I. ROUTINE ITEMS

A. Roll Call – Amy Williams
B. Call to Order – President Yanchunas

President Dennis Yanchunas called the meeting to order at 1:00 pm. Board members attending were President Yanchunas, Vice President Glenn Patterson, Secretary John Zweck, Treasurer Harold Nelson, Directors Bill Haselbush, Doug Lyle, Ronald Sutherland, Robert Brand and Michael Rademacher.

The following staff members were present: Executive Director Sean Cronin, Legal Counsel Scott Holwick, Engineer Mark McLean, and Administrative Assistant Amy Williams. Please see the very bottom for additional guests in attendance.

C. Amendments or Additions to the Agenda – President Yanchunas

President Yanchunas asked for any amendments or additions to the agenda. Two amendments were announced as agenda changes moving item 4A to 1E and item 4E moved to 4A.

D. SVLHWCD 40 Year Anniversary Presentation - Mr. Jeff Drager: “Windy Gap Firming Project Update”

In celebration of the Districts 40 year anniversary, President Yanchunas asked Mr. Cronin to introduce the speaker for this month. Mr. Cronin introduced Mr. Jeff Drager of Northern Colorado Water Conservancy District, making a presentation about the Windy Gap Firming Project. Mr. Cronin noted during the public comment period for the Windy Gap Firming Project, the District has presented a letter in support of this project.

Mr. Drager started by highlighting a map of Northern Colorado Water Conservancy District service area. The Colorado Big Thompson project started in the 1930’s with Green Mountain Reservoir. The Colorado-Big Thompson (“C-BT”) project was originally built with the ability to accommodate 310,000 acre feet of water per year, with the average being 215,000 to 230,000 acre feet. The program contains 12 reservoirs, 35 miles of tunnels and siphons and 95 miles of canals, with 6 hydro-power plants.

In the late 1960’s the larger cities in the area, including Longmont, recognized the strong probability of growth in the area. These cities did not want to divert agricultural water to the cities, so they designed the Windy Gap Project. The Windy Gap Project diverts water from the confluence of the Colorado and Fraser Rivers, with a 400 acre foot diversion dam. The water rights for Windy Gap were filed by the Mayor of Longmont in 1967, and it took 11 years to obtain the permit for the project.

Windy Gap pumps into Lake Granby with a pipeline 5 miles long and 9 feet in diameter. The water flows then through the C-BT system, with a carriage contract that allows Windy Gap water to flow
through the system and over to the eastern plains. There are 14 different owners of the Windy Gap water system, with the City of Longmont being the only owner holding all of its original units.

Windy Gap water can only be used within the C-BT system if there is room for excess capacity. If Lake Granby is full there is no room for Windy Gap water. In the 1990's, a six year period was experienced where Windy Gap water was lost because Lake Granby filled and had no room for excess Windy Gap water. This frustrated the owners of Windy Gap water because of what was lost downstream.

The premise of Windy Gap Firming is to have a dedicated water source instead of a variable supply, supplying a stable water storage space for Windy Gap water. There are thirteen (13) participants having storage in the reservoir, for a total of 86,000 acre foot, with the levels for several of the participants going up and down over time. The only two owners of Windy Gap that are not in the Firming Project are Boulder and Estes Park. While C-BT water is not, Windy Gap is fully reusable water, Broomfield plans to fully reuse their supply via a brown water system and Platte River Power uses their water to extinction, recycling the water through the plant.

In 2003 the formal permitting process was official started. At that time the preferred alternative location for Chimney Hollow, was owned by Hewlett Packard, a 3,400 acre piece of property that was never developed. Larimer County Parks Department was also interested in the property, so a joint offer of purchase was made by Northern Colorado Water Conservancy District and Larimer County. The entities now have an Intergovernmental Agreement for the development of a reservoir on the east half and open space on the west half of the property.

Environmental issues were the main focus during the public comment period. Concern was expressed about algae growth and clarity, and what the combined effect of this reservoir and Denver’s Moffat project are to the flow of rivers in Colorado. Further, it was necessary for the Wildlife Commission to approve a fish and wildlife mitigation plan. The mitigation plan was recently presented, and anticipated approval of the plan is likely to take place in early June. The scheduled finish date is now 2016. After a brief question and answer session, President Yanchunas thanked Mr. Drager for his presentation.

E. Proposed Coffintop Background – Mr. Mark McLean

President Yanchunas then asked for a Coffintop background presentation from Mr. McLean. In 1970 the City of Longmont filed for two water storage applications, Coffintop and Geer Canyon. Coffintop Reservoir is located in the South St. Vrain River with a storage capacity of 32,000 acre feet and Geer Canyon located across the mouth of Left Hand Creek canyon with a capacity of 17,500 acre feet. In 1977 the water storage application was in the Water Court, with Public Service Company being an objector. The Water Court ordered the City of Longmont to show progress or the case would be dismissed with prejudice. In December of 1977 the applications were transferred to St. Vrain and Left Hand Water Conservancy District and in May of 1978 the trial was held in Water Court. In August of 1978 a decree was issued in both cases. In 1980 the District filed for enlargement in both cases, bringing the total capacity for Coffintop to 116,000 acre feet. Diligence was pursued for both Coffintop and Geer Canyon, but in 1999 diligence was dropped for Geer Canyon because of the many objectors to the application.

A feasibility study was done by Rocky Mountain Consultants and complete technical and summary reports were presented to the District in December 1982. These reports provided the history of the
District, why it was formed, the need for storage rights, and the goal of helping users manage water better meeting both quality and quantity standards. An emphasis was on large storage, taking the junior water rights and using the large reservoir to distribute water to customers on a firm basis, providing protection for drought years and seasonal variability in yields. While several sites were scoped, the feasibility study recommended two sites, Coffintop and Geer Canyon. The question arose, were there water supplies available? It studied the hydrology, technical issues, land ownership, and geology. Would the locations provide a place to build a dam? What would be the flood hydrology and cost of alternatives? A proposed water supply tunnel from Button Rock reservoir to Coffintop was considered with 2.3 miles of tunnel. A power tunnel 3.7 miles long and 15 foot in diameter would become part of a pump back storage facility, releasing water from Button Rock, generating power then sending it to Coffintop. At night, when demands are low, the water would be returned to Button Rock to begin the process again.

The District faced legal and institutional issues as well as licensing through FERC, project financing, and having to compare costs between alternatives. Repayment issues through power generation or recreational income became options. For 116,000 acre feet of storage the anticipated figures of the per acre foot price would be $1,400.00, although that figure has changed over the years. The main vision for the project was to be shared storage allocation for municipalities, with agricultural, industrial and environmental, and space for the pump back between Button Rock and Coffintop as well.

The Colorado Water Resources and Power Development Authority was created in 1981, and they performed a reconnaissance study on the St. Vrain River. This was the first basin wide study that the Authority had ever done. The study identified needs for the water and ways to meet those needs. Interestingly the Authority concluded that Coffintop would be more costly than the alternatives at the Little Thompson site, Smith Mountain and North Sheep Mountain. This became a major social concern, especially for the Town of Lyons, and the "Dam Concerned" Citizens Committee. The District has evolved the uses of the Coffintop water rights to not only keep what has already been decreed but also included fishery and wildlife as of the 2002 case for Augmentation. The District has continued to demonstrate diligence over the years and in the February of 2011 filing there were no objectors to the District's diligence case.

There have been two major developments in the recent past with Boulder County Parks and Open Space purchasing both Hall and Heil Ranches, where the Coffintop reservoir would now be located, approximately seven years ago. While this is not a fortunate situation for the District, development could provide better management for the Augmentation plan.

Mr. McLean noted that while the District’s water rights are “junior” according to the State of Colorado, the District’s rights are very “senior” of those “junior” rights. The District’s water rights are also senior to some of the gravel pit plans and there is always an opportunity for these rights to produce water. If the District were to have its own reservoir, it would help manage our Augmentation plan by being able to store water according to our already owned rights. The District would also be able to generate additional yield during high flow and manage replacements out of that one reservoir to provide an efficient source for the Augmentation plan. After a brief discussion by the Board members, President Yanchunas thanked Mr. McLean for his continued service to the District, and the informative presentation regarding the history of SVLHWCD.

II. CONSENT AGENDA
A. Approval of Minutes
B. Personnel Committee Report on Executive Directors Annual Review
C. Health Insurance Renewal

President Yanchunas then asked the Board for removal of any consent agenda items that needed discussion. Vice President Patterson noted that the April minutes showed he was absent from the meeting although he was in attendance. The staff will correct the minutes to show Mr. Patterson present at the April meeting. There were no other comments, nor items removed from the consent agenda and a motion to approve the consent agenda was made by Director Haselbush, seconded by Secretary Zweck and passed unanimously.

III. ACTION ITEMS

A. Financial Report – Assistant Treasurer Amy Williams

President Yanchunas then requested the presentation of the Financial Report for the month of April, 2011. Ms. Williams presented the Board with three reports that provided the final numbers for the month.

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<tr>
<td>Water Rights Fund</td>
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</table>

After a discussion of some specific revenue and expense items on the reports, a motion to approve the financial report was made by Director Rademacher and seconded by Secretary Zweck. The motion passed unanimously.

B. Augmentation Program Fees – Sean Cronin

President Yanchunas then asked Mr. Cronin to discuss the Augmentation plan fees. Mr. Cronin directed the Board members to the memo enclosed in their packet. The Board has traditionally set the per acre-foot fee for augmentation water subscribed to by each member in the plan, annually. The District records show that the fees have been $55.00 per acre foot since 1997. It is anticipated that this $55.00 per acre foot fee would generate $11,000.00 for the Enterprise Fund, representing the majority of the $18,000.00 in revenue expected to be generated from the Augmentation plan. A motion to keep the Augmentation plan fee at $55.00 was made by Vice President Patterson and seconded by Director Haselbush. The motion passed unanimously.

IV. DISCUSSION ITEMS & REPORTS

A. Legal and Engineering Report – Mr. Scott Holwick & Mr. Mark McLean

President Yanchunas then asked for the Legal and Engineering report from Mr. Holwick and Mr. McLean. Mr. McLean noted that he had been able to spend some time with staff going over the technical tools used by the Engineering firm regarding Augmentation plan preparation for new members. Upper Colorado and the South Platte Basin have both had snowpack continue to build, especially during the last two weeks of April and first week of May. The upper Colorado is above the recent historical maximum and the South Platte is very near the same. The projected stream flows for our basin are at 120% of average.
1. **Resume Review**

Mr. Holwick noted there were no applications published in the March 2011 resume that involve water rights in the St. Vrain basin.

   a) **Coffintop Reservoir Diligence Application, Case No. 11CW26**

Mr. Holwick reviewed the Coffintop Reservoir Diligence application, noting the period by which statements of opposition were to have been filed expired on April 30, 2011. No parties filed statements of opposition. The Water Court Rules provide that the Water Referee and the Division Engineer must promptly consult on unopposed applications after the statement of opposition expiration date with a goal of entering a ruling within 60 days of that date or no later than June 29, 2011. Mr. Holwick will submit a proposed ruling to the Water Referee no later than 45 days after the statement of opposition expiration date or June 14, 2011. Barring unforeseen developments, Mr. Holwick anticipates that the Court will enter the diligence decree by August 1, 2011.

2. **Lake No. 4**

Mr. Holwick noted that on or before April 30, 2012, the District and Boulder County must file an application seeking a finding of reasonable diligence and/or seeking the confirmation that they have perfected the junior conditional water right for augmentation purposes. After that date, we have a number of conditional water rights by way of exchange, which will be need to be addressed in 2013.

3. **Application of Varra et al., Case No. 03CW306**

According to Mr. Holwick, Varra seeks to change the water rights associated with four shares of Rural Ditch Company and approval of a plan for augmentation of certain gravel pits. This case has been set for a five-day trial to commence on March 18, 2013. The Court will re-visit this setting at a status conference call in October, 6, 2011 at which point Varra will have determined whether it will proceed with a ditch-wide or a parcel-specific analysis of the historic consumptive use.

4. **Application of L.G. Everist, Case No. 05CW335**

L.G. Everist seeks a conditional storage water right for the Lohmann-French water storage reservoir in the amount of 2,000 acre foot located between Rural Ditch and St. Vrain Creek east of I-25. An initial status conference call will be held on June 2, 2011. Mr. Holwick will update the Board on this case at the July Board meeting.

5. **Application of State Parks, Case No. 10CW106**

Mr. Holwick noted the State has revised its draft proposed decree to conform to the comments submitted by Mr. McLean on behalf of the District. Mr. Holwick included a redlined draft version in the legal portion of the packet. On April 26th, Longmont stipulated to the revised draft proposed decree, and Mr. Holwick recommended that the Board make a motion to enter a stipulation on
behalf of the District to the State’s revised draft proposed decree. The motion was made by Secretary Zweck, seconded by Director Rademacher and passed unanimously.

Mr. Holwick mentioned a new development that was not included in the Board packets. The State Division of Engineers is proposing rules on well measuring within the South Platte Basin. The proposal is asking for only comments at this time however, Mr. Holwick would expect a formal rule making in the future. This will require all non exempt wells to measure and record when water is pumping so that the Division of Engineers can accurately understand what the well pumping depletive effects are in basin and make sure all wells are in compliance. Mr. Holwick will make that report available through staff via email and mail so the Board members can review and make comments. After a brief discussion, President Yanchunas thanked both Mr. McLean and Mr. Holwick for their presentation.

B. Finance Committee Report – Treasurer Nelson

President Yanchunas then asked Treasurer Nelson to report on the Financial Committee meeting held on May 2nd. Treasurer Nelson reviewed the meeting content noting that the committee selected individual random accounts for review via the QuickBooks accounting system used by the District. The Financial Committee discussed different ways to reduce and manage costs in specific line items within the District’s budget for 2011, and found different options for cost reductions to implement. The location and contents of the safe deposit box were discussed, and this has now been closed and the items within the box have been moved to the safe located in the District office. Several issues were discussed and President Yanchunas then thanked Treasurer Nelson for his report.

C. Financial Audit Update – Sean

President Yanchunas then requested an update on the Financial Audit. Mr. Cronin noted that the Financial Audit has been processed and will be submitted to staff in June. The District is statutorily required to submit the audit to the governing body by the end of June and according to the attorney and auditor this is acceptable. Dan Schommer will present the formal audit to the Board in the July meeting and when adopted by the Board, will be submitted to the State of Colorado. Mr. Cronin noted to the Board that according to the Auditor, the District is not able to have a short form of an audit performed for 2010. Mr. Cronin provided the Board with the criteria necessary for both a long form and short form of an audit report and how the District meets the necessary criteria.

D. Water Commissioners Report – Ms. Shera Sumerford; CO DWR

Ms. Sumerford was unable to attend the meeting however did forward a report to be included in the packet. Mr. Cronin noted the call on the main stem is Tremont Ditch, Admin No. 19009 with a priority date of 1/17/1902. The call on the St. Vrain is Supply Ditch, Admin No. 10378, priority date of 5/31/1878. There is also a call on the South St. Vrain, the South Ledge Ditch, Admin No. 12677, with a priority date of 9/15/1884. Lyons gauge is 75.4 cfs., with Northern doing their non charge water, starting the release May 5th and finishing Wednesday May 11th, for direct use irrigation and will be releasing 330 cfs. of that CBT water. According to Ms. Sumerford’s report, the snow pack for the Upper Colorado is at 162%, 155% for the South Platte and 162.3% for the St. Vrain.
E. Northern Water Report – President Yanchunas

President Yanchunas stated he wanted to share the information regarding the next planning meeting for Northern is June 30th and will be going to Lake Granby to watch the spill of the water in the lake. Northern is trying to alleviate some of the overflow with the non-charge water being provided currently.

F. Executive Directors Report – Sean Cronin

1. South Platte Basin Roundtable
2. AWRA-CO Section
3. South Platte Forum Planning Team
4. Colorado Water Wise
5. Water 2012
6. Sutron Installation

Mr. Cronin referred the Board members to the report and specifically noted the Sutron recorder is installed at Lake 4 and is being monitored. In the future Mr. Cronin will also be providing the Board with updates on the various Boards he is now participating in. A brief discussion ensued and President Yanchunas thanked Mr. Cronin for his report.

G. Items from the Board President or Public – President Yanchunas

President Yanchunas mentioned the importance of paying attention to the legal report in the future packets, if there are no legal action items, or questions regarding the legal report, the Legal report in future meetings will be brief. Director Rademacher mentioned during the summer it would be more beneficial for him to meet in the evening instead of during the day to accommodate those who are in agriculture, specifically the months June through September. Vice President Patterson spent a weekend at Cameron Pass and noted a record amount of snow. He was able to go down in a snow pit that was 12 feet deep and participate in a snow survey, which he found very interesting.

V. EXECUTIVE SESSION

A. None

VI. ADJOURNMENT

With no further business to come before the St. Vrain and Left Hand Water Conservancy District Board of Directors, the motion to adjourn was made by Director Sutherland and seconded by Director Haselbush. The meeting was adjourned at 3:03 p.m.
Respectfully Submitted,

Amy Williams, Assistant Secretary

Glenn Patterson, Vice President

Additional Attendees:
Jill Baty