

**Joint Meeting of the
Center of Colorado Water Conservancy District
Upper South Platte Water Conservancy District
Headwater Authority of the South Platte
February 12, 2025**

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, February 12, 2025 at the water district offices at 548 Front Street, Fairplay, CO. Dave Wissel called the meeting to order at 2:03 PM.

The member present at the office from CCWCD was Chris Fuller. Lisa McVicker, Wallie Weld and Lynne Buchanan attended via teleconference. Members from the Upper South Platte Water Conservancy District at the office were Jon Rice, Dave Wissel, and Bob Slagle. Lynda James attended via teleconference. Representing HASP at the office was Dave Wissel and Jon Rice. Lisa McVicker and Lynne Buchanan attended via teleconference. HASP Operations Manager John Matteson attended by teleconference. Legal counsel Alison Gorsevski was present at the office and legal counsel David Shohet was present via teleconference. Also attending in person was Nola Knudsen, CCWCD Administrator. CCWCD Operations Manager, Lisa Barden Brown attended by teleconference. Dan Drucker participated on the phone

Also attending in the office was Dan Qualman from Indian Mountain. Water Commissioner Garver Brown attended via teleconference.

APPROVAL OF THE AGENDA

Alison Gorsevski noted Matt Loose will join approximately around 3:00pm. There are three agenda items to be added. The first is Long Term Planning; the second and third are discussions are for executive session. Bob Slagle moved to adopt the agenda as amended. Chris Fuller seconded and the motion carried unanimously.

APPROVAL OF THE MINUTES

Lisa McVicker move to accept the November and December minutes as presented. Bob Slagle seconded and the motion carried unanimously.

Dan Qualman, Indian Mountain Update: We are in the process of advertising to Indian Mountain residents that they can come into the program as of 2026. We have 12 residents already and we have over 80 people who have signed up on the wait list. We have advised the Indian Mountain residents we are ready to start another launch for people interested in having their wells augmented through HASP. We think more will sign up by the end of the sign up period. We're not looking for the water until January 1, 2026. David Shohet reminded the group that Indian Mountain has a legal outcome from litigation that they are on hold for any new opportunities with HASP contractually until January of 2026. We had an original amended agreement with a total volume 15af and we are around 13 or 14af. One acre feet of consumptive use is equal to 37 in house well permits. We're not talking about a lot of consumption due to the nature of Indian Mountain that is an evolving community. Our ultimate goal is to return them to

the original augmentation plan where they belong. Alison Gorsevski said she has checked in with the Indian Mountain attorney a while ago. There is a little lead up time to be able to sell Indian Mountain water in January 2026. If Board wants to go through with that next launch of water, we will be working on an agreement this summer. Dan Qualman said he understood once there was an agreement there would be a 30-day comment period. Alison said that is 30 days before the court but there is some time on the front and back end. The agreement we will negotiate, will address some of this and will look a lot like we have done. Dave Wissel said the template is set and we don't need to reinvent the wheel.

Three board members went to the water conference and Dave Wissel happened to run into David Robbins who is a senior partner of the law firm handling Indian Mountain. That conference brings in people from all over the state. Dave said he hears through the grape vine that Bar Star is for sell. He doesn't know if there is any validity to it but he passed the information on to David Robbins so he could pass it on to his partners. Wallie Weld has been trying to get a hold of someone to verify this but as of now he has nothing to report. Wallie has a home in Indian Mountain and is a member of the previous launch.

David Shohet asked John Matteson if he was going to talk about the one solo Indian Mountain resident that wants to move into the Indian Mountain plan. John said we can mention it. At some point we will have to have a meeting, or when Alison talks to their attorney, we need to decide if this is covered under an IGA or open that up to an option to less than 10 individuals that came from Indian Mountain to HASP for individual augmentation. He said he thought the question was regarding that we had one just recently say he was interested in transferring his augmentation to the Indian Mountain program once that opens up again; will that be a legal issue? David Shohet said we would certainly have to modify that IGA even if we they are going to add more wells. We were thinking about giving Indian Mountain a credit for that water, just transferring that water over and folding it into their plan. John Matteson asked if the IGA that exists allows for that, or does it need to be amended to say that is a provision we will take advantage. David said what we probably have to do is file a notice to remove the existing customers from our plan and then add to IMD's plan. We notice the customer account, not the water. We would then have to notice IMD.

Dan Qualman said their sign-up period is the end of March. Dave Wissel said they will then have an idea of volume and quantity. David Shohet asked when they got the list, will it identify existing HASP accounts or will we have to figure that out ourselves? Please provide those to John Matteson. Alison said we will think that through and how that looks like in the water court process. We will figure out the administrative piece with Dan Qualman. We will have the new people begin the process of getting the meters on.

ADMINISTRATIVE MATTERS

1. Treasurer's Report: The reconciled balances for the bank accounts include BMO checking at \$70,968.11, BMO Savings (Deer Creek Gage) is \$12,085.26 and Colotrust is \$2,138,153.86.

2. Invoices and Warrants: John Matteson said we are current on our invoices, however, we received the loop up conference bill and require reimbursement from the USP and CCWCD.

3. Financial Statements: The financial statements were emailed out to the four HASP board members and to the auditors for review. John indicated there is 12.22af in the 02 plan and 59.326af in the 12 plan.

OPERATIONS MANAGERS REPORT

John Matteson reviewed customer updates, both new and changes to accounts:

Account 53 is the Chamberlain property that was transferred from Yang. Initially he was participating and now is not responding; I may have to send a final notice and inform him he will participate or we will have to remove him.

Account 82 is the old Hartsel Miller property with the lien. John Matteson thought it was selling and they came up with the amount to clear lien. It may not sell after all.

Account 83 is Jones property that was sold to Barre. John had preliminary contact with them and they were acting like they wanted to do the transaction and now he hasn't heard from them. He will try to make contact again or send a final notice. John said they may be out of state. He spoke with a property manager for the first response.

Account 92, John said both accounts, the Four Thirteen and account 96, the Gold Tamers, have amounts due. Both have indicated they would like a payment plan. The Gold Tamers said he would not have funds until April. John proposed to take the \$14,000 and add a couple of months of late fees and then they could split it in half. He would have to pay \$7,354 in April and \$7,454 in May which includes the late fees. John told him he would take the payment plan to the Board and the client said he would be grateful. There were no objections from the board. He responded positively to his proposal so John thinks he can make these payments. If the board agrees, John could follow a similar plan for the Four Thirteen. They would pay \$2,680 in April and \$2,780 in May inclusive of late charges. The Board is in agreement for this customer as well.

Account 146 is Doro-on. John received an email a month ago from the owner saying she was sick and included a copy of a doctor's note showing she had been to the emergency room. Then on February 11th she sent an email saying she was changing the bank she was applying for the financing from and it would be three weeks more before they knew more on that. It is a significant amount of water at 4.72af. Jon Rice said if we don't hear any more, we can discuss it in March.

Account 166 is Genesys Leasing. John sent them an email on costs. He hasn't heard back from him. The application actually came from an engineering firm. He will get back in touch with them to see what the holdup is.

Account 167 is for Jozwiak who is near Pine. It is a property that is pending sale and the potential new owner wants augmentation water for a horse before he buys.

Account 158 is for Shepard is for in house only in Indian Mountain.

Account 169 is Red Canoe tried to do an RV park in Alma and ran into a push-back from the community so now they are sub-dividing. They have sold one lot and have three lots left. They think the lots will be more marketable if they have a will serve letter. We are going through the process of looking at that right now. Dave asked with the total acreage was. John was uncertain but estimated at probably 20 acres.

2. Update on Audit: We have started the audit and we are working with Hoelting. We need to give them all the meeting minutes.

3. Public Document Access (meeting minutes) One new item is that daisy design asked if we want to post minutes on website. Dave Wissel thinks it is a good idea to post them.

Jon Rice chose to read the account balances into the minutes.

Jon made a motion to pay the invoices and warrants. The motion was seconded by Bob Slagel and carried unanimously.

OLD BUSINESS

1. Buy Back Policy – implementation: David Shohet said there was no update at this time. Dave Wissel used Indian Mountain as an example and said if we were able to get them back to their regular augmentation plan, we would buy back the water they paid. We are unique in that way because most people in the water business sell water and forget it. We have a finite amount of water augmentation that we want to leverage to the best possible use, and to the benefit of the citizens that paid for it. That is why we have this policy in place although we haven't exercised it yet. But we have the ability in our plan after a five-year compilation of accurate records. As an example, if one bought an acre of water and you are only using a half an acre of water, after five-years of use we can document the fact that you are only using one half an acre, then we would buy back that half an acre and put it back in our inventory and give you the cash equivalent that you paid for it.

2. Arrowhead Ranch (100 units affordable housing) – Hartsel area) “on hold”

3. Soda Springs Update/grazing plan: Dave Wissel said we had been offered a lease opportunity to graze wherever the forage is; there may or may not be fencing need. The land is too steep for top use. It is right on the river and there is flat land around there. Bob Slagle said it has a metal barn but he doesn't know if any of that was included in the proposal to the lease; he believes it was excluded. There was some discussion to fence it to keep the cattle away from the house and barn. David asked whether we need to keep Soda Springs and the entirety of the lot or can we look at reserving what we need for the purpose that we bought it which was to be our return flow point for the blanket plan for the Arkansas has been so pressured, portion of Currant Creek. Under the current interpretation of the futile doctrine, there is no augmentation water there, however, Dave put this out as a point of discussion. If the Arkansas is pressured, and they are being pressured to repeal or modify the absolute application of the futile doctrine because of the impact it is having in place just like the Park County portion of Currant Creek. That place only operated because it was in the futile call doctrine. There was no one above it or no one below it that would be injured one way or another. Even if you called it, the futile call doctrine says it's never going to get where it's supposed to go. Then Division 2 had a lot of over appropriations. Alison hasn't heard any more. David Shohet said the division engineer has issued a statement they are continuing to monitor and study. They are allowing futile calls but they are essentially trying to do away with it. David said it probably doesn't affect anything HASP is doing but the division engineer is looking at the way she administers water rights and is changing the priority of administration numbering that the division engineer uses. It will likely have an impact on Chaffee, Lake, as well as some of the southern counties. Water rights that have been administered as senior for 150 years are not being administered as junior. We may want to keep an eye on this.

NEW BUSINESS

1. Water Court Applications: No applications, just statements of oppositions

Dave Wissel said Park county is filing a diligence application on some OA water rights. He finds it ironic that these are the same people filing statements of opposition that Dave doesn't know about. David Shohet said he believes it is the 08 case.

2. John Matteson said the 2025 Budget has been filed with and accepted by DOLA
John Matteson will need to include a resolution to appropriate funds for next year.

3. IMMD WSP – Board discussion of potential sale to IMMD WSP of up to 4.05af, (150 additional participants). John Matteson said he talked to Jackie at Indian Mountain who does the administration of the water service plan. She was optimistic it could be as high as 150 participants. The math of 150 participants would be just over 4af. Otherwise this matter has been discussed.

Water Commissioner Garver Brown: Garver Brown said after a really good start over the last few months, it looks like it is drying out in the Upper South Platte basin. We are below average now. We're at 95% of where we need to be. It is not too alarming. At various points, we were up as high as 130%. Spinney Reservoir is sitting low at this time of year; at less than 48% capacity. Cheesman Reservoir is looking good at about 93% of capacity.

Dave Wissel said he had a wonderful lunch with Jara Johnson at the water congress. She is now in a river coordinator position. Her role is to go to the historic administration of the river and look at it from a consistency standpoint. The positions are created for people that are problem solvers and Alison has already stated that she has been extraordinarily helpful in issues that may overlap in one of our water commissioner districts.

4. Long-Range Planning – Matt Loose joined the meeting at 2:51 pm. Alison Gorsevski said in the last joint meeting we had thrown out the idea of thinking long term holistically. We have assets we have acquired that not plugged into our augmentation plan, we have opportunities that have come our way and we have storage projects we are talking about; there is a lot going on in the organization. We had suggested we might want to figure out where we are moving to in the future on many fronts. We put together what we thought a long range evaluation would look like. Alison summarized the outline sent out to the board members. She said this conceptual outline came out of a call Alison had with John Matteson, David Shohet, and Matt Loose. Alison described the outline as very comprehensive and will result in a very thorough process depending on the way the Board directs use. There may be ways to rearrange or chop it down. We've conceptualized this as four different phases. Phase one is an inventory of what we have. It is understanding the water rights we have, the augmentation plan, where our costs are coming from, how they are being paid, and some operational modeling to understand where our water is. There was some operational modeling that was developed to support the 12 plan. The proposal would be to essentially update that modeling based on additional data that we have based on operations. The proposed completion of that would be at our May meeting. Phase 2 would be identifying where we have weaknesses we could proactively address within our system. This is going to include where do we need more augmentation supplies, how do we further develop our Arkansas River plan and what do we need to do better and more effectively to operate our 02 and 12 plan. Phase 3 is our forward-looking look. Now that we know where we are, we can look ahead and figure out a few things. One is, where our anticipated growth areas might be, what capacity

we have to meet those future demands and how we do that. That also looks at future capital projects we might be interested in as well as allocating resources with HASP serving as an umbrella organization for two separate water districts. How does that relationship work in the future and how do we continue to work together, how do we acquire assets? Then, we have put on the concept of a rate study. We did an across the board rate increase recently. That could be value in looking at that to be sure our rates are capturing our costs. Phase 4 is a little more open ended. It is going to be all of the lessons of phase 1 through 3. Helping the Board go through the process of what are our priorities, where do we want to start making investments, what are the water acquisition targets.

David Shohet mentioned we are proposing starting on phases one and phase two. This is probably critical to understand where we are and what our problems are. With phase two being presented at the August joint meeting, then we can revisit where we want to go and our we want to deal with phase three and four. If board wants us to go forward, would be asking the board to approve Matt Loose, John Matteson, Alison Gorsevski and I to start phase one and phase two of this project with the target dates of May for phase one, August for phase two, and then we can re-evaluate where we are for the bigger pieces. David thinks phase three is going to be the lions share work where we need to go to make it to phase four. Matt Loose said at phase one, from engineering perspective, he would be excited to get back to operational modeling. As Alison had mentioned, we had done operational modeling in support of the 12CW50 augmentation plan going through water court. There are a couple thing in play. With updates to the current conditions, looking at the changes and the characteristics of depletions, and the timing of those depletions, as HASP has grown, we've got a better feel for what HASP current and future customers are going to look like. It would be a good thing to do, to revisit that operational modeling for the 12 plan and also look back at the 02 plan and include additional assets that have become available since that time.

The other phase one item was mapping. On the operational analysis, we had a nice start on that with the work we had done on the 12 plan and we had also done a little updating when Center acquired a little extra capacity in Chatfield Reservoir. We will be building on work from the past. Our mapping is getting a little dated. We have a good feel where replacement water is available but we don't have a graphical display that shows how that matches up with customer demand. We have it in excel tables but we don't have it as a recognized map.

Matt said in phase 2 we talked about pinch points or locations where it could be challenging to get water to customers. Going back to the 12CW50 case, we did a pretty thorough exchange potential analysis and it would be good to go back and also update that as well. Now that we know where the customers are, we can match that up with where the limited exchange and replacement challenges may be. Dave Wissel said it makes sense to look at what we've already done and look at where demand is now. Dave has been accumulating public data with tax role stuff. He has solicited from five counties they are servicing to get tax role data from the area of our district, and by type and summaries of that as well as maps of that. The ability to get GIS data will give us the visual. Those visual abilities are very valuable. This is one of the new opportunities. Secondly, Dave thinks we are moving toward a third augmentation plan. As far as the Upper South Platte is concerned, they are going to look and find bits and pieces of water that we can afford and that makes sense, and continue to add to our portfolio over time. He thinks our next challenge is to get our replacement water for the all water we have put to work.

David Shohet said cost wise, Matt Loose is estimating \$18,000 from the engineering side to get Wheeler through Phase 1 & 2. Alison and David are estimating about \$10,000 in legal costs to get us through Phases one and two. It is an approximately a \$28,000 project to get through phase one and two. Lisa McVicker thinks this is critically important and is excellent what you have brought together. She thinks the timeline is ambitious but right on point and thinks this is the perfect next step for HASP. Lisa made a motion to approve phase one and phase two of the HASP long-range planning conceptual outline as presented with the background Matt Loose, Alison Gorsevski, and David Shohet have given the Board. She thinks these are of critical importance for our next step. She also would observe that we might be observing elements of what we want to see in phase three and phase four of what we want to see as we go through phase one and phase two. Lisa said she also observes that this puts in perspective the conversation about division two and what is going on there. Lisa reiterated her motion is to approve phase one and phase two as presented with funding as necessary. The motion was seconded by Bob Slagle and carried unanimously.

LEGAL ISSUES

ADJOURN TO EXECUTIVE SESSION

Bob Slagle made a motion pursuant to Section 24-6-402 (4)(b) C.R.S. for the purpose of receiving legal advice and or to discuss the potential acquisition of real property. Jon Rice seconded the motion and the Board entered executive session at 3:12pm and returned to regular session at 3:58pm. Dave Wissel said the Board has received advise on legal matters and potential property matters. No decisions have been made.

Lisa McVicker made a motion to direct counsel to put closure with the state over the Rosalie case. Alison suggested letting her bring something more specific back to the board. She needs to think through how the shift in strategy is going to impact the larger settlement we are going to reach. Lisa was in agreement.

Jon Rice let Lisa Barden Brown know March 13th is the next meeting for Wild Horse Reservoir.

Bob Slagle moved to adjourn. Wallie Weld seconded and the Board adjourned at 4:01pm.