

**UPPER ARKANSAS WATER
CONSERVANCY DISTRICT**

Regular Meeting of the Board of Directors

**January 11, 2018
1:30 PM**

A regular meeting of the Board of Directors of the Upper Arkansas Water Conservancy District was held Thursday, January 11, 2018, 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 January 10, 2018, at the offices of the Upper Arkansas Water Conservancy District, 339 East Hwy 50, Salida, Colorado.

DIRECTORS PRESENT

Robert M. Senderhauf	Tim Payne	Timothy C. Canterbury
Franklin J. (Jay) Moore	Gregory W. Felt	Richard Hilderbrand
Tom E. French	Mannie Colon	Robert B. (Bill) Donley
Dennis Giese	Jeff Ollinger	John H. Sandefur

DIRECTORS ABSENT

Thomas Goodwin

DISTRICT OFFICIALS/STAFF MEMBERS PRESENT

Ralph L. (Terry) Scanga, General Manager	Ken Baker, Consultant
Kendall K. Burgemeister, Attorney	Chelsey Nutter, Project Manager
Jord Gertson, Hydrologist	Brian Sutton, Water Commissioner
Chris Manera, Engineer	Kimberly Kerschke, Secretary

DISTRICT OFFICIALS ABSENT

None

EX-OFFICIO REPRESENTATIVES PRESENT

Harald Kasper, City of Salida

EX-OFFICIO REPRESENTATIVES ABSENT

Brian Berger, Poncha Springs Administrator
Michael Patterson, Florence
James Wade, Park Center Water District
John Roorda, Chaffee County
Allen Butler, Custer County
Ashley Smith, Cañon City Council
Jay Printz, Custer County Commissioner, Westcliffe
Shawn Williams, Public Works Director, Buena Vista
George Medaris, District Manager, Round Mountain WSD

GUESTS PRESENT

Bob Hartzman, Canon City Water Department
Kristie Nackord, Fremont County
Dick Shea, Penrose
Joe Stone, Ark Valley Voice
David Lady, City of Salida
Brian McCabe, The Mountain Mail
April Obholz-Bergeler, The Mountain Mail

PLEDGE OF ALLEGIANCE

Chairman Senderhauf led attendees in the Pledge of Allegiance.

INTRODUCTION OF GUESTS

RECORD OF PROCEEDING

Guests were asked to introduce themselves.

MINUTES OF THE MEETING OF December 14, 2017

The minutes of the meeting of December 14, 2017, were unanimously approved upon motion by Director Felt with second by Director Colon.

FINANCIAL REPORTS

Upon motion by Director Payne with second by Director Canterbury, the Board unanimously approved the monthly financial report dated December 31, 2017. Manager Scanga provided an overview of the quarterly budget and end of year budget amounts. Director Ollinger asked if it would be a good idea to have a realtor give us an appraisal on the District's building. Chairman Senderhauf said you would want to wait until you needed the estimate because the appraisal would change through time.

PROGRAM PRESENTATIONS

Molybdenum Report by Director Hilderbrand.

Director Hilderbrand provided a report to the Board on Molybdenum. Director Hildebrand explained that Molybdenum has many uses in several chemical forms but in high concentrations it could be dangerous. He explained that it is important to balance the positive and negative effects. He said this conversation is in response to Climax Mine's proposal for an update to the Colorado Molybdenum standards. The proposal includes increasing the domestic water levels from 210 parts-per-billion to 9,000 parts-per-billion. Molybdenum is relatively safe, but human toxicity current rules on ethics make it difficult to research. The symptoms of toxic levels include: fatigue, anemia, paleness and poor immunity.

Director Hilderbrand stated that the EPA apparently will accept the Climax proposal, but he still has some concerns, primarily with the drinking water standards. He noted that the Climax Mine on the Western Slope and does not discharge into the Arkansas River Basin. He said we should be aware of the proposal and decision-making process. Director Felt said that we could reach out to Rick Humm from the Colorado Water Quality & Control Commission. Manager Scanga stated that large municipalities such as Denver Water and Colorado Springs Utilities will be opposers and will be watching this closely. Director Moore said that if these level change there will be a population experiment. Manager Scanga suggested that we add Director Hilderbrand's presentation to our website, Facebook, and other outreach efforts.

EX-OFFICIO REPORTS

There were no ex-officio reports.

WATER COMMISSIONER REPORT – Brian Sutton

Commissioner Sutton requested that he be removed from the monthly agenda. He said that he will be at meetings when he is able and will respond to any questions but does not want to give a monthly report.

CONSULTANT REPORT – Ken Baker

WINDY GAP FIRING PROJECT:

Consultant Baker reported that in his December report, he commented on the petition to stop the Windy Gap Firing Project in Grand County. The petition is much like the petition to stop transfers of trans-mountain waters to the northern front range of Colorado. Both petitions are based on stated environmental concerns. He provided the Board with a letter from Lurline Curran of Kremming, Colorado, former Grand County manager, explaining the purpose of the Windy Gap Firing Project, designed to change water diversion from in-channel diversion to off-channel diversion. The letter further explains a purpose of improving the river environment. The letter is directed to Robert Kennedy, Jr., President of Waterkeeper Alliance, one of the petitioners in the action.

COLORADO WATER CONGRESS:

Consultant Baker noted that there was one significant bill being proposed by Rep. Arndt. The bill is listed as TENORM which stands for Technologically Enhanced Naturally Occurring Radioactive

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Materials. The purpose of the bill is to regulate discharge of the materials. Consultant Baker asked Canon City Water Department Manager Bob Hartzman to provide additional information.

Mr. Hartzman explained that Canon City removes the naturally occurring radioactive materials. He explained that Canon City used to haul and dispose of the material in landfills until the early 2000's. The latest action will allow Colorado to come up with rules and regulations to safely remove and dispose of these materials. Currently, they remove the materials, turn into a solid form, and then they haul them to areas where they will take the materials. At one point, Canon City had to transport to Bent, Colorado. New regulations came out where you could test the materials and, if the levels are low enough to be disposed of locally, you can do so. Mr. Hartzman explained that the Canon City treatment plant removes the materials, but it is difficult to find an area where they can dispose of the materials.

PROJECT MANAGER REPORTS - Chelsey Nutter

Projects/ Education

Project Manager Nutter provided the Board with photos of the newly constructed game fence at the Lake Ranch. The fence was constructed by Andrew Richardson and will be utilized for future hands-on education for the public at the Lake Ranch property. Funding for the game fence was provided through a Colorado Water Conservation Board grant.

Project Manager Nutter also showed the final film on the District's Trout Creek Park Multi-Use project. The film is approximately five minutes in length and touches on the elements of the proposed multi-use project. The film provides a basic overview of the project and features interviews with Director Felt, Manager Scanga, and land and water rights owner Mr. Paul Moltz. The film will be utilized to provide education on the project and encourage support for its implementation.

Needs Assessment

Project Manger Nutter reported that five Water Supply Reserve Fund grant applications were approved at the January Arkansas Basin Roundtable meeting. Project Manager Nutter provided assistance on the development of three of the applications that were approved, and the District will be a partner through in-kind services for both the Town of Poncha Springs and Lakeside Estates grants.

COMMITTEE REPORTS

None

Resume Review Committee

Nothing of significance in the Resume.

MANAGER'S REPORT – Terry Scanga

Manager Scanga requested that the Board designate the official posting place. Director Donley made a motion to designate the bulletin board at the entrance to the District building for the designation of postings. Director French seconded and the Board unanimously approved the motion.

Manager Scanga recommended approval of the Lakeside Estates Preserve augmentation application. Director Hilderbrand asked if the amount of augmentation would change during the year. Attorney Burgemeister explained that the amount of augmentation would stay the same and will not increase past the 72-acre-foot requirement from Division 2. Director Payne made the motion to give Manager Scanga the authority to sign the Lakeside Estates Preserve augmentation application and Director Felt seconded. The Board unanimously approved the motion.

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

Engineer Manera reported that he has been working on the projection tool that is required from case 06CW32 and explained that in large cases these projection tools are generally required. The projection tool helps project the future supply and demand for the District. The tool will show you what your supplies are and what demand you may have in a given year.

Engineer Manera reported that he has also been working on a review of the Town of Buena Vista's McPhelemy Pond augmentation application; completed additional field visits and provided engineering

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updates for the Security change case in Coaldale; and has been working with Hydrologist Gertson on the Town of Poncha Springs accounting.

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

Attorney Burgemeister reported that there is a proposed decree for the UAWCD Friend Ranch Water Change Case and they are starting the stipulation and negotiation process. He also provided comments on the Town of Buena Vista's McPhelemy pond application and has been working on the Lakeside Estates augmentation application.

CHAIRMAN AND DIRECTOR REPORTS

Director Colon reported that DARCA (Ditch and Reservoir Company Alliance) will hold a workshop at the Colorado Water Congress addressing agricultural water rights protection and water transfers. He also noted that DARCA will hold their annual conference on February 21st thru the 23rd at the Pueblo Convention Center.

Director French shared with the board that the late Director Frank McMurry told him that the UAWCD was his favorite Board to serve on and it was very difficult for Mr. McMurry to resign last year due to his health.

NOTICES & MEETINGS

- SECWCD Meeting –February 14, 2018, Pueblo, CO
- ABRT Meeting – February 8, 2018, Pueblo, CO
- DARCA Conference- February 21-23, 2018, Pueblo, CO

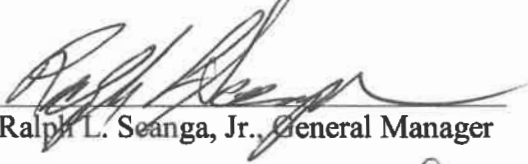
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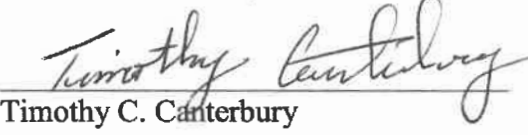
There being no further business to come before the Board, upon motion by Director Donley, second by Director Colon and unanimous approval of the Board, the meeting adjourned at 3:26 pm.

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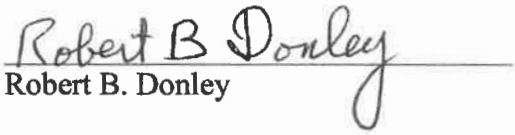
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Respectfully submitted,


Ralph L. Seanga, Jr., General Manager



Timothy C. Canterbury

Mannie Colon


Robert B. Donley

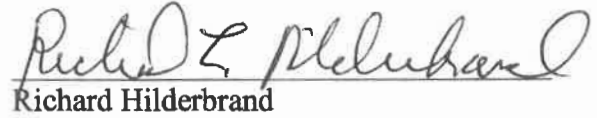
Gregory W. Felt

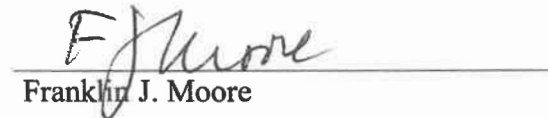

Tom E. French


Dennis Giese

Absent- No Signature

Thomas Goodwin, Treasurer


Richard Hilderbrand


Franklin J. Moore


Jeff Ollinger

Tim Payne


John H. Sandefur


Robert M. Senderhauf