

**MINUTES OF A REGULAR MEETING
OF THE BOARD OF DIRECTORS OF
HIDDEN VALLEY WATER DISTRICT**

February 21, 2023 at 7:00 p.m.

A Regular meeting of the Board of Directors of the Hidden Valley Water District was held on Tuesday, February 21, 2023, at the hour of 7:00 p.m. via Zoom conference. Directors present were Sue Harley, Chris Palmer, and Erik Foster. Harv Teitelbaum's absence was excused. Also attending were Nicki Simonson and Rebecca Hill with Simonson & Associates, Inc., along with a few residents from the community.

1. Agenda & Administrative Matters

a. Disclosure of Conflicts of Interest. There were no changes to the Board member disclosures.

b. Open Forum for the Public. The public had no comments or issues to bring to the Board. Two potential new Board members were in attendance, Max Parmenter and Rachel Pyburn.

c. Minutes. The November 15, 2022 meeting minutes were approved upon motion by Erik Foster and second by Chris Palmer.

d. 2023 Sunshine Resolution No. 1. Erik Foster moved to approve the 2023 Sunshine Resolution No. 1. The motion was approved upon second by Chris Palmer.

2. Financial Matters. Erik Foster moved to ratify the approval of the November and December 2022 disbursements. It was approved upon second by Chris Palmer. Erik Foster then moved to ratify the approval of the January and February 2023 disbursements. It was approved upon second by Chris Palmer.

3. Legal Business.

a. Conclusion of Evergreen Metro District (EMD) Change Case No. 19CW3243. All remaining Opposers, including the District have entered stipulations with EMD, settling the case.

b. Upcoming Closing on Harriman Ditch Co. Shares. The Purchase Contract with Hiwan contemplated that the yield of the Harriman shares would be 30 acre-feet per year, and it requires the District to pay \$6,000 per acre-foot of yield that exceeds the 30-acre-foot estimate. Accordingly, for the additional 44.5 acre-feet of additional yield decreed for the shares, the District will owe Hiwan an additional \$267,000 to purchase the shares. However, pursuant to the District's Water Delivery Agreement with EMD, EMD has determined that 4 of the 12 shares of Harriman Ditch Co. purchased by the District exceed the amount needed to satisfy the District's water demands. EMD can acquire those surplus shares from the District at a price of \$6,000 per acre-foot of average historic consumptive use which totals \$149,000. For the additional \$267,000 payment due to Hiwan, EMD can pay the \$149,000 directly to Hiwan while the District can pay the remaining balance of \$117,960. The funds for the District's portion of the additional purchase price will be drawn from the District's loan with the Colorado Water Conservation Board. To avoid needing the USDA's approval for the water rights purchase, the District will not directly purchase the water rights and instead will assign its right to purchase the Harriman shares to EMD.

c. Storage Capacity. Since entering into the water delivery agreement with EMD, EMD has been leasing temporary storage capacity in their raw water system to the District at no cost and are proposing amending the agreement to provide for a long-term storage lease. Attorneys on both sides are working towards this goal as the District has not found any opportunities to purchase the storage rights needed to satisfy the agreement with EMD.

4. Election Business.

a. 2023 Resolution No. 2 – Appointing a Designated Election Official and Authorizing Designated Election Official to Cancel Election. Erik Foster moved to approve Resolution No. 2. The motion was approved upon second by Chris Palmer.

b. Erik Foster Resignation. Erik Foster announced his resignation from the Board effective at the end of the Board meeting. Sue Harley thanked Erik for his service to the Board.

c. Appointment of Max Parmenter and Rachel Pyburn. Erik Foster moved to appoint Max Parmenter and Rachel Pyburn to the Board effective immediately. The motion was approved upon second by Chris Palmer.

5. Other Business. There being no further business, the meeting was adjourned.

Respectfully submitted,

DocuSigned by:
Nicole L. Simonson
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Nicole L. Simonson, Secretary