arkansas Water Activity Enterprise Committee will be held at the Upper Arkansas Water Conservancy Building, 339 East Hwy 50, Salida, CO, and by REMOTE ELECTRONIC VIDEO AND AUDIO CONFERENCING commencing at 1:00 PM on December 7, 2023.

**ENTERPRISE COMMITTEE MEETING**

**339 E. Hwy 50  
Salida, Colorado 81201  
December 7, 2023  
1:00 PM**

**Approval of Minutes from Meeting of November 9, 2023**

**Approval of Financial Reports**

- Monthly Income Statement
- Quarterly Balance Sheet Review – (April, July, October, & January)

**Manager's Report - Terry Scanga**

- Augmentation Report

**Hydrology Report – Jord Gertson**

- Reservoir Storage

**Engineer's Report – Chris Manera**

- Deferred to District Board Meeting

**Legal Report – Law of the Rockies - Kendall Burgemeister**

- Deferred to District Board Meeting

**Other Business**

**Adjourn**

POSTED: December 6 2023  
AT THE OFFICES OF THE UPPER ARKANSAS WATER CONSERVANCY DISTRICT  
339 East Hwy 50, SALIDA, COLORADO

**\*\*\*WEBEX INFORMATION:**

**Enterprise & District Board Meetings  
Hosted by UAWCD Meetings**

<https://upperarkwaterconservancydistrict.my.webex.com/upperarkwaterconservancydistrict.my/j.php?MTID=mfb3a466b5a883f7117cc56c383d32f91>

Thursday, December 7, 2023 12:45 PM, Mountain Time (US & Canada)

Meeting number: 2554 645 2782

Password: ymCdZWrp763 (96239977 from phones and video systems)

Join by video system

Dial 25546452782@webex.com

You can also dial 173.243.2.68 and enter your meeting number.

Join by phone

+1-415-655-0001 US Toll

Access code: 255 464 52782

UPPER ARKANSAS WATER  
ACTIVITY ENTERPRISE

RECEIPTS & DISBURSEMENTS FOR November 2023

GENERAL FUND BALANCE October 31, 2023 \$412,721.64

DEPOSITS:

HCB Interest	\$416.09
Prepaid 2024 S&M	\$165.00
Refund ACH Pmt	\$150.00
Well Permits	\$400.00

TOTAL DEPOSITS	\$1,131.09	\$1,131.09
----------------	------------	------------

TOTAL FUNDS AVAILABLE - November 30, 2023 \$413,852.73

DISBURSEMENTS:

SALARIES AND EXPENSES:

Salaries	\$21,314.84
Matrix Trust	\$4,825.21
Anthem	\$2,413.64
Payroll Taxes	\$7,223.58

\$35,777.27

OTHER DISBURSEMENTS:

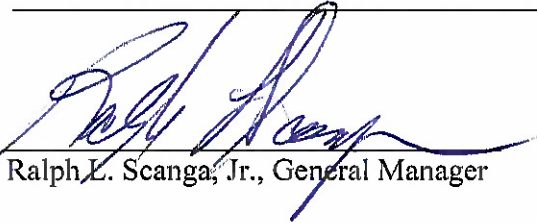
Law of the Rockies	\$3,770.00
Colorado River Engineering	\$5,801.25
Twin Lakes Res & Canal Co	\$50.00
Fremont County Clerk	\$13.00
Chaffee County Clerk	\$39.00

\$9,673.25

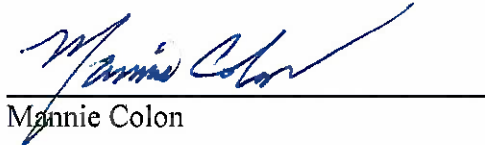
TOTAL DISBURSEMENTS \$45,450.52

GENERAL FUND BALANCE - November 30, 2023 \$368,402.21

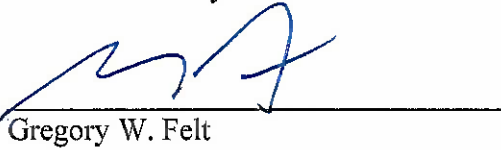
RECORD OF PROCEEDING

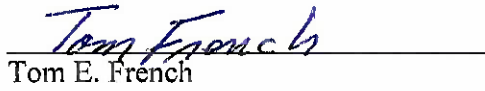
  
Ralph E. Scanga, Jr., General Manager

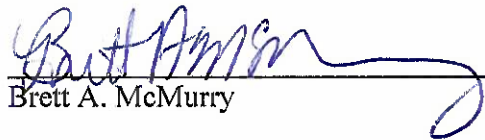
  
Timothy C. Canterbury

  
Mannie Colon

absent - no signature  
Robert B. Donley

  
Gregory W. Felt

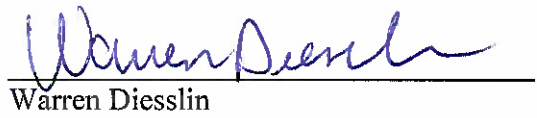
  
Tom E. French

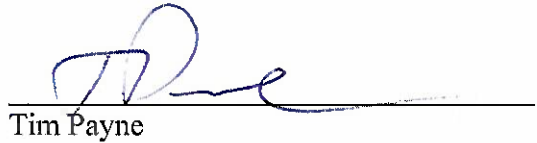
  
Brett A. McMurry

approved Remotely - no sign.  
Thomas Goodwin, Treasurer

  
Richard Hilderbrand

absent - no signature  
Albert Eggleston

  
Warren Diesslin

  
Tim Payne

  
Tony Telek

approved Remotely - no sign.  
Mike Shields