

April 15, 2009
Minutes-Board Meeting

The regular monthly meeting of the Lower Arkansas Valley Water Conservancy District Board of Directors was held on Wednesday, April 15, 2009 at 10:10 A.M., at 801 Swink Avenue, Rocky Ford, CO 81067.

Chairman Moore announced a quorum was present with Director Gill being excused.

DIRECTORS PRESENT:

Pete Moore-Chairman
Melissa Esquibel-Secretary
Wayne Whittaker -Treasurer
Leroy Mauch
Anthony Nunez

DISTRICT STAFF PRESENT:

Jay Winner-Executive Director
Bill Hancock-Conservation Program Manager
Carla Aragon-Quezada-Administrative Assistant
Bart Mendenhall-Attorney
Peter Nichols-Attorney

DIRECTORS EXCUSED:

Lynden Gill-Vice Chairman

DISTRICT STAFF EXCUSED:

Kim Chavez-Financial Officer

MOTION TO ENTER INTO WATER ACTIVITY ENTERPRISE:

Director Mauch moved that the Board recess the regular Board Meeting and open the Water Activity Enterprise meeting, seconded by Director Whittaker. Motion unanimously carried.

At the conclusion of the Water Activity Enterprise meeting Director Nunez moved to adjourn the Water Activity Enterprise meeting and reconvene the District Meeting at 10:12 A.M., seconded by Director Esquibel. Motion unanimously carried.

INTRODUCTION OF VISITORS:

Chairman Moore welcomed each of the visitors to the meeting, asked them to introduce themselves and identify the organization which they represent.

VISITORS PRESENT:

Loretta Kennedy, Congressman Salazar's Office; Alan Ward, Pueblo Board of Water Works; Ken Weber, Pueblo Co; Del Nimmo, CSU-Pueblo; David Lehmpuhl, CSU-Pueblo; Fred

Heckman, FLCC; Henry Schnabel, Bristol County Commissioner; Chris Woodka, Pueblo Chieftain; G.W. Werdel, Larkspur; Mike Bartolo, CSU-AURC; Kelly Roesch, Pure Cycle; Rick Kienitz, Aurora Water; Bob Sakayuchi, Stantec Consulting; Dwight Gardner, Senator Bennet's Office; Dan Henrichs, HighLine Canal; John Schweizer, Catlin, Super Ditch Company; Don McBee, Lamar; Dale Mauch, Lamar; Commissioner Keith Goodwin, Otero County.

APPROVAL OF MINUTES:

- ❖ *March 18, 2009 Monthly Board Meeting Minutes-* Chairman Moore asked if the Board members had reviewed the minutes for the March 18, 2009 Board meeting and whether there were any corrections or additions. Director Mauch moved to approve the minutes for March 18, 2009, seconded by Director Nunez. Motion unanimously carried.
- ❖ *March 18, 2009 Work Session Meeting Minutes-* Chairman Moore asked if the Board members had reviewed the minutes for the March 18, 2009 Work Session meeting and whether there were any corrections or additions. Director Esquibel moved to approve the minutes for March 18, 2009, seconded by Director Whittaker. Motion unanimously carried.

TREASURER'S REPORT:

Chairman Moore reported that the financial report for the month of March was included in the Board's Monthly Meeting Packet. Treasurer Whittaker reported March total revenues \$505,719.41 and total expenditures \$89,038.03 with total net 416,681.38. Director Whittaker moved to accept the March Financial Statement, seconded by Director Mauch. Motion unanimously carried.

GM REPORT:

General Manager Winner introduced Dr Dave Lehmpuhl, CSU-Pueblo.

PRESENTATIONS:

Dr Lehmpuhl gave a power point on the Budget Overview (Fountain Creek Project) which is attached to the minutes as Exhibit A.

General Manager Winner introduced Bill Hancock, LAVWCD Conservation Program Manager.

Bill Hancock, Conservation Program Manager gave an update on the purchase of Larkspur Ditch. Mr. Hancock reported that 130 shareholders from the Larkspur Ditch have responded. We are purchasing shares in the order that the agreements are received. The District will distribute ½ of the payments in 2009 and the remainder of payments in 2010. Also gave an update on Conservation Easements the District has 2 or 3 in progress and will present them to the board next meeting.

General Manager Winner introduced G.W. Werdel, Contractor for Larkspur Ditch.

G.W. Werdel of Larkspur Ditch gave an update on the Larkspur Ditch. There is more water than last year and the ditch is looking good.

LEGISLATIVE REPORT: None

DIRECTORS' DISCUSSION:

Directors' discuss the Arkansas River Watershed Invasive Plants Plan (ARKWIPP)

COMMITTEE REPORTS:

Personnel: None.

Acquisition: None.

LEGAL REPORT:

Melissa Esquibel: None

Attorney Bart Mendenhall: Attorney Bart Mendenhall discussed his legal report, a copy of which is attached to the minutes as Exhibit B.

Trout, Raley, Montano, Witwer & Freeman, PC

Attorney Peter Nichols: Attorney Peter Nichols discussed his legal report, a copy of which is attached to the minutes as Exhibit C.

BOARD ACTION:

Motion was made by Director Whittaker to give Arkansas River Watershed Invasive Plants Plan (ARKWIPP) \$10,000.00 for Tamarisk control, seconded by Director Nunez. Motion unanimously carried.

PUBLIC COMMENT:

Chairman Moore asked if anyone had a comment to make.

John Schweizer, Farmer and President of the Super Ditch Company asked if he could make a comment. On behalf of the Super Ditch Company and President, I have read several negative comments about the Super Ditch in the Pueblo Chieftain. It was very disturbing. The Super Ditch was accused of selling the water. I've been involved with the Super Ditch from the very beginning and to my knowledge unless I've slept through all the meetings, the Super Ditch Company has never, ever suggested selling water. We are into leasing water. It's turned around in the article that we're selling water which the Super Ditch Company is not. If the Super Ditch Company were selling the water, I wouldn't be part of it. Now, Pueblo Board of Water Works

could buy the Bessemer Ditch and go into Pueblo and that's just fine, but if anyone else wants to lease water to go somewhere else and that's not fine. I don't think it's fair.

Dale Mauch a farmer out of Lamar, Colorado stated I'm just here as a farmer. Do you guys know what 2 + 2 = in Pueblo? Whatever Bob Rawlings says it does. Mr. Rawlings is owner and chief Editor of Pueblo Chieftain. This article was ridiculous. But I thought it was time to come here today and say to Lower Arkansas Valley Water Conservancy District thank you for the support of the Super Ditch Company. The Super Ditch Company is about leasing. I know Bob Rawlings sometimes thinks the world ends at the Pueblo Army Depot. He's a fan of the Arkansas Valley as long as it strictly helps Pueblo. The farmers east of their sometimes gets off track. I'm not a politician, so I could say whatever I want. Mr. Rawlings contradicts himself. We all know we read the newspaper. The Super Ditch Company was formed to protect the valley. It's what your mission says to keep the people and water in the valley. The Super Ditch Company feels the only way it can happen is with a major lease program with the alternative to buy/dry. I don't know where Mr. Rawlings thinks the water is going to come from, but if we don't have something in place. The buy/dry will happen. I just want to say to John Schweizer and Fred Heckman who are on the negotiation team. Thank you on behalf of the Super Ditch Company. Also thank you to Lower Arkansas Valley Conservancy District.

Fred Heckman a farmer from Lamar, Colorado. I have to put my two cents in. This article left an impression we're drying up the entire 100% of the valley. There is 200,000 acres or plus in valley farms, a very small percentage to be taken out through a leasing program. A rotation fallowing program that works in a farming system so that the fields that are being fallowed move around from various farms. The article is missing in the economic benefit of bringing leasing proceeds into the valley. A lot of money brought into the valley over and above what agriculture can provide. Farmers are in the business of farming the best economic value, best beneficial use. This will include the social needs providing water for the cities and suburbs. So the Lower Arkansas Valley Conservancy District has done a very good job in supporting agriculture and it depends on defining agriculture. Are we talking about lifestyle farming or talking about agriculture business, commercial business? Farmers try to stay within economically viability here. With this these people who are writing the articles they already have their future in place. They've already made it.

Director Mauch replied we've made it for them.

Mr. Heckman replied that's right to their advantage. They do not pay our bills and if the farmers have a drought, okay what do the farmers do. Are the farmers going to starve and then sell out? So that's what LAVWCD is here to support us (farmers) to keep us viable and in business and the farmers appreciate it. One last point if you take land out of production you can bring it back in. You know this land was out of production 100 years ago and we brought it back through rotation fallowing system. When farmers rest a plot of ground under a field for a year it enhances it. So we do not have any questions that we can't bring land back to production in our farming practices. So with that I wanted to leave.

Donny McBee, farmer from Lamar, Colorado, stated this is for General Manager Winner and Attorney Nichols. CSU-Research Center is giving a presentation for Lysimeter. The farmers would like to know how this is going to affect the efficiency rules.

General Manager Winner replied On May 1, 2009 CSU will be giving their presentation on Lysimeter and LAVWCD will be there.

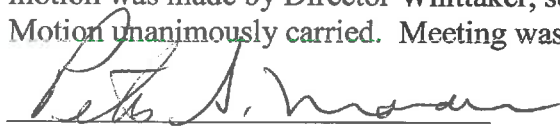
Bill Hancock stated I'm not speaking as an employee of the District. You know I was at CSU-extension for 38 years before I came over here and went through the water sales that happened down here. The Crowley County water sales and everybody present particular just ridicule those farmers for selling their water and its personal water right and everybody realized it and they have the right. You come back and criticize these farmers for not taking care of the communities and the infrastructure. It's not their responsibility to take care of the communities as far as I'm concerned. It's the communities' responsibility to make them profitable and viable; and if they do that then the farmers will stay here and farm; if you look from that aspect. The District is using tax dollars to provide as a voice for the community to provide a viable alternative to the farmers to the buy/dry. The farmers are viable to lease a percentage of their water to have some good income and stay here and farm. Then the whole system will stay in place. That's one of the reasons why I came to work for the District. To help the District put the Super Ditch together, because I could see that as the main alternative to buy/dry. The citizens that pay taxes into this District are helping to find the alternative and you have to look at that from that aspect.

Director Mauch gave an update on the meeting that took place March 31, 2009, in Lamar, Colorado. There were about 50 attendees. The meeting went well. The main problem before this meeting was the lack of communications. After the meeting several people expressed that they were very thankful that the Lower Arkansas Valley Water Conservancy District sponsored the meeting. If only Bob Rawlings would just ask me. Mr. Rawlings wouldn't be printing all these dumb statements.

General Manager Winner stated the meeting with Colorado Engineer Dick Wolfe and Division Engineer Steve Witte will take place this afternoon April 15, 2009 at 2:00 p.m. at the Cow Palace Inn, Lamar, Colorado. The topics that will be discussed are Colorado/Kansas Compact and the Operation of John Martin Reservoir. So please ask questions.

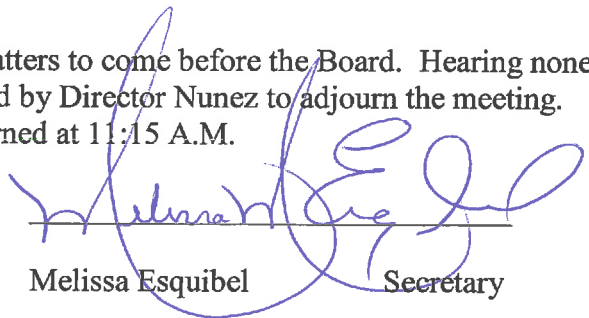
ADJOURNED:

Chairman Moore asked if there were any other matters to come before the Board. Hearing none, motion was made by Director Whittaker, seconded by Director Nunez to adjourn the meeting. Motion unanimously carried. Meeting was adjourned at 11:15 A.M.



Pete Moore

Chairman



Melissa Esquibel

Secretary