



St. Vrain and Left Hand Water Conservancy District
and
St. Vrain and Left Hand Water Conservancy District
by and through the Water Activity Enterprise
Minutes of the Board Meeting
1715 Iron Horse Drive, Suite 250, Longmont, CO
November 14, 2022

I. ROUTINE ITEMS

A. Call to Order – *President Smith*

President Smith called the meeting to order at 1:02 PM.

B. Recognition of Oath of Officers – *President Smith*

President Smith reported the Court appointed Dan Wolford, Mike Rademacher and Alyson Meyer Gould as Directors. Their Oath of Offices were completed prior to the November Board meeting.

C. Roll Call – *Assistant Secretary Ruark*

Board members present: President Smith, Vice President Varra, Treasurer Rademacher, Secretary Carlson, Directors Sigg, Moore, Meyer Gould and Golden (by Zoom) were present. Director Wolford was excused.

Staff members, consultants and guests: Executive Director Sean Cronin, Water Resources Engineer Scott Griebing, Water Resources Specialist Jenny McCarty, and Office Manager Mona Ruark were present. Attorney Alison Gorsevski with Lyons Gaddis, Mr. Robert Schorr, Mrs. Nancy Schorr, Mr. Mark McLean with Schnabel Engineering, Ms. Vanessa McCracken with Boulder Valley and Longmont Conservation Districts, Ms. Hope Bartlett with City of Longmont, Ms. Emily Gallagher and Mr. Andy Breiter with Grama Grass and Livestock, Ms. Yana Sorokin with The Watershed Center, Mr. Terry Plummer with Left Hand Ditch Company, and Ms. Jessie Olson with The Watershed Center were present.

D. Amendments or Additions to the Agenda – *President Smith*

Executive Director Cronin requested to add Resolution 2022-07 in Recognition of Mr. Ron Sutherland as Action Item II.C. A copy of the Resolution was distributed to the Board.

II. ACTION ITEMS

A. Public Hearing - Schorr Family Trust Inclusion of Property – *President Smith*

Treasurer Rademacher moved to open a public hearing in the matter of an inclusion petition from the Schorr Family Trust for its property located in Larimer County (Parcel Nos. 3427000058 and 3422000030) according to the notice published in the Fort Collins Coloradoan. Vice President Varra seconded the motion and the motion passed. President Smith opened the public meeting at 1:05 PM. Executive Director Cronin reported there were no public comments received prior to the meeting. Mr. Schorr thanked the Board for considering their petition. No other comments were made by the public. Director Moore moved to close the public hearing. Secretary Carlson seconded the motion, and the motion passed unanimously. President Smith closed the public meeting at 1:08 PM.

B. Board Order of Inclusion - Schorr Family Trust – *President Smith*

Director Golden moved to approve the Schorr Family Trust Inclusion. Vice President Varra seconded the motion and the motion passed unanimously.

C. Resolution 2022-07 in Recognition of Mr. Ron Sutherland – *President Smith*

President Smith presented Resolution 2022-07 to formally express appreciation for Mr. Ron Sutherland who served 28 years with the St. Vrain and Left Hand Water Conservancy District Board of Directors. Mr. Sutherland was unable to attend the meeting. President Smith read the entire resolution into the record. The Board acknowledged Mr. Sutherland for his contributions to the District. Executive Director Cronin will present the Resolution and a gift to Mr. Sutherland at a later time. Director Meyer Gould moved to adopt Resolution 2022-07. Vice President Varra seconded the motion, and the motion passed unanimously.

III. CONSENT AGENDA

A. Approval of October 10, 2022 Board Meeting Minutes

B. Approval of September General Fund Finance Reports

C. Approval of September Enterprise Fund Finance Reports

D. Approval of Board Tour November 3, 2022 Minutes

E. Approval of Aden, Inc. Agreement

Vice President Varra moved to approve the Consent Agenda. Director Sigg seconded the motion and the motion passed unanimously.

IV. PRESENTATIONS

A. Partner Funding Request Presentations - *Ms. Jenny McCarty*

Ms. McCarty reported that the District's Partner Funding Program leverages funds from the 7A Ballot Initiative to support entities seeking to implement projects, programs, or services that align with the District's Water Plan. Eight (8) funding requests were submitted for 2023, and staff vetted each request using the funding criteria outlined in the Partner Funding Request Guidance Document adopted by the Board in July 2021. Staff recommended the Board include a total of \$278,225 for the five (5) projects in the District's 2023 budget and authorize Staff to enter into an Agreement with each Partner organization as described in the Guidance Document.

The following five organizations each made a presentation of its funding request to the Board.

1. Boulder Valley and Longmont Conservation Districts – *Ms. Vanessa McCracken*

The Boulder Valley and Longmont Conservation District is requesting \$100,000 for its Forest Restoration in Action project. Ms. McCracken reported the Forest Restoration in Action project will provide forestry technical assistance to non-industrial private forest landowners to first develop forest management plans on their properties and then apply for cost-share assistance with the Natural Resources Conservation Service ("NRCS") to implement the forest management plan. The project supports active forest management practices to reduce fire risk, promote native habitat, build ecological resilience, and protect watersheds. The project aligns with the following points of the District's Water Plan: "Protect water quality and drinking water sources" through supporting local forest management; and "Maintain healthy rivers and creeks" as healthy forests are critical to

water quality and water sources, and supports healthy rivers and creeks. The District's support will be recognized in the BVLCD's newsletter, on its website, at outreach events, and on Forestry Restoration Project signs where District support is used. The total cost for this project is \$241,000. The District's contribution of \$100,000 represents 20% of the total funding for this project.

2. City of Longmont – Ms. Hope Bartlett

The City of Longmont is requesting \$20,000 for its Water Conservation Program Expansion project. Ms. Bartlett reported the Water Conservation Program Expansion project aims to conserve residential water supplies through turf replacement, xeric landscaping, and planting of water and pollinator friendly plants. District funding will help Longmont expand their current geographical reach to include more Longmont customers as well as Town of Lyons ("Lyons") customers. The project aligns with the following points of the District's Water Plan: "Protect water quality and drinking water sources" through residential land management and conversion practices as well as "drought planning and preparedness; and "Safeguard and conserve drinking water" through water conservation and educating District constituents. The District's support will be recognized in the following ways: on the City of Longmont and Town of Lyons websites, program marketing materials and social media outlets; District stickers will be put on Garden in a Box handouts given to each customer to highlight the collaboration; and highlighted in Longmont water bill inserts. The total cost for this project is \$62,700. The District's contribution of \$20,000 represents 32% of the total funding for this project.

3. Grama Grass and Livestock – Ms. Emily Gallagher

Grama Grass and Livestock is requesting \$17,600 for its Land Monitoring and Education project, which aims to protect water quality, educate the public, and grow local food through data collection and public outreach. Ms. Gallagher reported Grama Grass and Livestock uses holistic livestock management to increase drought resiliency, reduce water runoff and erosion, and produce local food. District funds will be used to conduct data collection on several grazing treatment parcels within and just outside District boundaries, and then provide District-wide public outreach and education with their findings. The project aligns with the following points of the District's Water Plan: "Protect water quality and drinking water sources" through land management practices and public education; "Maintain healthy rivers and creeks" through land management practices and public education; and "Grow local food" through improved land management practices and education. The District will be recognized as a funding partner on Grama Grass and Livestock's Instagram page, newsletter, presentations and speaking engagements. The total cost for this project is \$35,300. The District's contribution of \$17,700 represents 50% of the total funding for this project.

4. Left Hand Ditch Company – Mr. Terry Plummer

The Left Hand Ditch Company ("LHDC") is requesting \$60,625 in funding for its Flow Monitoring at Gold Lake and Left Hand Park project, which aims to protect water supplies, improve water administration for beneficial uses, and optimize water management to mitigate for climate uncertainty through quantitative water flow data gathered in the Left Hand Creek watershed. Mr. Plummer reported that LHDC proposes to install flow meters in five new locations, including at the Gold Lake Reservoir inlet, two outlets, and lake level, and Left Hand Park Reservoir outlet and lake level. The project aligns with the following points of the District's Water Plan: "Protect water quality and drinking water sources"; "Safeguard and conserve water supplies"; and "Store water for dry years". The District's support will be recognized in the following ways: on the LHDC website; at LHDC's annual

meeting in February; and a mailer to property owners located near the flow meters alerting them of the equipment and ability to access data collected online. The total cost for this project is \$127,750. The District's contribution of \$60,625 represents 47% of the total funding for this project.

5. The Watershed Center – Ms. Jessie Olson

The Watershed Center is requesting \$80,000 for its Resilient Rivers and Forests project. Ms. Olson reported the project aims to protect water supplies through collaborative landscape-scale forest and river restoration based on recommendations in the St. Vrain and Left Hand Stream Management Plan ("SMP"), St. Vrain Forest Health Partnership ("SVFHP") Plan and Basin-wide Adaptive Management Plan. The project will leverage ongoing collaborative momentum, and includes three key components: outreach and education, cross boundary forest restoration, and river restoration. The project aligns with the following points of the District's Water Plan: "Protect water quality and drinking water sources"; "Safeguard and conserve drinking water"; and "Maintain healthy rivers and creeks" as healthy forests support healthy rivers and creeks. The District's support will be recognized in the following ways: on all project outreach materials, fliers, and media; at all public project events, workshops, tours, and panels; on The Watershed Center's Facebook and Instagram pages, in newsletters, press releases and their annual report donor page. The total cost for this project is \$310,000. The District's contribution of \$80,000 represents 26% of the total funding for this project.

Following the presentations, the Board discussed what information would be necessary from District Staff to allow the Directors to make an informed decision in January once the Partner Funding contracts are presented. The Board also discussed ideas to improve the Funding Request Guidance that was adopted in 2021.

The discussion concluded the December meeting will include a budget that describes each of the Partner Funding projects with the full funding request. The January meeting will include Partner Funding contracts, each with specific language on deliverables. Staff will meet with two of the prospective Partners (City of Longmont, and Gamma Grass and Livestock) to provide feedback/guidance from the Board's discussion that could assist the partners proposed project align closer with the District's vision. Any changes to the Partners proposal will be provided to the Board in January (at the earliest) and will be included in the contract(s). After January and at a future meeting(s), Staff will propose changes to the Funding Request Guidance. Proposed changes will attempt to address what was discussed at this meeting, and others that Staff believe are necessary.

B. Draft 2023 Workplan – Mr. Scott Griebling

Mr. Griebling presented the 2023 workplan, which aligns with the District's Water Plan and outlines the projects and tasks staff plan to complete throughout the year. The workplan is divided into the following areas: Water Plan implementation, Water Activity Enterprise tasks, general District tasks, and administrative tasks. The Board thanked Staff for their work and confirmed an update during the year was not necessary.

C. 2022 C-BT Summary – Mr. Scott Griebling

Mr. Griebling presented a summary of how the District used its C-BT water in 2022. At the beginning of 2022, the District owned 259 Units of C-BT water, with this ownership divided between the District's General Fund (109 C-BT Units) and the District's Water Activity Enterprise Fund (152 Units). The District transferred all 121.6 acre-feet of its Enterprise Fund owned C-BT water to Boulder County ("County") Parks and Open Space in exchange for 121.6

acre-feet of the County's Lake No. 4 water. This water will be used to cover depletion requirements from the District's Augmentation Program during its 2022 and 2023 operation years. The District has a ten (10) year bridge lease with the Left Hand Water District ("LHWD"). Because the LHWD elected not to rent water from the District in 2022, the District rented all 85.6 acre-feet of its General Fund-owned C-BT water. The water was rented according to the District's C-BT Rental Rules, approved by the Board in April 2022. The District rented 51.8 acre-feet of its carryover capacity to the Little Thompson Water District.

D. 2023 Budget Update– Budget Officer Cronin

Budget Officer Cronin reported the Budget Committee met on September 28 and October 28 to review the 2023 General Fund and Enterprise Fund Budgets and provided input from both meetings. Budget Officer Cronin presented the following significant updates to the 2023 General Fund Budget:

- Adjusted the "PL-566" item downward to \$100,000 in both revenue and expense.
- Added "Vehicle Maintenance" item.
- Created "Creek Improvement Facility" (CIF) category. "Phase 2B" and "Phase 3A" CIF items were adjusted based on more recent projections.
- Created "District Projects" category and added "Copeland Rehab and Expansion Design" item based on more recent projections.
- Created "Collaborative Projects" category and added "Stream Restoration" item.
- Created "Partner Funding Program" category and added a "TBD" item which will reflect projects from the November Board meeting.
- Created "Contingency Spend" category at the recommendation of the Audit Firm. This category includes projects that are anticipated to take place in 2023 with the possibility of some or none of the funds being spent. The Audit Firm also recommended manually modifying the monthly financial reports to show an additional line "Minus Contingency Spend" to address variances skewed by funds not being spent.

The Board discussed the change in Workers Compensation classification and premium for Mr. Griebing due to his work in the field. Staff will research options with CSD Pool.

Mr. Griebing reported on the following significant updates to the Enterprise Fund 2023 Budget:

- Reevaluated dam insurance coverage for Copeland Reservoir and Lake 4. Staff are researching whether to remove coverage for Copeland Reservoir or to increase deductibles.
- Increased capital reserves from \$10,000 to \$20,000 annually in future years.
- Increased Augmentation Program fees by 6% in 2023 to account for rising costs and upcoming construction at Copeland Reservoir.

V. REPORTS

A. Finance Committee Report – Treasurer Mike Rademacher

Treasurer Rademacher reported the Committee met this afternoon and reviewed 3rd Quarter reports and discussed reclassification items in the General Fund and Enterprise Fund. The Committee also reviewed monthly invoices and receipts and found no issues.

B. Water Commissioner Report – Ms. Shera Sumerford

Commissioner Sumerford was not present and emailed her report. In her absence, Executive

Director Cronin read the following report:

- The call on the mainstem of the South Platte River is Riverside Canal, admin #21031, 8-1-1907
- The call on St. Vrain Creek is Pleasant Valley Reservoir, admin #7822, 6-1-1871
- The St. Vrain Creek at Lyons gage reading was 14.2 cfs at 8AM on 11/14/2022. Rough and Ready Ditch is sweeping to run storage water to Pleasant Valley Reservoir.
- Reservoir readings in the basin at the end of October and end of Water Year 2022 were 68% of capacity.
- Her office is working on diversion records.

C. Legal Report – Ms. Alison Gorsevski

Ms. Gorsevski presented the following report:

- In the Application of Firestone, Case No. 19cw3236, Firestone seeks to change shares of New Lower Boulder and Rural, seeks to change the use of the water storage right at Firestone Reservoir No. 1, claims a new conditional water storage right for Firestone Reservoir No. 1 including diversions through a new pump station off of St. Vrain Creek, claims a conditional surface water right for diversions through the new pump station off of St. Vrain Creek, claims conditional groundwater rights from wells tributary to St. Vrain Creek, claims an exchange from the St. Vrain Sanitation District outfall to the new pump station off of St. Vrain Creek, and a requests approval for a plan for augmentation to replace well depletions. A 14-day trial is set to commence on 7/24/23. Applicant’s expert disclosures were filed on 10/17/22. A first meeting of the experts will be held during the first week of December, and opposers’ expert disclosures are due by 2/13/23. The Applicant has addressed the District’s initial concerns in this case. Legal Counsel recommended that the District remain an opposer to this case until after opposers file expert disclosures and that the Board direct Mr. McLean to attend the first meeting of the experts on behalf of the District. The Board approved Legal Counsel’s recommendation.
- The Division Engineer approved the District’s request to add new members and remove exiting members from its Augmentation Plan subject to certain conditions. Staff, Mr. McLean, and Counsel have engaged with the DEO and CWCB to resolve these conditions.
- For the Crane Hollow Augmentation Plan Application, Crane Hollow submitted to the District a draft water court application by which it will add the District’s augmentation water sources to its decreed augmentation plan to meet winter obligations. The District is reviewing and will revise the application. Once approved and filed, the District will file a statement of opposition, and will be able to withdraw its water if opposers attempt to modify or alter the District’s augmentation decree (02CW334).

D. Projects and Programs Report – Mr. Scott Griebing and Ms. Jenny McCarty

Mr. Griebing presented the following report:

- Drought conditions deteriorated slightly from last month and snowpack has begun to accumulate. It’s too early in the year to make any projections.
- Stream flows remain low and are currently hovering around 20cfs, which is below median for this time of year. Annual stream volume remains around 25% of normal.
- The Weather Modification Project has received favorable news coverage from several local media/newspapers. Staff are waiting for the State to approve the permit. Generator installation is expected to occur the last week of November.
- The South Platte Round Table approved the WSRF request and will make a recommendation to CWCB. Mr. Griebing has joined the CASM planning committee and will present to CWCB on funding and program expansion.

- No stream gages will be installed this year. Staff is waiting for a response from the State.

Ms. McCarty presented the following report:

- The Jamestown Project is scheduled to wrap up in 1st quarter of 2023.
- Phase I of Creek Improvement Facilities ("CIF") is completed. Phase 2A and Phase 2B RFPs were sent out and proposals are due in early December. Staff are conducting Phase 2A site visits.

E. Executive Director Report – *Executive Director Cronin*

Executive Director Cronin gave the following report:

- Staff made presentations at several events.
- Staff presented to the Town of Lyons Board of Trustees and were asked to do follow up presentations.
- The District's open house was well attended. The Union Reservoir requested to use the conference room for its December meeting.
- Executive Director Cronin thanked the Board Directors for attending the tour on November 3rd and requested the Board bring ideas for future tours to Staff.
- Staff are attending Northern Water's Fall Symposium tomorrow.
- The District will provide lunch for the Board at the December meeting.
- Staff are planning the Water Symposium for March 1, 2023 at the Shupe Homestead.
- January is the election of Board officers and committee members.
- Executive Director Cronin will deliver the Board resolution and an artwork gift to Ron Sutherland.

F. Items from the Board – *President Smith*

There were no items from the Board.

At 4:24 PM, Secretary Carlson moved to adjourn the General Fund Board Meeting and open the Water Activity Enterprise Board Meeting. Treasurer Rademacher seconded the motion and the motion passed. Directors Golden and Wolford were not present for the vote.

I. ROUTINE ITEMS OF THE WATER ACTIVITY ENTERPRISE BOARD

A. Call to Order – *President Smith*

President Smith called the meeting to order at 4:25 PM.

B. Roll Call – *President Smith*

Board members: President Smith, Vice President Varra, Treasurer Rademacher, Secretary Carlson, Directors Sigg, Moore, Meyer Gould were present. Directors Golden and Wolford were not present.

Staff members, consultants and guests: Executive Director Sean Cronin, Water Resources Engineer Scott Griebing, Water Resources Specialist Jenny McCarty, and Office Manager Mona Ruark were present. Attorney Alison Gorsevski with Lyons Gaddis and Mr. Mark McLean with Schnabel were present.

C. Amendments or Additions to the Agenda – *President Smith*

No changes or additions to the agenda were proposed.

II. PRESENTATION

A. Augmentation Program 2022 Summary – Mr. Scott Griebing

Mr. Griebing reported on the Augmentation Program (“Program”) operations for 2022. The Program began the year with 187.02 acre-feet of water in Lake No. 4. While Lake No.4 did not come into priority in 2022 and did not receive any additional inflows, the District was able to exchange 121.6 acre-feet of the District’s C-BT water with Boulder County Parks and Open Space for 121.6 acre feet of the County’s Lake No. 4 water. The District released a total of 126.82 acre-feet for depletion replacements in 2022. An additional 39.24 acre-feet was lost to evaporation and 4.77 acre-feet was lost to seepage. The Program ended 2022 with 137.8 acre-feet of water in Lake No. 4. Staff submitted monthly accounting for Lake No. 4 (WDID 0503304) and the Augmentation Plan (WDID 0102612) to the State of Colorado’s Division of Water Resources.

III. ACTION ITEM

A. Augmentation Program Fee Increase – Mr. Scott Griebing

Mr. Griebing reported the Augmentation Program (“Program”) provides water for out-of-priority depletions for 219 members in the St. Vrain and Left Hand basins and its primary source of revenue is membership fees that consist of a base fee and a tiered water use fee. The District is preparing to undertake improvements and modernization to Copeland Reservoir, which is a decreed storage facility for the Program. A rehabilitated reservoir will serve to bolster the Program’s ability to meet the challenges of an uncertain water future. The fee increase will slowly increase the Program’s unrestricted cash balance and increase funds needed for capital and operating reserves, which will be used to pay current loan obligations for the Lake No. 4 pipeline loan and to provide sufficient funds for Copeland Reservoir construction expenses. Staff recommended the Board approve a 6.0% membership fee increase. The recommendation is supported by the Budget Committee.

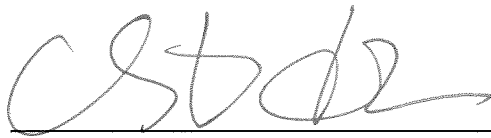
Secretary Carlson moved to approve a 6.0% increase in the Program’s membership fee. Director Moore seconded the motion and the motion passed. Director Golden and Wolford were not present for the vote.

At 4:40 PM, Secretary Carlson moved to adjourn the Water Activity Enterprise Board Meeting, Director Meyer Gould seconded the motion, and the motion passed. Director Golden and Wolford were not present for the vote.

Respectfully Submitted,



Mona Ruark, Assistant Secretary



Christopher Smith, President