

**Joint Meeting of the
Center of Colorado Water Conservancy District
Upper South Platte Water Conservancy District
Headwater Authority of the South Platte
August 14, 2024**

The quarterly joint meeting of the Upper South Platte Water Conservancy District, the Center of Colorado Water Conservancy District, and the Headwater Authority of the South Platte was held on Wednesday, August 14, 2024 at the water district offices at 548 Front Street, Fairplay, CO. Lisa McVicker called the meeting to order at 2:10 PM.

The members present at the office from CCWCD were Lisa McVicker, Lynne Buchanan, Craig Steinmetz, Wallie Weld and Chris Fuller. Members from the Upper South Platte Water Conservancy District at the office were Jon Rice, Bob Slagle, and Glen Grothe. Representing HASP at the office was Jon Rice, Lisa McVicker and Lynne Buchanan. HASP Operations Manager John Matteson was present. Legal counsel Alison Gorsevski was present in the office and David Shohet, legal counsel was present by teleconference. Also attending was Nola Knudsen, CCWCD and CCWCD Operations Manager Lisa Barden Brown, Garver Brown, Lead Water Commissioner and Jara Johnson, Deputy Water Commissioner.

Also attending were Patrons Elaine Campbell, Dan Qualman, board member of Indian Mountain and Dawn Jewell from Aurora Water.

APPROVAL OF THE AGENDA

John Matteson added Soda Spring Ranch proposed lease for grazing discussion under item #4. Alison Gorsevski wants to utilize the executive session to discuss a settlement proposal in the Rosalie case. Jon Rice moved to accept the agenda as amended. Lynne Buchanan seconded and the motion carried unanimously.

APPROVAL OF THE MINUTES

Bob Slagle moved to accept the minutes as presented. The motion was seconded by Chris Fuller and carried unanimously.

ADMINISTRATIVE MATTERS

Treasurer's Report: John Matteson emailed the Operations Manager's report and the reconciled balances of the bank accounts through July 31st. The BMO checking account balance is \$51,253.12, the BMO checking account balance for the Deer Creek Gage is \$15,160.57, and the Colotrust balance is \$2,017,470.77.

Invoices and Warrants: The invoices and warrants go out for approval as received.

Financial Statements: Financial statements through June 30th were emailed out to the HASP Board members.

OPERATIONS MANAGER'S REPORT

John Matteson said the water remaining excluding temporary water in the 02 plan is 12.176af and in the 12 plan it is 59.985af which includes the Chatfield additional 23af.

1. Update on Doro-on (Tesla) and other customers:

- Lebarre has been paid current plus late fees. They sold to the 413 ranch but Lebarre is the principal manager.
- Kokanee was on a payment plan and they have made the final payment.
- Gold Tamers renewed their lease.
- Tesla Campground (Doro-On) Our engineering says the estimated augmentation water should be 4.72af. They originally filed a notice of application at just over 3af but the State pointed out that there was some grey water use we needed to take into account. We are still waiting from Anna at Doro-On to say she is happy with 4.72 and is ready for us to file a new notice of application. John sent her another email telling her we had a meeting this week and he still hasn't heard back from her.
- Rosini application was closed on. This is for two residences on one well near Alma.
- Braiotta closed on August 2nd with an additional dwelling unit.
- Dambrackas closed August 2nd. This is in Indian Mountain.
- Douglas County was decided to be put in the 02 Plan. Their notice was filed for three residences for the Sheriff's office near Deckers.
- Zigan gave some concern over at what point is it a minor sub-division and at what point are we supporting housing development? It was approved as a minor sub-division and we filed their notice.
- Banks is a four lot sub-division.
- Clark is an in-house use near Florissant.

2. Website Proposal: John Matteson said the website transition to Daisy Designs is going pretty well. We are moving the hosting to the outfit daisy design uses. We are working on some logo updates.

3. Move from checks to BMO Bill Pay: John Matteson said using the features of BMO we are set up for bill pay. John checked with the bank and said they could do the bill pay online as long as there is a resolution from HASP. There is a one-week delay on getting checks out. Jon Rice moved to authorize John Matteson to enroll HASP in bill pay for all payments. The motion was seconded by Lisa McVicker and carried unanimously.

4. Inquiry from Arrowhead Ranch: John Matterson said there was a Letter of interest from Arrowhead Ranch Partners LLC. Their preliminary design phase is to take property in Hartsel and want to put 100 houses on it. They are asking if we would be willing or interested in providing water for those. They didn't want to go too far down the road if we were not interested. They are represented by Ryan Farr. David Shohet had indicted Ryan Farr was going to send the letter to Alison Gorsevski. She said they would like to develop 100 affordable housing units. This will include small houses, RVs, mobile homes. She said typically we have been hesitant to support larger scale new developments in the county. This is a grey area. The plat they are planning on is the historic town plaza, platted in 1910. The county has indicated the applicant will not need to re-plat as all lots exist. The question is, now is it going to be developed for something other than originally planned in 1910. Alison is asking if the board wants to hear

more about it. The proposal is not specific as to what water needs will be. Bob Slagle asked if they intend to be a public water supply. Alison said they don't know this yet. Jon Rice said if we put them in the 12 plan, would all of these need to be metered? Alison did not have that answer.

John Matterson said if you took 100 at our current presumed use of .27af and assumed a septic, then you get to .027x100. Bob Slagle and Lisa McVicker agree to leave the door open to this group.

Lisa McVicker said for clarification, Jon Rice when a new invoice is received for an expense, he sends an email to the board of HASP and at least two board members have to respond as approved; that triggers John making the payment.

OLD BUSINESS

1. Buy Back Policy – implementation: David Shohet said we are still working on a buy back policy. We implemented a policy where we will buy back water that is not being utilized by customers. He thought at one point the court process was going to be more complicated and he went back and looked at decrees and it is actually much more straight forward than he thought it would be. We will have to file a petition with the water court and then go through some sort of process with the opposers as well as the water court approving the reduction based on actual meter diversions and presumptive numbers. John Matteson, Alison, and he spoke about eight weeks ago and the customers Wheeler identified to reduce in the plans, we were going to start contacting them. A couple of customers were planning to reduce and we wanted to know if their lots were fully developed or seasonal cabins. Some opposers may say there are lots remaining undeveloped, leave some water for them. Lisa McVicker asked how many customers have been identified to date that could possibly be part of the buy back. Matt Loose identified 6 criteria for customers and that included customers that had meter readings every month for five years, and they had no post pumping depletions. Alison Gorsevski said there were 6-8 they were considering highlighting and focusing on them, having a bigger bang for the buck. The money to be sent on the court process made sense to get that water back. David Shohet they should have some goals by the end of the year to shoot for some sort of water court filing. The next step is reaching out to some customers and letting them know and gathering some background information. Wheeler will have to support our request with a letter report. We won't get through without engineering and support from Wheeler. He will need to understand this pretty well to walk opposers through this and minimize opposition to this.
2. Pond Policy – Alison Gorsevski said last year the board voted to put in place a moratorium on the augmentation of ponds. The goal was to give us time to look at the amount of water committed to ponds and come up with a policy of how to review and determine is this the best use of our water. The 02 plan is getting low and the 12 plan has water in it but is at about the 50% level. Jon Rice understood we would do pond augmentation above 1af on a five-year renewable lease. What happens at the end of 10 years? Can we have them reapply for someone wanting water longer than that or does it just go away? Bob Slagle doesn't think we should give a commitment for 10 years. John Matteson said the language in the proposed plan says presumptively leases shall be upon a five-year initial term with the option to renew

for an additional five-year term at the sole discretion of the board. John Matteson said looking at how we deal with other business customers that are on leases, that if at the end of ten years, they could come back to us and again at the total discretion of the board. John said we don't say anything about ponds. John thinks at the end of ten years, we will look at our circumstances and if you still want the water, and we can afford it, we will negotiate it.

Bob said this needs to be crystal clear. Our commitment is for 5-years and a 5-year renewal. The renewal is not guaranteed after the first 5-year lease. Bob doesn't think water will be available for ponds down the road beyond ten years. We will not be able to meet the needs of our constituents, the taxpayers, not large property owners. He doesn't agree we should go into this with a commitment when we get to 30% of our water availability. When we are approaching this, we need to look at our 02 plan. Chris Fuller said if we have already said every five-years we will re-evaluate.

Jon Rice how can we assure someone who wants water longer, we can't. John Matterson said as long as it is spelled out in the lease that there are no guarantees.

Lisa McVicker likes the language with the option to renew for an additional five-year term at the sole discretion of the board. That is ten years and we had the discussion earlier that if they want a big pond for 30 years, they have to have the wealth to buy the money in the open market. Lisa doesn't think this language cuts off them coming back to us. She thinks this is what we have been talking about for the last year. It has come through clearer with every iteration. This reflects what our agreement has been.

Bob liked #3 that we are going to start using spot water. He thinks we have missed spot water opportunities because we don't solicit it. Jon Rice moved to accept the agreement. The motion was seconded by Bob Slagle and carried unanimously.

Alison Gorsevski said the moratorium extends through the end of this water year. John Matteson hasn't received any applications he has turned away. Now that we have the policy, are we done with the moratorium? Lisa McVicker says keep it until Oct 31st. Alison asked if a pond application comes in will we consider it? John Matteson said if the application is for 1af, we will deal with it per our policy and if it is more, we will consider it Nov 1st. Jon Rice moved to amend the motion to put the policy into effect on November 1, 2024. Garver Brown clarified that there is an irrigation year that begins on November 1st and ends on October 31st. and there is a water year that begins October 1st and runs through September. Jon Rice amends the pond rules will begin Oct 1st 2024, the water year. Bob Slagle affirms his second and the motion amendment carried unanimously.

3. Girl Scouts: Alison said at the last meeting, HASP decided we would become an opposer in the Girl Scouts case. They have camp on Trout Creek and they have filed an application for augmentation of ponds with a well, primarily to fill pond. She got a call from their attorney, who let them know they are possibly looking for additional augmentation supplies. Their current augmentation supply discharges from Woodland Park and they determined they don't feel is it sufficiently reliable for what they want to do. Alison explained the moratorium and

would be considering a new policy. She will let their attorney know we passed policy and here is what it is. And if they are interested in a 5 plus 5-year lease, we might be interested.

She also mentioned to their attorney that HASP is always looking for storage opportunities and asked about the size of their pond. That was a very preliminary conversation and she spoke with Matt Loose and will report back next meeting. The pond is a little up a gulch and their attorney wasn't sure if it was a live stream year around.

4. Soda Springs – Jon Rice said Dave Wissel was spearheading this in an email he had received a copy of a proposed agreement between parties that we would allow them to graze cattle on that property. Jon asked about the length of the lease. Bob Slagle said they have discussed it.

Lisa Brown was just there over the weekend because there had been a lot of water and wanted to see if it was water tight. There was some flooding and debris that came down, flooding behind the cabin but she didn't know how the hillside got to be the way it is. There was a pile of debris sitting on back deck. She removed it and it is drying. On the rest of the property the vegetation has rebounded quite lot since there hasn't been any cattle grazing there. She took pictures of the stream going through there, it is returning to native vegetation. If grazing were to happen, it would return to a denuded mud hole. If grazing were to happen there, we would probably only want one triangle adjacent to smith property. They would need access to the Creek or stock water. It is a matter of how you want the property maintained.

Bob Slagle is interested in us using the property to its best use. He is most concerned that we could turn it into a mud hole in one week. John Matteson said the lease states it would be limited to no more than five cow/calf pairs from June to October of each grazing season. Bob thinks based on that; it would not turn into a mud hole. John Matteson continued, the lease would commence on August 2024 and through December 2026. The acreage is 35 plus but Bob said that is not grazable acreage. Lisa Brown said it is incredible steep and maybe 10 acres for use. John Matteson continued to read section 11 that said under suspension of grazing, the lessor may periodically assess the health of the pastures of the land and their sole discretion temporarily suspend grazing to allow the pasture to recover. John said the lease wants to exchange the grazing for some fence work. New fencing to be installed around the cabin 25x50 approximate feet; new fencing to be installed around the existing foundation 30x36 feet; repair installation of fencing, if necessary, of fencing from the bluff to the driveway, approximately 50'; repairing approximately 400 feet of metal fence and adding a gate; repairing as necessary the existing fencing along the highway. He doesn't mention using the barn and will provide all of the materials. Bob Slagle said he is hearing a bigger footprint than he was recommending. He would not allow grazing to be within 15-50 foot of the cabin. Lisa Brown said he is proposing grazing right up to the cabin. Lisa McVicker said she is strongly against this. Lisa thinks about what it takes for the denuded grounds to rebound, and 10 cows and all their poop and flies and the beautiful grasses have come back and we are so close to clear water in the creek. Bob said where the board once talked about putting tanks is where the fence needs to stop. Bob tends to think he would not support this lease, unless the man comes back with a smaller footprint and he maintains a proper grazing

pressure and the fencing, we would be better off. We have had cattle on that property every year but it was because they were stealing the pasture by laying the fencing down.

Jon Rice votes to reject the current proposal as presented. Bob Slagle seconded. There was further discussion and Bob Slagle said we need a presence there. Lisa McVicker said the exchange for fencing is good, however, there are professional fencers in Park County. Perhaps we should hire some better fencing to be put in. Bob Slagle said people will not pay attention. He also doesn't think we should ever extend to use of the barn as it has value to a Farmer. Fencing to us makes no difference because we don't have to keep cows in or out. The motion passed unanimously.

Recognizing the Patrons: Dan Qualman said he applied to do a letter of intent with HASP for additional water on 1/1/26. We are budgeting for that now. He thinks the attorneys are working on that.

Garver Brown said it has been a good run off, a good summer, flows were well above average on the Tarryall side and also on the Middle Fork in to Spinney. Then we dried out for a while and it's good to see the rains have come back and the flows are above average. We're going into the end of the summer with the reservoirs in good shape. 98% in Cheesman, 97% full at Spinney, and on the western slope, the Dillon Reservoir is at 98%.

Jara Johonson said there were high flows, then we dropped out for a while, however, with rains we are back up to average. We have 100cfs going into Spinney, about 45cfs going into Tarryall. Deer Creek also ran well, it had a big run on it, she thinks over 50cfs.

Dawn Jewell said Aurora is still at 93% which is unheard of this year across all three river basins. The South Platte Forum is going to take place on November 21st. It will be at the Aims Community College. She will send out sponsorship information. At the Johns Ranch, Aurora is doing a storage feasibility study to see how big a reservoir we can fit if the ground will allow it. Dawn said the feasibility study will take place next year when we have the budget for it. When we find out if we have storage, she will notify us and we can begin discussions and negotiations. We were required to fast track the application with our purchase agreement. The purpose of that was because we disagreed on how much consumptive use we could get off that property. We set a number and told them if we get more, we will pay you more money. We know the amount is lower than our number. Now the slowdown is the storage piece. Now it's about finishing everything else. Dawn agrees she will be giving the joint boards updates.

Lisa McVicker asked if the three boards would want to consider pooling money. Jon Rice said the USPWCD allocated \$500 for their sponsorship. If Center does \$500 then that takes in HASP and we only need one table. Dawn said they could choose which level they want on the website. She recommends having a bananer stand.

LEGAL ISSUES

Lisa McVicker said all board members are in receipt of a legal update from Monson, Commins, Shohet & Farr as well as Lyons Gaddis.

David Shohet said they are in a lot of cases. The only thing he would highlight is the Montgomery Storage deal. We have been in conversations with Colorado Springs who is planning to do an expansion up on Montgomery Reservoir. We sent them a letter stating we would be interested in purchasing up to 100af of water in Montgomery. Colorado Springs sent us a letter of intent. At the last HASP meeting, the board approved that letter of intent. There are a few things he wanted to talk with them about. In the packet was a revised letter of intent, most of it is nitpicks. But he wanted to clarify if they didn't like it if we were to make a filing to store water with exchange or a new junior water right in Montgomery. They came back and said they do not want HASP to file something until a formal agreement was made between the parties. It is a decision the Board will need to make. David would have liked to have had the opportunity to file something otherwise this is the letter of intent and it is his recommendation if the board is okay with not filing, then lets just sign it and be done with it.

Bob Slagle made a motion to accept letter of intent with Colorado Springs Utilities as presented. Chris Fuller seconded and the motion carried unanimously.

ADJOURN TO EXECUTIVE SESSION FOR LEGAL ADVICE

Bob Slagle moved to go into executive session pursuant to Section 24-6-402(4)(b) C.R.S. for the purpose of receiving legal advice on the Rosalee. Wallie Weld seconded and the Board entered executive session at 3:32PM. The Board returned to regular session at 3:46PM.

Jon Rice made a motion to authorize Alison Gorsevski to sign the settlement to stipulate with Aurora as regards the Rosalie right. The motion was seconded by Bob Slagle and carried unanimously.

Bob Slagel made a motion to authorize Alison to enter into the settlement with the State Engineers office regarding HASP agreeing to install pipeline as needed for that settlement. Lynne Buchanan seconded and the motion carried unanimously.

DIRECTORS ISSUES

Jon Rice said Lisa Barden Brown will be on a call tomorrow for Wild Horse from BLM. Lisa said there haven't been any updates for a couple of months.

Jon Rice moved to adjourn. The motion was seconded by Bob Slagle and the Board adjourned at 3:49 PM.