

BUCKHORN RANCH WATER COMPANY
MEETING MINUTES
OCTOBER 7, 2026 – 5:00 PM MST

Buckhorn Ranch Water Company History

Sean opened the discussion by providing a brief history of the Buckhorn Ranch Water Company. Dick Landy, the original developer of Buckhorn Ranch, also owned the water company. The water company entered bankruptcy around 2006. During that time, Buckhorn Ranch homeowners Michael Silverman and Frank Woodruff played an important role in keeping the Association financially stable, including lending funds to the HOA. Frank Woodruff was particularly instrumental in purchasing the water company out of bankruptcy, helping secure the water asset for Buckhorn Ranch. Sean noted that Jack Dietrich managed the water company during the transition period and that Brian was subsequently hired to operate the water company and has remained integral to its operation.

Current Water Rights

Jesse introduced Paul Noto, the Association's water rights attorney, to provide an overview of Buckhorn Ranch's current water rights. Paul explained that Buckhorn Ranch has a central domestic water system supplied by wells and holds water rights for more water than the wells currently produce, although the ability to fully utilize those rights is limited by the capacity of the underlying aquifer. The Association also holds rights to two springs, which currently drain into the larger pond but may be used for the domestic water system.

Buckhorn Ranch also holds water rights associated with Landy Reservoir No. 1, the smaller pond, and Landy Reservoir No. 2, the larger pond. The Association retains rights to approximately two CFS of the original six CFS of ditch water associated with Lacy's Ditch. Under a subsequent agreement and court settlement with Lacy, four CFS were transferred, while two CFS were retained by Buckhorn Ranch and converted for domestic water use through the Association's wells. Paul clarified that this is a perpetual water right, but it does not provide Buckhorn with a continuous delivery of two CFS. The water may be delivered when needed to fill or top off the reservoirs. Portions of the senior water rights were also legally changed to allow diversion through the Association's wells and springs.

Ditch and Reservoir Rights

Sean explained that Buckhorn Ranch's ditch and associated water rights are shared assets, with Lacy holding an easement and operational authority over the ditch system. The Association has documented rights to water from the ditch and to have water delivered to the reservoirs. Dick Landy confirmed the historical water rights and stated that the original property had approximately six CFS of ditch water before the subsequent settlement with Lacy. The Board noted that if Lacy proceeds with piping the ditches, Buckhorn Ranch believes its water rights must continue to be provided in some manner, and the Board is working with Lacy to address the issue without litigation.

Landy Reservoir Nos. 1 and 2 were established as augmentation reservoirs. Landy Reservoir No. 1 is the smaller pond located near Buckhorn Park between White stallion and Elk Valley, while Landy Reservoir No. 2 is the larger pond located in the Lake Ridge area. The smaller reservoir has a pipe from the ditch, but its inlet is currently turned off because the reservoir has a leak in its liner. The larger reservoir is currently supplied by springs, although the Association has the right

to pipe water from Lacy's Ditch to fill it if necessary. There is currently no infrastructure to fill the larger reservoir directly from the ditch, which may become important in the future to preserve and utilize the Association's ditch rights.

The Association's water rights and related obligations are governed by the original Buckhorn Ranch water decrees and the court settlement with Lacy. Paul clarified that the commonly referenced "ditch contract" is not a separate contract. Copies of the applicable documents are available.

Reservoir Compliance and Repair

The condition of the reservoir liner was discussed in relation to the Association's water decree. Paul explained that while the settlement with Lacy did not necessarily require the liner, the water decree contains applicable liner requirements, meaning the Association should ultimately address the issue. Sean noted that the decree language appears to apply specifically to Reservoir No. 2, while both reservoirs require metering.

The Board has previously considered repairing the reservoir, including replacing the liner or using bentonite clay. The project was not completed after the original contractor passed away and subsequent bids were significantly higher. A pond expert later advised that bringing the pond fully into compliance would require additional improvements, including inflow, outflow, aeration, and other work, which increased the scope and cost of the project.

Current Water System and Capacity

The Association's two wells are located near Lacy's ditches and receive much of their water through seepage from the flowing ditches into the aquifer. The wells can produce up to approximately 0.5 CFS, although current production is substantially lower. Sean stated that the system's maximum pumping capacity at full buildout is approximately 250 gallons per minute. The current system also includes a 250,000–300,000-gallon storage tank, with peak summer demand previously estimated to provide approximately four days of supply. Winter water use decreases by more than 80%. Sean explained that the existing wells currently have capacity for approximately 10 additional homes. The new pump house project is intended to bring the system online and provide capacity for approximately 10 years of additional development.

Augmentation and Water Supply

The reservoirs were originally established for augmentation purposes, allowing water to be released to make up for water used when the wells are out of priority. Buckhorn Ranch currently does not have the infrastructure necessary to release reservoir water to the East River. Paul explained that augmentation is primarily a concern outside of irrigation season, when the senior ditch rights do not apply. Although

Buckhorn has not experienced a call requiring augmentation under current conditions, the requirement remains in the water decree and will need to be addressed as part of the Association's long-term water planning.

Water Usage and Conservation

Water conservation and current usage were discussed at length. Before Stage 2 restrictions, peak summer usage was approximately 80,000 gallons per day; current usage is approximately 29,000 gallons per day. The restrictions, along with recent rainfall, have significantly improved the system's water supply. Sean explained that when Lacy shuts down the ditches in the fall for haying, well levels can drop approximately 20 feet within one to two weeks before stabilizing. The Board implemented Stage 2 restrictions in response to these conditions and noted that reduced

consumption helps maintain water pressure and water availability throughout the system. The Board also discussed the potential for conservation to serve as an option in responding to a future water call because the Association currently cannot augment through reservoir releases. Sean noted that the Association cannot directly measure the total amount of water remaining in the aquifer, so projections regarding the duration of the supply are based on historical experience and communications with Brian Carney rather than a measured aquifer volume.

Long-Term Water Planning

The Board continues to work with Lacy regarding Buckhorn Ranch's water rights, the future operation of the ditch system, and increasing development pressure in the Lower Bogue area. Long-term planning will need to address system capacity, augmentation requirements, reservoir compliance and repairs, water conservation, and the Association's ability to utilize its existing water rights as the community continues to develop.

Water System Capital Projects

The Board discussed several potential projects to address Buckhorn Ranch's long-term water needs, including augmentation of Landy Reservoir No. 2, repairs to the smaller reservoir, and additional water sources. The Board is evaluating a potential dry-well system to allow reservoir water to reach the East River, estimated at approximately \$30,000, as well as repairs to the smaller pond, with a preliminary estimate of approximately \$326,000. The Board also discussed a potential partnership with East River Sanitation and access to existing wells located near the East River. Preliminary testing will be conducted to determine water quality and production capacity, and any use of these wells would require additional water-rights approval. A preliminary estimate to develop the wells and connect them to Buckhorn Ranch's new pump house is approximately \$650,000.

The Board emphasized that no final decisions have been made and that multiple options are being evaluated. Potential funding methods discussed included a special assessment, financing through an HOA loan, and adjustments to water rates. The Board noted that current water rates have remained unchanged for several years and that the community would be involved before any significant expenditure or assessment is approved. The Board also discussed continuing water conservation measures and the need to balance future development with available water capacity. Current well production and historical data will continue to be monitored, and the Board will evaluate the various water supply and reservoir options as part of its long-term planning.

Lower Verzu Development and Water Planning

The Board discussed the potential impact of the proposed Lower Verzu development on Buckhorn Ranch's water supply. The Board's water engineer has reviewed the potential impacts of the development's proposed wells, and concerns regarding well locations and potential effects on Buckhorn Ranch have been raised with the County. The development is currently proceeding through the preliminary planning process, which will require additional water, traffic, and other studies. The Board also discussed ongoing negotiations with Lacy regarding the Buckhorn Ranch ditches. Lacy has indicated he may be willing to consider transferring Buckhorn's water rights from Pond 1 to Pond 2 and entering into an indemnity agreement related to the ditches, which could help preserve the existing ditch system and provide additional time for long-term water planning. No agreement has been finalized. The Board emphasized the importance of continuing negotiations while remaining prepared to pursue other options if necessary.

The Board discussed potential long-term water infrastructure investments and funding options,

including a possible assessment or financing. No final decisions have been made, and the Board plans to conduct additional analysis and seek community input before moving forward. The Board also noted that maintaining the ditches is particularly important during the summer months, when the system is most dependent on ditch-related groundwater recharge. The Board will continue evaluating water supply, development impacts, infrastructure needs, and potential agreements with Lacy.