



The Southwestern Water Conservation District

The West Building, 841 E Second Avenue

Durango, CO 81301

NOTICE IS HEREBY GIVEN FOR
SOUTHWESTERN WATER CONSERVATION DISTRICT'S
REGULAR BOARD MEETING

Location

Ross Aragon Community Center – 451 Hot Springs Blvd Pagosa Springs, Colorado 81147
& Via Zoom (Thursday only)

Date and Time

Upper San Juan Tour: 08-07-24 12:00 PM – 5:00 PM

Regular Board Meeting: 08-08-24 8:00 AM – 1:00 PM

Remote Connection

[Click here to join via Zoom](#) - Available Thursday Only

Phone Number: (346) 248 – 7799

Meeting ID: 835 9975 3537

Password: 474186

To be recognized by the chair, please raise your hand. To raise your hand by phone, dial*9. To mute and unmute by phone, dial *6.

Other Details

Posted and Noticed Monday, August 5th, 2024

Please email Mo Rock at morock@swwcd.org if you have difficulty attending the meeting.

Except the time indicated for when the meeting is scheduled to begin, the times noted for each agenda item are estimates and subject to change. The Board may address and act on agenda items in any order to accommodate the needs of the Board and the audience. Agenda items can also be added during the meeting at the consensus of the Board.

Agenda items may be placed on the Consent Agenda when the recommended action is non-controversial. The Consent Agenda may be voted on without reading or discussing individual items. Any Board member may request clarification about items on the Consent Agenda. The Board may remove items from the Consent Agenda at their discretion for further discussion.



The Southwestern Water Conservation District
The West Building, 841 E Second Avenue
Durango, CO 81301

SWCD Regular Board Meeting Agenda

DRAFT

WEDNESDAY, AUGUST 07, 2024

1 LUNCH – 12:00 PM

Ross Aragon Community Center
451 Hot Springs Blvd, Pagosa Springs, CO 81147

2 STATE LEGISLATIVE CHECK-IN (12:30 PM)

Representative McLachlan and Senator Simpson

3 PAGOSA SPRINGS TOUR (1:00 PM)

1:00 PM - Leave Community Center
Running Iron Ranch
San Juan River Projects (Pagosa Gateway & Yamaguchi Park)
5:00 PM - Return to Community Center

ANYONE INTERESTED IN ATTENDING THE BOARD TOUR SHOULD CONTACT MO ROCK AT MOROCK@SWWCD.ORG NO LATER THAN AUGUST 2ND TO GUARANTEE ADEQUATE SPACE.

THREE OR MORE BOARD MEMBERS MAY ATTEND DINNER AT RIP RAP ON THE RIO (356 E PAGOSA ST.) AT 6:30 PM

THURSDAY, August 08, 2024

4 CALL TO ORDER, ROLL CALL & VERIFICATION OF QUORUM – 8:00 AM

5 REVIEW AND APPROVE AGENDA – 8:01 AM

6 INTRODUCTIONS AND THANKS TO LOCAL HOSTS – 8:02 AM

7 APPROVE AND/OR REMOVE CONSENT AGENDA ITEMS – 8:15 AM

8 CONSENT AGENDA – 8:16 AM

8.1 Treasurer Report (May and June)

9 GENERAL COUNSEL LEGAL REPORT – 8:20 AM

9.1 Monthly Water court resume review (Divisions 3, 4, 7)

9.2 Settlement negotiations regarding the application of Montezuma Valley Irrigation Company, Case Number 18CW3052, Division 7

9.3 US Supreme Court’s Texas v. New Mexico Decision

9.4 Update on transmountain water court cases

10 QUESTIONS AND COMMENTS FROM THE PUBLIC – 8:45 AM

11 LEGISLATIVE AFFAIRS – 9:00 AM.....Page 29

11.1 State Legislative Update – Garin Vorthmann

11.1.1 Interim Water Resources Review Committee

11.1.2 Dredge and Fill Legislation (Workgroup)

11.1.3 Initiatives 50 & 108

11.2 Federal Affairs Update – Christine Arbogast

11.2.1 SCOTUS Updates

11.2.2 Dolores River National Monument and National Conservation Area

11.2.3 Good Samaritan Legislation - Ty Churchwell (Trout Unlimited)

12 STAFF REPORTS – 9:15 AMPage 59

12.1 State Engineers’ Draft Measurement Rules for Division 7

12.2 Update on Bonita Peak CAG and San Juan County Tour

12.3 Upper Colorado River Commission and Colorado River Issues
Update

12.4 Update on SW Water Conservation & Infrastructure Partnership

12.5 SWCD Assigned Funds Draft Policy

12.6 2024 SWCD Grant Guidelines and Grant Application

12.7 SWCD Website and ADA Compliance Update

12.8 Update on SWCD’s Investments

12.9 Update on 2025 Budget Process & Appointment of SWCD Budget
Officer for 2025 Budget

12.10 Update on 2023 Audit

13 BREAK – 10:15 AM

14 HYDROLOGY AND TECHNICAL UPDATES – 10:30 AM.....Page 109

14.1 Hydrologic Conditions, updates from the Division Engineers for
Water Division 4 and 7

14.2 Colorado River Hydrology

14.3 Harris Water Engineering

15 PARTNER UPDATES – 11:00 AM.....Page 119

15.1 Water Information Program – Elaine Chick

15.2 Colorado Water Conservation Board Grants – Laura Spann

16 DIRECTOR UPDATES AND ITEMS FOR DISCUSSION – 11:30 AM

17 EXECUTIVE SESSION – IF NEEDED – NOON

- 17.1 Colorado River Compact, Interstate and Intrastate matters, including post-2026 Colorado River Guidelines
- 17.2 Settlement negotiations regarding the applications of Bureau of Land Management in Case Numbers 21CW3014 (Water Division 3) and 21CW3029 (Water Division 7)

18 SUMMARY AND ACTION ITEMS FROM EXECUTIVE SESSION – 12:30 PM

19 UPCOMING MEETINGS AND EVENTS – 12:35 PM

- | | |
|---------------------------|----------------------------|
| September 12, 2024 | SWCD Budget Workshop |
| October 9 – 10, 2024 | SWCD Regular Board Meeting |
| Joint Meeting with CRWCD? | February, 2025 |

20 ADJOURNMENT – 12:40 PM



11.0 Legislative Affairs

2024 Interim Legislative Report – July 29, 2024

Water Resources and Agriculture Review Committee

Members:

- Representative Karen McCormick, Chair (D-Longmont)
- Senator Dylan Roberts, Vice-Chair (D-Eagle)
- Senator Jeff Bridges (D-Greenwood Village)
- Representative Marc Catlin (R-Montrose)
- Representative Mike Lynch (R-Wellington)
- Senator Janice Marchman (D-Loveland)
- Representative Matthew Martinez (D-Alamosa)
- Representative Barbara McLachlan (D-Durango)
- Senator Byron Pelton (R-Sterling)
- Senator Cleave Simpson (R-Alamosa)

The WRARC held its first meeting on July 11. The committee heard a presentation from the Division of Mining, Reclamation & Safety on orphaned mines and acid mine drainage. The committee also had an extensive conversation with Maggie Baldwin, the Colorado State Veterinarian, on the bird flu epidemic that is impacting the dairy and poultry industries in Colorado. Following that presentation, they heard from representatives of the dairy industry and local health departments about raw milk regulation. The last presentation was on regenerative agriculture.

The next WRARC meeting will be on August 7 at the State Capitol. The official agenda has not been published yet but we expect the following topics to be discussed: foreign ownership of ag land, renewable energy projects on State Land Board Land and energy efficiency regulations and the impact on agricultural buildings.

The committee also always hosts a hearing in conjunction with the Colorado Water Congress summer convention. This year that hearing will be on August 21 and the agenda is expected to include a presentation from the state climatologist, discussion on the Shoshone water rights purchase, and getting an update on zebra mussels.

WRARC can forward up to 10 interim committee bills to be introduced in the next legislative session. Committee members must submit their suggested interim committee bill titles on August 7. Rumored bill topics include expanding support for regenerative agricultural practices, foreign ownership of agricultural land, transparency in sales of water rights, creating a task force to discuss ways to deal with declining severance tax revenues, CORA protections for wolf depredation payments and increased requirements for reclamation of dried-up irrigated lands. The final vote on the drafted bills will be on September 18.

American Indian Affairs Interim Study Committee

Members:

- Representative Monica Duran (D-Wheatridge) (House Majority Leader)
- Senator Cleave Simpson (R-Alamosa)



- Senator Jessie Danielson (D-Wheatridge)
- Senator Dylan Roberts, Vice-Chair (D-Eagle)
- Representative Junie Joseph (D-Boulder)
- Representative Ron Weinberg (R-Loveland)

This interim committee was created to build better relationships between American Indian communities and the legislative branch. Additionally, the committee will explore and address challenges faced by American Indian communities, which include but are not limited to health disparities, judicial concerns, the Indian Child Welfare Act, outdoor and recreational access, and water matters.

The first meeting was held on July 8 at the State Capitol. The committee heard presentations from the Southern Ute Indian Tribe, the Ute Mountain Ute Tribe, the Denver American Indian Commission (DIAC), the Truth, Restoration, and Education Commission of Colorado (TREC), People of the Sacred Land and the American Indian Academy of Denver.

The next meeting will be held on July 30 where they will receive a presentation from the Southern Ute Indian Tribe and tour various locations on the Southern Ute Indian Reservation. On July 31 they will receive a presentation from the Ute Mountain Ute Tribe, followed by a tour of the Ute Mountain Ute Reservation.

There is another meeting date scheduled for August 14 with more to be scheduled at a later date. The committee may recommend up to 3 interim committee bills. The committee must vote on bill drafts by October 1, 2024.

Upcoming Important Dates

August 5 – Last day to file an initiative petition with the Secretary of State for the 2024 General Election
October 11-18 – Ballots mailed out to voters
November 5 – General Election
January 8 – 2025 General Assembly convenes

CLS will send out periodic updates regarding important election information, including a report and analysis of the general election results, including ballot measure results. We will also send out updates following quarterly state budget forecasts.



July 2, 2024

TO: Members of the American Indian Affairs Interim Study Committee
FROM: Amanda King, Senior Research Analyst, 303-866-4332
Jeanette Chapman, Senior Research Analyst, 303-866-4657
Jerard Brown, Research Analyst, 303-866-4784
John Armstrong, Fiscal Analyst, 303-866-6289
SUBJECT: Overview of the American Indian Affairs Interim Study Committee

Summary

This memorandum provides an overview of the 2024 membership of the American Indian Affairs Interim Study Committee, the origin and charge of the committee, bill request deadlines and procedures, and information regarding committee staff and the committee website.

Background and Committee Charge

The committee was created pursuant to Interim Committee Request Letter 2024-003. The purpose of this committee is to build better relationships between American Indian communities and the legislative branch. Additionally, the committee will explore and address challenges faced by American Indian communities, which include but are not limited to health disparities, judicial concerns, the Indian Child Welfare Act, outdoor and recreational access, and water matters.

Committee Membership

The six legislative members appointed to the American Indian Affairs Interim Study Committee for the 2024 interim are:

Representatives	Senators
Majority Leader Monica Duran (Chair)	Cleave Simpson (Vice-chair)
Junie Joseph	Jessie Danielson
Ron Weinberg	Dylan Roberts



Meeting Dates

The committee is required to meet four times during the 2024 interim. The tentative meeting schedule is as follows:

- July 8 at the Colorado State Capitol;
- July 29 through 31, visiting locations in Southwest Colorado; and
- August 14 at the Colorado State Capitol (bill draft request meeting).

The final meeting of the committee will occur between September 24 and October 1. At the final meeting, the committee will vote on proposed legislation.

Committee Recommendations to Legislative Council

Bill limits and requests. The committee may recommend up to three bills to the Legislative Council. Committee members must request bills during a single meeting set for requesting legislation, and bill requests must be approved by a majority of the committee members.¹

Bill request deadlines. The Legislative Council has established deadlines for the 2024 interim for requesting, drafting, and approving bill drafts under consideration by the committee.² The meeting to request bill drafts must be held by **August 20, 2024**. Committee members must submit drafting information to the Office of Legislative Legal Services (OLLS) bill drafter within three calendar days of the meeting at which bills were requested. There must be at least 42 days between the meeting at which legislation is requested and the meeting at which it is approved. To allow time for Legislative Council Staff to prepare the fiscal analysis of the proposal, there must be 21 days between the date the proposed bill is finalized with OLLS staff and the date of the meeting to approve the proposed bills. The last day to finalize bill drafts with OLLS staff is **September 10, 2024**. The committee must meet and vote on the bill drafts by **October 1, 2024**.

Legislative Council review. The Legislative Council is scheduled to meet in mid-October to approve interim committee draft legislation. Bills approved by the Legislative Council do not count against a member's five-bill limit for the regular legislative session. Bills not approved by the Legislative Council may be introduced during the regular session, but such bills would count

¹ Joint Rule 24 (d)(2.7)(A).

² Joint Rule 24A (d)(2.6).



against a member's five bill limit.³ Interim committee bills must have prime sponsors prior to approval by the Legislative Council.⁴

Committee Staff and Website

Committee staff contacts. Legislative Council Staff is charged with assisting the committee in its activities. If you have any questions or would like any additional information concerning the committee, please send an email to AIAsstudy@coleg.gov. You may also contact any of the following individual staff members:

- Amanda King, Senior Research Analyst, amanda.king@coleg.gov, 303-866-4332;
- Jeanette Chapman, Senior Research Analyst, jeanette.chapman@coleg.gov, 303-866-4657; and
- Jerard Brown, Research Analyst, jerard.brown@coleg.gov, 303-866-4784

Fiscal note staff contacts. Legislative Council Staff provides fiscal notes for committee legislation and other analyses requested by the committee. To discuss the fiscal impact of legislation or to request a fiscal analysis, please contact:

- John Armstrong, Fiscal Analyst, john.armstrong@coleg.gov, 303-866-6289.

Legal services staff contacts. Additionally, attorneys at the Office of Legislative Legal Services provide legal and bill drafting assistance to the committee. For assistance in these areas, please contact:

- Chelsea Princell, Staff Attorney, chelsea.princell@coleg.gov, 303-866-4335;
- Alana Rosen, Staff Attorney, alana.rosen@coleg.gov, 303-866-2606; and
- Asia Merrill, Legislative Editor, asia.merrill@coleg.gov, 303-866-4829.

Website. Documents distributed during the meetings and meeting summaries may be found on the [committee website](#).⁵

³ Joint Rule 24 (b)(1)(D).

⁴ Joint Rule 24(b)(1)(E).

⁵ <https://leg.colorado.gov/committees/american-indian-affairs-interim-study-committee/2024-regular-session>



COLORADO

Department of Public Health & Environment

[Home](#) [Reg. 87 - Colorado Dredge and Fill Program Implementation \(HB24-1379\)](#)

Reg. 87 - Colorado Dredge and Fill Program Implementation (HB24-1379)

On May 30, 2024, [House Bill \(HB\) 24-1379](#) was signed into law. The enactment of HB24-1379 resulted from the U.S. Supreme Court's decision in *Sackett v. EPA*, which drastically limited the scope of protection under the federal Clean Water Act (CWA) by interpreting the term "waters of the United States" much more narrowly than it had been interpreted and applied for over 50 years. "Waters of the United States" are waterbodies such as rivers, lakes, streams, and wetlands, over which EPA and the U.S. Army Corps of Engineers (Army Corps) have jurisdiction to protect through their regulatory programs.

In anticipation of the decision in the Sackett case, Governor Polis convened a task force in Jan. 2023 to explore options to ensure continued protection for Colorado's waterways from the impacts of dredge and fill activities. Stakeholders continued to meet in 2023 and the first part of 2024 to discuss a regulatory framework that made sense for the protection of Colorado's water resources. If you are interested in reviewing past meeting materials from these efforts, they are available in [this public folder](#). These efforts culminated in the passage of HB24-1379.

HB24-1379 directs the Water Quality Control Division to develop a dredge and fill authorization program and the Water Quality Control Commission to establish permitting and mitigation rules by Dec. 31, 2025. The outcome will be Regulation No. 87, a control regulation for avoiding and minimizing the impacts of dredge and fill activity. You can learn more about the division's implementation efforts [here](#). See below for more details about stakeholder engagement efforts for the implementation of HB 24-1379 and the development of Regulation No. 87

[Sign up for email notifications here](#)

Please see the upcoming meeting dates and times below.

2024 scheduled meetings - [Register to attend](#)

- Wednesday, Sept. 4, 2024 | 9:30 to 11:30 a.m.
- Tuesday, Oct. 1, 2024 | 1:30 to 3:30 p.m.
- Wednesday, Nov. 6, 2024 | 9:30 to 11:30 a.m.
- Wednesday, Dec. 4, 2024 | 9:30 to 11:30 a.m.

2025 scheduled meetings - [Register to attend](#)

- Wednesday, Jan. 29, 2025 | 9:30 to 11:30 a.m.
- Thursday, Feb. 20, 2025 | 9:30 to 11:30 a.m.
- Thursday, March 20, 2025 | 9:30 to 11:30 a.m.
- Wednesday, April 16, 2025 | 9:30 to 11:30 a.m.
- Thursday, May 22, 2025 | 9:30 to 11:30 a.m.
- Wednesday, June 18, 2025 | 9:30 to 11:30 a.m.
- Wednesday, July 23, 2025 | 1:30 to 3:30 p.m.
- Thursday, Aug. 21, 2025 | 9:30 to 11:30 a.m.
- Thursday, Sept. 18, 2025 | 9:30 to 11:30 a.m.
- Thursday, Oct. 23, 2025 | 9:30 to 11:30 a.m.
- Wednesday, Nov. 19, 2025 | 9:30 to 11:30 a.m.

Initiative 50: Statewide Limit on Property Tax Revenue Growth

Placed on the ballot by citizen initiative • Passes with 55 percent of the vote

1 **Initiative 50 proposes amending the Colorado Constitution to:**

- 2 • limit growth in total statewide property tax revenue to 4 percent each year; and
- 3 • require voter approval for governments to keep revenue over the limit.

4 **What Your Vote Means**

5 **YES**

6 A “yes” vote on Initiative 50 limits growth
 7 in statewide property tax revenue
 8 collected by local governments to 4
 9 percent each year, unless voters allow
 10 additional revenue to be retained. This
 11 revenue limit would replace a new law that
 12 lowers taxes owed and imposes a different
 13 property tax limit.

14 **NO**

15 A “no” vote on Initiative 50 allows a new
 16 law to take effect that lowers property
 17 taxes owed and creates a different
 18 property tax limit.

19 **Summary and Analysis of Initiative 50**

20 **What does the measure do?**

21 Initiative 50 limits the growth in statewide property tax revenue to no more than 4 percent
22 each year. If statewide property tax revenue is projected to increase by more than 4 percent,
23 voter approval is required for the additional revenue to be retained.

24 Passing this measure would also repeal a new law, Senate Bill 24-233,¹ related to property
25 tax assessment rates and limits. The interaction of Initiative 50, Initiative 108, and Senate Bill
26 24-233 is described in more detail below.

27 **What are property taxes?**

28 In Colorado, there is no state property tax. Only cities, counties, school districts, and special
29 districts impose and collect the tax, and use the revenue to fund public schools and local
30 services such as road maintenance, police departments, fire protection, water and sewer
31 infrastructure, parks, and libraries.

¹ <https://leg.colorado.gov/bills/sb24-233>

1 **How are property taxes calculated?**

2 Figure 1 illustrates how property taxes are calculated. Property taxes are paid on a portion of
 3 a property's actual value. This portion is known as the taxable value, or assessed value, and is
 4 calculated by multiplying the property value by the assessment rate. The taxable value is
 5 then multiplied by the local tax rate (known as a mill levy) to determine the taxes due. The
 6 assessment rate is set by the state and varies based on the type of property. Mill levies are
 7 set by the local government where the property is located.

8 **Figure 1**

9 **Example Property Tax Calculation**

10 Property value of \$500,000, taxed at 100 mills. 7.15% assessment rate

11 **Property value × Assessment rate = Taxable value**

12 \$500,000 × 7.15% = \$35,750 taxable value

13 **Taxable value × Tax rate (Mills/1000) = Property taxes**

14 \$35,750 × 0.100 = \$3,575 owed

15 **What happens if statewide property tax revenue exceeds the limit?**

16 In years when statewide property tax revenue is expected to be greater than 4 percent, taxes
 17 would need to be reduced to stay within the limit or local governments would need to
 18 refund excess revenue, unless voters approve keeping the additional revenue. Initiative 50
 19 does not specify how individual local governments would reduce revenue to stay within the
 20 statewide limit or how revenue over the limit would be refunded to taxpayers. These details
 21 would likely be determined by the state legislature.

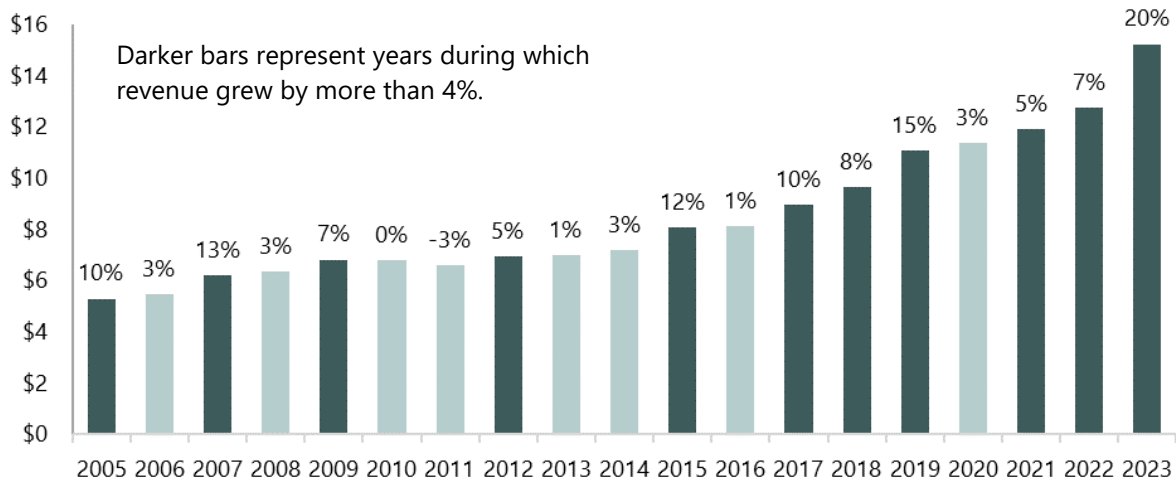
22 Initiative 50 allows the government to ask voters for approval to keep revenue when the
 23 4 percent limit is exceeded, and specifies the ballot language that must be used when asking
 24 permission from voters. If voters pass a ballot measure allowing the government to keep the
 25 additional property tax revenue, there will be no impact on taxpayers.

26 The measure does not specify other details about how such an election would be conducted,
 27 such as whether a statewide vote is required or individual local governments could ask
 28 voters in their jurisdiction to keep all of their local property tax revenue.

29 **Does property tax revenue usually grow by more or less than 4 percent?**

30 Figure 2 shows how property tax revenue has grown each year since 2005. Property tax
 31 revenue has grown by more than 4 percent in 11 of the past 18 years, and decreased once in
 32 the past 18 years.

1 **Figure 2**
 2 **Historical Statewide Property Tax Revenue Growth**
 3 Dollars in Billions; Percent Change from Prior Year



4 Source: Department of Local Affairs, Division of Property Taxation. 2023 Annual Report.

5 **How will the measure impact local governments?**

6 In years when statewide property tax revenue is over the limit and voters do not allow the
 7 government to keep the additional revenue, the measure will reduce revenue collected by
 8 local governments throughout the state, compared to what they would have collected
 9 otherwise. However, the impacts on individual local governments will be uncertain until
 10 there is clarifying legislation about how revenue above the limit will be lowered or refunded,
 11 or whether voters will allow the additional revenue to be retained.

12 Lower revenue affects the ability of local governments to provide services, make required
 13 local contributions to fund state and federal programs, maintain public infrastructure, and
 14 meet prior debt obligations. This is particularly true for counties and special districts that rely
 15 almost entirely on property taxes to provide services. Cities can collect revenue from other
 16 sources like sales tax, and school districts can receive state money.

17 **What is Senate Bill 24-233 and how do Initiatives 50 and 108 interact with it?**

18 The state legislature passed a law, Senate Bill 24-233, that only goes into effect if both
 19 Initiative 50 and Initiative 108 fail. Among other things, the bill:

- 20 • lowers assessment rates for residential and some nonresidential property beginning in
 21 2024; and
- 22 • creates a 5.5 percent property tax limit on non-school local governments that are not
 23 already subject to other property tax revenue limits.

24 The different ways Initiatives 50 and 108 interact with SB23-233 are detailed in Figure 3. For
 25 more information about Initiative 108 and how it interacts with SB24-233, see page __.

1
2

Figure 3
Potential Outcomes of Initiative 50 and 108

	Initiative 50 Passes	Initiative 50 Fails
Initiative 108 Passes	<ul style="list-style-type: none"> • Because Senate Bill 24-233 does not go into effect, assessment rates go up in 2024. However, they are permanently reduced by Initiative 108 beginning in 2025. • The 4 percent statewide property tax limit in Initiative 50 goes into effect. • The 5.5 percent limit in Senate Bill 24-233 does not go into effect. 	<ul style="list-style-type: none"> • Because Senate Bill 24-233 does not go into effect, assessment rates go up in 2024. However, they are permanently reduced by Initiative 108 beginning in 2025. • No new property tax limit, either from Initiative 50 or Senate Bill 24-233.
Initiative 108 Fails	<ul style="list-style-type: none"> • Because neither Senate Bill 24-233 nor Initiative 108 goes into effect, assessment rates continue at higher permanent rates. • The 4 percent statewide property tax limit in Initiative 50 goes into effect. • The 5.5 percent limit in Senate Bill 24-233 does not go into effect. 	<p><u>Senate Bill 24-233 goes into effect:</u></p> <ul style="list-style-type: none"> • Assessment rates are lowered beginning in 2024. Beginning in 2025, these rates are generally lower than under current law, but higher than if Initiative 108 had gone into effect. • The 5.5 percent limit in Senate Bill 24-233 goes into effect. • The 4 percent limit in Initiative 50 does not go into effect.

3 Detailed descriptions of the assessment rates with and without Senate Bill 24-233 can be
4 found here. [Future drafts will include a link to a separate memo listing all the assessment
5 rates in each scenario]

6 **How does the limit in Initiative 50 compare with the limit in Senate Bill 24-233?**

7 Initiative 50 limits statewide property tax revenue to 4 percent growth, compared to the
8 prior year’s statewide revenue. The limit in Initiative 50 is applied to the prior year’s
9 statewide property tax limit, meaning that in years when revenue decreases, the growth limit
10 will be applied to that new, lower level.

11 Senate Bill 24-233 limits each local government’s property tax revenue to 5.5 percent,
12 compared to the prior year’s limit. The limit is calculated based on 2023 revenue grown by

1 5.5 percent annually, with allowances for local growth, revenue committed to bond and debt
2 payments, and for revenue from sources like oil and gas and mining.

3 Other property tax limits also exist in state law, including a constitutional limit under the
4 Taxpayer’s Bill of Rights (TABOR) and a different 5.5 percent limit on each local government’s
5 property tax revenue. Both limits can be waived with voter approval. Voters have granted
6 many local governments permission to exceed these limits.

For information on those issue committees that support or oppose the measures on the ballot at the November 5, 2024, election, go to the Colorado Secretary of State’s elections center web site hyperlink for ballot and initiative information:

<https://coloradosos.gov/pubs/elections/Initiatives/InitiativesHome.html>

7 **Arguments For Initiative 50**

- 8 1) The measure prevents another spike in property taxes, like the one that occurred in 2023.
9 This spike contributed to the rapidly rising cost of living in Colorado, which is particularly
10 challenging for seniors and those living on a fixed income. By limiting future growth in
11 property taxes, the measure lessens the future burden on taxpayers, allowing them to
12 pay lower taxes and save, spend, or invest their money as they see fit.
- 13 2) The measure adds a simple, predictable property tax revenue limit to the Colorado
14 Constitution. This limit ensures that when local governments grow, it happens in a
15 modest, sustainable way. In years with big property tax increases, the measure allows
16 flexibility to reduce or refund taxes in a way that is responsive to the state’s needs or to
17 ask voters to keep revenue collected above the limit.

18 **Arguments Against Initiative 50**

- 19 1) Despite its simple premise, this measure creates uncertainty about how it will be
20 implemented and makes property taxes anything but predictable. The measure does not
21 cap property tax growth for individual households or local governments. Instead, it
22 imposes a one size fits all cap for the entire state, and allows the state legislature to pick
23 winners and losers among taxpayers, regions, and local government services. This
24 uncertainty makes it difficult for property owners to know how much tax they will owe
25 and for local governments to know how much revenue they will collect.
- 26 2) The measure will significantly hurt the ability of local governments to provide services, as
27 they may not be able to keep up with inflation and population growth, maintain aging
28 infrastructure, meet existing debt obligations, access affordable financing for
29 construction projects, or recover from economic downturns. In particular, growth in
30 urban and resort communities may result in cuts that primarily hurt services in rural and
31 slower growth areas of the state.

32 **Fiscal Impact of Initiative 50**

33 The fiscal impact will be included in the second draft.

Initiative 108: Property Tax Assessment Rates

Placed on the ballot by citizen initiative • Passes with a majority vote

1 **Initiative 108 proposes amending the Colorado statutes to:**

- 2 • lower residential and nonresidential assessment rates, beginning in the 2025
3 property tax year; and
4 • reimburse local governments for lost property tax revenue each year.

5 **What Your Vote Means**

6 **YES**

7 A “yes” vote on Initiative 108 reduces
8 assessment rates beginning in property
9 tax year 2025, and reimburses local
10 governments each year for lost property
11 tax revenue due to the measure. These
12 rate reductions would replace reductions
13 in a new law scheduled to take effect in
14 property tax year 2024.

15 **NO**

16 A “no” vote on Initiative 108 allows a new
17 law to take effect that lowers assessment
18 rates beginning in property tax year 2024
19 and creates a new property tax revenue
20 limit.

21 **Summary and Analysis of Initiative 108**

22 **What does the measure do?**

23 Beginning in property tax year 2025, Initiative 108 lowers the property taxes owed by
24 property owners, compared to what would be owed without the measure. The measure
25 lowers the assessment rates used to calculate property taxes to 5.7 percent for residential
26 properties and 24 percent for all nonresidential properties, except for mines and oil and gas
27 properties. Taxes for property tax year 2025 are paid in 2026.

28 The measure requires that the state annually reimburse local governments for lost property
29 tax revenue as a result of the measure. It also specifies that state education funding from the
30 State Education Fund cannot be reduced as a result of the measure.

31 Passing this measure would also repeal a new law, Senate Bill 24-233,¹ related to property
32 tax assessment rates and limits. The interaction between Initiative 50, Initiative 108, and
33 Senate Bill 24-233 is described in more detail below.

¹ <https://leg.colorado.gov/bills/sb24-233>

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2 In Colorado, there is no state property tax. Only cities, counties, school districts, and special
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 4 local services such as road maintenance, police departments, fire protection, water and
 5 sewer infrastructure, parks, and libraries.

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 10 then multiplied by the local tax rate (known as a mill levy) to determine the taxes due. The
 11 assessment rate is set by the state and varies based on the type of property. Mill levies are
 12 set by the local government where the property is located.

13 **Figure 1**

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15 Property value of \$500,000, taxed at 100 mills, 7.15% assessment rate

16 **Property value × Assessment rate = Taxable value**

17 $\$500,000 \times 7.15\% = \$35,750$ taxable value

18 **Taxable value × Tax rate (Mills/1000) = Property taxes**

19 $\$35,750 \times 0.100 = \$3,575$ owed

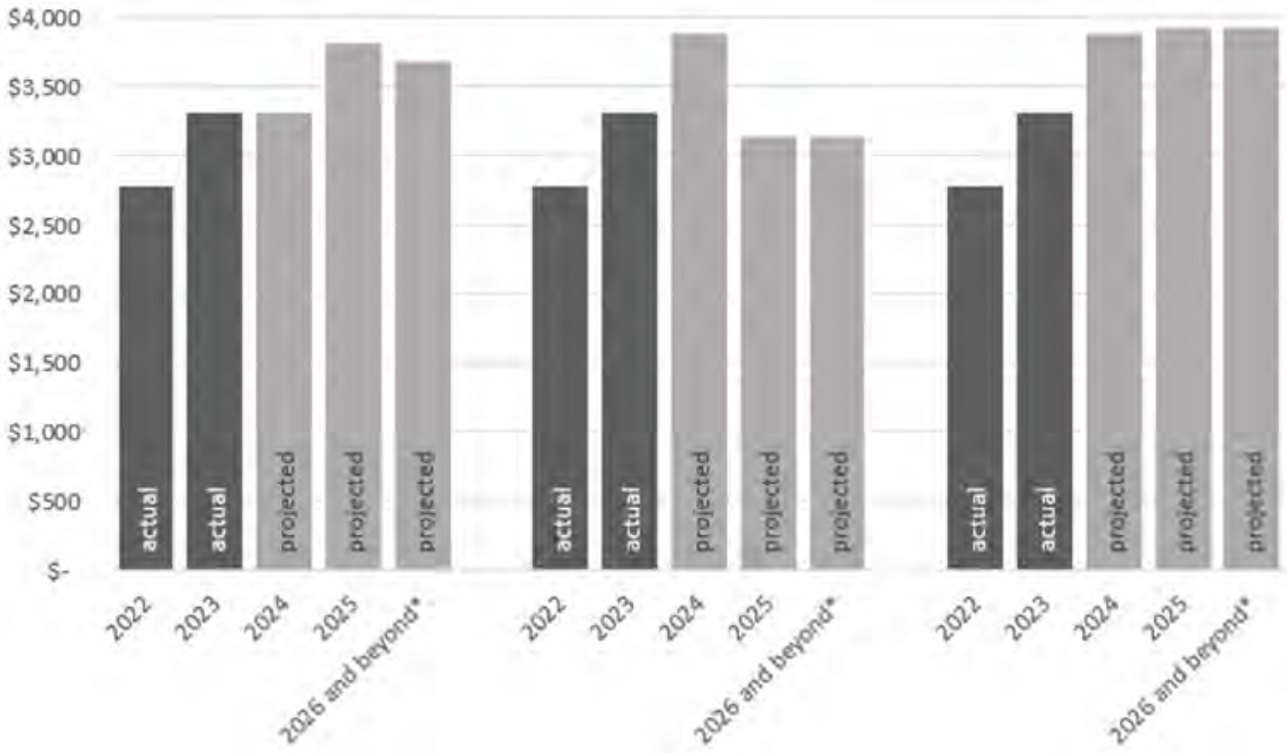
20 **How does the measure impact property taxpayers?**

21 If this measure passes, it will replace assessment rate cuts scheduled to begin in 2024 with
 22 bigger reductions, starting in tax year 2025. Rates will temporarily increase in 2024 to the
 23 assessment rates that were in law prior to the passage of Senate Bill 24-233, which is
 24 discussed further below. If this measure fails and Initiative 50 passes, assessment rates will
 25 permanently increase to the rates that were in law prior to the passage of Senate Bill 24-233.

26 Figure 2 shows example residential property taxes as impacted by the possible ballot
 27 outcomes from this measure and Initiative 50 for a typical home in the state, including the
 28 increase in taxes most property owners experienced in 2023 with rising property values.

1
2
3

Figure 2
Example Taxes on a Single Family Home*



Initiative 108 fails
Initiative 50 fails

Initiative 108 passes
Initiative 50 passes or fails

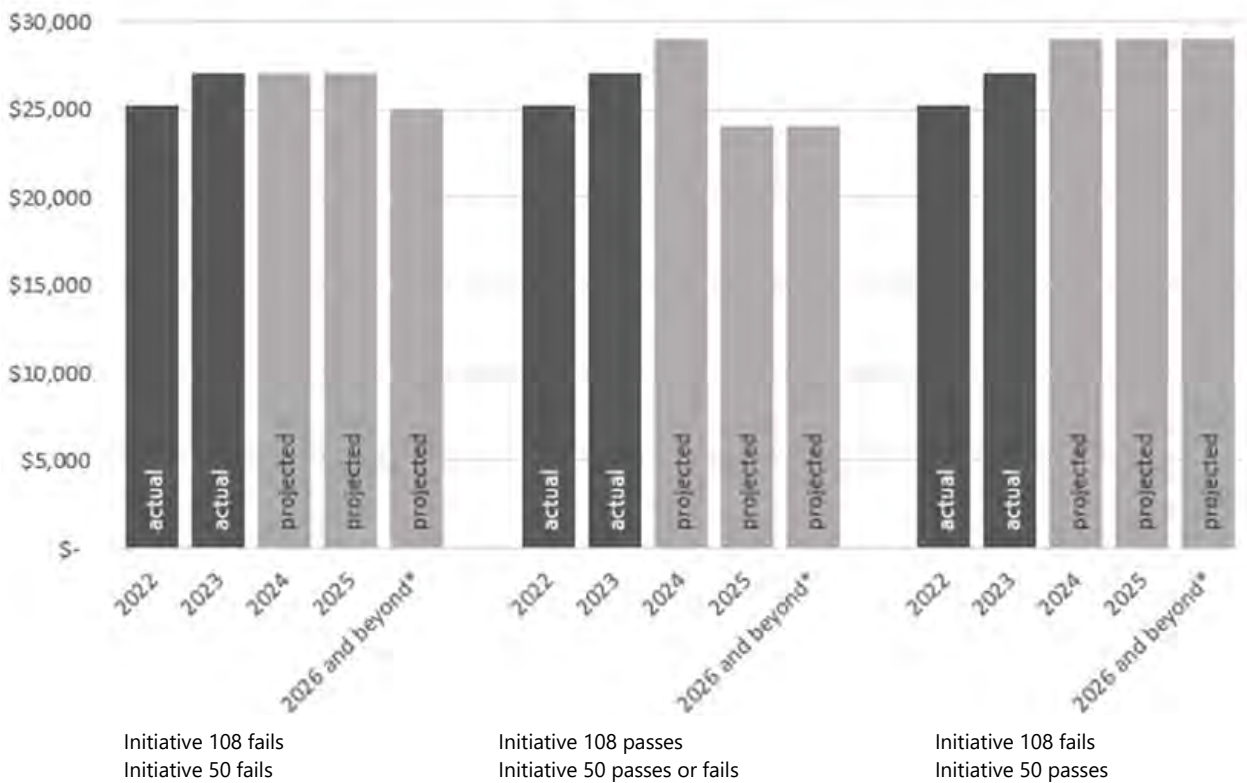
Initiative 108 fails
Initiative 50 passes

4 *Example assumes 50 school district mills and 50 non-school district mills. Assumes a property valued at
5 \$400,000 in 2022 and \$550,000 in 2023 and future years. Actual property taxes will depend on local mill
6 levies and property value. Property taxes will still increase when property value increases.

7 Figure 3 shows example taxes for a commercial property in each of these scenarios. While
8 examples are not provided in this analysis, Initiative 108 also lowers assessment rates for
9 vacant land, state assessed, and industrial properties, beginning in 2025.

1
2

Figure 3
Example Taxes on a Commercial Property*



3
4
5

*Example assumes 50 school district mills and 50 non-school district mills. Assumes a property valued at \$870,000 in 2022 and \$1 million in 2023 and future years. Actual property taxes will depend on local mill levies and property value. Property taxes will still increase when property value increases.

6 **How does this measure impact local governments?**

7 Local governments will collect less property tax revenue than they would have collected
8 without the measure, but will instead be reimbursed by the state for losses under the
9 measure each year. The state will calculate the amount of revenue loss for local governments
10 under the measure. The measure does not specify which local districts are eligible for
11 reimbursement, or how revenue loss is calculated. Reimbursements will shift a portion of
12 local government funding from local property tax collections to state General Fund dollars,
13 which primarily comes from existing state income and sales taxes.

14 **How does this measure impact the state budget?**

15 Depending on how the measure is interpreted, it could result in the state spending up to \$X
16 billion to reimburse these local districts, or about X percent of the most recent state General
17 Fund budget. These reimbursements will limit other areas of state spending, as the General
18 Fund is the primary source of funding for state services such as health care, K-12 schools,

1 human services, the judicial and corrections systems. [The numbers in this section will be
2 included in the second draft.]

3 **How does the measure impact school funding?**

4 Under current law, the state covers the difference between local school district tax revenue,
5 most of which is property tax, and an amount determined by a state formula for each school
6 district. By reducing local property tax revenue for schools, Initiative 108 requires the state to
7 pay more to schools to make up the difference, estimated to be at least \$X million annually
8 beginning in 2025. This must be paid without reducing the amount spent from the state's
9 dedicated fund for education, known as the State Education Fund. In 2024 only, the state
10 portion of school finance is expected to decrease.

11 For some school districts that collect property taxes outside the school funding formula,
12 lower assessment rates will reduce revenue collected from these taxes.

13 In addition, the state is currently rolling out a new formula for allocating funding to school
14 districts, which may be paused if school district property tax revenue is lower than a level set
15 in state law. By reducing property tax collections, this measure may contribute to a pause in
16 the implementation of the new formula. This would result in less money for most school
17 districts than under the new formula.

18 **What is Senate Bill 24-233 and how do Initiatives 50 and 108 interact with it?**

19 The state legislature recently passed a bill, Senate Bill 24-233, that only goes into effect if
20 both Initiative 50 and Initiative 108 fail. Among other things, the bill:

- 21 • lowers assessment rates for residential and some non-residential property, beginning in
22 2024; and
- 23 • creates a 5.5 percent property tax limit on non-school local governments that are not
24 already subject to other property tax revenue limits.

25 The different ways Initiatives 50 and 108 interact with Senate Bill 24-233 are detailed in
26 Figure 4. For more information about Initiative 50 and how it interacts with SB24-233, see
27 page __.

1
2

Figure 4
Potential Outcomes of Initiative 50 and 108

	Initiative 50 Passes	Initiative 50 Fails
Initiative 108 Passes	<ul style="list-style-type: none"> • Because Senate Bill 24-233 does not go into effect, assessment rates go up in 2024. However, they are permanently reduced by Initiative 108 beginning in 2025. • The 4 percent statewide property tax limit in Initiative 50 goes into effect. • The 5.5 percent limit in Senate Bill 24-233 does not go into effect. 	<ul style="list-style-type: none"> • Because Senate Bill 24-233 does not go into effect, assessment rates go up in 2024. However, they are permanently reduced by Initiative 108 beginning in 2025. • No new property tax limit, either from Initiative 50 or Senate Bill 24-233.
Initiative 108 Fails	<ul style="list-style-type: none"> • Because neither Senate Bill 24-233 nor Initiative 108 goes into effect, assessment rates continue at higher permanent rates. • The 4 percent statewide property tax limit in Initiative 50 goes into effect. • The 5.5 percent limit in Senate Bill 24-233 does not go into effect. 	<p><u>Senate Bill 24-233 goes into effect:</u></p> <ul style="list-style-type: none"> • Assessment rates are lowered beginning in 2024. Beginning in 2025, these rates are generally lower than under current law, but higher than if Initiative 108 had gone into effect. • The 5.5 percent limit in Senate Bill 24-233 goes into effect. • The 4 percent limit in Initiative 50 does not go into effect.

3 **How do the assessment rates in Initiative 108 compare to ones in Senate Bill 24-233?**

4 Senate Bill 24-233 lowers the assessment rates starting in 2024, whereas Initiative 108 lowers
5 rates beginning in 2025. Initiative 108 lowers assessment rates to 5.7 percent for residential
6 properties and 24 percent for all nonresidential properties, except for mines and oil and gas
7 properties. Senate Bill 24-233 includes temporary tax cuts for tax years 2024 and 2025 and
8 then beginning in 2026, sets the permanent assessment rates at:

- 9
- 6.95 percent, after a 10 percent reduction in property value, for non-school district collections on residential property;
 - 10
 - 11 • 7.15 percent for school district collections on residential property;
 - 12 • 25 percent for commercial and agricultural property; and
 - 13 • 29 percent for all other nonresidential property, except for mines and oil and gas
 - 14 properties.

- 1 • Detailed descriptions of the rates with and without Senate Bill 24-233 can be found here.
 2 [Future drafts will include a link to a separate memo listing all the assessment rates in
 3 each scenario]

For information on those issue committees that support or oppose the measures on the ballot at the November 5, 2024, election, go to the Colorado Secretary of State's elections center web site hyperlink for ballot and initiative information:

<https://coloradosos.gov/pubs/elections/Initiatives/InitiativesHome.html>

4 **Arguments For Initiative 108**

- 5 1) Property taxes have soared in recent years. Beginning in 2025, the measure reduces
 6 property taxes for homeowners and small business owners across the state, who are
 7 already struggling with a high cost of living and growth business expenses. The measure
 8 provides much needed property tax relief.
- 9 2) The measure ensures that local governments will still have the revenue they need, while
 10 also providing property tax relief. Local services like public schools, firefighters, and
 11 libraries will be reimbursed for lost revenue due to lower property taxes, so they can
 12 continue to provide important services.

13 **Arguments Against Initiative 108**

- 14 1) The large property tax reductions will require steep cuts to important state services, local
 15 services, or both. The measure requires the state to cover the reduction in property tax
 16 revenue, without consideration of the significant impact it will have on state funding for
 17 K-12 and higher education, human services, and health care. It is irresponsible to state
 18 and local governments, and ultimately to taxpayers who rely on these services.
- 19 2) Local governments should be in control of their own finances, with local elected officials
 20 accountable to taxpayers in their district. The measure lessens local control by shifting a
 21 portion of local government funding from property tax revenue to potentially unreliable
 22 state reimbursements, compromising local governments' ability to secure long term
 23 financing and plan for the future.

24 **Fiscal Impact of Initiative 108**

25 The fiscal impact will be included in the second draft.

PRESS RELEASES

Bennet, Hickenlooper Statement on Dolores Canyons National Monument Proposal

July 03, 2024

Colorado U.S. Senators Michael Bennet and John Hickenlooper released the following statement on the proposal to designate the Northern Dolores Canyons region as a national monument:

“For decades, Coloradans have worked to find a sensible way to protect the Dolores River. Over the last several months, we have spent time in the Northern Dolores Basin and had many conversations about its future.

“Based on these conversations, it is clear that Coloradans care deeply about this landscape and many want it permanently protected. We also recognize there are legitimate questions and the need for further discussion.

“We are committed to continuing to work with local leaders, public land users, affected counties, and Tribes to determine the best path. No matter the tool we use to permanently protect the Dolores, we will follow these principles:

Management: The Bureau of Land Management and US Forest Service should continue to manage the federal lands in the northern Dolores landscape as they do now.

Fees: No one should be charged an entrance fee to access designated lands.

Grazing: Grazing should continue and be managed pursuant to existing laws and regulations.

Motorized Travel/ATVs: The Rimrocker Trail should remain open to motorized and other recreational uses.

Mountain Biking: Mountain biking should continue with opportunities to pursue new trail development.

Mining: Any designation should protect all valid existing rights.

Hunting/Fishing: Any designation should allow hunting and fishing to continue.

Water: Any designation should protect existing water rights and should not create a federal reserved water right.”

###

Permalink: <https://www.bennet.senate.gov/public/index.cfm/2024/7/bennet-hickenl Cooper-statement-on-dolores-canyons-national-monument-proposal>

Congress of the United States
Washington, DC 20515

July 9, 2024

The Honorable Patty Murray
Chair
Senate Committee on Appropriations
Washington, DC 20515

The Honorable Susan Collins
Vice Chair
Senate Committee on Appropriations
Washington, DC 20515

The Honorable Tom Cole
Chair
House Committee on Appropriations
Washington, DC 20515

The Honorable Rosa DeLauro
Ranking Member
House Committee on Appropriations
Washington, DC 20515

The Honorable Jeff Merkley
Chair
Subcommittee on Interior, Environment,
and Related Agencies
Senate Committee on Appropriations
Washington, DC 20515

The Honorable Lisa Murkowski
Ranking Member
Subcommittee on Interior, Environment,
and Related Agencies
Senate Committee on Appropriations
Washington, DC 20515

The Honorable Mike Simpson
Chair
Subcommittee on Interior, Environment,
and Related Agencies
House Committee on Appropriations
Washington, DC 20515

The Honorable Chellie Pingree
Ranking Member
Subcommittee on Interior, Environment,
and Related Agencies
House Committee on Appropriations
Washington, DC 20515

Dear Chair Murray, Vice Chair Collins, Chair Cole, Ranking Member DeLauro, Chair Merkley, Ranking Member Murkowski, Chair Simpson, and Ranking Member Pingree:

We write concerning current state allocations for the Clean Water and the Drinking Water State Revolving Funds (SRF), which were reduced as a result of redirecting funds to the Community Project Funding and Congressionally Directed Spending (CPF/CDS) process. The CPF/CDS process is part of federal aging water infrastructure financing programs; however, if broader SRF resources continue to be diverted to CPF/CDS, states will experience significant shortfalls in funding water infrastructure projects.

As you develop the Fiscal Year 2025 (FY25) Interior, Environment, and Related Agencies Appropriations bill, we urge the Committee to take two steps. First, increase funding for SRFs to account for CPF/CDS. Second, provide a more sustainable funding source for critical water projects through the CPF/CDS process, particularly one that does not siphon funds from essential projects reliant on SRF financing.

The SRFs have been the principal water financing programs for more than three decades, supporting water infrastructure projects – such as drinking water, wastewater, and stormwater projects – through low-cost loans and limited grants to underserved communities to cities and towns across our nation. These funds have been critical to expand access to clean water, modernize aging water infrastructure, and safeguard our public health. After Congress resumed the CPF/CDS process in the 117th Congress, annual Appropriations Acts reduced funding for state SRFs by more than \$3.7 billion in FY22, FY23, and FY24 to fund CPF/CDS.

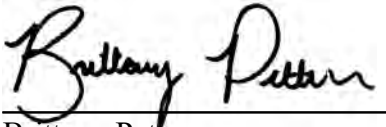
In FY22 and FY23, 56% of funds for both SRFs in aggregate were diverted to CPF/CDS (not including supplemental appropriations in the Bipartisan Infrastructure Law (BIL)); meaning that during this time, only 44% of SRF funds supported low-cost loans and limited grants for water infrastructure projects. In FY24, Congress provided a total of \$2,764,962,000 for the SRFs. Of this amount, 51.3% or \$1,419,312,172 was dedicated to CPF/CDS. If funding shortfalls and diversions continue, a major lifeline of our federal water infrastructure funding will run dry at a time when costs for infrastructure, design, and planning are skyrocketing.

Congress made a concerted effort to invest in our aging water infrastructure through the BIL. The law seeded \$43 billion for the Clean Water State Revolving Fund and the Drinking Water State Revolving Fund, funding a critical boost for dire repairs. However significant, this historic one-time infusion will eventually run out. SRFs pay dividends for our water infrastructure and are necessary to further BIL investments. For these reasons, we urge the Committee to invest in sustainable funding sources for SRFs.

We are grateful for the Committee's commitment to fund our nation's clean water and drinking water infrastructure through the annual Appropriations process, but we are increasingly concerned about SRFs' solvency in years to come. Through the FY25 Interior, Environment, and Related Agencies Appropriations bill, we urge the Committee to ensure the longevity of SRFs by fully funding the programs and to provide a more sustainable funding source for CPF/CDS.

Thank you for your consideration of this request.

Sincerely,



Brittany Pettersen
Member of Congress



Michael F. Bennet
United States Senator



Kevin Cramer
United States Senator



Kelly Armstrong
Member of Congress



Sherrod Brown
United States Senator



Yadira Caraveo, M.D.
Member of Congress



John Hickenlooper
United States Senator



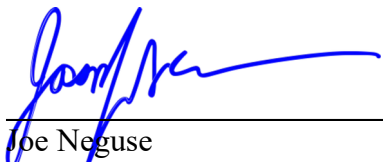
Diana DeGette
Member of Congress



Peter Welch
United States Senator



Bernard Sanders
United States Senator



Joe Neguse
Member of Congress



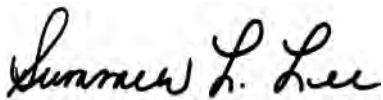
Jim Tokuda
Member of Congress



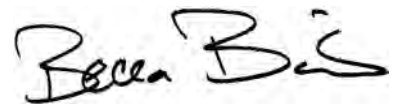
Jason Crow
Member of Congress



Tina Smith
United States Senator



Summer L. Lee
Member of Congress



Becca Balint
Member of Congress

Tammy Baldwin

Tammy Baldwin

United States Senator



12.0 Staff Reports

UPPER ANIMAS TOUR

SWCD Staff, General Counsel, San Juan County, Town of
Silverton, EPA, Bonita Peak CAG, CWCB, CDPHE, and Others



Site 1: Howardsville



Notes:

- Potential water storage project – from 500 to 1,000 acre ft for local needs
- Looking at use of the SWCD/San Juan County 088 Water Right
- Currently, 30 monitoring wells at the site
 - Heavy Metal Monitoring – currently has zinc, cadmium, lead, arsenic, and others



Site 2: Tailing (Ponds) Piles



Notes:

- The town of Silverton is looking at storage projects on top of piles – maybe a water tower.
- One of Silverton’s drinking water supply creeks comes in above these piles.

Site 3: SWCD Red Mountain Property



Notes:

- Staff, General Counsel, and Charlie Smith toured SWCD's Red Mountain Property.
- Evaluated Snowtel equipment (pictured)
- Walked/viewed property boundary





THE SOUTHWESTERN WATER CONSERVATION DISTRICT

Developing and Conserving the Waters in the
SAN JUAN AND DOLORES RIVERS AND THEIR TRIBUTARIES
West Building – 841 East Second Avenue
DURANGO, COLORADO 81301
(970) 247-1302

BOARD MEMORANDUM

From: Steve Wolff & Beth Van Vurst

Subject: Agenda Item 12.3 – Update on Colorado River Interstate Matters

Date: July 31, 2024

Public conversations on Colorado River issues have been fairly light recently, but there are a few items of interest to report on.

Post-2026 Discussions: As you are aware, earlier this year the Upper Division (UD) states and the Lower Division (LD) states each submitted separate proposed alternatives for analysis for the new post-2026 operating guidelines. This was a result of those two entities not being able to agree on a 7-state alternative. The Bureau of Reclamation (Reclamation) is currently analyzing each of those alternatives in preparation for releasing a draft Environmental Impact Statement (EIS) in late 2024. Although the states and federal governments continue to meet and discuss things in hopes of finding some common ground, there seems to have been little progress in that direction.

As part of the EIS process, Reclamation must describe a “no action alternative”. This would be the scenario that would be implemented if no new operational guidelines were implemented and should represent what existed prior to the 2007 Shortage Guidelines. Both the UD states and the LD states recently submitted letters outlining what they believe the No Action alternative should be. Those two letters are attached. You will see that there is little agreement on that issue as well.

Upper Colorado River Commission (UCRC): The UCRC held its summer meeting in Cheyenne, Wyoming in late June. The most significant discussion item during the meeting was considering a way that water voluntarily conserved in the Upper Basin could receive “credit” in Lake Powell or other initial units (e.g., Navajo Reservoir). Although all states supported this concept, it appears to be the most important to New Mexico which wants credit for use of its

Strategic Water Reserve account in Navajo Reservoir. The UCRC directed its staff to *prepare a proposal for conservation and other demonstration projects, by August 12th that identifies project criteria and considers mechanisms for generating credit resulting from those projects for the Commission’s consideration at a late summer meeting.*

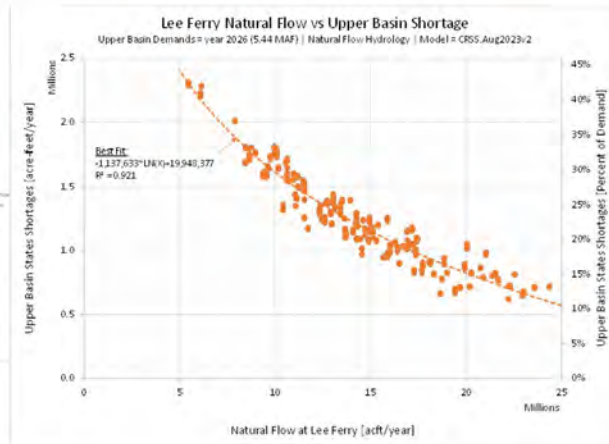
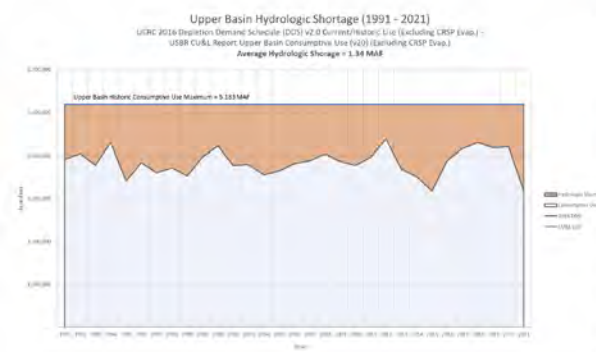
An important note here is that we anticipate there are several details that need to be considered, and likely addressed, before “credit” can be obtained for voluntarily conserved water. There was a strong statement from the Commissioners that this item WILL NOT include the shepherding of conserved water to Lake Powell or other storage units. Other items that likely need to be considered include: how the volume of conserved water will be quantified, whether one must demonstrate the conserved water would have otherwise been consumptively used but for the conservation activity occurring in that year, and the purposes for which the “credit” may be used and by whom.

System Conservation Pilot Project (SCPP): Senator Hickenlooper and others introduced a bill to extend the federal authorization of the SCPP through 2026. I believe there are much better ways to work on water conservation efforts than these one-year contracts, and we will see if the states even utilize a reauthorized program.

Non-Depletion Obligation @ Lee Ferry: At the end of WY2024, the 10-year running average of water delivery at Lee Ferry will be approximately 86 maf. This is well above the metric of 75 maf as outlined in the 1922 Compact. However, there is always debate, from lower basin entities in particular, that the metric is 82.3 maf. This value could be hit as soon as WY2027 (possible WY206). This issue could be the first sign of possible interstate litigation on the river. Watch out!

Upper Basin Hydrologic Shortages:

UDS Hydrologic Shortages: Multiple Approaches All Yielding ~1.2 - 1.3 MAF/yr depending upon hydrology





June 11, 2024

Commissioner Camille Calimlim Touton
Bureau of Reclamation
1849 C Street NW
Washington, DC 20240-0001

VIA ELECTRONIC MAIL
mtouton@usbr.gov

RE: Reclamation's Consideration of 602(a) Storage in the No Action Alternative

Dear Commissioner Touton:

The Upper Division States of Colorado, New Mexico, Utah, and Wyoming ("Upper Division States") appreciate the opportunities the Bureau of Reclamation ("Reclamation") has provided for engagement in the National Environmental Policy Act ("NEPA") process related to the post-2026 guidelines for operation of Lake Powell and Lake Mead ("Post-2026 Guidelines").

Recently, Reclamation presented the proposed No Action Alternative for the Post-2026 NEPA analysis. The presentations raised questions and concerns for the Upper Division States related to: (1) Reclamation's determination of the volume of water stored pursuant to § 602(a)(3) of the Colorado River Basin Project Act (P.L. 90-537) ("§ 602(a) Storage"); and (2) Reclamation's implementation of the long - range operating criteria pursuant to P.L. 90-537 ("LROC") under the proposed No Action Alternative. We request that these issues be addressed prior to undertaking further NEPA analysis in relation to the Post-2026 Guidelines.

Reclamation has made it clear that the proposed No Action Alternative does not meet the purpose and need for the Post-2026 Guidelines nor does it represent future operations in the absence of an action alternative. In the NEPA process, no action alternatives are intended to represent current conditions and reasonably foreseeable actions that could occur during the life of the project absent an action alternative being implemented. The No Action Alternative is therefore the "baseline," against which the Action Alternatives are compared.

Section 602(a) Storage is intended to allow the Upper Division States to continue to meet their obligations under the 1922 Colorado River Compact ("Compact") without impairing their ability to consumptively use the waters of the Colorado River System apportioned to them in perpetuity by the Compact. Therefore, § 602(a) storage is of profound importance to both the Upper and the Lower Basins.

Reclamation's initial presentation of the No Action Alternative on March 18, 2024, did not specifically address the annual determination of § 602(a) Storage. However, at a meeting on May 9, 2024, Reclamation expanded the discussion of the proposed No Action Alternative to state that § 602(a) Storage was reasonably represented by extension of the Equalization Line used in the 2007 Interim Guidelines.

It is unclear how extension of one aspect of the expiring 2007 Interim Guidelines can be incorporated into the No Action Alternative. Instead, an extension of the Equalization Line arguably is an action that should be evaluated as an independent action alternative in this NEPA process.

Additionally, the Federal Register Notice for the Post-2026 Operations dated October 20, 2023, states that the Draft Environmental Impact Statement will consider the best scientific information currently available. Relying on data used to create the Equalization Line developed prior to 2007, and which operations have shown to be inadequate to determine § 602(a) Storage, does not reflect the best available scientific information.

Moreover, in addressing implementation of the LROC, both Reclamation No Action presentations characterized fixed releases each year of 8.23 maf and equalization as mandates. This is not consistent with P.L. 90-537 or other governing law and undermines the purposes and requirements of § 602(a).

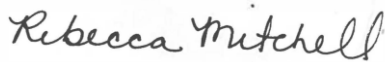
To ensure consistency with the law that will remain operative and enforceable upon expiration of the 2007 Interim Guidelines, § 602(a) Storage must be appropriately addressed in the proposed No Action Alternative. This should include the following principles:

1. The Secretary of the Interior ("Secretary"), using the best available science, annually determines the quantity of water necessary for § 602(a) Storage, as required by § 602(a) and the LROC.
2. Determining the § 602(a) Storage quantity is one of the pillars of the Annual Operating Plan ("AOP"), forms the basis for other determinations in the LROC, and would render the AOP incomplete without such determination each year.
3. Under the LROC, the Secretary's determination of the § 602(a) Storage quantity is a prerequisite to determining the appropriate annual release amount from Lake Powell.
4. Releases from Lake Powell are not fixed at or above 8.23 maf each year. In fact, 8.23 maf is not mentioned in § 602(a). Rather, it is included in the LROC as an "objective." However, annual releases from Lake Powell under the LROC may be less than 8.23 maf per year to operate Lake Powell and Lake Mead consistent with the governing laws and compacts.

- Determination of releases from Lake Powell to Lake Mead greater than 8.23 maf may only be made each year after the calculation of § 602(a) Storage and when it has been determined that the other requirements of § 602(a)(3) have been met.

The Upper Division States appreciate Reclamation's consideration of these concerns and commitment to a diligent and comprehensive NEPA analysis in relation to the Post-2026 Guidelines. We request that Reclamation work with the Upper Division States as it considers appropriate assumptions related to § 602(a) Storage, and assumptions related to the No Action Alternative generally, to be included in that analysis.

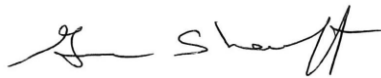
Sincerely,



Rebecca Mitchell
Governor's Representative,
State of Colorado



Estevan Lopez
Governor's Representative,
State of New Mexico



Gene Shawcroft
Governor's Representative
State of Utah



Brandon Gebhart
Governor's Representative
State of Wyoming

Cc:
David Polumbo
Jacklyn Gould
Wayne Pullan
Sarah Krakoff
Rod Smith

June 25, 2024

The Honorable Camille Calimlim Touton
Commissioner
United States Department of Interior
Bureau of Reclamation
1849 C Street NW
Washington, D.C. 20240-0001

Sent via Electronic Mail and U.S. Post

Re: Upper Division States' June 11, 2024, Letter Regarding 602(a) Storage Considerations
in the No-Action Alternative

Dear Commissioner Touton:

The undersigned governors' representatives of the Lower Division States of Arizona, California, and Nevada ("Lower Division States") received a copy of the above-referenced Upper Division States' Letter ("Upper Division Letter") directed to your attention. We appreciate the opportunity to help inform the Bureau of Reclamation's ("Reclamation") evaluation of impacts incident to alternative Post-2026 Colorado River operating regimes pursuant to the National Environmental Policy Act ("NEPA"). We provide this letter to emphasize where we agree with our Upper Division States colleagues on what should be included in the No-Action Alternative, to bring into sharp focus where applicable law does not support their assertions, and to point out the necessity of analyzing potential enforcement of the Colorado River Compact in all alternatives.

The No-Action Alternative should represent operations dictated by the Law of the River remaining after expiration of the 2007 Interim Guidelines in December 2026. As correctly noted in the Upper Division Letter, one of those laws is the Colorado River Basin Project Act of 1968 (Public Law No. 90-537), which, among other things, provides the following:

In order to comply with and carry out the provisions of the Colorado River Compact [of 1922], the Upper Colorado River Basin Compact, and the Mexican Water Treaty, the Secretary shall propose criteria for the coordinated long-range operation of [the CRSP reservoirs and Lake Mead] **The criteria shall make provision for the storage of water in [CRSP Reservoirs] and releases of water from Lake Powell in the following listed order of priority:**

1. releases to supply one-half the deficiency described in article III(c) of the Colorado River Compact, if any such deficiency exists and is chargeable to the States of the Upper Division . . . ;
2. releases to comply with article III(d) of the Colorado River Compact, less such quantities of water delivered into the Colorado River below Lee Ferry to the credit of the States of the Upper Division from other sources; and
3. **storage of water not required for the releases specified in clauses (1) and (2) of this subsection to the extent the Secretary . . . shall find this to be reasonably necessary to assure deliveries under clauses (1) and (2)** without impairment of annual consumptive uses in the Upper Basin pursuant to the Colorado River Compact: *Provided*, That water not so required to be stored shall be released from Lake Powell: (i) to the extent it can be reasonably applied in the States of the Lower Division to the uses specified in article III(e) of the Colorado River Compact [except when] the active storage in Lake Powell is less than the active storage in Lake Mead, (ii) to maintain, as nearly as practicable, active storage in Lake Mead equal to the active storage in Lake Powell

Colorado River Basin Project Act, Section 602(a) (emphasis added). Section 602(a) directs the Secretary to create operating criteria for the CRSP reservoirs and Lake Mead that, consistent with the Colorado River Compact, the Upper Colorado River Basin Compact, and the Mexican Treaty obligation, prioritize the release of water from Lake Powell to satisfy the Upper Division's Mexican water delivery obligation and the Lower Division States' rights under article III(d) of the Colorado River Compact (602(a)(1)-(2)). **Only after** satisfaction of those obligations may water be stored in CRSP reservoirs under 602(a)(3) to satisfy those same stated obligations of 602(a)(1)-(2) in future years. And volumes in excess of those needed under 602(a)(1)-(3) must be released as necessary to equalize storage in Lake Mead and Lake Powell, and otherwise as needed by the Lower Basin for beneficial uses when storage in Lake Powell equals or exceeds that in Lake Mead.

As directed by the Colorado River Basin Project Act, the Secretary issued the criteria for reservoir operations on June 8, 1970. See Criteria for Coordinated Long-Range Operation of Colorado River Reservoirs Pursuant to the Colorado River Basin Project Act of September 30, 1968 ("LROC"). The LROC was the subject of six formal reviews after 1970, with the most recent modifications included in a Notice of Final Decision published on March 29, 2005. The No-Action Alternative evaluated by Reclamation as part of the ongoing Post-2026 NEPA process should incorporate releases from Lake Powell and storage in the Upper Basin as provided in the current LROC.

The LROC requires the Secretary to create annual plans of operation for the CRSP reservoirs and Lake Mead. In such plans, we agree with our Upper Division colleagues that the Secretary must include a determination, consistent with 602(a)(3), as to how much water is needed in storage to satisfy future delivery requirements to Mexico and the Lower Basin under 602(a)(1) and (2) ("602(a) Storage"). However, we part with our Upper Division colleagues on their bare assertion that the

LROC's 602(a) Storage determination can reduce the annual releases prioritized in 602(a)(1)-(2). Instead, the 602(a) Storage calculation required by the LROC is determinative only of the question whether, in a given year, **more** than 8.23 maf must be delivered to the Lower Basin for equalization of the active volumes in Lakes Mead and Powell or for beneficial use in the Lower Basin States under Article III(e) of the Compact (when active storage in Lake Powell is equal to or more than active storage in Lake Mead). Accordingly, the LROC's default "objective" is to release 8.23 maf to Mexico and the Lower Basin regardless of the 602(a) Storage calculation. Then, if there is sufficient water in Upper Basin reservoirs in excess of the 602(a) Storage calculation, the Secretary **must** release **more than 8.23 maf**, under the conditions set forth by Congress in 602(a) and the Secretary in the LROC. Nothing in 602(a) or the LROC suggests the conditions under which less than 8.23 maf would be released each year for the Lower Basin and Mexico. Moreover, Congress has articulated the delivery priorities, which cannot be reordered or subordinated to any other interests, including the maintenance of existing uses in the Upper Basin.

We express no opinion regarding the concern raised in the Upper Division Letter regarding a proxy for, or the means by which, Reclamation would calculate 602(a) Storage in the LROC. The Upper Division States correctly point out that the Equalization Line in the 2007 Interim Guidelines may not be the correct calculation of the volume needed to protect future releases to the Lower Division States and Mexico consistent with the priorities expressly set out by Congress in the Colorado River Basin Project Act. An earlier rule promulgated by Reclamation on May 19, 2004, 69 FR 28945, entitled Notice of Adoption of an Interim 602(a) Storage Guideline for Management of the Colorado River and containing an algorithm for the calculation of 602(a) Storage, which expired in 2016, consistently over-estimated Upper Basin demands and incorrectly incorporated protection of the power pool. If Reclamation were to adopt the No-Action Alternative as a preferred alternative, we would respectfully request that Reclamation revisit how it calculates 602(a) Storage using the best available science and data to properly characterize the conditions under which water in excess of 8.23 maf must be released to the Lower Basin and Mexico.

The Upper Division Letter suggests that the minimum release might be less than 8.23 maf based on other "governing laws and compacts" that they fail to identify. Whether the LROC might produce a different result than, for example, our Upper Division colleagues' view of minimum 1922 Compact compliance is not the question for Reclamation as it evaluates the No-Action Alternative. The question is which laws are in place and unaffected by the expiration of the 2007 Interim Guidelines, and the LROC and 602(a) are two such applicable laws. The Upper Division Letter essentially asks Reclamation to take an action – specifically, ignoring the minimum objective release of 8.23 maf required annually under applicable law that will survive the expiration of the 2007 Interim Guidelines – within the No-Action Alternative.¹ Doing so simply cannot be part of the No-Action Alternative.

¹ Likewise, for an action alternative or revision of the LROC, the Lower Basin States would argue that the minimum objective release should also include carriage losses for the obligation to Mexico. However, we accept that reliance on the LROC as it currently stands is appropriate for the No-Action Alternative.

Additionally, while we remain committed to arriving at an equitable, agreed-upon sharing of the pain caused by climate change and multi-decadal drought across the Basin, the Lower Division States note that all the alternatives submitted for Reclamation's consideration, including our own, would likely result in a Compact call under Article III(d) of the 1922 Compact. The impacts of such a call must be evaluated with respect to any alternative where less than the volumes described in Article III(b), (c), (d) and (e) of the Colorado River Compact may be released from Lake Powell to the Lower Basin. Such an analysis will likely be relevant to all alternatives under consideration.² Further, it is reasonable to conclude that impacts in the Upper Basin caused by making up any Article III(d) shortfall would occur consistent with Upper Division obligations set forth in the Upper Colorado River Basin Compact of 1948, including curtailments. Accordingly, failure to assume such activities would be inconsistent with the Law of the River and insufficient under NEPA.

We note as well our concern regarding the suggestion in Reclamation's May 9, 2024, draft "key Modeling Assumptions" document that indicates releases may be less than 8.23 maf in a given year under the No-Action Alternative because of "physical limitations." As we understand it, this is not intended to represent any specific action by Reclamation to protect critical elevations or infrastructure or a "hard protection" of elevation 3,490 feet. Instead, this is a reference to the physical limitations of the infrastructure to release water at certain elevations.

While we agree there may be physical limitations at Glen Canyon Dam that Reclamation should modify, and while we appreciated the opportunity to have our technical staffs visit and comment on the scaled models of the facilities, such limitations are still under review, are the subject of future reports by Reclamation, and should be addressed by Reclamation in a future or parallel process that determines appropriate alternatives for an infrastructure fix. Moreover, to reduce releases from Lake Powell below Compact requirements because of physical limitations, without revising the operating criteria for the reservoirs to appropriately prioritize those releases, would cause Reclamation to run afoul of several key elements comprising the Law of the River-- including, without limitation, the Boulder Canyon Project Act, the Colorado River Storage Project Act, and the Colorado River Basin Project Act (including section 602(a), which explicitly directs the Secretary to manage the federal reservoirs to prioritize releases for Compact compliance, second only to releases to satisfy the Treaty obligation to Mexico). While the No-Action Alternative should remain No-Action for purposes of this NEPA process and should not include protection of any elevation of Lake Powell, the Lower Division States remain ready, willing, and able to work with other stakeholders and Reclamation on the most expeditious resolution to the physical limitations at Glen Canyon Dam.

The Lower Division States agree with Reclamation's assessment in initiating this NEPA process that neither the No-Action Alternative nor a continuation of current strategies are sufficient

² We note that compliance with the Colorado River Compact is "inextricably intertwined" with operations of the various federal reservoirs, and with Reclamation's ability to satisfy its Treaty obligations to Mexico and water delivery contracts in the Lower Basin. See *Texas v. New Mexico*, 602 U.S. ___, ___ (2024) (slip op. at 9) (quoting *Texas v. New Mexico*, 583 U.S. 407, 413 (2018); see also 602(a)).

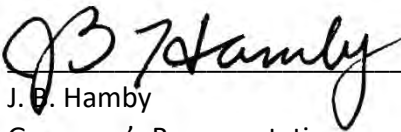
to address the risk to the Colorado River Basin posed by climate change. However, informed decision-making can only be fostered by accurately characterizing the rule set applicable to the No-Action Alternative and then evaluating the environmental and social impacts likely to result under that set of rules. And our expectation is that Reclamation will neither include actions in the No-Action Alternative nor ignore any applicable law surviving the 2007 Interim Guidelines.

We hope our willingness to roll up our sleeves, be creative, and absorb our fair share of the impacts caused by climate change within the Basin is apparent from our Lower Basin Alternative submittal, and we remain committed to working with all stakeholders in the Basin willing to do the same.

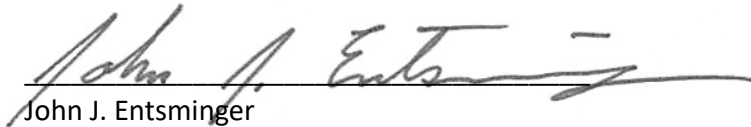
Respectfully,



Thomas Buschatzke
Governor's Representative
State of Arizona



J. B. Hamby
Governor's Representative
State of California



John J. Entsminger
Governor's Representative
State of Nevada

cc: Jacklynn Gould, Regional Director – Lower Colorado Basin, Bureau of Reclamation
Wayne Pullan, Regional Director – Upper Colorado Basin, Bureau of Reclamation
Russ Callejo, Deputy Regional Director, Bureau of Reclamation
Carly Jerla, Senior Water Resource Program Manager, Bureau of Reclamation
Rebecca Mitchell, Governor's Representative, State of Colorado
Gene Shawcroft, Governor's Representative, State of Utah
Estepan Lopez, Governor's Representative, State of New Mexico
Brandon Gebhart, Governor's Representative, State of Wyoming



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(970) 247-1302

BOARD MEMORANDUM

From: Steve Wolff & Mo Rock

Subject: Agenda Item 12.4 – Update on Southwest Water Conservation & Infrastructure Partnership

Date: July 31, 2024

This memo is being provided to update the Board on the various water conservation activities staff and consultants have been working on since our June meeting update.

Southwestern Water Conservation and Infrastructure Partnership

As a reminder, the SW CIP leadership team (Steve Wolff & Mo Rock, SWCD; Carrie Padgett, Harris Water Engineering; Alex Funk, TRCP; and Stacy Beaug and Mary Cornforth, Strategic by Nature) partners efforts have been focused on building capacity amongst all water users in SW Colorado and to position ourselves to be ready to respond to the funding opportunities that would be coming from the \$500 million designated in the Inflation Reduction Act for Upper Colorado River Basin to address drought. Currently, there is approximately \$450 million remaining, and those funds are being made available under two funding notices. The first funding notice (termed B2E) was just released and is described below. The second funding notice (B2W) will be focused on funding projects that will provide durable and verifiable reductions in the use or demand for water. We expect this second notice to be released this fall.

Upper Basin Environmental Drought Mitigation (B2E) Funding Opportunity

The B2E funding notice hit the streets on July 22. This one is to fund projects that provide environmental benefits or for ecosystem and habitat restoration projects that address issues directly caused by drought in a river basin or inland water body. Key aspects of this funding include:

- Applicants must be a public entity or tribe within the Upper Colorado River Basin.
- Minimum project size is \$300,000.
- There is no cost-share required, but it is encouraged.
- Application deadline is October 14, 2024.
- Announcement of awards is expected in late 2024 or early 2025.
- Projects must be completed, and funds fully expended by September 30, 2031.

We are seeking clarification on some issues and expect to have conversations with the Bureau of Reclamation and/or the State of Colorado in the near future. **We should note that many of the partners we are working with are not eligible to apply for B2E funds, so SWCD is planning on being the lead applicant for many projects.**

We held our third Partnership meeting on July 30th. This meeting focused on how water users in southwest Colorado can work together to prepare funding applications for submission for B2E funding.

Thirty-two individuals representing twenty-four entities attended the July 30th meeting. During the meeting, the group discussed potential ways to bundle projects for the B2E funding opportunity and gave recommendations for projects in their basin.

We are also planning on presenting this program, program updates, and other useful information to partners and interested parties at meetings across our District. Carrie Padgett is coordinating with local entities and working groups already meeting to give a 15-minute presentation. **If you have ideas for groups or meetings and want this information shared, please contact Carrie Padgett or Mo Rock.**

CWCB Local Capacity Grant: In January, the SWCD (in conjunction with the San Juan Resource and Conservation Development Council (SJRCDC) serving as fiscal agent) was awarded a local capacity grant from CWCB. Via SJRCDC, we have hired Carrie Padgett to serve as our Community Navigator to support our ongoing efforts and manage the work necessary to comply with the grant. SWCD will provide overall oversight and direction for the work to be performed.

WaterSMART Grant – Planning and Design: On May 22, SWCD submitted an application to the Bureau of Reclamation requesting grant funds in the amount of \$345,040. This grant is meant to provide funding to conduct project-specific design for projects that will improve water management or water supplies. Notice of award on these grants is not expected until early 2025.

Growing Water Smart Workshop

SWCD in cooperation with CWCB and the River District will be bringing another Growing Water Smart Workshop to the west slope of Colorado in early 2025. The workshop has been tentatively scheduled for February 18, 2025.



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BOARD MEMORANDUM

From: Steve Wolff & Mo Rock

**Subject: Agenda Item 12.5 - Policy regarding the use and expenditure of
the District's Assigned Funds**

Date: July 31, 2024

This memo is being provided to update the Board on the policy regarding the use and expenditure of the District's assigned funds, as discussed at their June Board Meeting. This is a draft policy, please review and provide staff with any feedback. We hope to finalize this at our October Meeting.

**SOUTHWESTERN WATER CONSERVATION DISTRICT
BOARD OF DIRECTORS**

**POLICY REGARDING
THE USE AND EXPENDITURE OF THE DISTRICT'S
ASSIGNED FUNDS; WATER DEFENSE AND WATER
DEVELOPMENT**

I. PURPOSE

In late 2020, the Southwestern Water Conservation District (SWCD) Board of Directors (Board) created two assigned funds from the District's cash reserves. The two assigned funds include "SWCD Water Defense" and "SWCD Water Development". At the end of each year, the Board assigns funds that went unspent from the previous year's appropriated budget to each of these assigned funds, typically allocating 60% to Water Defense and 40% to Water Development.

This policy is meant to provide details regarding the continued development, use and expenditure of these two funds.

II. DESCRIPTION OF THE ASSIGNED FUNDS

WATER DEFENSE: The Water Defense assignment is to be used to protect and defend the water resources of the San Juan and Dolores River Basins, including but not limited to those water rights held by the District. The District already allocates a portion of its annual revenue to maintain contracts with various consultants for legal, technical and lobbying services that work to defend these water resources. However, additional legal, policy, and/or technical services would be needed if the District were ever to be engaged in any significant litigation, rulemaking, negotiations, or take on a special project. Moneys set aside in the Water Defense assignment are intended to assist the District in paying these costs and expenses.

The most obvious scenario (though certainly not the only one) is if interstate litigation ever occurred within the Colorado River basin involving the 7-basin states and the federal government. Under this scenario, the District would likely act to assist the State of Colorado in protecting its Compact entitlements.

WATER DEVELOPMENT: The Water Development assignment is allocated to be used to facilitate the use and development of the water resources of the San Juan and Dolores River Basins. The Board currently envisions these funds may be used to facilitate development of one or more infrastructure projects or water management plans (e.g., umbrella plan for augmentation) that help maximize the beneficial use of water, including for non-consumptive purposes, within the District's boundaries.

III. INVESTMENT OF ASSIGNED FUND BALANCES

The majority of the sums of money assigned to the Water Defense and Water Development funds are currently invested in interest-bearing certificates of deposit with varying maturity dates, as well as government approved securities. The result is that the entire balance of either fund typically is not available immediately (at least without significant penalty to the District). Recognition should also be made to the fact that the interest earned from these investments does serve as a small annual revenue stream to the District.

IV. GUIDANCE AS TO THE EXPENDITURE OF ASSIGNED FUNDS

The District’s statutory mandates, as well as the SWCD Strategic Plan, should always be used as guidance when considering the expenditure of any assigned fund balances. In other words, does the expenditure help to protect, conserve, use, and develop the water resources of the San Juan and Dolores River Basins for the welfare of the SWCD and to safeguard for Colorado all waters to which the state is entitled?

WATER DEFENSE: Any expenditures made from the Water Defense assignment shall be made for the purposes of: (1) to protecting or maintaining water rights now owned or subsequently acquired by District; or (2) to assist the District’s participation in intra- and inter-state litigation, rulemaking or negotiations that the Board deems necessary to safeguard waters apportioned to Colorado and District water users, which cannot be absorbed within the amounts typically allocated for legal, technical and other related services.

WATER DEVELOPMENT: Any expenditures made from the Water Development assignment should ensure they help to conserve, use and/or develop the water resources within the District and should aim to maximize and diversify project benefits. Such expenditures should only be made for a project in which the District is the sole or a prime proponent. Funds should not be used to provide funding to other entities in SW Colorado.

This policy is meant to serve as guidance on the expenditure of assigned funds. The Board will review and revise this policy on an as-needed basis, but no less than every five years.

AUTHORITY: Approved by the Board on



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BOARD MEMORANDUM

From: Mo Rock

Subject: Agenda Item 12.6 – Grant Program Guidelines and Application

Date: July 31, 2024

This memo is being provided to update the Board on the status of the 2024 awarded grants and the 2025 Grant Program Guidelines, as discussed at our June Regular Board Meeting.

Grant Program Guidelines:

- Updated and clarified Emergency Grant Request Language and added a \$50,000 cap/applicant/5-years - under Emergency Grant Request (pg. 2), funding table (pg. 2) and under Additional Requirements – Limits on Grant Funding (pg.

Grant Program Application:

- Online Form Attached – Fillable printable document will be finalized (with the same questions) after the board meeting

Current Grant Program Status

Entity	Project	Reimbursed	Approved
Fort Lewis College	Tribal Media Fellowship	\$10,000	\$10,000
Wright Ingrahm Institute	Dust on Snow	\$20,000	\$20,000
MVIC (EMERGENCY)	Beaver Ditch Repairs	\$50,000	\$50,000
Montezuma Land Conservancy	Water Education	\$9,000	\$9,000
San Juan RC & D – Animas	Animas Watershed Plan	\$3,003	\$20,000
Hermosa Company Ditch	Parshall Flume		\$1,155
Mancos Conservation District	Outreach Efforts		\$12,000
SCC – Dolores	Dolores River Restoration		\$22,000
Farmer Water Development Company (EMERGENCY)	Gurley Dam Slip Repair		\$50,000
Total:		\$92,003	\$194,15

Grant Extension Status

Entity	Project	Reimbursed	Awarded
Trout Unlimited	Pagosa Gateway Project	\$17,000	\$17,000
Town of Pagosa Springs	Yamaguchi South Project		\$32,000
Total:		\$17,000	\$49,000



THE SOUTHWESTERN WATER CONSERVATION DISTRICT

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IN SOUTHWESTERN COLORADO

2025 GRANT PROGRAM GUIDELINES

Southwestern Water Conservation District Background

The Southwestern Water Conservation District (“SWCD”) is a political subdivision of the State that was established by the Colorado General Assembly in 1941 to protect, conserve, use, and develop the water resources of the San Juan and Dolores River Basins as well as to safeguard all waters to which the state of Colorado is equitably entitled.¹ SWCD periodically offers financial assistance in the form of grants to qualified entities², that are carrying out projects consistent with SWCD’s statutory purposes. Funding for this program is subject to SWCD’s discretion, annual budget, and appropriation process. The Board retains the right, in its sole discretion, to approve, reduce, or deny any grant request.

Before applying, please ensure you can answer “yes” to each of the following questions:

- Are you a qualified entity²?
- Are you located within the SWCD’s boundaries?
- Is the project anticipated to start and finish in 2024?
- Are you providing cash or in-kind match of at least 25% of the total project cost?
- Is the SWCD grant request for less than 50% of the total project cost?
- Have you spoken with SWCD staff (Mo Rock, 970-247-1302) about the project and grant application before submission?



Figure 1. Map of the Southwestern Water Conservation District.

¹ See C.R.S. § 37-47-101 through -151

² See “Additional Requirements” for definition

General Program Information

For the 2025 grant program, applications may be submitted from **August 15th through November 7th, 2024**. Applicants are encouraged to submit their application as early as possible so that there is adequate time to work with SWCD staff to ensure that the application meets all requirements in advance of the November 7th deadline. Generally, funding decisions on grant applications will be made by the SWCD Board at its first regularly scheduled meeting of 2025 (generally held in February).

Emergency Grant Requests: The deadlines provided above apply to routine grant requests and can be modified at the discretion of the SWCD Board to address emergencies. Emergency Grant Requests typically stem from a natural disaster or other severe weather-related event and include but are not limited to: flood events causing damage to diversion, storage, or measurement structures; catastrophic canal or pipeline failure that prevents the delivery of water; imminent or actual spillway or dam failure, wildfire impacts including post-fire runoff, and other impacts; and toxic spills. Projects that result from, or are exacerbated by, deferred maintenance do not qualify for emergency grant assistance. Please contact SWCD staff directly if you are considering submitting an emergency grant application.

SWCD annually anticipates receiving grant requests well over the available funds. The maximum amount of money potentially available from SWCD in the 2025 calendar year for all grant recipients is listed in the table below.

Grant Funding Category	<u>Proposed 2025 Funds Available</u> <i>Total Grant Program \$250,000</i>	<u>Annual Max Grant</u> <i>Request per Applicant per Category</i>	<u>Five-Year Max</u> <i>Grant Funds received per Applicant per Category</i>
Water Supply/Watershed Restoration: Water supply or watershed restoration or enhancement projects, including design, engineering, and construction	\$125,000	\$60,000	\$120,000
Public Forums/Studies: Public forums, workgroups, studies, planning efforts	\$50,000	\$20,000	\$40,000
Education: Teaching seminars, workshops, and related programs	\$25,000	\$10,000	\$20,000
Emergency requests Flood events causing damage to structures; canal or pipeline failure, dam failure, post-fire runoff damage, toxic spills, etc.	\$50,000 + any remaining unallocated grant funds	\$50,000	\$50,000

If, as part of budget development for the upcoming fiscal year, the board adjusts the total grant program funding available, funding allocations by category will be adjusted proportionally or based on Board recommendations.

Any member of SWCD’s Board of Directors or Staff with a financial or property interest in a grant request will disclose any such interest or any other conflict of interest and recuse themselves from participating in any recommendation, vote, or decision-making process related to that grant request.

Additional Requirements

Eligibility:

SWCD will only consider grant requests from “qualified entities” for (1) development or improvement of water supply and watershed restoration or enhancement projects, including related design, engineering, and construction, (2) studies and facilitating stakeholder involvement in water-related matters, including water quality, (3) educational purposes, including teaching seminars, workshop, and related programs, and (4) emergency situations. “Qualified entities” are defined by statute to include any public entity, non-profit corporation, not-for-profit corporation, carrier ditch company, mutual ditch or reservoir company, unincorporated ditch or reservoir company, or cooperative association within the boundaries of SWCD.³ All projects, studies, and program grants will be limited to “raw” or untreated water supplies, except as provided below. Only projects or portions of projects located within the SWCD’s boundaries are eligible for grant funding.

SWCD will **not** consider grant requests or funding for:

- a. Completed Projects; however, the board may make an exception for projects completed within the past six months arising from the emergencies;
- b. Municipal or domestic drinking water projects that do not qualify as a “public water system,” which is defined for the purposes of these guidelines to mean any system that does not have a public water system ID number with the state of Colorado;
- c. Any part of a municipal or domestic “public water system” which is unrelated to raw water storage or delivery. Applications for eligible portions of the public water system should include the state ID number for the system;
- d. Wastewater treatment projects;
- e. Legal fees or payroll costs. SWCD will not pay an employee’s salary or hourly wages but may consider paying for crew or seasonal work as it pertains to the specific project described in the grant proposal. If your project includes salary or hourly wages for employees, please identify them as a separate line item in the proposed

³ C.R.S. § 37-47-107(1)(j.5).

- budget and explain how you will pay for those costs without using SWCD grant funds. If you're wanting to apply funding to crew or seasonal project work please identify this in your application, extra documentation may be required by the Board to approve such requests. Paying for an employee's time will be at the discretion of the board;
- f. Grant administration costs; or
 - g. Weed management projects, although consideration will be given to programs that specifically remove phreatophytes if the Applicant demonstrates it has a plan, including funding, for appropriate revegetation and ongoing maintenance.
 - h. Projects that arise due to lack of proper maintenance or lack of maintaining sufficient financial reserves to address routine maintenance and unforeseen events.

Matching Contributions

SWCD will not award a grant for more than 50% of the total project costs,⁴ and Applicants must demonstrate that they are actively contributing to the project for which they are requesting a grant. Any grant approval and release of funds will be contingent on the recipient demonstrating that they have secured funding for the remaining total project costs.

In addition, Applicants or beneficiaries of the proposed project must also demonstrate that they will provide, through a cash contribution and/or in-kind goods or services, at least 25% of the total project costs (in other words, half of the matching funds)⁵. Applications proposing the use of in-kind goods and services as all or a portion of the required matching contribution must provide detailed information identifying the time and valuation (at an hourly or total project rate) of in-kind contributions. The Board may, at their discretion, consider previous expenditures directly related to the proposed project as matching contributions if those expenditures occurred within six months of the grant application deadline.

Non-profit, or non-governmental organizations, serving on behalf of a broad group of local constituents that do not receive tax revenues and do not have opportunities for third-party contributions for the project, may request a reduction of the match requirement to 10% of the total project cost (subject to approval by the Board) by garnering and documenting strong community or watershed support for the project.

Limits on Grant Funding

The amount of funding each “qualified entity” may receive from SWCD is further limited to the following:

⁴ For multi-phase projects, “total project costs” shall mean all costs related to the particular phase of the project for which the Applicant is requesting funding.

⁵ The Applicant’s 25% match cannot be met through a loan from SWCD, additionally multi-phase projects, “total project costs” shall mean all costs related to the particular phase of the project for which the Applicant is requesting funding.

- a. Recipients of grants for the development or improvement of water-related projects may not receive more than \$60,000 in a single year or a total of \$120,000 in any given five-year period.
- b. Recipients of grants for participation in public forums and the performance of studies may not receive more than \$20,000 in any single year or a total of \$40,000 in any given five-year period.
- c. Recipients of grants for educational purposes may not receive more than \$10,000 in a single year or a total of \$20,000 in any given five-year period.
- d. Recipients of grants for emergency projects may not receive more than \$50,000 in a single year or a total of \$50,000 in any given five-year period.

Additional funds, outside of SWCD's grant program, may be available through SWCD's loan program. Please review the Loan section below or contact SWCD staff to find out more about SWCD's loan program.

Application Instructions and Process

Completion of SWCD's application is required for SWCD to consider grant requests. The Board will not consider applications that do not meet the minimum requirements. To ensure consideration for funding by SWCD, please apply for a grant before the water project, study or educational program has been initiated. Please use the following application:

Each application should be filled in electronically (highly preferred) or printed legibly and include, at a minimum, the required information indicated by a required field, and if submitting a printed document, all applications and supporting documentation must be submitted in a single file. Applications submitted in multiple files will not be considered.

For printed applications, please attach additional sheets as necessary to fully answer any question to assure that all information that might be helpful in evaluating your application is considered. Please return the **signed copy** of the application to Southwestern Water Conservation District and retain a copy for your records. Please submit to the following address or email: Southwestern Water Conservation District, 841 E. 2nd Avenue, Durango, CO 81301, *or morock@swgcd.org*. Once your grant application is received, it will be reviewed by SWCD staff to ensure that it meets the minimum requirements before consideration by the Board.

The Board will review and consider grant applications at the first Regular Board meeting in 2025. Applicants are encouraged to attend the meeting at which the funding requests will be considered, either in person or virtually, so that they can provide a summary of their grant request and answer questions that may arise. The Board requests a thorough, completed application form be submitted in lieu of a formal presentation.

For questions about the application or board meeting, please contact SWCD staff by phone (970-247-1302) or e-mail (morock@swgcd.org). For your reference, agendas are generally posted to the swgcd.org website one week prior to regular board meetings.

Evaluation Criteria

Grant proposals will be evaluated based on how well the proposed project, study, or educational request carries out the purposes, mission, and strategic priorities of SWCD. The Board will give special consideration to grant proposals that further the use or protection of pre-compact water rights and the development of Colorado River Compact entitlements as well as educational-related requests that complement or otherwise further SWCD's existing programs.

Furthermore, Applicants must demonstrate adequate shareholder assessments and reserves for ongoing operation, maintenance, and repair of their infrastructure. The Board will give favorable consideration to grant proposals from Applicants that are proactively and financially planning for their own future needs.

Fund Disbursement

Once a grant application has been reviewed and approved by the Board, a request for the release of grant funds may be made during 2025. If the Applicant will not be able to use the funds in that year, please contact the SWCD office as soon as possible.

For grant funds to be released, the Applicant must complete the following tasks:

1. Sign the "Document of Understanding" that accompanies the grant approval letter;
2. Complete a "Request for Release of Funds" form found on the SWCD [website](#);
3. Provide written documentation that all committed matching funds have been secured;
4. Provide written documentation that the Applicant continues to be a qualified entity

The signature of the Applicant's authorized representative on the "Request for Release of Funds" form indicates that the funds are needed at that time and that the Applicant ensures and verifies that the funds are only being used for the specific purpose(s) described in the application and amount(s) indicated in SWCD's grant approval letter. The Applicant agrees to allow SWCD to display a public notice identifying the project or activity as being partially funded by the SWCD. Additional documentation may be requested at SWCD's discretion before the release of funds.

In the event the project, study, or program for which the grant was awarded ultimately comes in under budget, the grant recipient must return a pro-rata portion of the remaining funds to SWCD within 45 days of completion. For example, if the completed project, study, or program is \$20,000 under budget and SWCD contributed 20% of the total anticipated project costs, then the grant recipient must return \$4,000 (20% of \$20,000) to SWCD.

Changing the Use of Funds

If the Board approves funding for the application, and at a future date the intended use of funds changes, please notify staff as soon as possible. Board review and approval of the change is necessary. Otherwise, SWCD requires reimbursement of funds.

Grant Extension Requests

If the Board approves funding for the application, and completion of the project, study, program, or other grant-funded task has not occurred in 2025, the Applicant must submit a written grant extension request to SWCD Staff describing the progress to date and the projected timeline for completion. At that time, Staff may elect to approve a one-year extension.

Grant extensions are usually limited to one year. However, the Board may approve grant extensions of more than one year, the Applicant may be required to submit a new application, or if funds have already been disbursed, the Board may request that the funds be returned.

Annual Reporting Requirement

If the Board approves funding for the application, the Applicant must provide a written report and/or supporting documentation of the work accomplished no later than December 31, 2025. This written report will include a detailed accounting of the use of funds including supporting documentation for any expenses incurred, as well as a detailed outline of the total project budget spent. Additional documentation may be requested at the discretion of SWCD. See sample final reports at swwcd.org. If the Applicant cannot submit the final report by the deadline, they must submit a written request for an extension of time to SWCD staff prior to December 31, 2025, which explains the reporting delay and a proposed final submittal date. The Board will not consider future grant requests from Applicants that do not comply with this provision or submit an unacceptable final report.

Loans

Loans and/or loan-grant packages may be approved for water-related projects or construction, studies, educational programs, and sponsorships. The terms and security for payment will be determined at the time the loan is approved. All documents required by SWCD for the loan shall be executed before SWCD will release the approved loan amount. Documents that SWCD, at its sole discretion, may require to include, but may not be limited to, a loan agreement, promissory note, deed of trust for real property, and/or a uniform commercial code financing statement for personal property.



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<input type="text" value="Search..."/>	<input type="button" value="Go!"/>
--	------------------------------------

SWCD Grant Application

Overview

Name of Qualified Entity (required)

Date of Submittal (required)

Type of Qualified Entity (required)

Mailing Address to Send Grant Check (if approved) (required)

Federal ID Number

Public Water System ID

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Contact Person 1 (required)

Contact 1 Title (required)

Contact 1 Phone (required)

Contact 1 Email (required)

Contact Person 2

Contact 2 Title

Contact 2 Phone

Contact 2 Email

Project Overview

Project Name (required)

Type of Submittal (required)

For Loan Requests, please list any existing long-term liability (multi-year) or indebtedness that exceeds one thousand dollars. This might include bank loans, government agency loans, or bond issues. Please provide the lender's name, address, remaining principal, annual payment, and maturity date. If any of these liabilities are currently in default or have been in default at any time in the past, please provide a detailed explanation. Attach a separate schedule as necessary.

Applicant (required)

Is the Applicant using a fiscal agent? if so is the fiscal agent a qualified entity? (required)

River Basin and County (required)

Total Project Costs? (required)

Grant Request Amount? Request cannot exceed 50% of total project costs. (required)

Applicant Match? Applicant match must be at least 25% of total project costs. See Guidelines for exceptions and more information. (required)

I acknowledge that the grant funds will be used in 2025? (required)

Water Activity Category

What category does this grant fall into? (required)

Applicant Description

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Provide a brief description of the applying entity. For ditch companies, please provide the number of shareholders, acres served, and annual assessment. (250-word max) (required)

Describe how the applicant is proactively and financially planning for their own future needs through adequate assessments, reserves, and other means. (250-word max) (required)

Provide a narrative description of the project's physical location, as well as its purpose. Additionally, provide a description of the water supply source to be utilized or the water body affected by the project. (200-word max) (required)

What are the measurable results such as acres served, watersheds impact, types of crops, number of taps, length of ditch improvements, length of pipe installed, area of habitat improvements, or students impacted. (required)

Photos, maps, or other graphics can be inserted or attached to support the above questions.

No file chosen

Long Answer

What are the benefits of the project? Consider the following prompts in your answer, hitting all points if possible. 1. How does the project assist SWCD in furthering its statutory mission to protect, conserve, use, and develop the water resources of southwestern Colorado, as well as safeguard all waters to which Colorado is entitled? 2. In February of 2022, SWCD adopted a strategic plan with six strategic priorities. Which priorities does this project satisfy and how? Find our Strategic plan here: 3. Does your project enhance or preserve any pre-compact water rights? If so, please describe the amount, appropriation date and adjudication date of these water rights. (750-word max) (required)

Attach a 'water rights tabulation' report from the Colorado Division of Water Resources (DWR), if applicable.

No file chosen

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Water Project Timeline

Provide a narrative description of the timeline for the project's major tasks and/or a detailed outline (250-word max) (required)

Engineering and Legal Feasibility

Will the project require the acquisition of additional water rights or a change of existing water rights? If yes, please explain (150-word max) (required)

Will the project require local, state, or federal regulatory permits of any type? If yes, please explain. (150-word max) (required)

List below any feasibility studies or investigations that have been completed or are now in progress for the proposed project. (200-word max). (required)

Please attach feasibility studies or investigations here.

No file chosen

Matching Requirements

Applicants must demonstrate that they are actively contributing to the project for which they are requesting funding. Any grant approval will be contingent upon the recipient ultimately demonstrating that they have secured funding for the full project cost. (required)

In addition, applicants must also demonstrate that they will provide, through a cash contribution and/or the performance of in-kind services, at least 25% of the total project costs. See the guidelines for more information. Please upload a table showing contributing entity, amount, In-Kind or Cash, and Approval Date or Anticipated Approval Date. Please include the total applicant match, total other funding, and the SWCD request. (required)

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Choose File No file chosen

I've read the above statement, and this application meets the matching requirements. (required)

Yes 

Water Project Budget

Please provide a detailed project budget. You can use the template below or provide a more detailed table in an attachment. *Describe any payroll or legal costs, as well as any costs for administering this and other grants. SWCD will not fund those portions of the project. (required)



Or upload a water project budget here.

Choose File No file chosen

Water Activity Budget

Provide any narrative description of the project expense and funding budget that is necessary. (200-word max) (required)



Please include a detailed description of in-kind materials and services, if any, along with the basis for in-kind valuations. (required)



Attach supporting documentation if necessary.

Choose File No file chosen

By submitting below, I acknowledge I have read the 2025 SWCD Grant Program guidelines, I understand the program requirements, and I submit this application, which is complete and true to the best of my knowledge. Should the grant funds be awarded, I understand that the grant funds shall only be used by a qualified entity for the specific purpose(s) described in my SWCD grant application and up to the amount indicated in SWCD's grant approval letter. I understand that grant funding may be requested when needed in 2025. Upon the District's receipt of the Request for Release of Funds form, documentation showing the applicant continues to be a qualified entity and that all other matching project funds required by the District's 2025 Grant Program Guidelines have been committed and secured, the grant will be made available. If the intended use of grant funds changes, I am required to inform SWCD staff and further review and approval by the District's Board will be necessary. The District may require additional documentation regarding the use of the funds at its discretion. In addition, in the event the project, study, or program for which the grant was awarded ultimately comes in under budget, I must return a pro-rata portion of the remaining funds to the District within 45 days of completion. For example, if the completed project, study, or program is \$20,000 under budget, and SWCD contributed 20% of the total project costs, then the grant recipient shall be required to return \$4,000 (20% of \$20,000) to SWCD. I acknowledge that a final written report, including a description of work completed and a detailed accounting of the use of funds, will be due to SWCD within three (3) months of the final expenditure or by December 31, 2025, whichever occurs first. If the Applicant cannot submit the final report by the deadline, they must submit a written request for an extension of time to SWCD staff prior to December 31, 2025 that explains the reporting delay and a proposed final submittal date. The Board will not consider future grant requests from Applicants that do not comply with this provision and submit an acceptable final report. If the project will not be completed in 2025, I understand that it is necessary to submit a written grant extension request. (required)

I understand the above statement

Name of Individual Submitting Applicant (required)

Date of Submission (required)

Submit

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OUR GRANT PROGRAM

The Southwestern Water Conservation District periodically offers financial assistance in the form of grants to “qualified entities” that are carrying...

[READ MORE »](#)

[\(/financial-assistance-program\)](/financial-assistance-program)

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[WEBSITE ACCESSIBILITY STATEMENT](#)

[DISTRICT TRANSPARENCY \(TRANSPARENCY.HTML\)](TRANSPARENCY.HTML)

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[DESTINATION=%2FSWCD-GRANT-APPLICATION](#))

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SWCD Board Meeting Packet August 8, 2024

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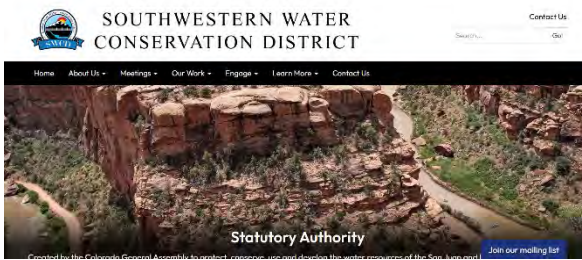
BOARD MEMORANDUM

From: Mo Rock

Subject: Agenda Item 12.7 – Website Update and ADA Compliance

Date: July 31, 2024

This memo is being provided to update the Board on the new website platform. Please review SWCD’s website at swgcd.org and let us know what you think of our new platform!



Financial Assistance Program

Our Grant Program

The Southwestern Water Conservation District periodically offers financial assistance in the form of grants to "qualified entities" that are carrying out the statutory purpose of the District to protect, conserve, use and develop the water resources of the San Juan and Dolores River basin, as well as to safeguard all waters to which the state of Colorado is equitably entitled.

How to Apply

Key Application Documents

Disbursement and Final Reports

Grant Writing Support

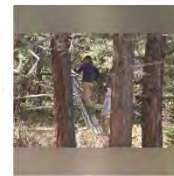
Projects We've Supported

Previously funded work has included ditch rehabilitation, water storage development and enhancement, water quality studies, collaborative water forums and workgroups, habitat restoration, and educational programs, to name a few. Below are grants awarded in 2023:



Beaver Creek Ditch Repairs

In late 2023, SWCD approved an emergency grant to help Montezuma



San Juan Mountains Snowtopography Study

Mountain Studies Institute was awarded a



Water Education at Fozzie's Farm

The Montezuma Land Conservancy

OUR WORK

Water Conservation and Infrastructure Partnership

Summary

Southwestern Water Conservation District (SWCD) proposes the development of a water conservation and infrastructure partnership to pursue and implement projects identified in SWCD strategic priorities, San Juan implementation Plans (SIP), and through other community-engaged processes. SWCD and regional partners plan to request federal, state, and other funding to support the expansion of SWCD's grant program, which includes developing a Priority Project Pipeline and creating a Community Navigator position. In addition, as part of the development of the federal funding application, SWCD and partners will identify the additional capacity needed to implement such a program.

This program will identify, fund, and coordinate watershed-scale, multi-benefit, infrastructure, and water conservation projects that require complex regional partner collaboration and longer monetary investment to be achieved. Ultimately, this program seeks to leverage current and unexpended amounts of federal funding to increase SWCD's capacity to assist regional partners stakeholders in the development and implementation of local projects that will address the goals and needs of multiple stakeholders in the San Juan and Dolores River basins within southwest Colorado (Southwest Basin).

Background

Some Changes

- Page added for the Water Conservation and Infrastructure Partnership
- Updated Grant Page – Highlighting 2023 Grants



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BOARD MEMORANDUM

From: Steve Wolff, General Manager
Subject: Agenda Item 12.8 - Update on SWCD Investments
Date: July 31, 2024

This memo is intended to provide the Board with an update on the District’s investment portfolio. This portfolio continues to provide a reasonable return and based on our laddered CDs, we can expect those returns to continue through 2025.

Cash

Bank of Colorado
 SWCD \$2,078,741
 WIP \$ 131,151

First Southwest \$ 36,025

Investment Accounts

ColoTrust Plus \$1,103,569.57 5.4125% (Rate changes daily)

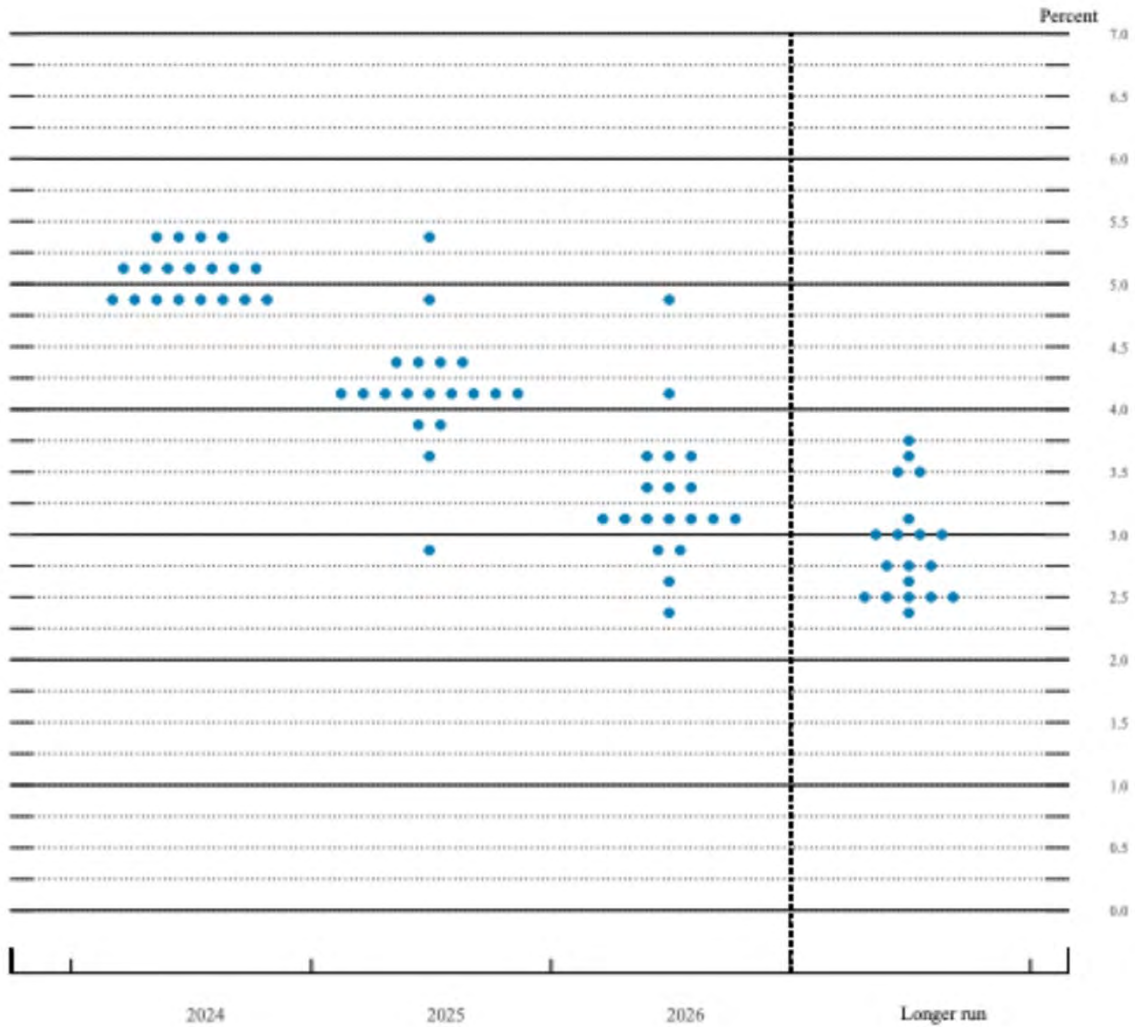
Laddered CD/Treasuries

	<u>Bank</u>	<u>Maturity Date</u>	<u>Initial \$</u>	<u>Interest Rate</u>
1	US Government Bond	10/18/24 (Call)	\$500,000	5.00%
2	1st Southwest Bank	3/20/2025	\$250,000	4.10%
3	1st Southwest Bank	3/20/2025	\$250,000	4.50%
4	Synchrony Bank	7/29/2025	\$245,000	3.40%
5	US Government Bond	7/25/2025	\$345,000	4.25%
6	Capital One	8/4/2025	\$245,000	3.45%
7	Wells Fargo Bank	8/8/2025	\$248,000	5.05%
8	Morgan Stanley Bank	2/8/2026	\$245,000	4.60%
9	Morgan Stanley Bank	2/8/2027	\$245,000	4.45%
			\$2,573,000	

Total District cash assets = \$5,922,486

The interest earned on the District's investments in 2023 was ~\$173,000. We will exceed that amount in 2024 and hopefully in 2025 as well. Beyond that, it is very uncertain as we expect interest rates to continue to decline.

Figure 2. FOMC participants' assessments of appropriate monetary policy: Midpoint of target range or target level for the federal funds rate





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BOARD MEMORANDUM

From: Steve Wolff & Mo Rock
Subject: Agenda Item 12.9 - 2025 Budget Preparation
Date: July 31, 2024

In late August, SWCD staff will start preparing a draft 2025 budget for review and consideration by the board beginning at our budget workshop on **September 12, 2024**. As a refresher, below is a summary of the budget process adopted by the SWCD Board in 2019.

- **August Board meeting:** The Board appoints a budget officer (Steve Wolff) and reviews goals and activities. The Budget Officer presents a draft of goals and activities for the coming year to the board for discussion, prioritizing, and preliminary approval (see below).
- **September budget workshop and interim:** Between the August board meeting and the budget workshop, the Budget Officer will work with staff and individual board members to develop a draft budget based on goals for the coming year. The initial draft budget will be presented to the board by the Budget Officer during the budget workshop. The Budget Officer advises the Board of Counties' Assessors' estimates of assessed property values. The board discusses the draft budget and directs staff to make any agreed-upon changes.
- **October Board meeting:** Prior to the October 2024 Regular board meeting, a revised draft budget will be distributed to the board members for their individual review. The Board will review the revised budget, including September changes, and the draft budget message at its October meeting. The Board will endeavor to have the draft budget substantially complete as a result of the discussion at the October meeting.
Administratively, it's especially important to have staff compensation and benefit costs for the upcoming year set at the October meeting since we will have to submit our final benefit package to CEBT by October 15, 2024. After October 15, 2024, this draft budget will be available for public inspection and will be posted on SWCD's

website with a link on the main page. The draft budget will be available for inspection, as well as the date/time of the December public budget hearing will be published.

- **December Board meeting:** The Board will conduct a public hearing on the proposed budget. Following the public hearing, the board may revise the proposed budget in response to public comment and as otherwise allowed by state statute. The Board adopts the budget based on final assessed valuations and sets the mill levy based upon receipt of final assessed valuations from the nine counties by the statutory deadline (December 10). The Budget Officer certifies the mill levy to the County Commissioners by the statutory deadline (December 15).

Looking towards 2025, below are a few items that may need consideration by the Board. The below will be dependent on forecasted revenues from draft property valuations.

- **SWCD Grant Program and other Financial Assistance:** \$250,000 will be budgeted for the SWCD Grant Program.
- **CWCB Local Capacity Grant (Community Navigator) Match:** \$50,000 will be budgeted for our 2025 grant match.
- **Telecommunication/IT Support:** Although this line item is small (\$3,500 in 2024), it will more than double in 2025. This is due to the cost associated with complying with the state law to make sure our website and public documents are ADA compliant. Additionally, the cost of services continues to go up, such as internet, accounting software, and phone service.

Also, as we are preparing grant applications for federal project funding, we will be looking at administrative costs that are allowed to be charged under these grants. If SWCD is successful in receiving awards for any of these larger grants, we may need to consider retaining additional support (contract or staff) to provide such administrative services.

Finally, in 2019, the SWCD committed to help support the annual maintenance of a new weather radar that had been funded for SW Colorado. The installation of the radar was delayed but should now be fully operational by the end of 2024. I had a discussion with La Plata County a few weeks ago about the annual funding. They felt there is no need to budget funds in 2025, but hope to have agreements in place with multiple partners to help fund long-term radar needs beginning in 2026. Assuming the Board is still supportive, we will plan on providing up to \$10,000 annually starting in 2026.



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BOARD MEMORANDUM

From: Mo Rock
Subject: Agenda Item 12.10 – Update on Audit
Date: July 31, 2024

This memo is being provided to update the Board on the 2023 Audit Status.

This year, we have encountered challenges with our auditors. They have provided us with several expected delivery dates for the draft audit, but unfortunately, all of these deadlines have been missed. In early July, we communicated to them our desire to avoid filing an extension this year. We emphasized the importance of allowing sufficient time for both staff and the Board to review the draft before acceptance. Despite this, the auditors ceased communication with us, even though we've sent multiple follow-up emails requesting updates.

On July 25th, we received an email from the auditors stating that the report will be delivered by July 30. This timeline does not provide adequate time for review and for the Board to convene. Consequently, we will need to file an extension and plan to discuss the audit report at a special Board call later in August or possible as an add-on to our September 12 budget workshop. Please let me know your thoughts on this approach.

14.0 Hydrology and Technical Updates



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BOARD MEMORANDUM

From: Steve Wolff, General Manager
Subject: Agenda Item 14.2 - Colorado River Hydrology
Date: July 31, 2024

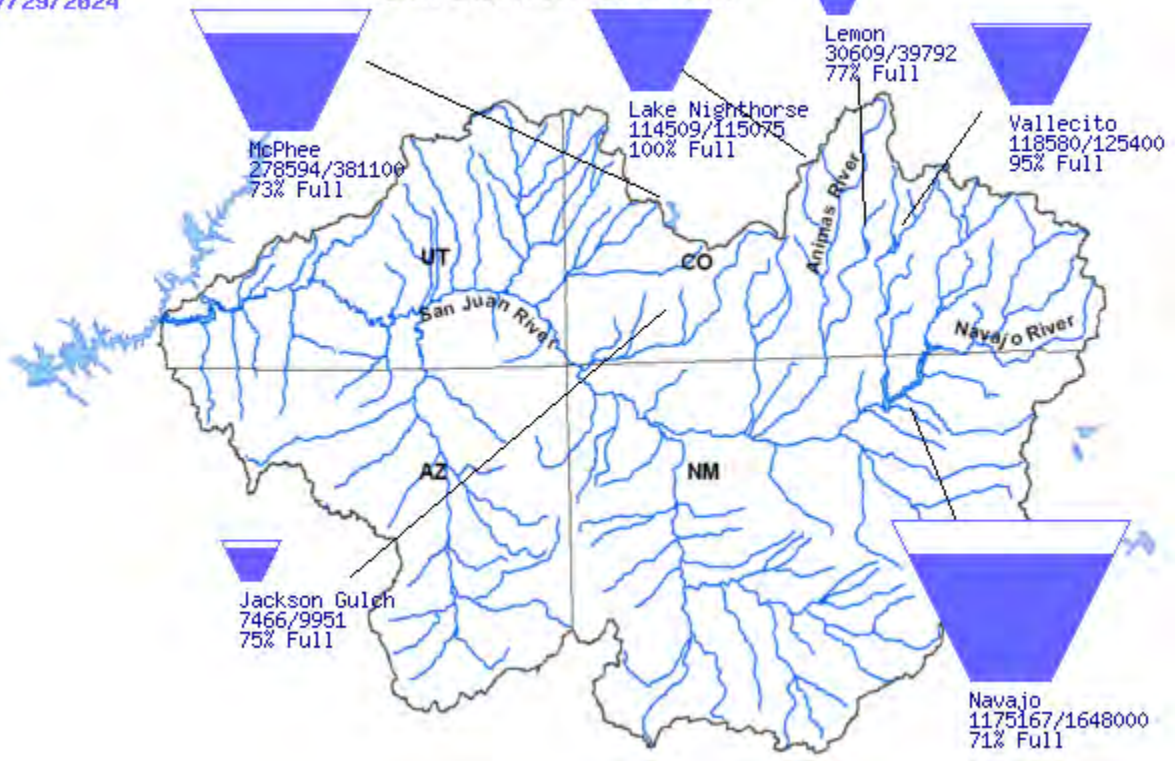
The Bureau of Reclamation’s August 24-Month Study won’t be released until next week, but little will change from what is contained below. More local conditions first, which we all know are “very dry” and confirmed by Rob Genualdi and Bob Hurford.

Streamflow Conditions as of July 31, 2024

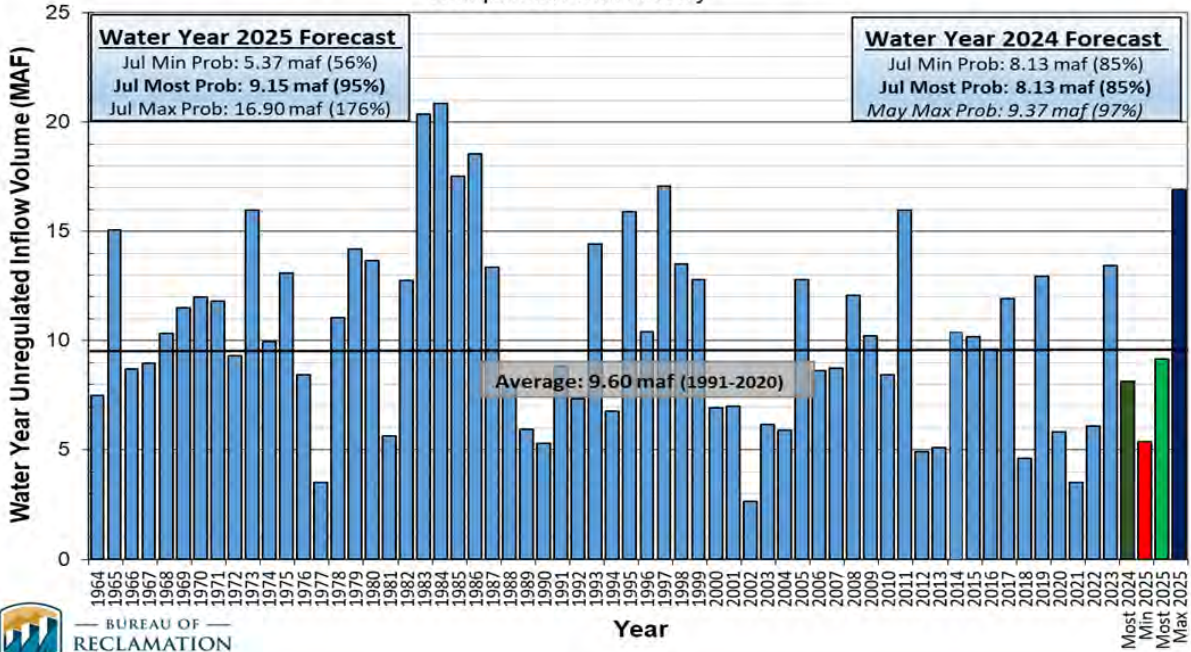
Site	Current Flow (cfs)	Mean Flow for this Date (cfs)
San Juan @ Pagosa Springs (09342500)	74.2	203
Piedra @ Arboles (09349800)	58.6	204
Los Pinos near Ignacio (09353800)	0.72	10
Animas @ Durango (09361500)	246	747
La Plata @ Hesperus (LAPHESCO)	8.9	25.7
Mancos near Towaoc (09371000)	0	29
McElmo Creek near Cortez (09371520)	22.7	84
Dolores River @ Dolores (09166500)	58.0	284
San Miguel @ Placerville (09172500)	106	294
San Miguel @ Uravan (09177000)	35.9	250
San Juan @ Four Corners (09371010)	716	1,530

Data Current as of:
07/29/2024

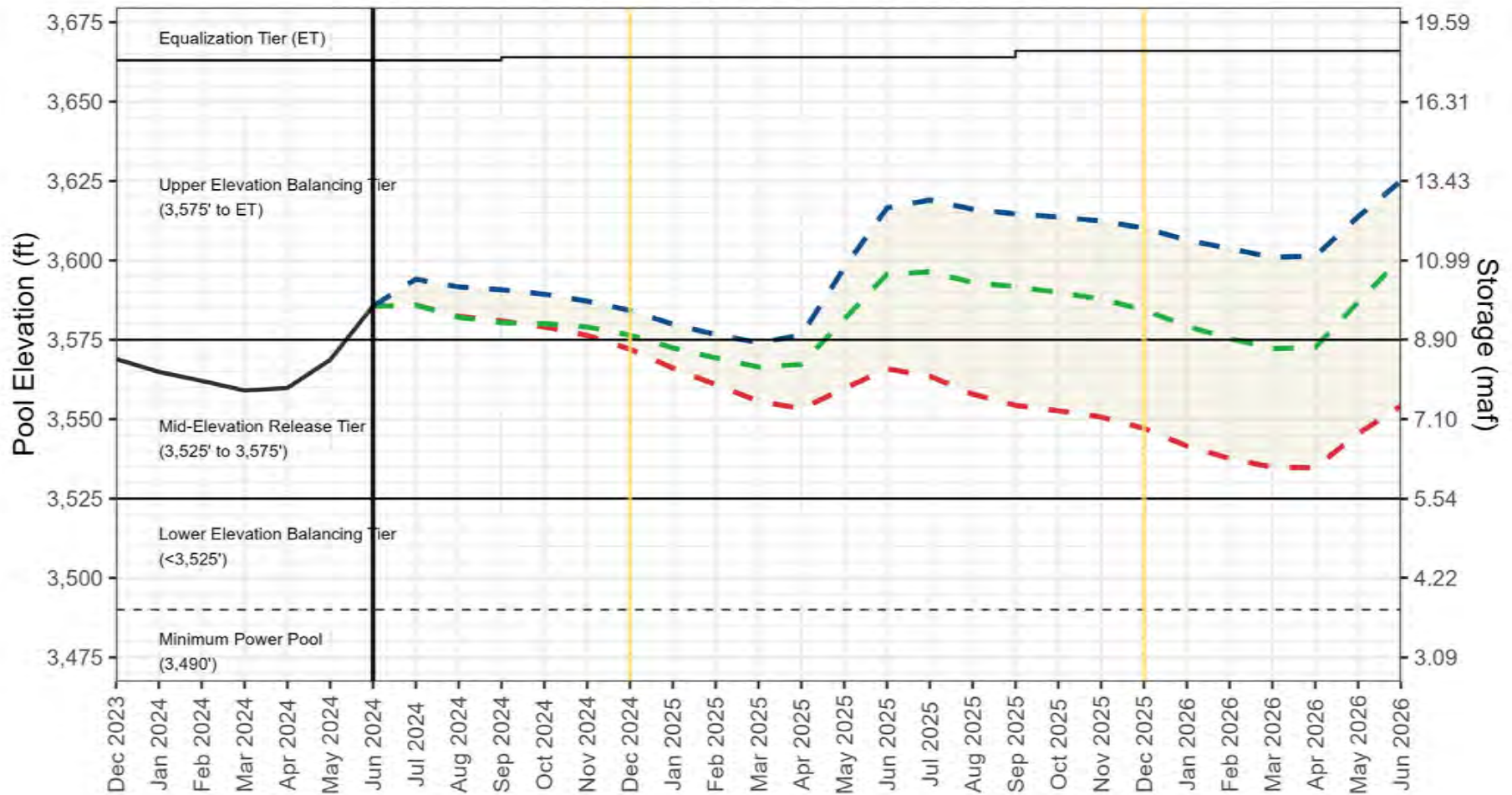
San Juan River Basin



Lake Powell Unregulated Inflow Water Year 2024 Forecast (Issued July 1) Comparison with History



Lake Powell End-of-Month Elevations Projections from May and July 2024 24-Month Study Inflow Scenarios

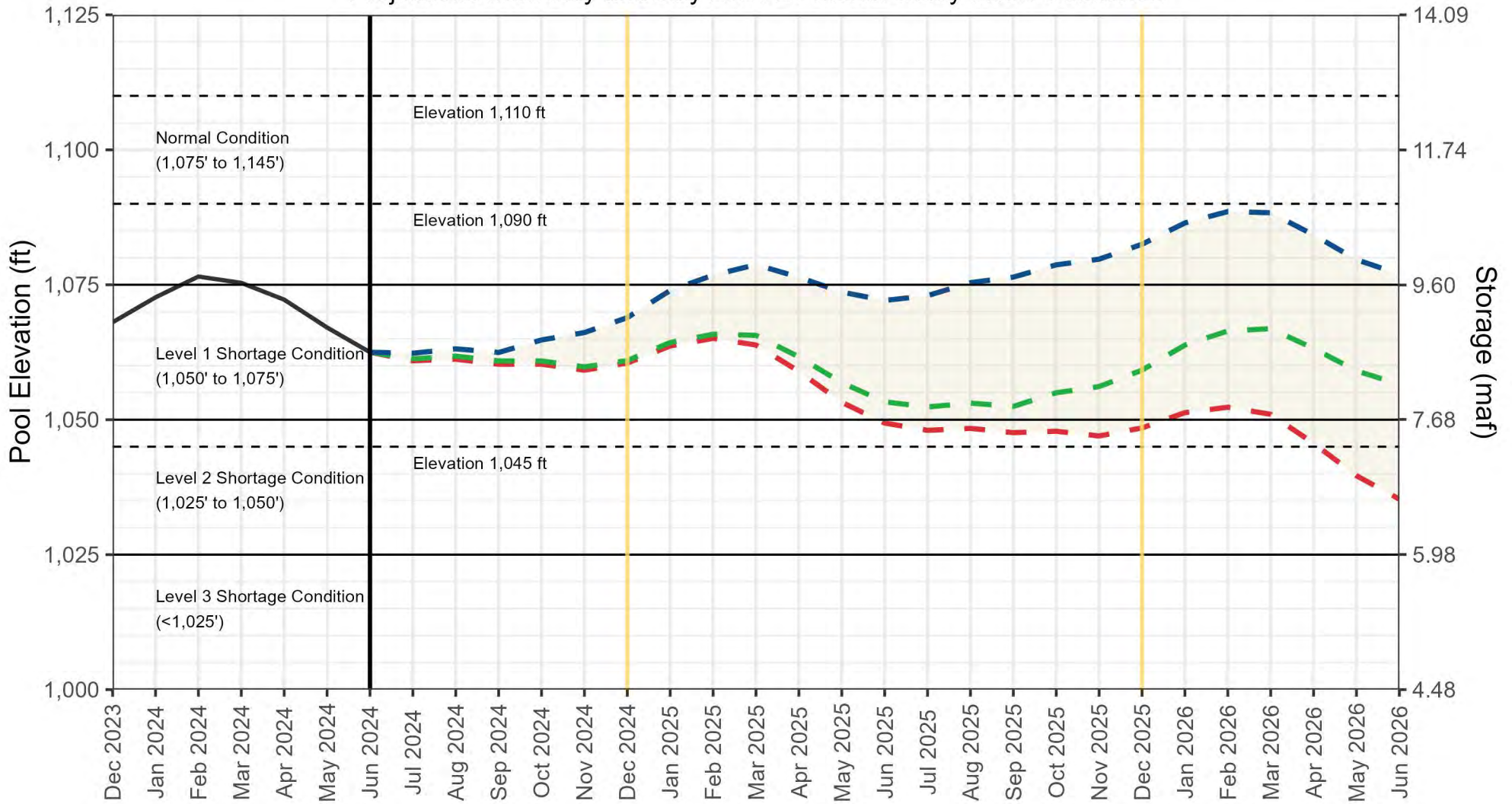


- Historical Elevations
- May 2024 Probable Maximum Inflow with a Lake Powell release of 7.48 maf in WY 2024 and 9.00 maf in WY 2025
- July 2024 Most Probable Inflow with a Lake Powell release of 7.48 maf in WY 2024 and WY 2025
- July 2024 DROA Probable Minimum Inflow with a Lake Powell release of 7.48 maf in WY 2024 and WY 2025



Lake Mead End-of-Month Elevations

Projections from May and July 2024 24-Month Study Inflow Scenarios



- Historical Elevations
- May 2024 Probable Maximum Inflow with a Lake Powell release of 7.48 maf in WY 2024 and 9.00 maf in WY 2025
- July 2024 Most Probable Inflow with a Lake Powell release of 7.48 maf in WY 2024 and WY 2025
- July 2024 DROA Probable Minimum Inflow with a Lake Powell release of 7.48 maf in WY 2024 and WY 2025

Upper Colorado Region Weekly Hydrology Summary

This hydrologic information is provided weekly to summarize the hydrologic conditions in the Upper Colorado Region. If additional information is required, please contact Heather Patno (hpatno@usbr.gov).

Selected Reservoir Status - Report Date: July 25, 2024

Reservoir	Elevation (ft)	Live Storage (1000 AF)	% of Live Capacity	Avg Daily Unreg Inflow (cfs)	Daily Release (cfs)
Lake Powell	3,585.51	9,741	42%	4,192	11,757
Blue Mesa	7,496.61	630	76%	845	2,086
Flaming Gorge	6,029.33	3,239	88%	1,109	1,365
Fontenelle	6,499.72	286	86%	1,038	1,110
Navajo*	6,050.99	1,183	72%	191	686
Elephant Butte**	4,319.58	255	13%	1,635	2,330

Current as of: 7/25/2024

* Uses Modified Unregulated Inflow

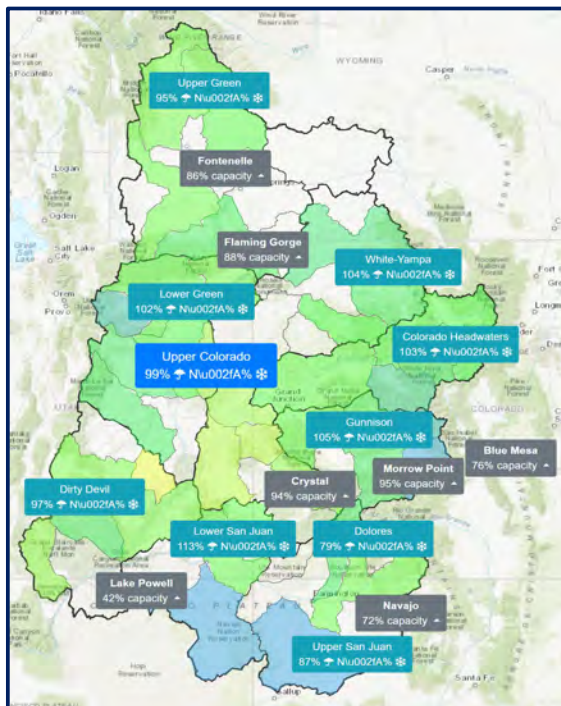
** Unreg Inflow Current as of:

7/21/2024

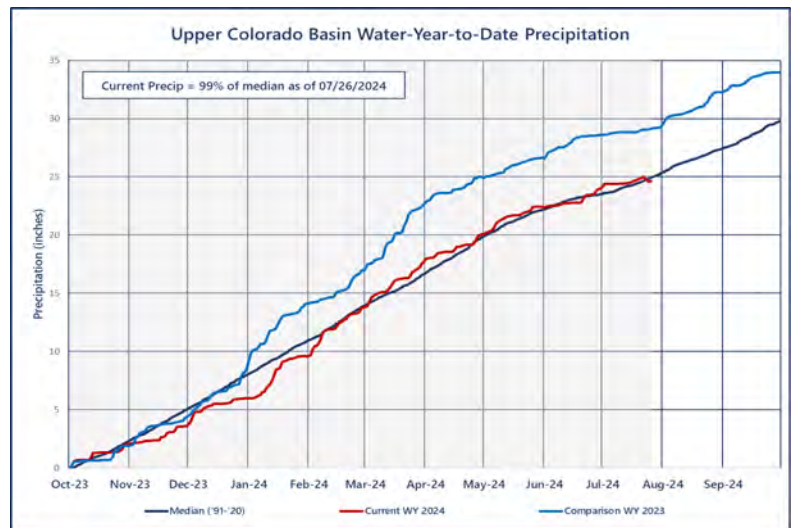
Selected Reservoir Inflows - Unregulated Forecast and Observed Inflow

Reservoir	2024 April-July Volume (KAF) (July Midmonth Forecast)	2024 (April-July % of Avg (July Midmonth Forecast)	Jun Unreg Inflow Observed (Acre-Feet)	June Unreg Inflow Observed (% Average)
Lake Powell	5,370	84%	2,526,713	103%
Blue Mesa	655	103%	321,683	129%
Fontenelle	505	69%	257,129	84%
Flaming Gorge	705	73%	333,954	86%
Navajo*	449	71%	127,650	67%

*When the MUI is negative, it indicates the upstream storage and transbasin diversion losses are greater than the total inflow.

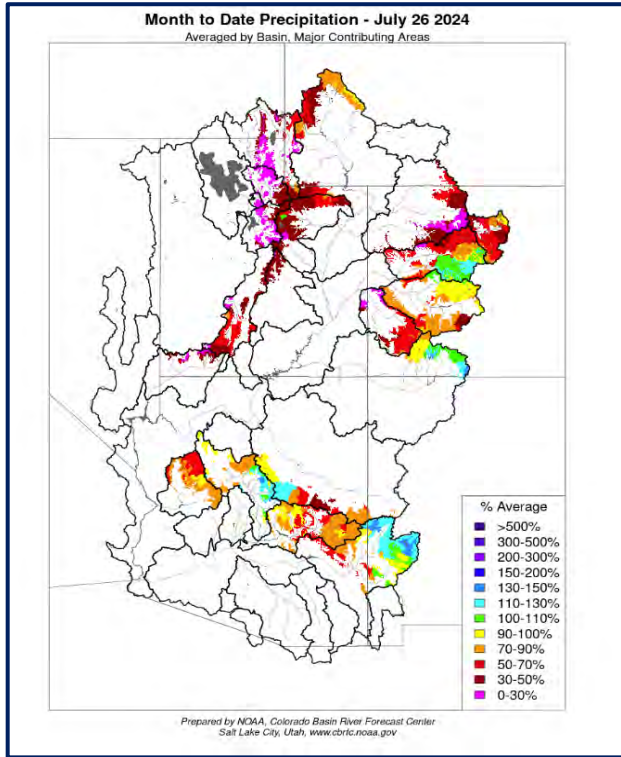


[SWE \(% median peak\)](#)

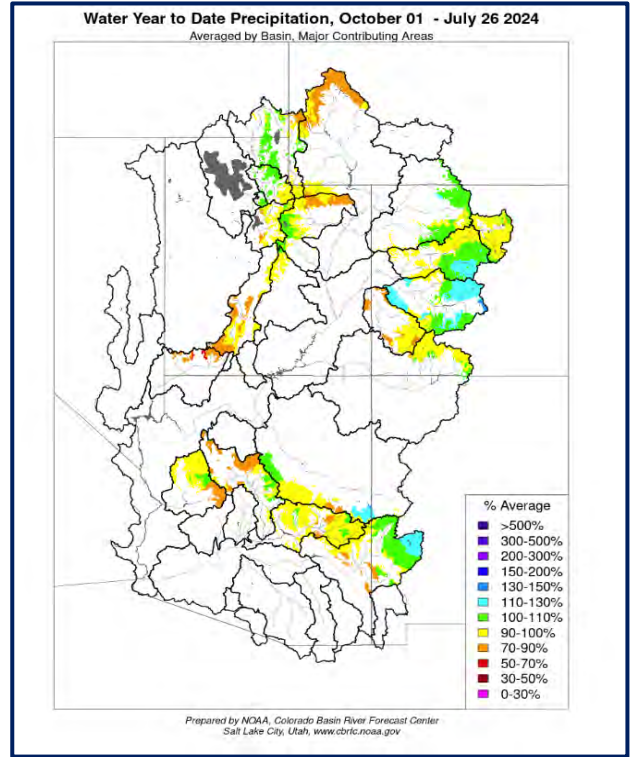


Note: The NRCS site list generating the aggregate SWE values in this graphic is limited to only those sites that have been in operation for the entire WY 1991 - 2020 comparison period. For this reason, the percent median may vary slightly from that reported directly from NRCS.

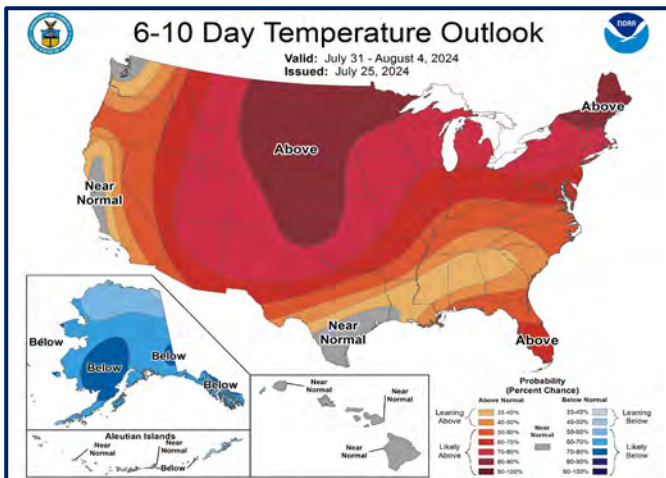
Upper Colorado Region Weekly Hydrology Summary



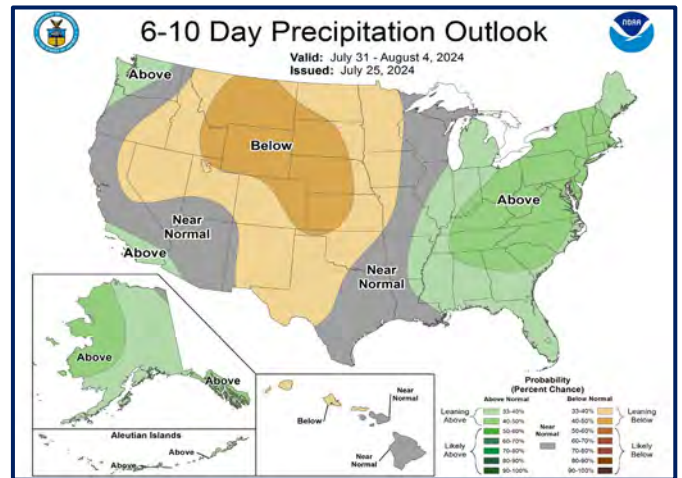
[Month to Date Precipitation](#)



[Water Year to Date Precipitation](#)

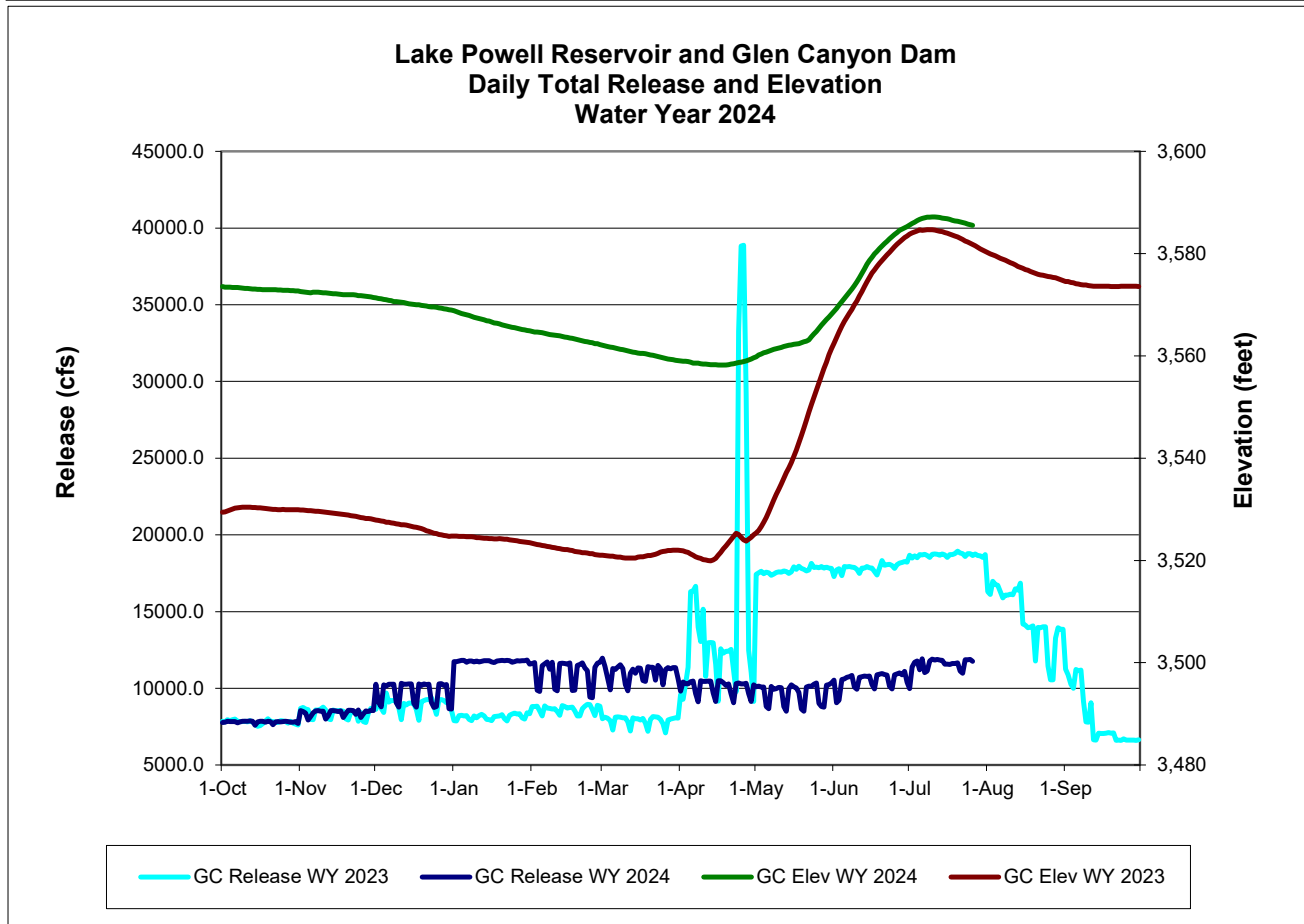
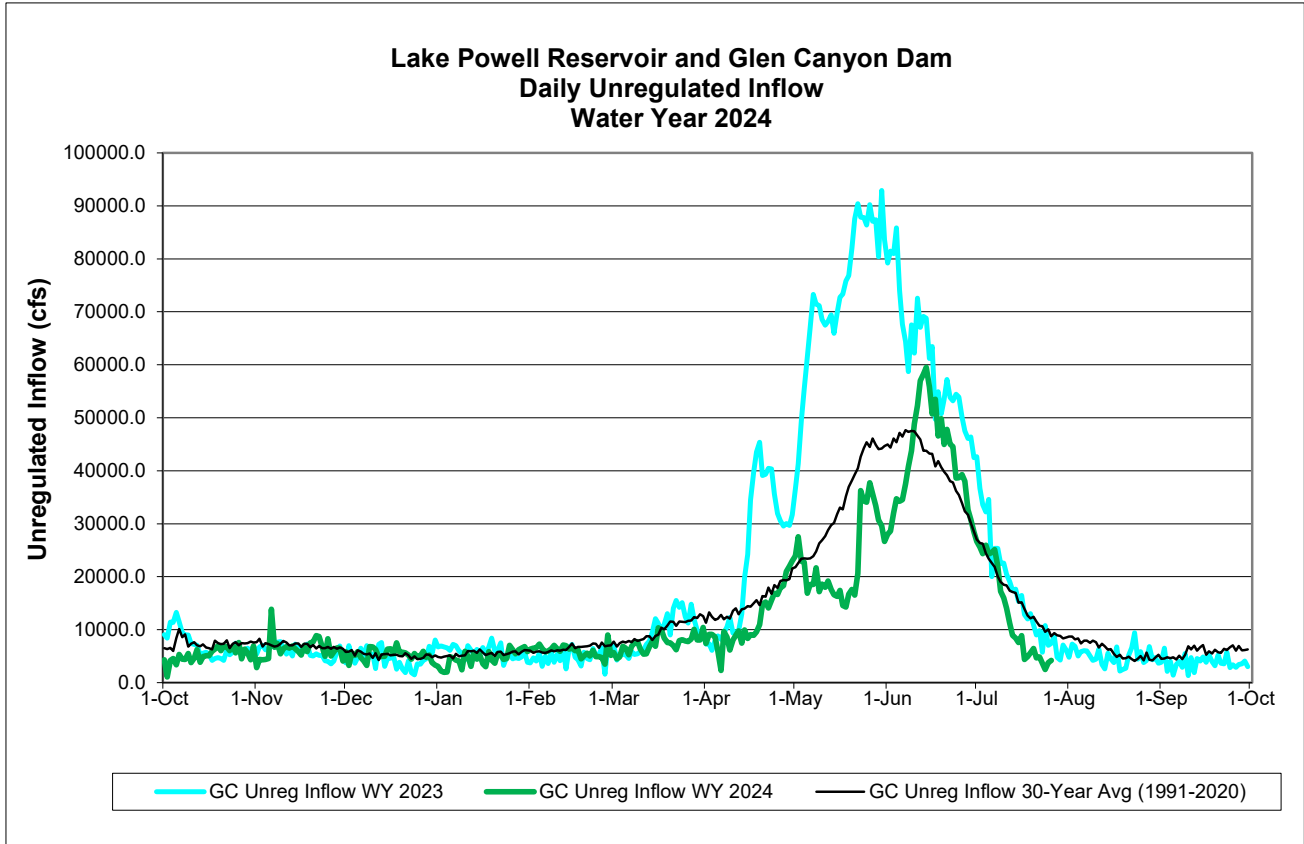


[6-10 Day Temperature](#)



[6-10 Day Precipitation](#)

Upper Colorado Region Weekly Hydrology Summary



15.0 Partner Updates



Elaine Chick - WIP Update – SWCD Board Meeting

August 7 - 8, 2024

- **Forest to Faucets Teacher Training:**

Each year, the Water Information Program, Mountain Studies Institute, and the San Juan Mountain Association host a two-day, hands-on exploration of our local watersheds for teachers. The curriculum guide is based on the children’s book “My Water Comes from the San Juan Mountains,” designed for local teachers to instruct their students about where water comes from—because it doesn't just come from the faucet.

The workshop took place on June 12 – 13, 2024, at the Pagosa Area Water and Sanitation District (PAWSD) office as our base and included field trips to explore the Upper San Juan River watershed with a focus on the ties between forest health and water quality. There were 14 educators registered for the workshop.

Educators engaged in various class activities covering the water cycle, non-point source pollution, their local watershed, and the health of the river through studying benthic macroinvertebrates. They met with experts from the San Juan National Forest to learn about the impacts of fire on the watershed and heard from Lisa Yellow Eagle, a Tribal Water Attorney with the Southern Ute Indian Tribe, about Tribal Water Rights and Stewardship. Additionally, they traced the journey of water from the San Juan River through the water treatment and wastewater treatment processes with guidance from the Pagosa Area Water Sanitation District (PAWSD) staff. These experiences aimed to familiarize the teachers with National Forest and PAWSD professionals, helping them to organize future field trips that educate students about the natural and municipal water cycles.

WIP provides all the teacher kits, containing everything needed for teachers to replicate our activities. We also assist with coordination and planning, supply lunches for all teachers and presenters over the two days, and Elaine introduces each day's activities and facilitates two of them.

- **Water Law in a Nutshell:**

Elaine is still trying to secure a date in the fall to hold an in-person full day Water Law in a Nutshell course. We are looking to hold it in the Norwood area.

- **WIP/PEPO Educational Video:**

We are advancing the creation and production of a five-minute educational video, funded by the Water Information Program and the SW Basins Roundtable PEPO (Public Education, Participation, and Outreach) grant. The video will highlight agriculture in the Montezuma Valley. Elaine met with Ken Curtis, Brandon Johnson from MVIC, and Christi Bodi of Moxicran Media (videographer) to review the topics and potential content. Based on their discussions, the Dolores Water Conservancy District board recommended key points to include in the video. Bob Bragg was suggested as a potential narrator who could also introduce us to a few long-standing farming families in Montezuma Valley to interview in the video. Elaine and Christi then had a Zoom meeting with Bob to discuss the video's direction and content.

WIP Update – Con't

The Dolores Water Conservancy District has identified three key priorities they would like to be included in the video's content. They are:

1. In the arid west, the economy was formed around agriculture, which through the prior appropriation system led to moving water to where the land could grow crops returning any unused water down the line to the next user or back to a river. (MVIC's predecessors are a good example). Also addressing 80% consumptive use by Ag.
2. Agriculture, predominantly cattle followed by forage, historically and today provide the mainstay to our local economy, particularly in Montezuma County.
3. Moving the water to Montezuma Valley did impact the river valley, but created a new environment throughout the valley and down McElmo Creek which would otherwise turn the land back to sage plains.

We are reaching out to the Decker and Wallace families, as the two recommended ranching/farming families to interview for the video. Given the short duration of the video, we can only interview two ranching/farming families.

- **Southwest Basins Roundtable Website is Now Live!**

I am happy to say that the SW Basins Roundtable website is live as of last Thursday. Please check it out. The link is: <https://swbasinsroundtable.org/>

Have fun scrolling, clicking on the tabs, watch the video if you have not seen it, and just checking out the new website. If you happen to find anything that needs editing or links fixed, please let me know.

MEMO

To: SWCD Board of Directors and Staff
From: Laura Spann, CWCB
Contact: 720.916.7723, laura.spann@state.co.us
Subject: Brief CWCB Funding Update
Date: July 29, 2024



COLORADO
Colorado Water
Conservation Board
Department of Natural Resources

Local Capacity & Technical Assistance Programs

- **Time’s running out! Rolling deadline through October 15, 2024**
- ~\$1.5 million is still available to help project proponents submit a federal grant request
- Awards must be made and contracts executed by December 31, 2024
- Please reach out to me or Michael Regan, michael.regan@state.co.us, with questions

Water Plan Grant Program

- July 1: CWCB received 41 Water Plan Grant applications totaling \$11.5 million
- \$23.3 million available for both July and Dec 2024 cycles.
- 2 applications from exclusively the southwest (Animas River Plan Phase II, Big Stick Ditch Company), several others with part of project in southwest or statewide
- Next deadline is December 1
- Check out updates to the [Water Plan Grant Program webpage](#), like this graphic:

July 1 Application Cycle



December 1 Application Cycle



**The project cannot commence until the grantee has provided all contracting documents, the grant agreement has been executed, and the Notice to Proceed has been issued.*

Water Supply Reserve Fund (WSRF) Update for Southwest Colorado

- Current WSRF Southwest Basin Account Balance \$463,214, FY 24-25 allocation will be made in September, increasing balance to \$750,000
- Current Statewide Balance - \$6.3 million
- Next WSRF deadline is September 24 for application review at the October 24 Southwest Basins Roundtable meeting