

**UPPER ARKANSAS WATER
CONSERVANCY DISTRICT**

Regular Meeting of the Board of Directors

June 8, 2017

1:00 P.M.

A regular meeting of the Board of Directors of the Upper Arkansas Water Conservancy District was held Thursday, June 8, 2017, at 1:00 p.m. at the District offices, 339 East Hwy 50, Salida, Colorado, notice having been given by posting of Notice and Agenda on June 7, 2017 at the offices of the Upper Arkansas Water Conservancy District, 339 East Hwy 50, Salida, Colorado.

DIRECTORS PRESENT

Robert M. Senderhauf	Gregory W. Felt	John H. Sandefur
Timothy C. Canterbury	Franklin J. (Jay) Moore	Thomas Goodwin
Frank C. McMurry	Tom E. French	Robert B. (Bill) Donley
Jeff Ollinger	Tim Payne	Richard Hilderbrand

DIRECTORS ABSENT

Mannie Colon

DISTRICT OFFICIALS/STAFF MEMBERS PRESENT

Ralph L. (Terry) Scanga, General Manager	Kendall K. Burgemeister, Attorney
Chris Manera, Engineer (by phone)	Chelsey Nutter, project coordinator
Jord Gertson, Hydrologist	Terry Dixon, office secretary

DISTRICT OFFICIALS ABSENT

Ken Baker, Consultant

EX-OFFICIO REPRESENTATIVES PRESENT

Melodee Hallett, Salida City Council
George Medaris, District Manager, Round Mountain WSD

EX-OFFICIO REPRESENTATIVES ABSENT

James Wade, Park Center Water District
John Roorda, Chaffee County
Allen Butler, Custer County
Greg Maggard, Public Works Director, Buena Vista
Ashley Smith, Cañon City Council member
Brian Berger, Town Manager, Poncha Springs
Michael Patterson, Florence
Jay Printz, Custer County Commissioner, Westcliffe

GUESTS PRESENT

Richard Shea
Ken Hardesty, GEI Consultants
Carol Ekarius, COCO & ARWC
Teresa Springer, COCO & ARWC
Lisa Patton, COCO & ARWC
Kristie Nackord, Coaldale
Ben Lara, U.S.F.S., Salida
Kate Spinelli, San Isabel Land Protection Trust
Krystal Brown, U.S.G.S.
Bill Banks, U.S.G.S.
Cindy Williams, Central Colorado Conservancy

RECORD OF PROCEEDING

NEWLY APPOINTED DIRECTORS - OATH OF OFFICE

Notary Public, Terry D. Dixon, swore in the newly appointed directors, Tom E. French (Division 1), Jeff Ollinger, Division 3, Richard Hilderbrand (Division 6, Seat A), and Thomas Goodwin (Director-at-Large from Divisions, 1, 2, 3, and 6).

BOARD RE-ORGANIZATION

Election of Officers

Chairman Senderhauf turned chair of the meeting over to Terry Scanga for election of officers. Manager Scanga recited the current officers. Director French then nominated the current slate of officers, including Manager Scanga as Assistant Secretary/Treasurer, to again fill their respective offices. The nomination was seconded by Director Sandefur. Director Moore asked if those currently in office were willing to continue serving in their respective offices; and all expressed their willingness to do so. There being no further nominations and no nominees declining, the Board unanimously approved the slate of officers as follows:

Chairman	Robert M. Senderhauf
Vice-Chairman	Timothy C. Canterbury
Secretary	Gregory W. Felt
Assistant Secretary/Assistant Treasurer	Ralph L. (Terry) Scanga
Treasurer	Thomas Goodwin

Bob Senderhauf then resumed chair of the meeting.

Appointment of Enterprise Committee

Chairman Senderhauf then appointed all directors, Manager Scanga and Consultant Baker to the Water Activity Enterprise Committee.

1:10 P.M. RECESS TO WATER ACTIVITY ENTERPRISE COMMITTEE MEETING

1:20 P.M. RECONVENE

PLEDGE OF ALLEGIANCE

Chairman Senderhauf led attendees in the Pledge of Allegiance

INTRODUCTION OF GUESTS

Guests were asked to introduce themselves.

MINUTES OF THE MEETING OF MAY 11, 2017

The minutes of the meeting of May 11, 2017 were unanimously approved upon motion by Director Donley with second by Director Felt.

FINANCIAL REPORTS

Upon motion by Director Goodwin with second by Director Canterbury, the Board unanimously approved the monthly financial report dated May 31, 2017.

PROGRAM PRESENTATION – STREAM MANAGEMENT PROJECTS – Carol Ekarius

Chelsey Nutter welcomed Carol Ekarius, Executive Director of Coalition for the Upper South Platte (CUSP), CEO of Coalitions and Collaboratives (COCO) and Coordinator for the Arkansas River Watershed Collaborative (ARWC). She is known regionally and nationally, and is currently working with the ABRT on watershed health.

Carol Ekarius introduced Lisa Patton, Deputy Development Director & Executive Assistant for CUSP and Theresa Springer, Wildland Fire Rehab & Environmental Education Coordinator for CUSP. She advised the mission of the ARWC is to provide assistance to Arkansas Basin communities to address

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locally identified watershed issues for economic, ecological, and social benefit; with a vision statement of "Healthy Watersheds and Economic Prosperity."

As a part of the Colorado Water Plan, stream management plans and watershed protection plans are essential elements. Stream management plans (SMPs) focus in the stream corridor itself. Their purpose is to provide the frame work for maintaining a healthy stream system through the protection and enhancement of aquatic habitat, while protecting local water uses and retaining flexibility for future water operations. SMPs are still in the early evolution, so various approaches are being investigated. It is being run through the CWCB Watershed Restoration Grant Program (WRGP). Carol Ekarius explained her thinking about streams and SMPs are in four areas: Quantity – total water for all uses, consumptive and non-consumptive; Resilience – the ability of the stream corridor to function in a variety of hydrologic conditions; Habitat – ability to sustain functional fisheries and wildlife; and Quality – meeting water quality standards for public health (fishable/swimmable); and the best use of quantity for everyone. The SMP is the overlay piece looking at the various aspects of need on a particular reach, and then "marrying" the data to provide a holistic view of the reach.

Specifically for the Upper Ark basin she perceived the District's work on Grape Creek would already lay the ground work for the quantity portion; other stakeholders are interested in the habitat and resilience portions; and it is "listed" as impaired water quality due to arsenic. Other interests of concern to the District are forest health—South Arkansas Creek Collaborative near Monarch with USFS; work at community level and possibly other projects.

As people want to do projects, the ARWC wants to be able to help. Through legislation, five million dollars has been earmarked for watershed health. A project must involve a private landowner along the stream or owners of water rights who have water in the stream. The Upper Arkansas is an example of poor riparian functions having islands in the river.

Discussion ensued regarding considerations for possible Board involvement. There needs to be a full discussion by the Board of what elements or endeavors we might want to get into, taking into consideration that water habitat and water quality are not specifically mentioned in UAWCD's mission statement. We need to determine what questions we need to be asking and recognize implementing a project can be time consuming. In a stream management plan, we need to look at water right owners and if there could be injury based on activity. If a stream is classified, certain standards must be met. Carol Ekarius suggested the board discuss these considerations and see if there is an endeavor that the District would want to get into. Chairman Senderhauf expressed the Board's appreciation for the informative presentation.

EX-OFFICIO REPORTS

There were no ex-officio reports.

WATER COMMISSONER REPORT – Brian Sutton

Brian Sutton was not in attendance.

CONSULTANT REPORT – Ken Baker

Consultant Baker was not in attendance. Manager Scanga advised the legislature has retired for the year.

PROJECT MANAGER REPORTS - Chelsey Nutter

Education and Outreach

Multi-Use Project Tour - Chelsey Nutter reported the multi-use projects tour was held on May 24th. It was a successful tour with 30 attendees who expressed a lot of interest. Chairman Senderhauf thanked Chelsey Nutter for the great job she, Manager Scanga and Director Felt did in putting the tour together.

Video Vignettes with Christi Bode – Christi Bode will begin filming the Multi-Use Project at Trout Creek Park next Tuesday.

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Education Plan with Kristie Nackord – Chelsey Nutter and Kristie Nackord will be setting out on a stakeholder input listening tour. They will be meeting with District Directors, decision makers in the Upper Arkansas Valley and with leaders of local organizations to gather input for the District's education and outreach plan.

WFDSS Meeting – Chelsey Nutter attended the PEPO sponsored Wild Fire Decision Support System meeting held by Arkansas River Watershed Collaborative (ARWC) on May 23rd. The meeting was to explore how to provide GIS data for the WFDSS system. The WFDSS system does not accept Arc GIS shapefiles and so the GIS shapefiles will need to be converted to work properly in the WFDSS system. The District is in communication with the project sponsors through ARWC and is waiting to hear back on the next steps.

Projects

Lake Ranch Multi-Use Pilot Project – Chris Manera is wrapping up the alluvial aquifer storage component at Lake Ranch. A small portion of the funding was not used and CWCB is allowing Chelsey Nutter to use the funds to move forward with the educational demonstration and research plot at Lake Ranch.

Trout Creek Park MUP (Alluvial Storage Pilot Project) – The District has been approved for a \$100,000 matching grant from CWCB for the first phase of the alluvial aquifer storage component. In partnership with Paul Moltz we will be constructing a pipeline from the Moltz pond to the District's recharge pond. Funding will also be used to monitor recharge rates and return flow patterns of water once delivered to the recharge site.

Enlargement of Trout Creek Park Reservoir – Terry Scanga and Chelsey Nutter met with Paul Moltz to discuss the potential enlargement of Trout Creek Park Reservoir. There is funding available for storage projects through CWCB's new Colorado Water Plan Implementation funds. District staff will continue to meet with Paul Moltz and CWCB to discuss plans moving forward with the enlargement.

Water Balance Study – USGS and Colorado State University Extension (CSU) have begun work on Phase 2 of the Water Balance Study. Blake Osborn has been out in the field at both Trout Creek Park and the Lake Ranch. In partnership with USGS and CSU, the District will provide annual reporting and presentations to local matching partners.

Forest Service / Arkansas River Watershed Collaborative (ARWC) / UAWCD Watershed Health Project - Terry Scanga and Chelsey Nutter met with Jim Pitts, District Ranger, and Carol Ekarius of ARWC to discuss collaboration on the Monarch Mountain Forest Health Project. All parties agreed this is an ideal collaboration and will be working together to develop a grant application to be submitted by ARWC through the CWCB Watershed Health funding.

Arkansas Basin Roundtable (ABRT) Needs Assessment and PEPO

Needs Assessment and Water Supply Reserve Fund (WSRF) – With the passage of this year's Project Bill, the WSRF Basin and Statewide accounts should be replenished in July. Five applications for WSRF projects have been submitted and a Needs Assessment Meeting will be held on June 26th. Chelsey Nutter and Jack Goble will do a presentation on the Arkansas Basin Roundtable's Needs Assessment structure, criteria and guidelines, schedule and process at the Joint Roundtable Meeting to be held in Denver on June 20, 2017.

Arkansas Basin Roundtable – PEPO – The first year of PEPO's funding and activities is wrapping up. Chelsey Nutter advised she will no longer be a PEPO liaison after July 1st to allow her to focus on Upper Basin and District specific education. She will do a presentation to the Board on the PEPO activities for the year.

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COMMITTEE REPORTS

Resume Review Committee

The committee found nothing in the May resume warranting board involvement.

MANAGER'S REPORT – Terry Scanga

Trout Creek Park MUP (Alluvial Storage Pilot Project) – Manager Scanga reported we are preparing a contract, including an easement agreement and carriage agreement, with Paul Moltz. The District will have an easement and discussions are on-going regarding the pipeline. We have a \$100,000 grant for construction of pipeline and study of the operation. Engineer Manera remarked we would be using alluvial storage which operates like a reservoir. Terry Scanga noted one piece of the management plan will be how to provide water for long-range needs.

Director Ollinger asked if the Board was fully committed to being involved on the Trout Creek alluvial storage project, and if we will have to do an exchange on that. Manager Scanga responded if we put the water directly into the pit, when it hits the river we can use it right there. However, if we move the water from that point, we would have to do an exchange application. The State has acknowledged that Trout Creek water goes underground.

WOTUS - Over the past couple of years the Board has discussed the Waters of the United States (WOTUS) and associated EPA regulations, especially with regard to navigable waters and how District owned water rights are affected by the rules. Terry Scanga briefly reviewed the history and implementation of the definition of “Waters of the United States” (all bodies of water that fall under U.S. federal jurisdiction). By Executive Order the President has directed the EPA and Army Corps of Engineers to re-evaluate and revise the definition of WOTUS. The two-step process will provide public notice followed by a public comment period on proposed rules rescinding or revising the rule. The Executive Order further directs the EPA and Department of Army consider interpreting “navigable waters” in a manner consistent with Justice Scalia’s opinion in *Rapanos v. United States*. Attorney John Hill concurs with Scalia. He contacted the Pueblo Corps of Engineers, which office advised they consider the Arkansas River from Granite to the state line as being navigable waters. How they would administer the waters is important to water rights owned by the District and specifically to the Trout Creek project. Attorney Burgemeister explained the process and that the EPA is looking for input on the definition of WOTUS. Once they receive feedback then there will be the rule making process. Manager Scanga summarized conversations that have been going on and asked the Board members what they suggest we do to support the administration’s directive that the Scalia opinion be used. Suggestions were letters to the Governor, legislators and the Congressional Delegation. Director Donley made a motion send a letter to support the Scalia and the administration’s position. The motion was seconded by Director Sandefur and passed unanimously.

ENGINEER'S REPORT – Chris Manera, P.E., Colorado River Engineering

Current Engineering Activities – Updates

Case 16CW3055, Security change of Hayden Creek water rights – Last month Engineer Manera reviewed the Hayden Creek water rights and showed aerial photos explaining how the three ditches divert out of Hayden. He has since gone out and physically located all diversion structures. Additionally he has reviewed the W.W. Wheeler report and other records obtained from the Division of Water Resources. Chris Manera then went back over his own evaporation calculations and quantified them over time, broken down by year, to compare with those of WWW. He showed slides comparing CRE’s preliminary analysis of Hayden Ranch irrigated areas to WWW Hayden’s analysis. Engineer Manera again noted we are working together with three other landowners to share engineering.

Lake Ranch (Alluvial Aquifer Storage Component) – A lot the wells are in 20-30 feet of clay on top of the aquifer. After monitoring the levels through the winter, Engineer Manera expressed concern there is not much capacity or the aquifer might not be good for putting more water in and recommended the District not go forward with installing monitoring wells.

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LEGAL REPORT – Law of the Rockies, Kendall Burgemeister

Opposition updates and transactional matters are included in the Law of the Rockies legal report in the Board's binders.

UAWCD Application Updates

Case 17CW3007, Application to Make 97CW31 Boss Lake exchange absolute – The Division Engineer issued a favorable consultation report and Attorney Burgemeister is drafting a proposed ruling.

Miscellaneous

Young Life Amendment to Augmentation Agreement – Young Life's attorneys contacted Attorney Burgemeister advising Buena Vista Sanitation District wants to be assured they are covered in the event the conveyed rights are not successfully changed to UAWAE after five years, and that UAWAE would still be willing to augment the structures at Young Life's expense. Kendall Burgemeister advised it only changed a few words in the agreement and showed a comparison of changes in the language. He also noted he had no objections to the changes and asked the Board to approve the same. Director Payne made a motion to approve the changes to the augmentation agreement, with second by Director Donley. There being no discussion, the motion was unanimously approved.

Trail West - Manager Scanga stated he was contacted by Trail West about augmentation for all lots not covered for outside irrigation. There are two options: separate central wells or separate potable water supplies. Terry Scanga said we will see how it shakes out.

CHAIRMAN AND DIRECTOR REPORTS

Director Ollinger stated he felt the Board needs to review our mission statement, including a quick review with Attorney Burgemeister to discuss enabling legislation for current District projects. Director Ollinger then moved to have discussion of the enabling legislation and the current mission statement in light of current projects, with second by Director Giese. Discussion included the fact it could be discussed without having a formal motion. Director Goodwin pointed out our formation decree defines our purpose. There being no further discussion, the Board unanimously approved the topic be placed on the July agenda.

NOTICES & MEETINGS

- SECWCD Meeting – June 15, 2017, Pueblo, CO
- ABRT Meeting – June 14, 2017, Pueblo CO
- East Slope Joint Basin Roundtable Meeting – June 20, 2017, Denver

JULY MEETING PROGRAM SCHEDULE

- TBD

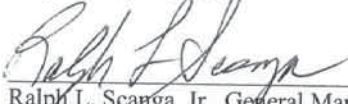
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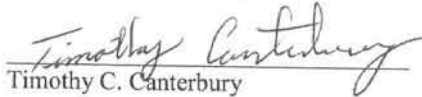
There being no further business to come before the Board, upon motion by Director Donley, second by Director Canterbury and unanimous approval of the Board, the meeting adjourned at 3:25 pm.

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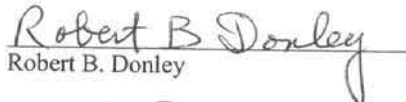
Respectfully submitted,


Ralph L. Scarga, Jr., General Manager


Timothy C. Canterbury

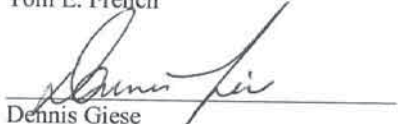
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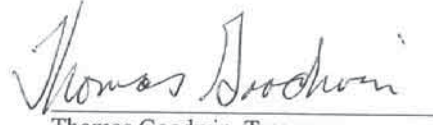
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Robert B. Donley

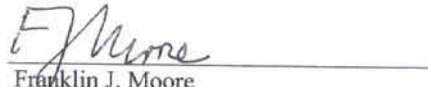

Gregory W. Felt


Tom E. French


Dennis Giese


Thomas Goodwin, Treasurer


Richard Hilderbrand


Franklin J. Moore


Jeff Ollinger


Tim Payne


John H. Sandefur


Robert M. Senderhauf