

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

NOTICE IS HEREBY GIVEN
A Regular Board Meeting of the
Southwestern Water Conservation
District will be held via Zoom and in-
person at 841 E 2nd Avenue in Durango,
Colorado

Wednesday, October 11, 2023
12:00 p.m. – 5:00 p.m.

and

Thursday, October 12, 2023
8:00 a.m. – 11:00 a.m.

[Click here to join Zoom](#)

Phone Number: (346) 248 7799

Meeting ID: 835 9975 3537

Password: 474186

Posted and Noticed October 09, 2023

Tentative Agenda

Public may attend the meeting in person at SWCD's office (841 E 2nd Avenue in Durango, Colorado) or via Zoom using the connection information above. **If you plan to attend in person, please RSVP to info@swwcd.org** to ensure sufficient space in SWCD's conference room.

*Please text 970-901-1388 if you have difficulty joining the Zoom meeting. Please raise your hand to be recognized by the chair. To raise your hand by phone, dial*9. To raise your hand by computer, please use Alt+Y (Windows) or Option+Y (Mac). To mute and unmute by phone, dial *6.*

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.

Wednesday, October 11, 2023

- 1. Call to Order – Roll Call, Verification of Quorum (12:00 p.m.)**
- 2. Review and Approve Agenda (12:02 p.m.)**
- 3. Consent Agenda (12:05 p.m.)..... Page 1**
 - 3.1. Approval of Minutes (February 02nd, March 30th, June 13th, July 12th & 13th, September 13th, September 28th, October 5th)
 - 3.2. Acceptance of Treasurer’s Report (August 2023)
- 4. Colorado River Interstate and Intrastate Matters (12:10 p.m.).....Page 19**
 - 4.1. Colorado River Drought Sub-Task Force Update
 - 4.2. Colorado River Drought Task Force Update
 - 4.3. Presentation and Discussion by Commissioner Becky Mitchell and Amy Ostdiek (CWCB)
 - 4.4. System Conservation Pilot Program Update, including renewal of program in 2024
- 5. General Counsel Legal Report (1:50 p.m.).....Page 32**
 - 5.1. Water Court Resume Review (Divisions 3, 4, 7)
 - 5.2. Update on pending transmountain water court cases involving the export of water from the San Juan River Basin for use within the San Luis Valley
 - 5.3. Extension of Consulting Services Agreement with Colorado Legislative Services for State Legislative Representation & Lobbying in 2024
 - 5.4. Proposed Approval of 2024 Water Information Program Independent Contractor Update
 - 5.5. Proposed Approval of SWCD Office Lease

Break 2:20 p.m.

- 6. Executive Session (2:30 p.m.)**
 - 6.1. Colorado River Compact, Interstate and Intrastate negotiation matters, including re-negotiation of the interim guidelines and operation of the system conservation pilot program in 2024
 - 6.2. Settlement negotiations regarding the Applications of the U.S. Bureau of Land Management for Change of Water Right, Appropriative Rights of Exchange and Junior Water Right, Case Nos. 21CW3014 (Division 3) and 21CW3029 (Division 7)

- (Treasure Pass Diversion Ditch).
- 6.3. Settlement negotiations regarding the Amended Application of Navajo Development Co., Inc., Rio Grande Water Conservation District, and Special Improvement District No. 2 of the Rio Grande Water Conservation District for Appropriative Right of Exchange and to Change Purpose of Use, Case No. 20CW3016, Division 3 (Williams Creek Squaw Pass TMD)
- 6.4. Settlement negotiations regarding the Application of the San Luis Valley Water Conservancy District for Appropriative Rights of Substitution and Exchange, Case No. 21CW3004, Division 3 (Pine River-Weminuche Pass Ditch)
- 6.5. SWCD Personnel Matter – General Manager’s Annual Review

- 7. **Summary and Action Items from Executive Session (4:30 p.m.)**
- 8. **2024 Calendar Discussion (4:35 p.m.).....Page 64**
- 9. **Recess until 8 a.m. Thursday (5:00 p.m.)**

Three or more members of the board may meet at XXX for dinner at 6:30 p.m.

Thursday, October 12, 2023

- 10. **Call to Order – Roll Call, Verification of Quorum (8:00 a.m.)**
- 11. **Review and Approve Agenda (8:05 a.m.)**
- 12. **Review of SWCD’s Draft FY2024 Budget, Draft Budget Message, and Related Topics (8:10 a.m.).....Page 68**
- 13. **Questions and Comments from the Public (8:50 a.m.)**
- 14. **Legislative Updates (9:00 a.m.)Page 81**
 - 14.1. State Legislative Affairs Update – Garin Vorthmann
 - 14.2. Federal Affairs Update – Christine Arbogast
- 15. **Director Updates and Issues for Discussion (9:30 a.m.)**
- 16. **Staff Reports (10:00 a.m.).....Page 92**
 - 16.1. Approval of 2024 SWCD Meeting Calendar
 - 16.2. Proposed 2024 SWCD Employee Health Plans
 - 16.3. Update on SWCD Water Conservation Program
 - 16.4. Update on 2023 Grant Status
 - 16.5. Update on 2023 Action Plan
 - 16.6. 2022 Final Audit and Memo
 - 16.7. Director Appointment Terms – January 2024
 - 16.8. December 2023 Budget Hearing and Special Meeting
 - Wednesday, December 6 – ½ day; zoom only
- 17. **Consultant and Partner Updates (10:45 a.m.).....Page 141**

- 17.1. Harris Water Engineering - Carrie Padgett (written report in packet)
- 17.2. Water Information Program & Roundtable PEPO Liaison Report - Elaine Chick
" (written report in packet)
- 396" "Eqmtcf q"Y cvgt"Eqpugtxcvqp"Dqctf"/"Regional Water Plan Grant Manager Report -
Newtc Spann (written report in packet)"

18. Upcoming Meetings, Events, and other Announcements (10:50 a.m.)

19. Adjournment (Hard Stop of 11:00 a.m.)

3. Consent Agenda

- 3.1. Approval of Minutes (February 02nd, March 30th, June 13th, July 12th & 13th, September 13th, September 28th, October 5th) - *Pending*
- 3.2. Acceptance of Treasurer's Report (August 2023)

*Minutes will be available online
upon approval from the board*

3.0 Consent Agenda



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: Mo Rock, Programs Coordinator

Subject: Tresurures Report

Date: October 4, 2023

Please find the following Budget Comparison and Balance Sheet for the period of June 1st, 2023 to August, 31 2023.

Notes on possible questions:

Budget Comparison

- 2.4.2 Children's Water Festival - went over budget but included printing the Childrens Water Actiivty Book for another year (\$5,285)
- 51501 and 51502 - are below total expenses, but we expect will go over and may exceed budgeted amount due to audit and accounting help with FZA
- 51707 - Insurance General Liability - this budget total was a 'best guess' based on last year's numbers, so being minimally over budget is within normal

Balance Sheet

- First SW CDs have been updated to reflect gains in 2023 since these are accounted for monthly, Peak's CDs have not been updated monthly and I am in the process of figuring out the best way to do this since the Audit changed how we report CDs on a yearly basis.
- Under other current liabilities, it reflects an amount of \$.05, there is a discrepancy somewhere in 2022 that started this balance off, I will write a journal entry to correct this but wanted to talk to FZA on the best practices for this
- 142 Office Improvements - \$14905, this amount reflects the all-time office improvements account and includes all desks, video systems, and other improvements.

Southwestern Water Conservation District

Budget vs. Actuals: FY_2023 - FY23 P&L

January - August, 2023

	TOTAL				
	ACTUAL	BUDGET	OVER BUDGET	REMAINING	% OF BUDGET
Income					
1 SWCD REVENUE					
1.1 Property Tax	1,581,990.54	1,646,892.00	-64,901.46	64,901.46	96.06 %
1.2 Tax Increment Financing Area	-1,035.92	1,104.00	-2,139.92	2,139.92	-93.83 %
1.3 Specific Ownership Tax	88,436.75	120,000.00	-31,563.25	31,563.25	73.70 %
1.4 Interest, PILT & Other Taxes	27,202.83	35,500.00	-8,297.17	8,297.17	76.63 %
1.5 Other Revenue					
1.5.1 Interest Earned	42,707.23	55,000.00	-12,292.77	12,292.77	77.65 %
1.5.3 Miscellaneous Income		0.00	0.00	0.00	
1.5.4 SWCD Event Registration	10,625.00	10,000.00	625.00	-625.00	106.25 %
1.5.7 Stream Gaging Reimbursement	29,415.00		29,415.00	-29,415.00	
1.5.8 Water Info Program		0.00	0.00	0.00	
1.5.8.01 WIP Partner Contributions	33,435.00	31,750.00	1,685.00	-1,685.00	105.31 %
1.5.8.02 WIP SWCD Matching Contribution	31,750.00	0.00	31,750.00	-31,750.00	
1.5.8.03 WIP Workshop Registrations	3,295.00		3,295.00	-3,295.00	
1.5.8.05 WIP Account Interest	294.42		294.42	-294.42	
Total 1.5.8 Water Info Program	68,774.42	31,750.00	37,024.42	-37,024.42	216.61 %
Total 1.5 Other Revenue	151,521.65	96,750.00	54,771.65	-54,771.65	156.61 %
1.6 County Treasurer Fees	-46,637.61	-54,105.00	7,467.39	-7,467.39	86.20 %
Total 1 SWCD REVENUE	1,801,478.24	1,846,141.00	-44,662.76	44,662.76	97.58 %
Total Income	\$1,801,478.24	\$1,846,141.00	\$ -44,662.76	\$44,662.76	97.58 %
GROSS PROFIT	\$1,801,478.24	\$1,846,141.00	\$ -44,662.76	\$44,662.76	97.58 %
Expenses					
2 SWCD EXPENDITURES					
2.1 WATER SUPPLY - QUANTITY QUALITY					
2.1.1 Public Forums, Data Collection					
2.1.1.1 Bonita Peak CAG		5,000.00	-5,000.00	5,000.00	
2.1.1.2 Center for Snow & Avalanche	7,000.00	7,000.00	0.00	0.00	100.00 %
2.1.1.3 Stream Gaging - Federal	18,699.00	53,081.00	-34,382.00	34,382.00	35.23 %
2.1.1.4 Stream Gaging - Colorado		2,640.00	-2,640.00	2,640.00	
2.1.1.5 Water Quality Studies	8,067.00	13,000.00	-4,933.00	4,933.00	62.05 %
2.1.3 SJRBRIIP Water User Committee	55,260.00	55,260.00	0.00	0.00	100.00 %
Total 2.1.1 Public Forums, Data Collection	89,026.00	135,981.00	-46,955.00	46,955.00	65.47 %
2.1.2 Weather Modification	78,772.00	81,000.00	-2,228.00	2,228.00	97.25 %
2.1.4 Local Financial Support	93,771.67	250,000.00	-156,228.33	156,228.33	37.51 %
2.1.5 Previously Committed Support		30,000.00	-30,000.00	30,000.00	
Total 2.1 WATER SUPPLY - QUANTITY QUALITY	261,569.67	496,981.00	-235,411.33	235,411.33	52.63 %
2.2 WATER POLICY & LEGISLATION					
2.2.1 Federal Policy/Legislation					
2.2.1.1 Federal Lobbying Fees	37,745.46	50,000.00	-12,254.54	12,254.54	75.49 %
2.2.1.2 Federal Lobbying Expenses	1,239.83	5,500.00	-4,260.17	4,260.17	22.54 %
Total 2.2.1 Federal Policy/Legislation	38,985.29	55,500.00	-16,514.71	16,514.71	70.24 %
2.2.2 State Policy/Legislation					

Southwestern Water Conservation District

Budget vs. Actuals: FY_2023 - FY23 P&L

January - August, 2023

	TOTAL				
	ACTUAL	BUDGET	OVER BUDGET	REMAINING	% OF BUDGET
2.2.2.1 State Lobbying Fees	13,733.36	20,600.00	-6,866.64	6,866.64	66.67 %
2.2.2.2 State Lobbying Expenses		3,000.00	-3,000.00	3,000.00	
Total 2.2.2 State Policy/Legislation	13,733.36	23,600.00	-9,866.64	9,866.64	58.19 %
2.2.3 Dues & Memberships	17,745.00	22,500.00	-4,755.00	4,755.00	78.87 %
Total 2.2 WATER POLICY & LEGISLATION	70,463.65	101,600.00	-31,136.35	31,136.35	69.35 %
2.3 Technical Support					
2.3.1 Legal					
2.3.1.1 Attorney Fees - General Counsel	134,353.17	300,000.00	-165,646.83	165,646.83	44.78 %
2.3.1.2 Travel Exps - General Counsel	9,495.89	20,000.00	-10,504.11	10,504.11	47.48 %
2.3.1.3 Litigation - General Counsel	24,973.40	50,000.00	-25,026.60	25,026.60	49.95 %
2.3.1.5 Attorney Fees - Special Counsel	4,237.45	25,000.00	-20,762.55	20,762.55	16.95 %
2.3.1.6 Attorney Exps - Special Counsel	8.00	5,000.00	-4,992.00	4,992.00	0.16 %
Total 2.3.1 Legal	173,067.91	400,000.00	-226,932.09	226,932.09	43.27 %
2.3.2 Engineering-Technical Services					
2.3.2.1 Engineering - General	97,450.38	150,000.00	-52,549.62	52,549.62	64.97 %
2.3.2.3 Engineering - Modeling	14,253.60	75,000.00	-60,746.40	60,746.40	19.00 %
Total 2.3.2 Engineering-Technical Services	111,703.98	225,000.00	-113,296.02	113,296.02	49.65 %
2.3.3 Other Technical Services		75,000.00	-75,000.00	75,000.00	
Total 2.3 Technical Support	284,771.89	700,000.00	-415,228.11	415,228.11	40.68 %
2.4 WATER EDUCATION & OUTREACH					
2.4.1 Event Sponsorships	973.12	6,000.00	-5,026.88	5,026.88	16.22 %
2.4.2 SWCD Children's Water Festival	11,891.23	10,500.00	1,391.23	-1,391.23	113.25 %
2.4.3 SWCD Educational Events	28,394.69	30,000.00	-1,605.31	1,605.31	94.65 %
2.4.4 Water Leaders Pgm Scholarship	4,500.00	4,500.00	0.00	0.00	100.00 %
2.4.5 Watershed Education Program		6,000.00	-6,000.00	6,000.00	
2.4.6 Water Education Colorado	10,000.00	10,000.00	0.00	0.00	100.00 %
Total 2.4 WATER EDUCATION & OUTREACH	55,759.04	67,000.00	-11,240.96	11,240.96	83.22 %
2.5 Water Info Program					
2.5.1 WIP Contract Coordination	38,900.00		38,900.00	-38,900.00	
2.5.2 WIP Educational Programing	1,986.67		1,986.67	-1,986.67	
2.5.3 WIP Community Outreach	7,074.27		7,074.27	-7,074.27	
2.5.4 WIP Educational Content	822.50		822.50	-822.50	
2.5.5 WIP Administration	448.59		448.59	-448.59	
Total 2.5 Water Info Program	49,232.03	80,110.00	-30,877.97	30,877.97	61.46 %
2.6 DISTRICT ADMINISTRATION					
2.6.1 Board of Directors					
2.6.1.1 Director Fees	4,000.00	20,000.00	-16,000.00	16,000.00	20.00 %
2.6.1.2 Director Travel	5,632.32	15,000.00	-9,367.68	9,367.68	37.55 %
Total 2.6.1 Board of Directors	9,632.32	35,000.00	-25,367.68	25,367.68	27.52 %
2.6.2 Staffing					
51102 Wages - General Manager	76,256.65	130,000.00	-53,743.35	53,743.35	58.66 %
51103 Wages - Programs Coordinator	26,507.61	60,000.00	-33,492.39	33,492.39	44.18 %
51105 Wages - Payroll Taxes	13,023.06	17,100.00	-4,076.94	4,076.94	76.16 %

Southwestern Water Conservation District

Budget vs. Actuals: FY_2023 - FY23 P&L

January - August, 2023

	TOTAL				
	ACTUAL	BUDGET	OVER BUDGET	REMAINING	% OF BUDGET
51106 Wages - Retirement Benefit	8,461.38	9,500.00	-1,038.62	1,038.62	89.07 %
51107 Wages - Health & Life Insurance	17,782.00	29,350.00	-11,568.00	11,568.00	60.59 %
51110 Recruitment	1,710.00		1,710.00	-1,710.00	
Total 2.6.2 Staffing	143,740.70	245,950.00	-102,209.30	102,209.30	58.44 %
2.6.3 Administrative Expenses					
51501 Accounting	4,712.52	5,000.00	-287.48	287.48	94.25 %
51502 Audit	690.00	10,000.00	-9,310.00	9,310.00	6.90 %
51503 Capital Outlay	189.08	5,000.00	-4,810.92	4,810.92	3.78 %
51504 Casual Labor		200.00	-200.00	200.00	
51505 SDA Membership	1,237.50	1,500.00	-262.50	262.50	82.50 %
51507 Insurance - General Liability	8,522.00	8,500.00	22.00	-22.00	100.26 %
51508 Legal Notices		200.00	-200.00	200.00	
51510 Meeting Expenses	1,132.00	7,500.00	-6,368.00	6,368.00	15.09 %
51511 Miscellaneous	249.99	500.00	-250.01	250.01	50.00 %
51512 Office Exps	3,820.88	7,000.00	-3,179.12	3,179.12	54.58 %
51513 Postage	243.60	2,500.00	-2,256.40	2,256.40	9.74 %
51514 Registration Fees	4,144.00	8,000.00	-3,856.00	3,856.00	51.80 %
51516 Staff Training/Development		2,500.00	-2,500.00	2,500.00	
51518 Telecommunication	2,552.30	7,500.00	-4,947.70	4,947.70	34.03 %
Total 2.6.3 Administrative Expenses	27,493.87	65,900.00	-38,406.13	38,406.13	41.72 %
2.6.4 Staff Travel	13,295.24	20,000.00	-6,704.76	6,704.76	66.48 %
2.6.5 Rent	21,193.94	32,680.00	-11,486.06	11,486.06	64.85 %
Total 2.6 DISTRICT ADMINISTRATION	215,356.07	399,530.00	-184,173.93	184,173.93	53.90 %
Total 2 SWCD EXPENDITURES	937,152.35	1,845,221.00	-908,068.65	908,068.65	50.79 %
Total Expenses	\$937,152.35	\$1,845,221.00	\$ -908,068.65	\$908,068.65	50.79 %
NET OPERATING INCOME	\$864,325.89	\$920.00	\$863,405.89	\$ -863,405.89	93,948.47 %
NET INCOME	\$864,325.89	\$920.00	\$863,405.89	\$ -863,405.89	93,948.47 %

Southwestern Water Conservation District

Balance Sheet

As of October 4, 2023

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	
1000 SWCD Checking	
100 Bank of Colorado (0.38%)	1,524,252.17
101 First Southwest Bank	36,025.85
Total 1000 SWCD Checking	1,560,278.02
1001 SWCD Certificates of Deposit	0.00
10012 First SW Bank - 24 m	255,725.11
10013 First SW Bank - 12 m	255,725.11
104 LPL Financial, Peaks Investment	430.14
106 Peaks Cash Equivalent	657.19
114 Beal Bank Aug 23 3%	245,000.00
115 Sturgis Bank Feb 24 3.1%	242,530.54
116 Ally Bank Feb 24 3.15%	242,578.66
117 Sallie Mae July 24 3.25%	242,070.78
118 Morgan Stanley Aug 24 3.3%	242,255.02
119 Morgan Stanley Aug 24 3.35%	242,471.11
138 Synchrony Bank July 25 3.4%	240,401.35
141 Capital One Aug 25 3.45%	241,111.36
Total 104 LPL Financial, Peaks Investment	1,939,506.15
Total 1001 SWCD Certificates of Deposit	2,450,956.37
1002 Investments	
105 COLOTRUST Plus (4.3% Daily)	1,044,787.69
Total 1002 Investments	1,044,787.69
1004 Water Info Program Checking	175,002.16
Total Bank Accounts	\$5,231,024.24
Other Current Assets	
108 Cash W/County Treasurer	0.00
110 Prepaid Expenses	0.00
125 Due From WIP	6.00
126 Accounts Rec.-Stream Gaging	0.00
128 Water Information Receivable	0.00
129 WIP - Due from SWCD	0.00
130 Account's Receivable - Other	0.00
Total Other Current Assets	\$6.00
Total Current Assets	\$5,231,030.24
Fixed Assets	
137 Land - Red Mountain SNOTEL Site	62,000.00
140 Equipment (Office Contents)	35,903.75

Southwestern Water Conservation District

Balance Sheet

As of October 4, 2023

	TOTAL
142 Office Improvements	14,905.00
145 Accumulated Depreciation	-37,133.10
Total Fixed Assets	\$75,675.65
Other Assets	
134 Property Tax Receivable	98,550.35
Total Other Assets	\$98,550.35
TOTAL ASSETS	\$5,405,256.24
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
20000 *Accounts Payable	7,716.21
Total Accounts Payable	\$7,716.21
Credit Cards	
109 SWCD Bank of Colorado Wolff	1,431.76
1099 SWCD Bank of Colorado Spann	0.00
Total Credit Cards	\$1,431.76
Other Current Liabilities	
200 Accounts Payable	0.05
202 Accounts Payable/WIP	0.00
204 Accrued Liabilities SJRBRIP	0.00
205 Accrued Wages	0.00
208 WIP - Due to SWCD	0.00
209 Due To WIP	500.00
211 Deferred Property Tax	98,550.35
212 Due To - Other	0.00
215 FICA/Medicare/Fed W/H	4,832.14
216 State W/H Tax Payable	738.00
217 State Unemployment Tax	-61.78
220 Accrued Payroll Liability	0.00
221 457 Withholding	-3,326.92
Payroll Liabilities	0.00
Federal Taxes (941/943/944)	-9,729.78
Total Payroll Liabilities	-9,729.78
Total Other Current Liabilities	\$91,502.06
Total Current Liabilities	\$100,650.03
Long-Term Liabilities	
222 Accrued PTO to Date	10,798.04
Total Long-Term Liabilities	\$10,798.04
Total Liabilities	\$111,448.07

Southwestern Water Conservation District

Balance Sheet

As of October 4, 2023

	TOTAL
Equity	
3000 Nonspendable	
305 Prepays	0.00
Total 3000 Nonspendable	0.00
30000 Opening Bal Equity	0.00
3010 Restricted for Emergencies	
1.7.1 Emergency - TABOR	56,980.00
Total 3010 Restricted for Emergencies	56,980.00
3020 Committed	
340 Grants to be Paid	-44,501.00
Total 3020 Committed	-44,501.00
3030 Assigned	
350 SWCD Water Defense	2,080,000.00
351 SWCD Water Development	1,386,000.00
352 Water Information Program	130,000.00
Total 3030 Assigned	3,596,000.00
3040 Unassigned	
300 Unassigned	578,840.91
Total 3040 Unassigned	578,840.91
3050 Net Position - Reconciliation	
330 Investment in Fixed Assets	112,808.75
335 Accumulated Depr-Contra eq.	-37,133.10
353 Long-term Liabilities	-13,406.54
Total 3050 Net Position - Reconciliation	62,269.11
315 Fund Balance - Designated	0.00
320 Retained Earnings	242,505.35
Net Income	801,713.80
Total Equity	\$5,293,808.17
TOTAL LIABILITIES AND EQUITY	\$5,405,256.24

Southwestern Water Conservation District

Check Detail Report

Jun 1 - Aug 31 2023

TRANSACTION ID	ACCOUNT NAME	TRANSACTION DATE	NAME	DESCRIPTION	AMOUNT LINE
20088	Bank of Colorado (0.38%)	06/01/2023	The Town of Telluride	Trash Bash Sponsorship	-\$500.00
20089	Bank of Colorado (0.38%)	06/01/2023	The Town of Telluride	Accidental Double Payment - Reimbursed - Trash Bash Sponsorship	-\$500.00
20090	Bank of Colorado (0.38%)	06/07/2023	Charter Spectrum	June Spectrum Bill	-\$199.99
20092	Bank of Colorado (0.38%)	06/07/2023	Bill.com	Bill.com June	-\$191.93
19915	1004 Water Info Program Checking	06/09/2023	Elaine Chick Consulting	May 2023 WIP Contract	-\$5,000.00
19935	Bank of Colorado (0.38%)	06/09/2023	The West Building	June Rent	-\$2,653.37
19936	Bank of Colorado (0.38%)	06/09/2023	Steve Wolff - V	Dolores Water Conservancy District - Water Stakeholder Meeting	-\$55.00
19937	Bank of Colorado (0.38%)	06/09/2023	Monika Rock - V	Travel to CWCB Drought Summit	-\$496.54
19938	Bank of Colorado (0.38%)	06/09/2023	Mennonite Press, Inc.	Rising Rivers Stewards Activity Book	-\$5,285.00
19939	Bank of Colorado (0.38%)	06/09/2023	CO Employer Benefit Trust	June Health Insurance	-\$2,604.16
20093	Bank of Colorado (0.38%)	06/13/2023	IRS	IRS USATAXPYMT Q2	-\$3,242.92
19940	Bank of Colorado (0.38%)	06/14/2023	Florida Consolidated Ditch Company	2023 Florida Consolidated Ditch Company Grant	-\$38,769.59
19941	Bank of Colorado (0.38%)	06/15/2023	Lincoln Financial Group	06-14 457 payment	-\$1,365.37
20113	Bank of Colorado (0.38%)	06/15/2023	Monika Rock - V	Payroll 06/11/23	-\$1,597.63
20114	Bank of Colorado (0.38%)	06/15/2023	Steve Wolff - V	Payroll 06/11/2023	-\$2,938.57
19942	Bank of Colorado (0.38%)	06/23/2023	Brian Paul Bruchez	2023 SWCD Seminar Travel Reimbursement	-\$513.00
19943	Bank of Colorado (0.38%)	06/23/2023	San Juan Water Conservancy District	2023 San Miguel water quality monitoring	-\$7,000.00
19944	Bank of Colorado (0.38%)	06/23/2023	Colorado Legislative Strategies	June 2023 - Vorthmann	-\$1,716.67
19945	Bank of Colorado (0.38%)	06/23/2023	Kogovsek & Associates, Inc.	Federal Lobbying Fees Q2	-\$12,500.00
19946	Bank of Colorado (0.38%)	06/23/2023	San Miguel Watershed Coalition	2023 Grant Distribution - Integrated Modeling	-\$20,000.00
20091	Bank of Colorado (0.38%)	06/27/2023	Verizon	VERIZON Payment June	-\$137.57
20115	Bank of Colorado (0.38%)	06/27/2023	Monika Rock - V	Payroll 6/27/2023	-\$1,597.63
20116	Bank of Colorado (0.38%)	06/27/2023	Steve Wolff - V	Payroll 6/27/2023	-\$2,938.57
19947	Bank of Colorado (0.38%)	06/28/2023	Montezuma Land Conservancy	Water Education at Fozzie's Farm Grant Release	-\$5,000.00
19948	Bank of Colorado (0.38%)	06/28/2023	Van Vurst Law, LLC	Legal Services May 2023	-\$23,715.20
19949	Bank of Colorado (0.38%)	06/30/2023	The West Building	Rent - July	-\$2,623.07
19961	1004 Water Info Program Checking	07/07/2023	Water Education Colorado	Water Education Colorado Membership 2023	-\$300.00
19962	Bank of Colorado (0.38%)	07/07/2023	Harris Water Engineering, Inc	Engineering Services, May to June	-\$3,300.00
19963	1004 Water Info Program Checking	07/07/2023	Elaine Chick Consulting	WIP Expenses: May- June Travel, Zoom, & ADA Compliance	-\$767.49
19964	1004 Water Info Program Checking	07/07/2023	Elaine Chick Consulting	June WIP Contract Payment	-\$4,100.00
20130	Bank of Colorado (0.38%)	07/07/2023	Bill.com	Bill.com July	-\$199.75
20131	Bank of Colorado (0.38%)	07/07/2023	Charter Spectrum	July Spectrum Bill	-\$199.99
20132	Bank of Colorado (0.38%)	07/11/2023	Steven W. Wolff	6-25-7.09 - Paycheck	-\$2,938.57
20133	Bank of Colorado (0.38%)	07/11/2023	Monika R. Rock	6.25-7.9	-\$1,597.63
20046	Bank of Colorado (0.38%)	07/12/2023	CO Employer Benefit Trust	Staff Health Insurance - July	-\$2,604.16
20047	Bank of Colorado (0.38%)	07/12/2023	Chuck Cullom	SWCD Water Seminar Travel Reimbursement 2023	-\$714.30
20048	Bank of Colorado (0.38%)	07/12/2023	Fort Lewis College	2023 Childrens Water Fest facility fees-- bill.com Check Number: 72015	-\$2,106.00
20134	Bank of Colorado (0.38%)	07/12/2023	Lincoln Financial Group	06-25 -- 457 payment	-\$1,365.37
20136	Bank of Colorado (0.38%)	07/12/2023	Lincoln Financial Group	07-09 -- 457 payment	-\$1,365.37
20138	Bank of Colorado (0.38%)	07/17/2023	IRS	941 Q2 Payment	-\$8,007.78
20150	Bank of Colorado (0.38%)	07/18/2023	ImageNet Consulting	2Q23 Printer Fees	-\$548.69
20060	Bank of Colorado (0.38%)	07/19/2023	Steve Wolff - V	Attend UCRC meetings in Santa Fe, NM	-\$265.63
20065	Bank of Colorado (0.38%)	07/20/2023	Wright Water Engineers	March Opposition 2023	-\$5,959.00
20066	Bank of Colorado (0.38%)	07/20/2023	Wright Water Engineers	March Modeling 2023	-\$6,719.50
20067	Bank of Colorado (0.38%)	07/20/2023	Wright Water Engineers	April Modeling 2023	-\$7,640.50
20068	Bank of Colorado (0.38%)	07/20/2023	Wright Water Engineers	April Opposition 2023	-\$4,708.00
20069	Bank of Colorado (0.38%)	07/20/2023	Wright Water Engineers	May Modeling 2023	-\$3,150.00
20070	Bank of Colorado (0.38%)	07/20/2023	Wright Water Engineers	May Opposition 2023	-\$4,650.00
20071	Bank of Colorado (0.38%)	07/20/2023	Charles Smith	1/1/23 - 7/17/23 - Board Meetings, and miscellaneous meetings	-\$1,404.38
20072	Bank of Colorado (0.38%)	07/20/2023	Van Vurst Law, LLC	Legal Services June 2023	-\$23,251.17
20073	Bank of Colorado (0.38%)	07/21/2023	Kenny Heldman	Bd Mtg 07.12-- bill.com Check Number: 72232988	-\$238.75
20074	Bank of Colorado (0.38%)	07/21/2023	Colorado Legislative Strategies	July 2023 - Vorthmann	-\$1,716.67

TRANSACTION ID	ACCOUNT NAME	TRANSACTION DATE	NAME	DESCRIPTION	AMOUNT LINE
20081	Bank of Colorado (0.38%)	07/24/2023	Steve Wolff - V	July Board Meeting Reimbursement - Wolff	-\$160.00
20137	Bank of Colorado (0.38%)	07/24/2023	US Geological Survey	2Q23	-\$18,699.00
20083	Bank of Colorado (0.38%)	07/25/2023	BlueChannel, Inc.	SWCD Website Support	-\$64.80
20084	1004 Water Info Program Checking	07/25/2023	BlueChannel, Inc.	WIP Website Support	-\$25.00
20085	Bank of Colorado (0.38%)	07/25/2023	DARCA	DARCA Membership 2023-- bill.com Check Number: 72288752	-\$500.00
20087	1004 Water Info Program Checking	07/26/2023	Elaine Chick Consulting	WIP Expenses: Forest to Faucets Teacher Workshop Materials	-\$587.96
20135	Bank of Colorado (0.38%)	07/26/2023	Lincoln Financial Group	07-23 -- 457 payment	-\$1,365.37
20146	Bank of Colorado (0.38%)	07/27/2023	Verizon	VERIZON July	-\$137.76
20147	Bank of Colorado (0.38%)	07/27/2023	--	Pinnacle Bank VISA PAY F 99294284	-\$4,174.16
20147	Bank of Colorado (0.38%)	07/27/2023	--	Pinnacle Bank VISA PAY F 99294284	-\$4,174.16
20148	Bank of Colorado (0.38%)	07/27/2023	Monika R. Rock	7.10-07.23 Paycheck	-\$1,597.86
20149	Bank of Colorado (0.38%)	07/27/2023	Steven W. Wolff	7.11 - 7.25 - Paycheck	-\$2,938.80
20151	Bank of Colorado (0.38%)	07/27/2023	The Payroll Department, Inc	07.25 Payroll Department Invoice	-\$331.67
20152	Bank of Colorado (0.38%)	07/27/2023	The Payroll Department, Inc	Payroll Taxes 07.11 and 07.25	-\$3,729.25
20086	Bank of Colorado (0.38%)	07/28/2023	Integrita Productions	Videography - SWCD Seminar	-\$500.00
20075	Bank of Colorado (0.38%)	08/01/2023	CO Employer Benefit Trust	Staff Health Insurance - August	-\$2,604.16
20238	Bank of Colorado (0.38%)	08/01/2023	Colorado Department of Revenue	Unemployment Payment Q2	-\$28.37
20121	Bank of Colorado (0.38%)	08/02/2023	The West Building	August 2023 Rent	-\$2,614.79
20122	Bank of Colorado (0.38%)	08/02/2023	Town of Pagosa Springs	Inv #2711 - SWCD Meeting Space for Stakeholder Meetings-- bill.com Che	-\$75.00
20139	Bank of Colorado (0.38%)	08/02/2023	Colorado Department of Revenue	CO DEPT REVENUE TAXPAYMENT 00631105003WTH	-\$1,722.00
20064	Bank of Colorado (0.38%)	08/03/2023	Hydros Consulting, Inc.	Colorado River System Investigations - June 23	-\$819.00
20124	1004 Water Info Program Checking	08/04/2023	Elaine Chick Consulting	July 2023 WIP Contract	-\$4,100.00
20125	Bank of Colorado (0.38%)	08/04/2023	Steve Wolff - V	Travel to DC to provide testimony for Endangered Fish Recovery Program	-\$2,126.00
20246	Bank of Colorado (0.38%)	08/07/2023	Charter Spectrum	SPECTRUM August	-\$199.99
20247	Bank of Colorado (0.38%)	08/08/2023	Bill.com	Bill.com August	-\$184.50
20255	Bank of Colorado (0.38%)	08/10/2023	The Payroll Department, Inc	Payroll Summary	-\$1,864.39
20256	Bank of Colorado (0.38%)	08/10/2023	The Payroll Department, Inc	Payroll Processing Fee	-\$83.32
20257	Bank of Colorado (0.38%)	08/10/2023	The Payroll Department, Inc	Payroll Taxes	-\$4,536.67
20141	Bank of Colorado (0.38%)	08/11/2023	Dolores Water Conservancy District	DWCD Cloud Seeding 2023	-\$25,456.00
20142	Bank of Colorado (0.38%)	08/11/2023	Wright Water Engineers	San Miguel River Planning	-\$237.50
20143	Bank of Colorado (0.38%)	08/11/2023	RiversEdge West	2023 DRRP Release of a Portion of Grant Funds _4058.96	-\$4,058.96
20144	Bank of Colorado (0.38%)	08/11/2023	Wright Water Engineers	Compact Modeling Review	-\$1,967.25
20145	Bank of Colorado (0.38%)	08/11/2023	Wright Water Engineers	Water Court Resume Review and Water Rights for SWCD	-\$5,850.50
20248	Bank of Colorado (0.38%)	08/11/2023	Lincoln Financial Group	457b Payment - 8.10.23 Payroll	-\$1,365.37
20249	Bank of Colorado (0.38%)	08/14/2023	Bill.com	Bill.com Migration To QB	-\$150.00
20194	1004 Water Info Program Checking	08/18/2023	Elaine Chick Consulting	WIP Expenses: Forest to Faucets Lunch and Travel Reimbursement	-\$702.89
20195	Bank of Colorado (0.38%)	08/18/2023	Monika Rock - V	Staff Travel - Stakeholder Meetings & Roundtable	-\$284.88
20196	Bank of Colorado (0.38%)	08/18/2023	Steve Wolff - V	Travel to Aurora for Drought Task Force	-\$878.66
20199	Bank of Colorado (0.38%)	08/22/2023	Colorado Legislative Strategies	August 2023 - Vorthmann	-\$1,716.67
20250	Bank of Colorado (0.38%)	08/22/2023	Lincoln Financial Group	457b Contributions - 8.20.23 Payroll	-\$1,365.37
20258	Bank of Colorado (0.38%)	08/24/2023	The Payroll Department, Inc	Payroll Wages	-\$4,536.68
20259	Bank of Colorado (0.38%)	08/24/2023	The Payroll Department, Inc	Payroll Taxes	-\$1,864.37
20260	Bank of Colorado (0.38%)	08/24/2023	The Payroll Department, Inc	Payroll Processing Fee	-\$83.32
20207	Bank of Colorado (0.38%)	08/28/2023	Wright Water Engineers	WWE July - Opposition	-\$4,002.50
20208	Bank of Colorado (0.38%)	08/28/2023	Wright Water Engineers	WWE July - Compact Modeling Review	-\$6,967.63
20209	Bank of Colorado (0.38%)	08/28/2023	Wright Water Engineers	WWE July - San Miguel River Planning - Trout Lake Presentation	-\$659.50
20210	Bank of Colorado (0.38%)	08/28/2023	Mountain Studies Institute	2023 Grant Disbursement - Snowtopography Study	-\$20,000.00
20211	Bank of Colorado (0.38%)	08/28/2023	Harris Water Engineering, Inc	Harris Engineering Services - July	-\$2,557.50
20251	Bank of Colorado (0.38%)	08/28/2023	--	CC Payment August	-\$1,222.20
20251	Bank of Colorado (0.38%)	08/28/2023	--	CC Payment August	-\$1,222.20
20252	Bank of Colorado (0.38%)	08/29/2023	Verizon	Verizon August	-\$137.76
20223	Bank of Colorado (0.38%)	08/31/2023	The West Building	September 2023	-\$2,633.75

4. **Colorado River Interstate and Intrastate Matters**
 - 4.1. Colorado River Drought Sub-Task Force Update (no materials included)
 - 4.2. Colorado River Drought Task Force Update (no materials included)
 - 4.3. Presentation and Discussion by Commissioner Becky Mitchell (no materials included)
 - 4.4. System Conservation Pilot Program Update, including renewal of program in 2024

4.0 Colorado River Matters



COLORADO RIVER DISTRICT
PROTECTING WESTERN COLORADO WATER SINCE 1937

September 22, 2023

VIA EMAIL ONLY

Commissioner Rebecca Mitchell
Colorado Water Conservation Board
1313 Sherman Street, Room 718
Denver, CO 80203

Dear Commissioner Mitchell:

In light of the UCRC's discussion and vote yesterday to authorize a limited system conservation pilot program for 2024 the Colorado River District wanted to take this opportunity to provide our perspective.

We appreciate that the program is only authorized for one additional year and that it is aimed at learning as much as possible about how a Demand Management program should operate, should one ever be advisable or needed in the Upper Basin and that such a program be aimed at developing resiliency within and for the benefit of our State. We also appreciate your comments that Colorado desires greater transparency in the operation of the program within our State.

We would like to respectfully share our thoughts on these issues in an effort to assist you in formulating long term policies for our State.

A. Like you, the Colorado River District maintains that the Upper Basin should not participate in any long-term or large-scale System Conservation (or other systemic conservation program, such as Demand Management) until the Lower Basin has implemented permanent reductions that address the imbalance in Lower Basin uses and associated system losses.

B. Any long-term, large-scale, or post-2024 conservation program operated within Colorado should include conserved water from each side of the Continental Divide and be proportional to the consumption of post-compact Colorado River basin water rights on each side of the Divide.

C. We encourage the State of Colorado to agree that any long-term, large-scale, or post-2024 conservation program operated within the River District's boundaries be implemented by the River District, or jointly by the River District and the Colorado Water Conservation Board.

D. The River District previously has expressed concerns with the manner in which the Upper Colorado River Commission's System Conservation Program was implemented in 2023. However, the River District understands the immense pressure on Colorado and other Upper Basin



States to demonstrate the Upper Basin's willingness to play a role – however minor – in exploring potential solutions to the low storage conditions at Lakes Powell and Mead.

E The River District encourages that, within Colorado, any System Conservation Project:

1. Will be limited to the year 2024 only (except for post-implementation analysis and reporting);
2. Will not establish any precedent within Colorado for any future systemic conservation program of any type; and
3. Will be used to develop publicly available information and reports to help inform Colorado and the public regarding any potential future Demand Management project.

F. We appreciate that there is work to be done with respect to how SCPP 2024 is implemented within our state and we are encouraged by your commitment that the 2024 program be designed to bring greater benefit to our water users who hope to participate and greater transparency and protection for our water users who are not participating in the program. To that end we are recommend that the State of Colorado implement a program with the following components:

1. That the program be narrowly tailored to enroll projects that promote innovation and local resiliency; and
2. The program allow other water users to review the applications and protect their water uses from potential injury or adverse impacts by:
 - a. Providing advance public notice of the complete applications for participation in the 2024 program within Colorado through publication on the State's website and through the Substitute Water Supply Plan email list-serve (or equivalent email outreach), with any redactions limited to personal contact information such as telephone number and email/home addresses of project applicants.
 - b. Providing at least 21 days for public review and comments on applications following notice and publication.
 - c. Providing that comments asserting adverse impact to water rights or operations of other water users will be reviewed by the applicable Division Engineer. The analysis and conclusions of the Division Engineer will be made publicly available prior to any decision regarding approval of the subject project.
 - d. Providing that water users may pursue any unresolved objections by any legal means available, including bringing an action in Colorado Water Court.



We appreciate your hard work in protecting Colorado's water users and our communities. As always, we stand ready to work with you to implement the suggestions contained in this letter and/or to further assist you and your team in the development of mechanisms to achieve our state's goals and objectives.

Thank you for your dedication to representing all of Colorado's water users.

The Colorado River District,

By: 

Andy Mueller, General Manager

CC: CRD Board Members
Dan Gibbs
Attorney General Weiser
Kelly Romero Heaney
Lauren Ris
Amy Ostdiek



UPPER COLORADO RIVER COMMISSION

50 S. 600 E. Ste #100 • Salt Lake City, UT 84102 • 801-531-1150 • www.ucrccommission.com

2023 System Conservation Pilot Program (SCPP) Lessons Learned Summary

Introduction

At the 303rd Meeting of the Upper Colorado River Commission (UCRC) on June 16, 2023, the Commissioners requested that UCRC staff evaluate and compile “Lessons Learned” from the 2023 SCPP experience to inform potential consideration of future SCPP programs. The Commissioners also directed UCRC staff to identify opportunities to consider Demand Management Program (DM Program) demonstration projects or studies to inform potential future consideration of Demand Management feasibility by the Commission. UCRC staff have compiled lessons learned from the 2023 SCPP effort and outlined five broad themes for improvements with more than 20 specific recommendations for consideration in potential future programs. The recommendations are based on interviews with about 30% of the SCPP participants, Reclamation, NGOs, external commenters, and others. Further, UCRC staff have compiled four main messages conveyed by the SCPP participants for the Commissioners’ consideration. Finally, UCRC staff are providing three options for consideration regarding a potential SCPP effort in 2024.

Five themes to improve future SCPP:

1. **Timing:** All participants and interviewees indicated initiating the SCPP process including a request for proposals (RFP) for a program in early fall. An October 1 target for initiating is preferable.
2. **Pricing:** All participants and interviewees indicated a preference for firm fixed pricing (aka “take it or leave it” pricing) is preferable to the 2023 process which included a minimum acceptable price and individual negotiations for higher compensation on a case-by-case basis.
3. **Clarity on Conserved Consumptive Use (CCU) Calculations:** Many participants and interviewees outlined the need for greater clarity and certainty on the calculation of CCU, since is the basis for payment. They indicated that a process that begins in October would allow the participants time to consult with Upper Division States (UDS)/UCRC/UCRC consultants to provide certainty on the CCU calculations and basis of the proposed payment.
4. **Consistent and clear messaging:** All participants and most interviewees indicated that, due to the compressed timeframe, there were mixed messages, largely from parties outside of the SCPP, and some lack of consistency in describing key elements of the program. In addition, in one region, there were mischaracterizations that served to undermine confidence in the effort. Due to the UDS/UCRC/UCRC consultant focus on establishing the program in a very short timeframe, the mischaracterizations went largely unchallenged. Consistent and persistent messaging over a longer time frame can help address misunderstandings and refute mischaracterizations.

5. **Greater transparency and clarity regarding approach, purpose, and review processes.** Several participants and interviewees noted the need for more clarity on the purpose and intent of the program. Several commenters requested greater transparency in understanding the review process. They suggested providing an outline and review flow chart for the process, so the public knew how to get more information.

Four messages conveyed by SCPP participants (e.g., farmers, ranchers, producers):

1. **SCPP provides a way to reduce risks to test new, innovative water management strategies to adapt their production to a drier future.** The SCPP provided a financial buffer which supported testing new tools.
2. **Participants would like to see the development of longer-term programs that support innovation, water efficiency investments, and new tools to build resiliency for their future.** Most participants are 4th or 5th-generation producers. They want longer-term tools and choices to build resiliency for their future.
3. **The participants want to protect vibrant, but fragile, local economies and therefore prefer production with lower water use to large-scale fallowing.** Interviewed participants support fallowing to transition to more water-efficient practices and to invest their system improvements but oppose large-scale rotational fallowing programs as a long-term tool.
4. **The participants forcefully expressed that their water and production are equally valuable. They do not consider any of their lands or production “marginal” or “less than” anyone else, locally or across the Basin.** They want and intend to participate in programs that bring new tools to support their future through local sustainability and resiliency.

Options for consideration of a potential SCPP in 2024:

1. No 2024 Program

- a. Pros:
 - i. Allows for full focus on the post-2026 process
 - ii. Asserts that Upper Basin tools are narrow and limited
- b. Cons:
 - i. Does not support innovation and development of new tools for Upper Basin water users
 - ii. Could invite unilateral actions from the Bureau of Reclamation (Reclamation)
 - iii. Optics of no Upper Basin “skin” to address Colorado River System risks
 - iv. Forgoing federal funding available to address Upper Basin interests
 - v. Contradicts what the Upper Basin stated it would do in its 5-Point Plan

2. Revised 2024 SCPP Program (implement the recommended process improvements)

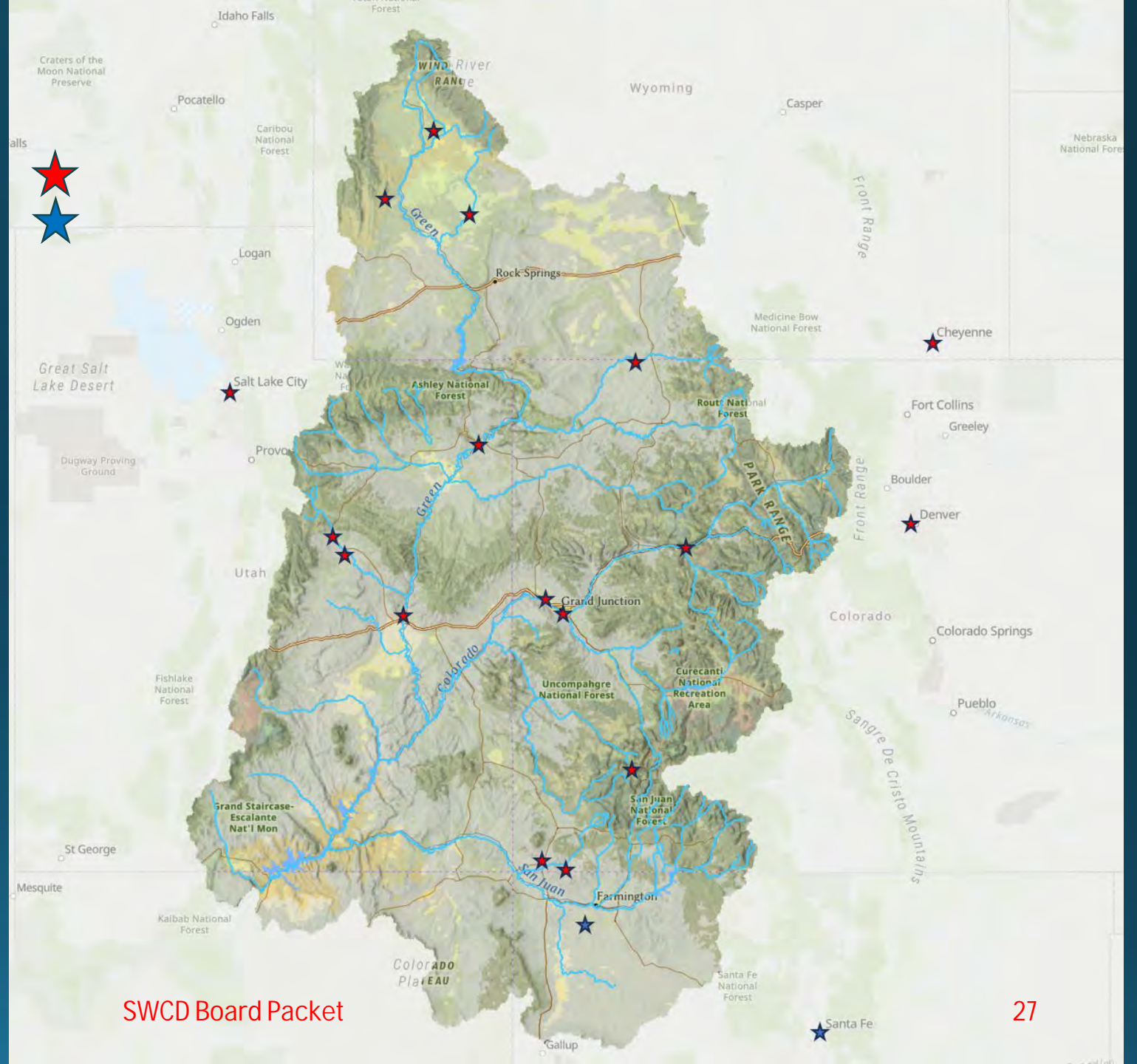
- a. Pros:
 - i. Tests revised approach to determining the potential scale of voluntary, temporary, and compensated conservation programs in the Upper Basin (i.e., in an optimal program, how big could we get?)
 - ii. Fully uses the SCPP tool using available federal funding
 - iii. Broadens tools for consideration of a DM Program in the future
- b. Cons:

- i. Both the UCRC and the States are likely to have bandwidth constraints with a larger program
 - ii. Implementing such a program may take staff time away from more important work (Post-2026 operations work)
 - iii. There is some risk that system water conserved through SCPP may be released from Lake Powell downstream in Water Year 2025, depending on 2025 operational determinations
 - iv. Doesn't explicitly assist with the development of longer-term tools/solution
- 3. Narrowly Purpose 2024 SCPP (implement improvement recommendations and provide project criteria that to inform DM Program demonstration projects and support local innovation and build drought resiliency)**
 - a. Pros:
 - i. Test a revised approach to assess process improvements
 - ii. Supports innovation and development of longer-term tools/solutions in the Upper Basin
 - iii. Informs future consideration of a DM Program through demonstration projects and exploration of provisional accounting
 - iv. May reduce risk to Upper Basin system conservation while attempting to protect/preserve conserved water
 - v. Promotes cooperation with the Bureau of Reclamation to figure out how to potentially manage a DM Program
 - b. Cons:
 - i. Bandwidth considerations
 - ii. Will require clear and consistent messaging on purpose and intent to avoid a perception of discrimination
 - c. Examples of DM Program Studies and Projects
 - i. Mainstem and proximal tributaries conservation and accounting that may avoid shepherding and facilitate exploration of accounting (i.e. areas or reaches that have limited to no history of calls or broad participation on a reach)
 - ii. Fallowing resulting in reservoir storage and exploration of accounting with potential winter release studies (e.g., Navajo Indian Irrigation Project/Navajo Agriculture Products Industries)
 - d. Examples of Local Innovation and Drought Resiliency Projects
 - i. Crop-switching conservation and exploration of accounting and quantification
 - ii. Alternative irrigation strategies resulting conservation with exploration of quantification and accounting
 - iii. Fallowing projects that support on-farm improvements or transition to lower water use crops along with exploration of accounting and quantification

UCRC 304th Part II (Special) Meeting Agenda

1. Call the meeting to order – Roll Call - Introductions – Vice Chair Mitchell and Alyx Richards
2. Conformance of the meeting to the Commission By-Laws – Chuck Cullom
3. Update and Consideration of System Conservation Pilot Program (SCPP) in 2024 – Vice Chair Mitchell
4. Update and Consideration of Resolution Clarifying Principles for Future Releases from Upstream Initial Units Under the 2019 Drought Response Operating Agreement (DROA) – Vice Chair Mitchell
5. Report on the Status of Bipartisan Infrastructure Law (BIL)/Investment in Infrastructure and Jobs Act (IIJA) Funding for Upper Basin Drought Contingency Plan (DCP) Implementation – Sara Larsen
 - a. Infrastructure Installation Kickoff
 - b. Scoping for Studies
6. Other Business
 - a. Comments on Pivot to Post-2026 Discussions – Commissioners

Lessons Learned Partner Engagement



Oct. 11 & 12, 2023

SWCD Board Packet

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Update on Potential Range of 2024 SCPP Options:

1. No 2024 SCPP Program
2. Maximize 2024 SCPP – implement recommended SCPP improvements with the goal of maximizing 2024 Conserved Consumptive Use (CCU)
3. Narrow 2024 SCPP to explore Demand Management (DM) Studies and Support Innovation & Local Resiliency – implement recommended SCPP improvements AND narrow project criteria towards remaining DM questions and supporting innovation & local resiliency resulting in water conservation

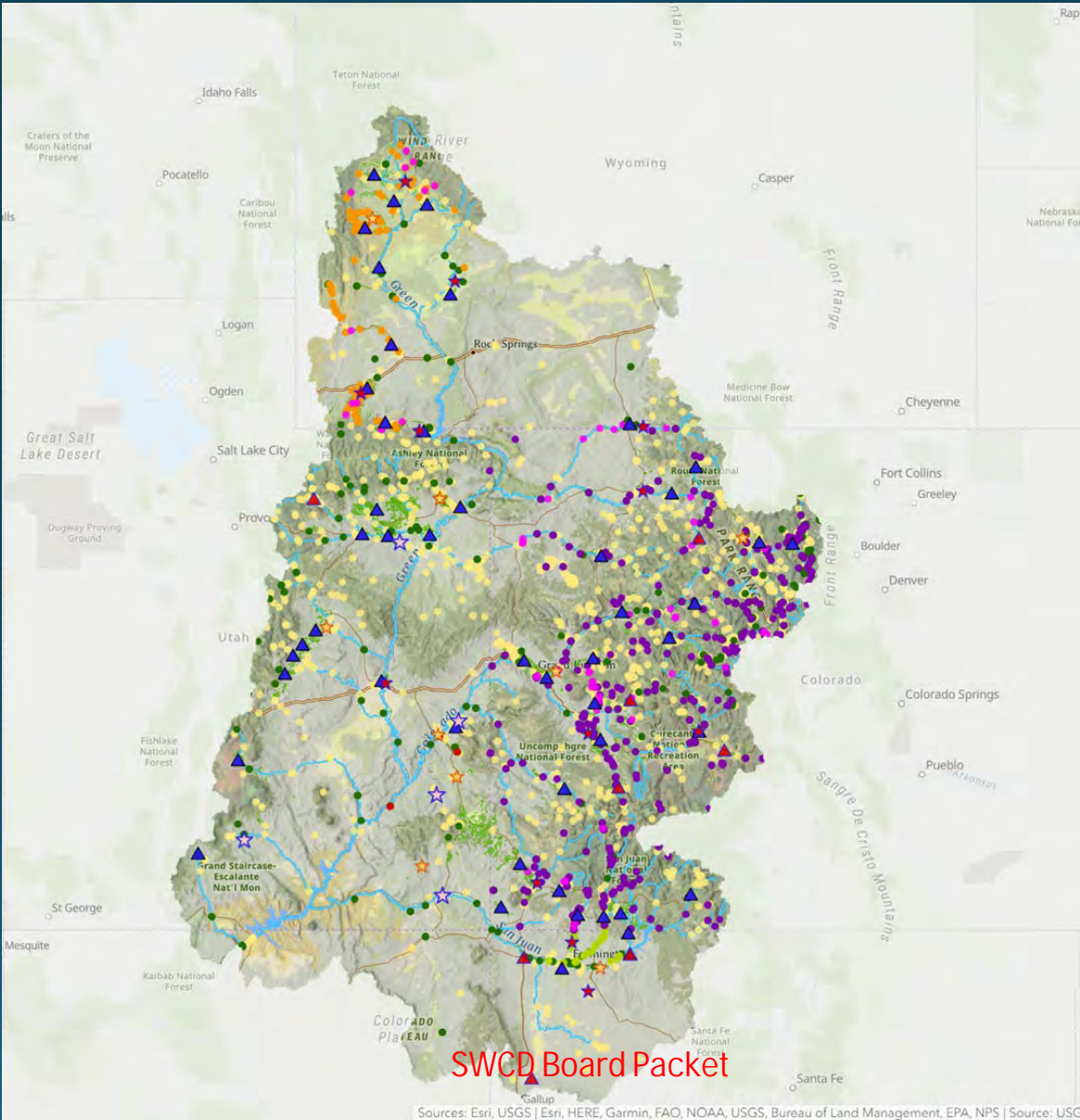
Commissioners requested clarification and refinements regarding potential 2024 SCPP Timeline, along with follow up discussions with Upper Division State staff, consultants and others interested parties.

Summary Draft 2024 SCPP Timeline

- 10/02/2023 Announcement (coordinated with BOR) of initiation of 2024 process – including kickoff dates and public meetings
- 10/20/2023 Target for Request for Proposals for 2024 Projects
- Public Meetings, outreach and pre-application meetings
- 12/11/2023 Applications due
- 12/12/2023 – 2/02/2024 State review process, BOR and consultant reviews
- Upper Division States review through UCRC
- UCRC Special meeting to consider 2024 Projects
- 03/15/2024 Execute SCIA's & Implement Projects

Resolution Clarifying Principles for Future Releases from Upstream Initial Units Under DROA

BIL/IIJA Funding Update and Kick-off



Oct. 11 & 12, 2023

SWCD Board Packet

5. General Counsel Legal Report

- 5.1. Water Court Resume Review (Divisions 3, 4, 7)
- 5.2. Update on pending transmountain water court cases involving the export of water from the San Juan River Basin for use within the San Luis Valley
- 5.3. Extension of Consulting Services Agreement with Colorado Legislative Services for State Legislative Representation & Lobbying in 2024
- 5.4. Proposed Approval of 2024 Water Information Program Independent Contractor Update
- 5.5. Proposed Approval of SWCD Office Lease

Confidential - Not included in Public Packet

5.0 General Council Legal Report

8.0 2024 Calendar Discussion

8.0 SWCD Calendar Discussion



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 & Mo Rock
Subject: Proposed 2024 Regular Board Meetings Schedule
Date: October 4, 2023

In 2022, the SWCD Board elected to move its 2023 board meetings to a quarterly schedule. The transition to quarterly meetings was made in hopes of increasing value in meeting time and reducing staff and consultant preparation time. There are some aspects of the quarterly meetings that we have found beneficial - such as holding a roughly 12 p.m. - 12 p.m. schedule. However, we have also found that quarterly meetings do not always match with deadlines and have led to what we feel were too long of periods between meetings, resulting in reduced communication with the Board. **As such, we are recommending the board move back to bi-monthly meetings while maintaining a general 12 p.m. - 12 p.m. schedule with meetings to begin on the second Wednesday of February, April, June, August, October, and December.** To help avoid winter travel we also recommend moving the December meeting to virtual and holding it on Wednesday only. A draft calendar showing proposed dates for both bi-monthly and quarterly meetings is attached.

As you consider this recommendation, below are some other 2024 water meeting dates we have tried to avoid.

2024 Conflicts to Avoid

- Colorado Water Congress Winter Conference: January 31- February 2 - Denver
- Children's Water Festival: Mid-May (Elaine, Mo, Steve)
- MVIC: 2nd Tuesday (Gerald)
- PRID: April, July, Oct 1st Wed (Amy)
- DWCD: 2nd Thursday (Ken Curtis)
- Roundtable: Jan, April, July, Oct (4th Thurs)
- River District: Jan, April, July, Oct (3rd Tues/Wed)
- CWCB: Jan, March, May, July, Sept, Nov (3rd week usually)
- UCRC/CRWUA: Dec 4–6, 2024 (Steve, Beth)

SWCD 2024 Calendar Draft Draft(Proposed)							Regular (x4?)	Special Board	Seminar	Budget Wkshp	Holiday	
							Board (x6?)	Deadlines				
January	February	March	April	May	June	July	August	September	October	November	December	
1 Mo <small>New Year's Day</small>	1 Th	1 Fr	1 Mo	1 We	1 Sa	1 Mo	1 Th	1 Su	1 Tu	1 Fr	1 Su	
2 Tu	2 Fr	2 Sa	2 Tu	2 Th	2 Su	2 Tu	2 Fr	2 Mo <small>Labor Day</small>	2 We	2 Sa	2 Mo	
3 We	3 Sa	3 Su	3 We	3 Fr	3 Mo	3 We	3 Sa	3 Tu	3 Th	3 Su	3 Tu	
4 Th	4 Su	4 Mo	4 Th	4 Sa	4 Tu	4 Th <small>Independence Day</small>	4 Su	4 We	4 Fr	4 Mo	4 We	
5 Fr	5 Mo	5 Tu	5 Fr	5 Su	5 We	5 Fr	5 Mo	5 Th	5 Sa	5 Tu	5 Th	
6 Sa	6 Tu	6 We	6 Sa	6 Mo	6 Th	6 Sa	6 Tu	6 Fr	6 Su	6 We	6 Fr	
7 Su	7 We	7 Th	7 Su	7 Tu	7 Fr	7 Su	7 We	7 Sa	7 Mo	7 Th	7 Sa	
8 Mo	8 Th	8 Fr	8 Mo	8 We	8 Sa	8 Mo	8 Th	8 Su	8 Tu	8 Fr	8 Su	
9 Tu	9 Fr	9 Sa	9 Tu	9 Th <small>Board Call</small>	9 Su	9 Tu	9 Fr	9 Mo	9 We <small>Board Meeting</small>	9 Sa	9 Mo	
10 We <small>Board Meeting</small>	10 Sa	10 Su	10 We <small>Board Meeting</small>	10 Fr	10 Mo	10 We <small>Board Meeting</small>	10 Sa	10 Tu	10 Th <small>Board Meeting</small>	10 Su	10 Tu	
11 Th <small>Board Meeting</small>	11 Su	11 Mo	11 Th <small>Board Meeting</small>	11 Sa	11 Tu	11 Th <small>Board Meeting</small>	11 Su	11 We	11 Fr	11 Mo	11 We <small>Board Meeting</small>	
12 Fr	12 Mo	12 Tu	12 Fr	12 Su	12 We <small>Board Meeting</small>	12 Fr	12 Mo	12 Th <small>Budget Workshop</small>	12 Sa	12 Tu	12 Th <small>Board Meeting</small>	
13 Sa	13 Tu	13 We	13 Sa	13 Mo	13 Th <small>Board Meeting</small>	13 Sa	13 Tu	13 Fr	13 Su	13 We	13 Fr	
14 Su	14 We <small>Board Meeting</small>	14 Th <small>Board Call</small>	14 Su	14 Tu	14 Fr	14 Su	14 We <small>Board Meeting</small>	14 Sa	14 Mo	14 Th	14 Sa	
15 Mo	15 Th <small>Board Call</small>	15 Fr	15 Mo	15 We	15 Sa	15 Mo	15 Th <small>Board Meeting</small>	15 Su	15 Tu <small>Budget Notice</small>	15 Fr	15 Su <small>Mill Levy Certification</small>	
16 Tu	16 Fr	16 Sa	16 Tu	16 Th	16 Su	16 Tu	16 Fr	16 Mo	16 We	16 Sa	16 Mo	
17 We	17 Sa	17 Su	17 We	17 Fr	17 Mo	17 We	17 Sa	17 Tu	17 Th	17 Su	17 Tu	
18 Th	18 Su	18 Mo	18 Th	18 Sa	18 Tu	18 Th	18 Su	18 We	18 Fr	18 Mo	18 We	
19 Fr	19 Mo <small>Presidents' Day</small>	19 Tu	19 Fr	19 Su	19 We	19 Fr	19 Mo	19 Th	19 Sa	19 Tu	19 Th	
20 Sa	20 Tu	20 We	20 Sa	20 Mo	20 Th	20 Sa	20 Tu	20 Fr	20 Su	20 We	20 Fr	
21 Su	21 We	21 Th	21 Su	21 Tu	21 Fr	21 Su	21 We	21 Sa	21 Mo	21 Th	21 Sa	
22 Mo	22 Th	22 Fr	22 Mo	22 We	22 Sa	22 Mo	22 Th	22 Su	22 Tu	22 Fr	22 Su	
23 Tu	23 Fr	23 Sa	23 Tu	23 Th	23 Su	23 Tu	23 Fr	23 Mo	23 We	23 Sa	23 Mo	
24 We	24 Sa	24 Su	24 We	24 Fr	24 Mo	24 We	24 Sa	24 Tu	24 Th	24 Su	24 Tu	
25 Th <small>Board Call</small>	25 Su	25 Mo	25 Th <small>Board Call</small>	25 Sa	25 Tu	25 Th	25 Su	25 We	25 Fr	25 Mo	25 We <small>Christmas Day</small>	
26 Fr	26 Mo	26 Tu <small>Seminar Dinner</small>	26 Fr	26 Su	26 We	26 Fr	26 Mo	26 Th	26 Sa	26 Tu	26 Th	
27 Sa	27 Tu	27 We <small>Seminar</small>	27 Sa	27 Mo <small>Memorial Day</small>	27 Th	27 Sa	27 Tu	27 Fr	27 Su	27 We	27 Fr	
28 Su	28 We	28 Th <small>Board Call</small>	28 Su	28 Tu	28 Fr	28 Su	28 We	28 Sa	28 Mo	28 Th <small>Thanks giving Day</small>	28 Sa	
29 Mo	29 Th <small>Board Call</small>	29 Fr	29 Mo	29 We	29 Sa	29 Mo	29 Th	29 Su	29 Tu	29 Fr	29 Su	

30 Tu		30 Sa	30 Tu	30 Th	30 Su <small>Audit Sub. Deadline</small>	30 Tu	30 Fr	30 Mo	30 We	30 Sa	30 Mo
31 We		31 Su		31 Fr		31 We	31 Sa		31 Th		31 Tu

**12.0 Review of SWCD’s Draft FY2024 Budget, Draft Budget Message,
and Related Topics**

12.0 Review of FY2024 Budget



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 and Mo Rock
Subject: Update on 2024 SWCD Budget Process
Date: October 4, 2023

Included in this packet is the draft 2024 SWCD budget for the board's review. Cells highlighted in yellow reflect changes in the budget since the board's review at the September 14th workshop.

The remaining budget process steps are outlined below:

- **October board meeting:** Prior to the October 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 11 October 2023 meeting.*

After 15 October 2023, this draft budget will be available for public inspection and will be posted on SWCD's website with a link on the main page. Notice that the draft budget is available for inspection, as well as the date/time of the December public budget hearing, will be published.

Depending on whether Proposition HH passes or not in November, some of the deadlines below will be extended for 2024.

- **December Budget Hearing and Special Board Meeting:** The Board conducts 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).
- **Prior to January 31:** Budget Officer files the budget, budget message, related resolutions, and mill levy certifications with DOLA prior to deadline (January 31). SWCD's adopted budget is then publicly available on the [DOLA Local Government Information System](#)



SOUTHWESTERN WATER CONSERVATION DISTRICT **DRAFT** 2024 BUDGET MESSAGE

Highlighted sections are subject to change prior to final December budget adoption.

ABOUT SWCD

The Southwestern Water Conservation District (“SWCD”) consists of all or part of nine counties in southwestern Colorado: Archuleta, Dolores, La Plata, Montezuma, San Juan, San Miguel, and parts of Hinsdale, Mineral, and Montrose counties. Each Board of County Commissioners appoints a representative to the SWCD Board of Directors. The board meets regularly, and the schedule (while subject to change) is available at swwcd.org.

SWCD was formed by the Colorado General Assembly on April 16, 1941, and charged with the conservation, use, and development of the water resources of the San Juan and Dolores rivers basins. SWCD is charged by statute ([C.R.S. §37-47-101](#)) to safeguard for Colorado all waters to which the state of Colorado is equitably entitled and has such powers as are necessary to carry out this mandate. Within [SWCD’s boundaries](#) are the San Juan and Dolores River Basins, in which there are nine distinct watersheds.

Following this mandate, SWCD maintains a broad strategic role on behalf of its diverse constituents. SWCD advocates for southwestern Colorado’s water interests at the local, state, regional, and federal levels.

For more information about SWCD, please visit swwcd.org, call 970-247-1302, or email info@swwcd.org. The SWCD office is located at 841 East Second Avenue in Durango, Colorado.

BRIEF BUDGET OVERVIEW

SWCD will provide the following services during the 2024 budget year: support the conservation, development, and management of water use in southwestern Colorado; safeguard all waters to which the State is equitably entitled; participate in and provide funding for data collection; support, participate in, and lead local policy efforts; represent southwestern Colorado on federal and state policy concerns; and provide a variety of public education on water-related issues. Finally, SWCD will seek to serve constituents by providing general water information as requested. SWCD’s strategic plan, adopted in February 2022, is available at <https://swwcd.org/our-strategic-plan/>.

SWCD’s accounting is performed on a modified accrual basis, consistent with generally accepted accounting practices. SWCD’s financial statements are [audited annually](#).

This budget reflects estimated revenues and proposed expenditures for 2024. For your reference and information, please find below a detailed description of the budget by line item.

BUDGET DETAIL: REVENUE

SWCD's total budgeted revenues for 2024 are projected to be \$2,113,515.

Property Tax. SWCD is supported through a mill levy, which is assessed on property located within the District boundaries. Property tax revenues are expected to be approximately \$1,750,056, based on a mill levy of 0.335. This revenue is based on a combined assessed valuation across nine counties of \$5,221,392,857.

Tax Increment Finance (TIF) Reimbursement. This line item tracks annual reimbursements of SWCD's portion of tax increments collected by urban rural authorities (URA) within the SWCD's boundaries. Currently, SWCD has agreements with the City of Durango to reimburse SWCD for SWCD's portion of the tax increment collected by the North Main Gateway URA and the Durango Midtown URA.

Specific Ownership Tax. This is a property or ad valorem tax levied in addition to sales (or use) taxes on a motor vehicle and is paid annually when the vehicle is registered within a county. SWCD receives a portion of these taxes collected by the nine counties.

Interest, PILT, and Other Tax Revenue. SWCD receives revenue from delinquent taxes from prior years that have been recently collected, payment in lieu of tax (PILT), and other miscellaneous taxes.

Other Income. SWCD receives interest income and registration fees for SWCD's educational events. SWCD also receives income on behalf of the Water Information Program from its 28 partner entities and educational event registration fees. SWCD also receives partner contributions to help support our cooperative stream gaging program with the USGS.

TABOR Emergency Contingency Reserve. This line item is required by the TABOR amendment to the state constitution, which mandates that at least three percent of SWCD's fiscal year spending (excluding bonded debt service) be set aside as a contingency reserve for declared emergencies.

BUDGET DETAIL: EXPENDITURES

SWCD's total appropriation of money to the general fund is \$1,936,677.

WATER SUPPLY – QUANTITY AND QUALITY

San Juan Recovery Program Water User Committee. This line item covers SWCD's 50% cost share for the cost of the two consultants, who participate in the broader San Juan River Basin Recovery Implementation Program (SJRBRIP) on behalf of water users in New Mexico and Colorado. This program works to recover the endangered Colorado pikeminnow and razorback

sucker populations in the San Juan River and its ongoing success protects water uses across the basin.

Weather Modification in SW Colorado. SWCD matches local partner commitments to winter cloud seeding, also known as weather modification.

Public Forums, Data Collection and Related Efforts.

- **Bonita Peak Community Advisory Group.** This line item supports operational costs for the Bonita Peak Mining District Community Advisory Group.
- **Center for Snow & Avalanche Studies.** This line item supports the Center for Snow & Avalanche Studies, which conducts valuable research on the impacts of dust on snow to runoff.
- **Stream Gaging/Federal.** This line item covers SWCD’s cost share with the US Geological Survey for the operation and maintenance of several regional stream gages. SWCD receives partial reimbursement from local partners for some of the stream gages.
- **Stream Gaging/Colorado.** This line item covers the cost for the Colorado Division of Water Resources to operate their Cherry Creek and Long Hollow stream gages.
- **San Miguel Watershed Coalition.** This line item covers support for water quality studies in the San Miguel River basin.

Local Financial Support (Grants). This line item covers grants that may be awarded through SWCD’s Grant Program to qualified entities that are carrying out projects consistent with SWCD’s statutory purposes.

Previously Committed Local Financial Support (Grants). This line item covers any previously committed aid, approved in a prior year, for which the SWCD staff or board approves an extension through 2024.

WATER POLICY AND LEGISLATION

Federal.

- **Federal Lobbying Fees.** This line item covers fees related to federal lobbying efforts on behalf of SWCD.
- **Federal Lobbying Expenses.** This line item covers principally travel expenses related to federal lobbying efforts on behalf of SWCD.

State.

- **State Lobbying Fees.** This line item covers fees related to contracted state lobbying efforts on behalf of SWCD.
- **State Lobbying Expenses.** This line item covers principally travel expenses related to contracted state lobbying efforts on behalf of SWCD.

Dues & Memberships. This line item covers membership dues to organizations that provide benefits to SWCD and its constituents.

TECHNICAL SUPPORT

Legal.

- **Attorney Fees/General Counsel.** This line item covers attorney fees and legal costs for representation on general matters.
- **Attorney Travel Expenses/General Counsel.** This line item covers travel time and expenses for representation on general legal and litigation matters.
- **Litigation/General Counsel.** This line item covers attorney fees and legal costs for representation.
- **Attorney Fees/Special Counsel.** This line item covers fees for special legal counsel in matters related to SWCD's water rights and on certain employment matters.
- **Attorney Expenses/Special Counsel.** This line item covers expenses for special legal counsel.

Engineering and Other Technical Services.

- **Engineering Fees/General.** This line item covers fees and expenses related to engineering activities.
- **Engineering Fees/Modeling.** This line item covers modeling efforts necessary to support and assess inter- and intrastate water administration scenarios.

Other Technical Services. This line item covers other contracted technical services (non-engineering) that may arise during the year, such as water quality support or other technical needs. For example, this also covers over-budget costs for the Colorado Department of Public Health and Environment's partnership with Colorado Parks and Wildlife to test mercury levels in several local reservoirs.

WATER EDUCATION & OUTREACH

Other Event Sponsorships. This line item covers SWCD support for water-related events regionally and locally.

SWCD Children's Water Festival. This line item covers all costs related to SWCD's Annual Children's Water Festival, at which more than 700 fifth graders from across southwestern Colorado engage in educational programs for a full day at Fort Lewis College each May.

SWCD Southwest Water Seminar. This line item covers all costs related to SWCD's Annual Water Seminar, at which nearly 200 people attend each year to hear from state and local water experts.

SWCD Water Leaders Program Scholarship. This line item allows SWCD to potentially support all or a portion of tuition for any professionals from southwestern Colorado accepted to the statewide Water Leaders Program.

Water Connections Event. This line item covers all costs related to SWCD’s fall educational event, “Water Connections,” which has been held with other sponsoring partners.

Water Education Colorado. This line item covers SWCD’s support for the programming and content produced by Water Education Colorado, a statewide educational organization.

Watershed Education Program. This line item covers support for the Watershed Education Program, which provides water-related field trips throughout the year to elementary students in the Upper and Lower San Miguel basin.

WATER INFORMATION PROGRAM

This line item covers all program expenses related to the operation of the Water Information Program (WIP), which is presently financially supported by 28 partners in southwestern Colorado, with a dollar-for-dollar match from SWCD for partner contributions. Also included are any revenue generated from sponsored events (e.g. “Water Law in a Nutshell”). WIP provides balanced water-related educational content and programming to our nine-county region. This line item includes the cost of the independent contractor who manages the Water Information Program. As noted under budgeted revenue, among the Water Information Program’s revenue is an estimated \$35,785 from local partners for 2024.

DISTRICT ADMINISTRATION

Board of Directors.

- **Director Fees.** The board members are eligible to receive \$100 per day while engaged in SWCD business.
- **Director Travel.** This line item includes mileage, lodging, flights, meals, and any other travel costs incurred by board members while conducting SWCD business.

Staffing.

- **Wages – General Manager.** This line item covers wages for SWCD’s general manager.
- **Wages – Programs Coordinator.** This line item covers wages for SWCD’s programs coordinator.
- **Wages – Payroll Taxes.** This line item includes SWCD’s payroll taxes for two employees.
- **Wages – Retirement Benefit.** This line item includes SWCD’s retirement plan contributions for two employees. SWCD equally matches each employee’s personal contributions to their retirement plan, up to 5% of their annual salary.

- **Wages – Health & Life Insurance.** This line item includes the maximum amount that SWCD will contribute towards the payment of certain health and life insurance premiums for SWCD’s two employees and, in the case of health insurance, any qualified dependents.
- **Recruitment.** This line item includes the cost of potential recruitment of additional staff and related needs.

Administrative Expenses.

- **Accounting.** This line item covers any costs related to SWCD accounting, such as accounting software or consultation with professional accountants.
- **Payroll Department Fees.** *2024 Addition* This line item covers fees associated with outsourcing payroll.
- **Audit.** This line item covers the cost of the annual audit of SWCD’s financial statements, which is provided to the state by July 31 each year.
- **Capital Outlay.** This line item covers any purchases of items such as computers, other office equipment, or furniture.
- **Casual Labor.** This line item covers any one-time labor needs, such as movers or event support.
- **SDA Membership.** This line item covers SWCD’s Special District Association (SDA) membership.
- **Equipment Leasing.** This line item includes the monthly cost of leasing a copier.
- **Insurance – General Liability.** This line item covers general liability insurance for SWCD, public officials’ liability, and excess liability, along with SWCD’s worker’s compensation policy.
- **Legal Notice.** This line item includes SWCD’s noticing of the budget hearing annually in local papers in each of the nine counties.
- **Meeting Expenses.** This line item covers all meals, venue costs, facilitation, and other meeting-related expenses. This line item also includes all costs related to coordination of the board’s remote meeting and basin tour.
- **Miscellaneous Expenses.** This line item covers any expenses that do not clearly fall into another category, such as flowers for a hospitalized colleague or director.
- **Office Expenses.** This line item includes office supplies, consumable supplies, copy costs, software purchases, subscriptions, and other office-related needs.
- **Postage.** This line item covers postage costs for office mailings, principally board packets.
- **Registration Fees.** This line item covers conference, seminar or other event registration fees for board or staff.
- **Staff Training & Professional Development.** This line item covers the cost of courses or training for staff.
- **Telecommunications & IT Support.** This line item includes SWCD’s phone, internet, teleconferencing, and website services.

Staff Travel. This line item reimburses staff for mileage, lodging, flights, meals, and any other travel costs incurred while conducting SWCD business.

Rent. This line item includes monthly rent for SWCD's current office space, related utilities, parking spaces, and storage.

County Treasurer Fees. This line item covers fees charged by the nine counties to collect and disburse property tax revenue on behalf of SWCD. Country Treasurer Fees are estimated at three percent of total tax revenue budgeted.

SWCD Contingency Reserve. This line item allows for expenses which may be incurred in 2024 but which are uncertain at the time of budget adoption. It is intended that the contingency may be used to cover any line item in the budget or cover new SWCD expenses. As recommended by the auditor, this line item is zero for 2024.

	ADOPTED BUDGET 2022	ADOPTED BUDGET 2023	As of August 31 2023	% of Total 2023	Proposed Budget 2024	NOTES FOR BOARD & STAFF
DRAFT BUDGET 2024 - No HH						
Beginning Fund Balance	4,147,304	4,703,048			4,703,968	
FOR CSD P&L - TOTAL OPERATING EXPENSES (-capital outlay, capital portion of grant pgm, capital portion of previously committed)						
FOR CSD P&L - SERVICES CONTRACTED OUT						
FOR CSD P&L - TOTAL PAYROLL						
REVENUES						
Property Tax	1,575,682	1,646,892	1,581,991	96.1%	1,750,056	Net AV: \$5,221,392,857; Mil = .335
TIF Reimbursement	970	1,104	(1,036)	-93.8%	975	Durango North Main and Midtown URAs
Specific Ownership Tax	120,000	120,000	88,437	73.7%	120,000	
Interest, PILT & Other Tax Revenue	35,500	35,500	26,836	75.6%	35,500	
Other Income	76,000	126,165		0.0%	206,984	
Interest Earned	30,000	55,000	42,707	77.6%	120,000	Investment and loan interest
Miscellaneous	5,200	0			0	
SWCD Event Registration	2,000	10,000	10,625	106.3%	12,500	
USGS Partner Contributions		29,415	29,415	100.0%	31,699	
Water Information Program - Partner Contributions	38,800	31,750	33,435	105.3%	35,785	WIP Proposed
Water Information Program - Registration Income		6,000	3,295	54.9%	7,000	WIP Proposed
Water Information Program - Income Interest			257		250	WIP Proposed
TOTAL REVENUES	1,808,152	1,929,661	1,696,228	87.9%	2,113,515	
TABOR Emergency Contingency Reserve	(56,148)	(57,862)			(58,100)	3% of total budgeted expenses
TOTAL RESOURCES	5,899,308	6,574,847			6,759,383	
EXPENDITURES						
Water Supply - Quantity & Quality	519,222	526,396	295,336	56.1%	495,513	
San Juan Recovery Program Water User Cmt	38,112	55,260	55,260	100.0%	55,260	
Weather Modification in SW Colorado	80,000	81,000	78,772	97.2%	80,000	
Public Forums, Data Collection and Related Efforts	106,716	110,136	33,766	30.7%	110,253	
Bonita Peak Community Advisory Group	5,000	5,000		0.0%	5,000	
Center for Snow & Avalanche Studies	7,000	7,000	7,000	100.0%	7,000	
Stream Gaging/Federal	79,076	82,496	18,699	22.7%	88,613	SWCD Contributions = \$56,914 (2022 = \$53,081)
Stream Gaging/Colorado	2,640	2,640		0.0%	2,640	
San Miguel Watershed Coalition	13,000	13,000	8,067	62.1%	7,000	YTD includes San Miguel and CDPHE Water Quality
Local Financial Support (Grants)	250,000	250,000	93,772	37.5%	250,000	
Previously Committed Local Financial Support (Grants)	44,394	30,000		0.0%	-	
Water Policy & Legislation	103,300	101,600	70,464	69.4%	101,218	
Federal	55,500	55,500	38,985	70.2%	55,500	
Lobbying Fees	50,000	50,000	37,745	75.5%	50,000	
Lobbying Expenses	5,500	5,500	1,240	22.5%	5,500	
State	21,300	23,600	13,733		24,218	
Lobbying Fees	20,300	20,600	13,733	66.7%	21,218	
Lobbying Expenses	1,000	3,000			3,000	
Dues & Memberships	26,500	22,500	17,745	78.9%	21,500	
Club 20	300	300	300	100.0%	300	
Colorado River Water Users Association	200	200		0.0%	200	
Colorado Water Congress	15,000	11,000	7,645	69.5%	10,000	
Ditch & Reservoir Company Alliance	500	500	500	100.0%	500	
Family Farm Alliance	10,000	10,000	9,300	93.0%	10,000	
Four Corners Farmers & Ranchers Coalition	500	500		0.0%	500	
Professional Support	695,000	700,000	284,772	40.7%	725,000	
Legal	400,000	400,000	173,068	43.3%	400,000	
Attorney Fees/General Counsel	300,000	300,000	134,353	44.8%	300,000	
Attorney Travel Exps/General Counsel	20,000	20,000	9,496	47.5%	20,000	

Litigation/General Counsel	40,000	50,000	24,973	49.9%	50,000	
Attorney Fees/Special Counsel	35,000	25,000	4,237	16.9%	25,000	
Attorney Exps/Special Counsel	5,000	5,000	8	0.2%	5,000	
Engineering	195,000	225,000	111,704	49.6%	225,000	
Engineering Fees/ General	145,000	150,000	97,450	65.0%	150,000	
Engineering Fees/Modeling	50,000	75,000	14,254	19.0%	75,000	
Other Technical Services	100,000	75,000	0	0.0%	100,000	
Technical Support	100,000	75,000	0	0.0%	50,000	e.g. water quality and other technical support
Community Navigator Grant Match					50,000	
Water Education & Outreach	55,500	67,000	55,759	83.2%	74,000	
Event Sponsorships (≤ \$1,000 GM discretion; > \$1,000 needs Board approval)	6,000	6,000	973	16.2%	6,000	
SWCD Children's Water Festival	10,500	10,500	11,891	113.2%	10,500	YTD included Rising River Steward Reprint @ \$5,285
SWCD Southwest Water Seminar	18,000	28,000	28,395	101.4%	35,000	Estimated revenues of \$12,500 (see line 15)
SWCD Water Leaders Program Scholarship	5,000	4,500	4,500	100.0%	4,500	
Water Connections Event	-	2,000		0.0%	2,000	
Water Education Colorado	10,000	10,000	10,000	100.0%	10,000	
Watershed Education Program (Telluride Institute)	6,000	6,000		0.0%	6,000	
Water Information Program	85,295	80,110	68,774	85.8%	82,150	WIP Proposed; SWCD Contribution = \$35,785 (-\$3,330)
District Administration	389,362	399,530	212,115	53.1%	401,600	
Board of Directors	40,000	35,000	9,632	27.5%	30,000	
Director Fees	20,000	20,000	4,000	20.0%	15,000	
Director Travel	20,000	15,000	5,632	37.5%	15,000	
Staffing	237,222	245,950	140,498	57.1%	245,950	
Wages - General Manager	130,000	130,000	76,257	58.7%	130,000	
Wages - Programs Coordinator	51,905	60,000	26,508	44.2%	60,000	9% salary increase
Wages - Payroll Taxes	16,371	17,100	9,780	57.2%	17,100	
Wages - Retirement Benefit	9,095	9,500	8,461	89.1%	9,500	5% employer match
Wages - Health & Life Insurance	29,350	29,350	17,782	60.6%	29,350	Up to \$1200/mo/empl + life insurance
Recruitment	500		1,710			Wages paid to Laura (Can be placed elsewhere)
Administrative Expenses	60,100	65,900	27,496	41.7%	67,150	
Accounting	5,000	5,000	4,713	94.3%	5,000	
Payroll Department Fees					3,000	Est. 2023 cost 2387.62 plus inflation and 1099s (\$73.50 base fee plus \$7.10/form)
Audit	9,000	10,000	690	6.9%	12,000	
Capital Outlay	5,000	5,000	189	3.8%	5,000	
Casual Labor	200	200		0.0%	200	
SDA Membership	1,500	1,500	1,238	82.5%	1,500	
Equipment Leasing	1,800	-			-	
Insurance - General Liability	8,000	8,500	8,522	100.3%	8,750	Increase estimation for 2024
Legal Notice	600	200		0.0%	200	
Meeting Expenses	5,000	7,500	1,132	15.1%	7,500	
Miscellaneous Expenses	500	500	250	50.0%	500	
Office Expenses	6,000	7,000	3,821	54.6%	7,000	
Postage	3,000	2,500	246	9.8%	2,500	
Registration Fees	8,500	8,000	4,144	51.8%	8,000	
Staff Training & Professional Development	2,500	2,500		0.0%	2,500	
Telecommunications/IT Support	3,500	7,500	2,552	34.0%	3,500	
Staff Travel	20,000	20,000	13,295	66.5%	25,000	
Rent	32,040	32,680	21,194	64.9%	33,500	2% increase, lease expires in Oct 2023
County Treasurer Fees	51,965	54,105	46,638	86.2%	57,196	
SWCD Contingency Reserve	75,000	0			0	
TOTAL EXPENDITURES (TOTAL APPROPRIATED FUNDS)	\$1,974,644	\$1,928,741	\$1,033,857	53.6%	\$1,936,677	
Excess Revenue Over (Under) Expenditures	(\$166,492)	\$920	\$662,370	71987.4%	\$176,838	

WATER INFORMATION PROGRAM 2024 DRAFT BUDGET

As of Sept. 12, 2023	ADOPTED BUDGET 2022	ESTIMATED YEAR END 2022	ADOPTED BUDGET 2023	ESTIMATE TO DATE 2023	ESTIMATED BUDGET 2024	
Beginning Balance	124,651	124,651	124,651	125,276	125,886	EOY 22 is \$625 off - Beginning Balance 2024 is Estimated
<i>*Red indicates revised totals</i>						
Revenues						
Partner Support						
Animas La Plata Water Conservancy Distric	5,000	5,000	5,000	5,000	5,000	Requesting Increase TBD
Animas Water Company	350	-	500	500	500	
CWR&PDA	2,000	2,000	2,000	2,000	2,200	Requesting Increase
Dolores Water Conservancy District	4,000	3,500	3,500	3,500	2,500	Decreased by \$1000
City of Cortez				1,000	1,000	
City of Durango	2,000	2,000	2,000	2,300	2,500	\$200.00 Confirmed increase
Empire Electric Association	500	500	500	500	500	
Florida Water Conservancy District	1,000	1,000	1,000	1,000	1,000	
Four Corners Water Center at Fort Lewis C	350	350	350			In-kind donation of \$300
Harris Water Engineering	500	500	500	500	500	
High Desert Conservation District	250	250	250	300	300	
Kogovsek & Associates	1,000	1,000	1,000	1,000	1,000	
La Plata Archuleta Water District	2,200	2,200	2,200	2,200	2,600	Requesting Increase
La Plata Conservation District	300	300	300	300	300	
La Plata Electric Association	500	-	500	500	500	
La Plata Water Conservancy District	100	100	100	150	150	
La Plata West Water Authority	200	200	200	300	300	
Lake Durango Water Authority	500	500	500	500	500	
Mancos Conservation District	300	300	300	360	360	
Montezuma Valley Irrigation Company	500	-	-			Has not been able to contribute for past couple of years
Pagosa Area Water & Sanitation District	3,000	3,000	3,000	3,000	3,300	Requesting Increase
Pine River Soil Conservation District	2,500	2,500	2,500	2,500	2,500	
Pine River Irrigation District	1,000	1,000	1,000	1,150	1,150	
San Juan Water Conservancy District	2,500	2,500	2,500	2,875	2,875	
SGM	500	500	500	1,000	1,000	
Southern Ute Indian Tribe					1,500	Possible new Partner; waiting to hear back
The Nature Conservancy	500	500	500	800	800	
Town of Silverton	50	-	50		50	
Town of Telluride	200	200	200	200	200	
Trout Unlimited (Five Rivers Chapter)	400	400	400	500	500	
Wright Water Engineers	400	-	400		400	
SWCD Matching Contribution	32,600	30,300	31,750	31,750	35,985	
Program Registrations	6,000	12,515	6,000	7,295	7,000	3295.00 (Water Law Realtors - Jan 19) + \$4000.00 as of 9/5 for 9/28 course
Account Interest	200	400	300	220	250	
TOTAL REVENUES	71,400	73,515	69,800	73,200	79,220	
TOTAL RESOURCES	196,051	198,166	194,451	198,476	205,106	

Expenditures						
Contractor Coordination/Management	60,000	60,000	60,000	60,000	65,000	Increase \$5000
Educational Programming	8,000	7,453	8,000	5,237	6,700	
Forest to Faucets Teacher Training Program	3,000	3,108	3,000	1,087	2,500	Reduced by \$500
Water Law in a Nutshell Course	5,000	4,345	5,000	4,150	4,200	Estimated Expense for 2023. Actual to date. Sept. Course not complete yet.
Community Outreach	11,315	3,183	6,510	4,189	5,500	
Conferences/Event Outreach/Travel	6,500	575	3,500	1,462	3,000	Registration, lodging, mileage for outreach/networking.
<p>WIP Community Outreach Videos - A total of four (every 3 months), 2 - 4 minute videos, of WIP in the Community, interviewing partners and their projects, events, etc. increasing Social Media Presence. Will work with Videographer and go out in the community, finished product will be edited.</p>						<p>Consider short video clips on "where your water comes from" interviews or Podcast format. Interview people in basin. Use H2O water map with video side-by-side (short video clip interview) of a provider, project or community water event, educational project. Use social media to push out. This is a new concept; videos will be on WIP website; Facebook, Twitter (X), and included in Nine Basins Bulletin and on a WIP YouTube Channel. NOTE: NORMAL VIDEOGRAPHER COST WOULD BE \$1200.00 PER VIDEO; WE ARE GETTING AN AMAZING DISCOUNT OF \$500 PER VIDEO</p>
Outreach Equipment	2,500	100	2,500	2,427	2,000	Working on new WIP Display before 2023 year end
Memberships	315	508	510	300	500	Weco, Durango Chamber, CAEE
Sponsorships	2,000	2,000				
Educational Content	3,255	2,351	2,650	2,573	2,350	
Brochures	750	-	400	250	400	Reduced from \$750.00 - Editing WIP brochure and reprinting. We are out.
Educational Products/Materials	1,500	1,008	750	1,500	800	Books, material (Water Law Citizens Guides) and new WIP Folders.
Newsletter	240	143	300		150	1/2 of MailChimp subscription for Nine Basins Bulletin
Website/Tech Support	765	1,200	1,200	823	1,000	Includes webhosting, support, accessibility software
Administration	725	990	950	592	800	
Capital Expenses	500	-	-			
Office Expenses	150	300	300	276	500	Copies haven't been charge in 23, Includes Adobe \$240, general postage & copies
WIP Meeting Expenses	75	285	225	316	300	Includes Zoom \$123, Doodle poll \$80,
Telephone	-	405	425			Hasn't yet been charged in 23, Dedicated WIP phone line
Contingency	2,000	-	2,000		1,000	Will only use if needed for emergency
OPERATING EXPENDITURES	85,295	73,977	80,110	72,590	81,350	
Excess Revenue Over (Under)						
Expenditures	(13,895)	(462)	(10,310)	610	(2,130)	
ENDING BALANCE	110,756	124,190	114,341	125,886	123,756	Note: YTD balance ties to YTD bank acct balance

WATER INFORMATION PROGRAM 2024 DRAFT BUDGET Continued

14.0 Legislative Updates

- 14.1. State Legislative Affairs Update – Garin Vorthmann
- 14.2. Federal Affairs Update – Christine Arbogast

14.0 Legislative Updates

Legislative Report – October 2023

Water Resources and Agriculture Review Committee (WRARC)

The WRARC has met three times since August and has discussed a variety of water issues ranging from Colorado River management, Waters of the United States, Water Conservation and Tribal Nation Water Rights. With the expansion of the committee's charge to also include general agricultural topics, the following issues have also been discussed: veterinary care, pesticide regulation and the status of wolf reintroduction.

The committee has requested 16 bills to be drafted for consideration at the October 31 meeting. The legislative rules restrict the rules allow the committee to approve up to 10 bills that can be forwarded as interim committee bills for the 2024 legislative session. The list of water related bills for consideration is as follows:

- Public meeting requirements for Colorado Parks & Wildlife, Colorado Water Conservation Board and the Colorado Ag Commission.
- Non-functional Turf in New Developments
- Impacts of Water Conservation Measures on Water Rights
- Groundwater Monitoring Data in Specified Water Conservancy Districts

The draft legislation will be released on October 10. CLS will follow up with SWWCD staff once more details are available.

Colorado River Drought Task Force (CRDTF)

The CRDTF has met five times. The purpose of the task force is to provide recommendations for potential state legislation that would provide additional tools to the Colorado Water Conservation Board (CWCB) to collaborate with the Colorado River Water Conservation District, the Southwestern Water Conservation District, and other relevant stakeholders, including holders of water rights, agricultural producers, industrial water users, environmental organizations, the Ute Mountain Ute Tribe, the Southern Ute Indian Tribe, and local governments, to develop programs that address drought in the Colorado River Basin and interstate commitments related to the Colorado River and its tributaries through the implementation of demand reduction projects and the voluntary and compensated conservation of the waters of the Colorado River and its tributaries.

SWWCD and CLS staff have been actively engaged in the conversation and will continue to monitor the discussions. The task force is scheduled to meet at least five more times with additional meetings being scheduled for the sub-task force on tribal matters. Discussion points for the task force have been separated into two areas, intrastate needs and how to help Colorado water users better manage drought conditions and interstate water matters and how to protect the State of Colorado in Colorado River management discussions. Topics for potential legislative proposals include water management/planning by energy providers, stream restoration, water sharing, water banking and development of more tools to keep agricultural water in agriculture. It is important to note that these are just concepts where the discussion is just beginning. More concepts are likely to be added to the list for consideration in the next couple of months.

The task force will submit a final report to the Water Resources and Agricultural Review Committee no later than December 15, 2023.



COLORADO LEGISLATIVE STRATEGIES NEWSLETTER

September Economic & Revenue Forecast

September 20, 2023

Introduction

Once again, as the seasons change so do the economic and revenue forecasts. Fall won't officially start for a few days (September 23) but today was the presentation of the latest economic and revenue forecasts. Four times a year, Legislative Council Staff (LCS, non-partisan economists for the General Assembly) and the Office of State Planning and Budgeting (OSPB, the Governor's economists) update the Joint Budget Committee (JBC) on their current projections.

Overall, there wasn't any earth-shattering news in the updated forecasts. There were slight revisions upward relative to the June forecast, which will give the JBC slightly more breathing room next session, but the legislature still won't have much money to spend on new programs. Revenue continues to exceed the TABOR cap and there will be large refunds throughout the forecasted period. And both forecasts (LCS and OSPB) had similar projections, with OSPB having a slightly rosier outlook.

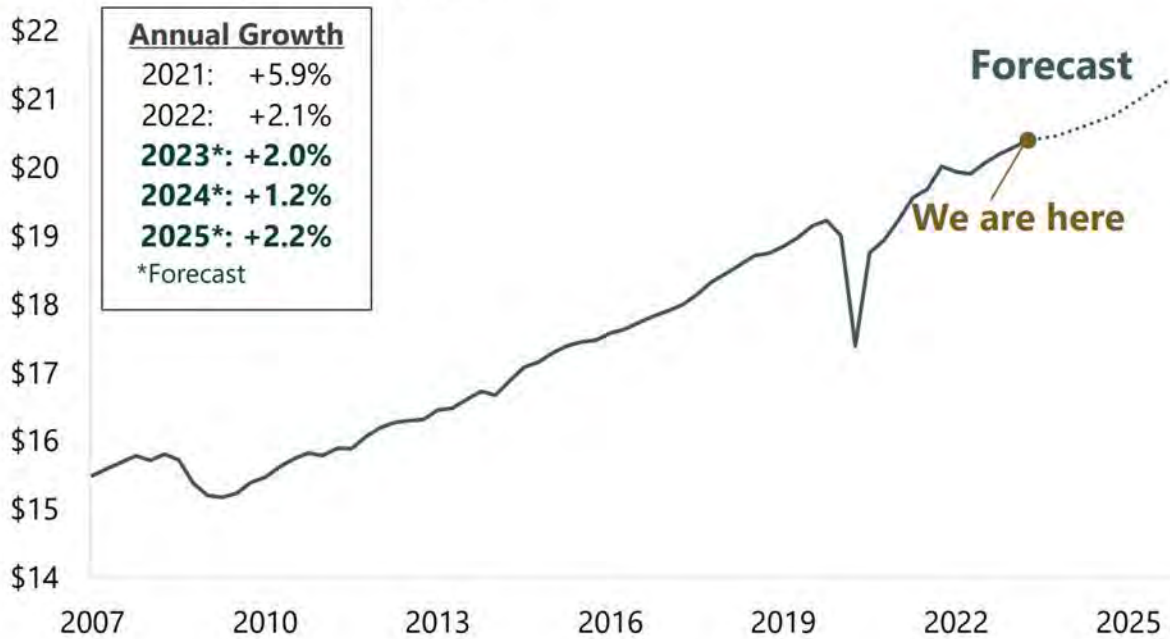
Before we dive into all the details of the economic and revenue forecasts, we also want to make sure you are aware of other news from today. There isn't a good transition to this news; Senator Faith Winter was involved in a bicycle accident where she sustained a head injury that required surgery. She is now resting and recovering and we wish her the best as she works toward a fast and full recovery.

Now let's dive into the details of the economic and revenue forecasts. All charts included are from the LCS presentation.

Economic Outlook

The economic outlook is good but not great. The risk of a recession is lower now than in June but the risk of a recession is still present. So far, the economy has been successfully navigating between inflation and recession. The chart below shows that after the steep decline during the pandemic and fast recovery we are now in a period of slow growth in the 1-2 percent range.

Real U.S. Gross Domestic Product
Trillions of Dollars, Adjusted for Inflation

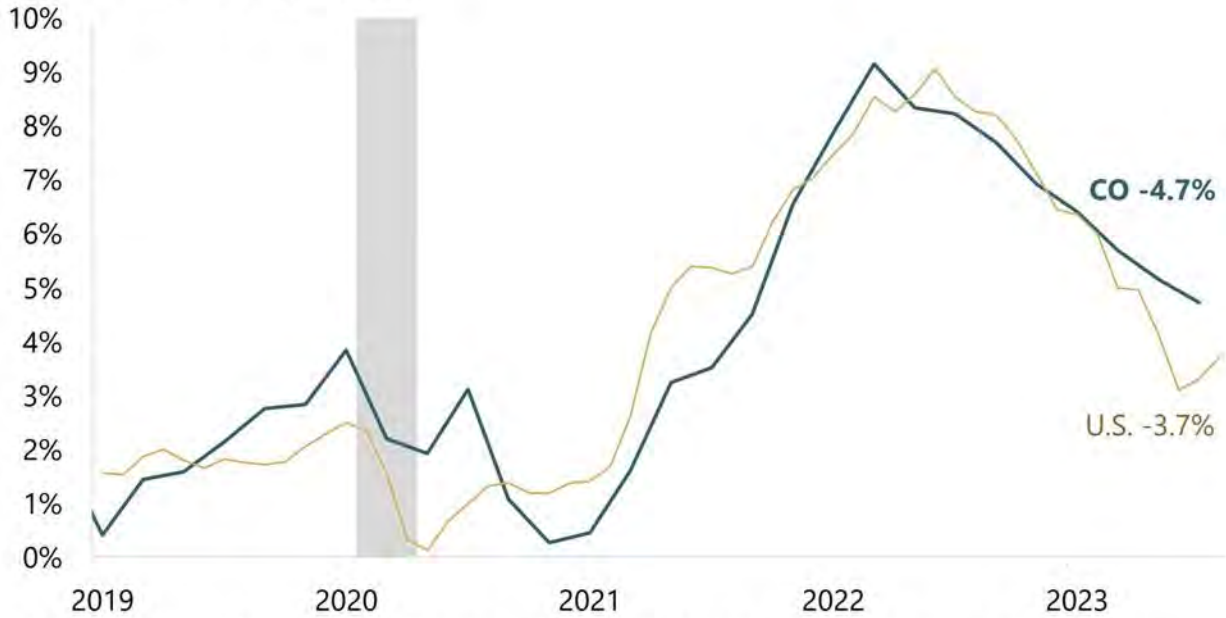


Source: U.S. Bureau of Economic Analysis and Legislative Council Staff September 2023 projections.
 Real GDP is inflation-adjusted to chained 2012 levels and shown at seasonally adjusted annualized rates.

The economic news indicates a slowing but resilient economy despite aggressive Federal Reserve action to rein in inflation. Inflationary pressure is going down, although at a slower pace in Colorado than nationally (shown in the chart below). The Fed is expected to slow further interest rate hikes but not to make any rate cuts until inflation approaches its 2 percent target. The largest downside risk to the economic outlook is that tightening monetary policy could trigger a recession.

Headline CPI-U Inflation

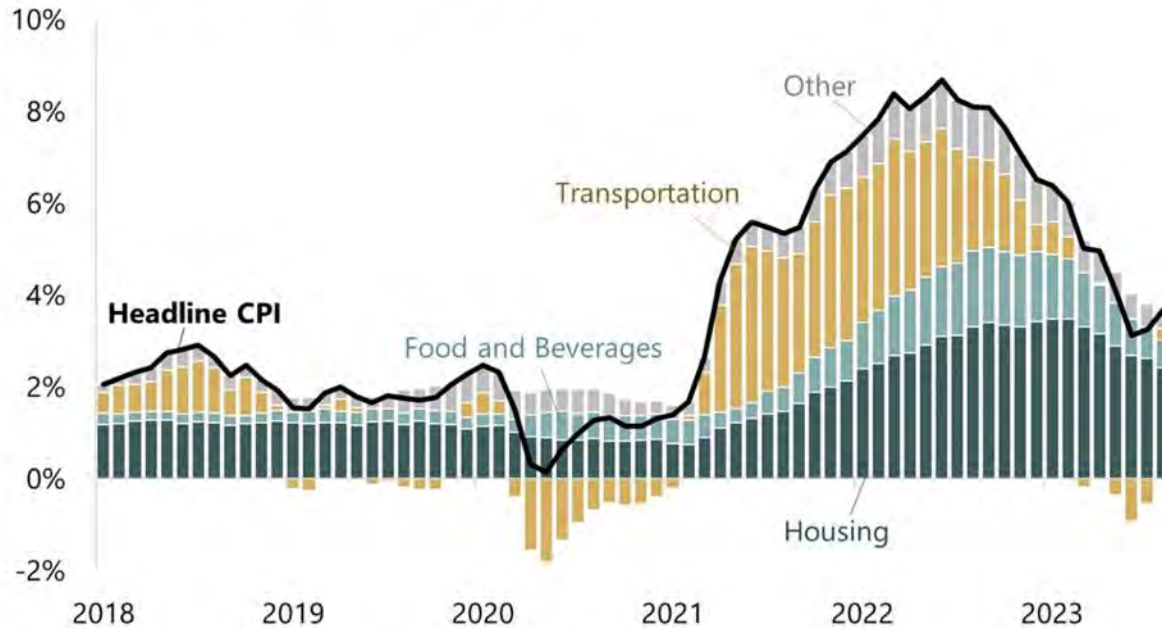
Year-over-Year Change in Prices



Source: U.S. Bureau of Labor Statistics. U.S. data are through August 2023. Colorado data are through July 2023. Inflation is calculated as the growth in urban area prices in a given period relative to the same period in the prior year. Colorado inflation is measured using prices in the Denver-Aurora-Lakewood metropolitan area.

Diving deeper into inflation, the chart below shows that housing costs are the primary driver of inflation in recent months. The surge in inflation in early 2022 was largely driven by energy prices, but inflationary pressure from energy dissipated quickly and is now primarily driven by housing costs. The housing component of CPI tends not to change quickly in aggregate and month-over-month growth in housing prices suggests that housing inflation may persist.

Contributions to U.S. CPI-U Year-over-Year Change in Prices, August 2023



Source: U.S. Bureau of Labor Statistics and LCS calculations.
Inflation is calculated as the growth in urban area prices in a given period relative to the same period in the prior year.

In conclusion, we are seeing slow but resilient growth and the risk of a recession has dropped. However, inflation in Colorado remains elevated, above the national average, and likely to persist.

Revenue Outlook

The revenue outlook is where the rubber really meets the road. The economic outlook affects how much revenue is coming in and thereby impacts the state budget. This is the projection of how much (or how little) the legislature will be able to spend next session.

The chart below shows general fund revenue. The bar for 2021-22 shows a historic jump in general revenue; that 23.7 percent increase was driven by high individual income tax collections. The bar for 2022-23 was revised up by \$306 million to bring the general fund growth to 1.7 percent, which is driven by high corporate tax collections. The following year, in 2023-24, general fund revenue is projected to drop down by 3.1 percent to more normal levels. And in the two out years, general fund revenue is expected to return to normal growth of around 6 percent each year.

Gross General Fund Revenue

Billions of Dollars

Percentages show year-over-year changes

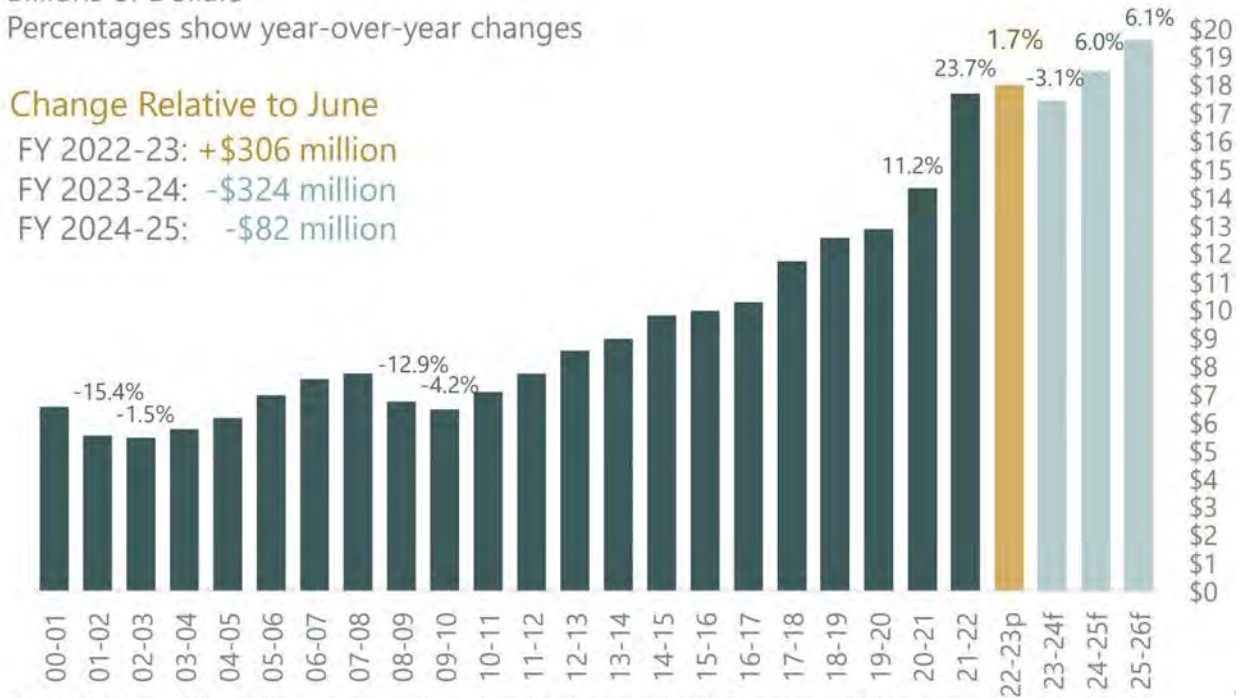
September 2023
Expectations

Change Relative to June

FY 2022-23: +\$306 million

FY 2023-24: -\$324 million

FY 2024-25: -\$82 million



Source: Colorado Office of the State Controller and Legislative Council Staff September 2023 forecast.

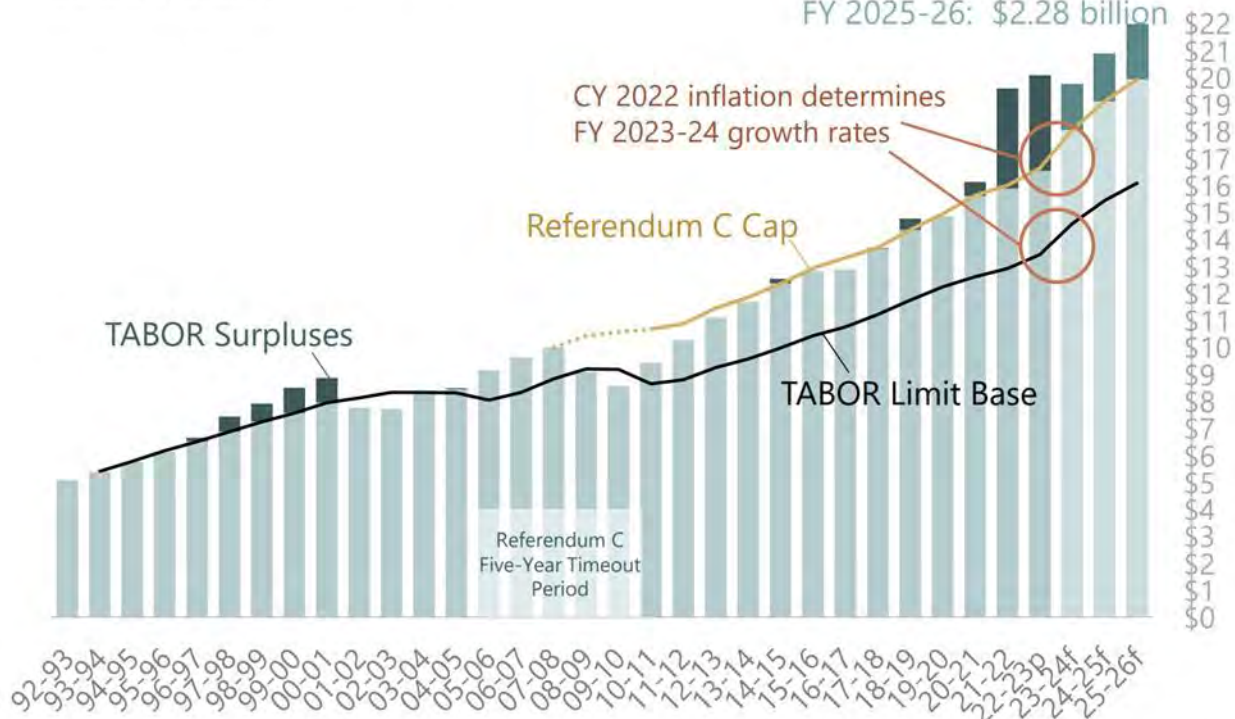
It's good to know the overall general fund revenue, but in a state with TABOR the total amount isn't what constrains the budget (at least in good economic times) and instead the biggest constraint on the budget is the TABOR cap (also called the Ref C cap). The chart below shows that we are projected to be well above the TABOR cap for the forecasted period. The 2022-23 refund obligation of \$3.57 billion was historically large and will drop down to \$1.7 billion in 2023-24, \$1.77 billion in 2024-25, and \$2.28 billion in 2025-26. Part of what's driving down the future refund obligations is last year's inflation hitting the TABOR cap calculation (you can see the yellow line rise from 2022-23 to 2023-24).

TABOR Outlook

Revenue Subject to TABOR
Dollars in Billions

Revenue Above the Ref C Cap

FY 2022-23: \$3.57 billion
 FY 2023-24: \$1.70 billion
 FY 2024-25: \$1.77 billion
 FY 2025-26: \$2.28 billion

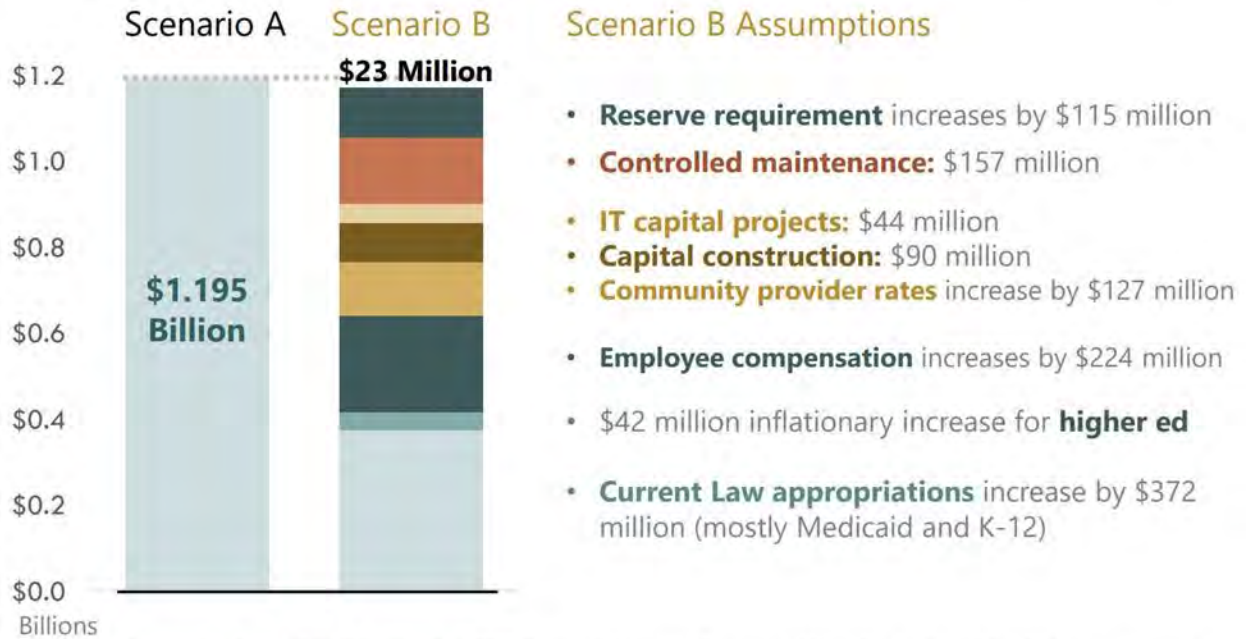


Source: Colorado Office of the State Controller and Legislative Council Staff September 2023 forecast.

So once again the state is taking in plenty of money but a good chunk of it (billions of dollars) are required to be set aside to pay for TABOR refunds. When the whole general fund is about \$18 billion, a few billion is a big bite out of what's available to save or spend. Which brings us to how much money is going to be available for next year's budget. The chart below shows two scenarios to consider as we think about next year's budget. Scenario A simply holds all the appropriations constant from the current budget, and under that scenario there is \$1.195 billion available. Scenario B, on the other hand, makes some assumptions about what the JBC will need to fund next year. This scenario includes increased spending on things like Medicaid, K12, higher education, and because there is more spending there is also an increase in the required reserve amount. When you factor all of that in, the amount of money available shrinks to only \$23 million.

Next Year | FY 2024-25 Budget Outlook

Scenario A: Additional revenue available to spend or save above current FY 2023-24 spending levels. Amounts hold FY 2023-24 appropriations constant and incorporate the revenue forecast, current law transfers, rebates and expenditures, and the 15% reserve requirement.



Scenario B Assumptions

- **Reserve requirement** increases by \$115 million
- **Controlled maintenance:** \$157 million
- **IT capital projects:** \$44 million
- **Capital construction:** \$90 million
- **Community provider rates** increase by \$127 million
- **Employee compensation** increases by \$224 million
- \$42 million inflationary increase for **higher ed**
- **Current Law appropriations** increase by \$372 million (mostly Medicaid and K-12)

Source: Legislative Council Staff September 2023 forecast. Scenario B prepared based on out-year budget pressures identified by JBC Staff. 21

That number, \$23 million, certainly isn't that good and means it will once again be a tight budget year for new spending, but it's at least better than the June forecast where the scenario B number was negative \$78 million. Keep in mind these forecasts are projections and are snapshots in time based on the data currently available. The JBC will be back for another round of forecasts in December and then again in March, which is when they will select one of the forecasts as the baseline for the budget.

Next up for the budget process is the Governor's budget proposal, which will come out on November 1.

[Links to All Forecast Documents](#)

Legislative Council Staff (LCS)

- [Presentation](#)
- [Full Report](#)
- [Consumer Price Index](#)

Office of State Planning and Budgeting (OSP)

- [Presentation](#)
- [Full Report](#)
- [Supplemental](#)

PRESS RELEASES

Bennet, Hickenlooper, Colleagues Reintroduce Bipartisan Bill to Help Good Samaritans Clean Up Abandoned Hardrock Mines

September 14, 2023

Washington, D.C. — Colorado U.S. Senators Michael Bennet and John Hickenlooper joined U.S. Senators Martin Heinrich (D-N.M.) and Jim Risch (R-Idaho) to reintroduce the Good Samaritan Remediation of Abandoned Hardrock Mines Act. This legislation would make it easier for “Good Samaritans”, such as state agencies, local governments, nonprofits, and other groups, to clean up and improve water quality in and around abandoned hardrock mines.

“Thousands of abandoned mines in Colorado and across the American West threaten our watersheds and pollute our ecosystems,” **said Bennet**. “This bipartisan legislation will make it easier for our state, local governments, and nonprofits to clean up these mines, help reduce pollution, and improve water quality.

“Abandoned hardrock mines pose alarming risks to our water supplies and soil quality,” **said Hickenlooper**. “Cutting red tape so good faith actors can clean up these sites is a no-brainer.”

“We have Good Samaritans ready to clean up abandoned mines that are threatening our communities through the land, water, fish, and wildlife they rely on,” **said Heinrich**. “I’m proud to reintroduce this bipartisan legislation with Senator Risch to create a path for Good Samaritan groups to clean up these sites in New Mexico and across the country.”

“For far too long, we have prevented commonsense environmental improvements from taking place at long-abandoned hardrock mines because we place significant liability risk on the good faith actors who want to clean them up,” **said Risch**. “I’m proud to introduce legislation with Senator Heinrich to support true Good Samaritans who want to address water quality issues and allow this important work to go forward.”

Thousands of abandoned hardrock mines across the country pose environmental hazards. “Good Samaritan” organizations with no legal or financial responsibility to an abandoned mine want to volunteer to remediate some of these mines, but liability rules would leave these organizations legally responsible for all pre-existing pollution from those mines. The Good Samaritan Remediation of Abandoned Hardrock Mines Act creates a pilot permitting program to enable cleanup to move forward while ensuring these Good Samaritans have the resources to comply with federal oversight. This program is aimed at lower-risk projects that will improve water and soil quality or otherwise protect human health.

Bennet introduced earlier versions of this legislation with colleagues in 2013 and in 2016 following the Gold King Mine spill. In 2019, Bennet introduced the Hardrock Mining Reform Act to modernize our nation’s outdated hardrock mining laws and clean up abandoned mines and reintroduced an updated version with Heinrich and several colleagues.

The text of the bill is available [HERE](#) .

Permalink: <https://www.bennet.senate.gov/public/index.cfm/2023/9/bennet-hickenlooper-colleagues-reintroduce-bipartisan-bill-to-help-good-samaritans-clean-up-abandoned-hardrock-mines>

16.0 Staff Reports

- 16.1. Approval of 2024 SWCD Meeting Calendar (see agenda item 8)
- 16.2. Proposed 2024 SWCD Employee Health Plans
- 16.3. Update on SWCD Water Conservation Program
- 16.4. Update on 2023 Grant Status
- 16.5. Update on 2023 Action Plan
- 16.6. 2022 Final Audit and Memo
- 16.7. Director Appointment Terms – January 2024
- 16.8. December 2023 Budget Hearing and Special Meeting
 - Wednesday, December 6 – ½ day; zoom only

16.0 Staff Reports



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 and Mo
Subject: Selection of 2024 Employee Health Plans
Date: 10/04/2023

We wish to confirm that, for 2024, the SWCD would like to continue offering the same health plans selected in 2023 with the same employee health benefit structure. The deadline to select 2024 employee health insurance plans with Colorado Employer Benefit Trust (CEBT) is Friday, October 13, 2023. Premiums will increase 3.5% from 2023 to 2024. In 2020, the SWCD board conducted a thorough review of health insurance plans on the market and restructured SWCD's health insurance benefits for employees. In 2021, 2022, and 2023 the SWCD board offered the following three health plan choices for employees to select from:

- PPO4
 - Steve's plan in 2022, 2023, and likely choice for 2024
 - Mo's plan in 2023 and likely choice for 2024
- PPO6 (Laura's plan in 2022)
- HDHP3 (high deductible plan with an HSA option)

In 2021 and 2022, SWCD also offered the following dental, vision, and life insurance plans:

- Dental Plan A
- Vision Plan A
- Life insurance (covered by 100% by SWCD)

Currently, SWCD pays for up to \$1,200 per month of an employee's health, dental, and vision plan premiums. SWCD pays 100% of employee life insurance premiums as required by CEBT.

If an employee selects the HDHP3 plan (a high deductible option that is eligible for a Health Savings Account), SWCD will contribute \$150 per month to an employee's HSA and up to \$1,050 per month toward an employee's health, dental, and vision plan premium. Neither Steve nor Mo has selected this plan in 2023 nor do they plan to in 2024.



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 and MoRock

Subject: Update on SWCD Water Conservation Program Framework

Date: 10/05/2023

In July, the SWCD Board had a work session to discuss the proposed SWCD Water Conservation Program. Since then, SWCD staff have continued to work with partners to update the framework to add additional details. We continue to focus on accessing federal funds and moving forward with applying to CWCBC for grant funds to support a SW Colorado Community Navigator position.

As we have discussed, there remain significant “buckets” of federal funding made available through the Bipartisan Infrastructure and Inflation Reduction Act legislation. For this program, our focus has been on the \$500 million that has been designated for Upper Basin water conservation efforts. Up to \$125 million of these funds has already been granted to the Upper Colorado River Commission for the 2023 and 2024 System Conservation Pilot Program. However, there has been a push (including by SWCD) that portions of the remaining \$375 million be distributed to more local entities to carry out water conservation efforts. Although we have not seen anything definitive from the Department of Interior on how those funds may be utilized, we have heard they are strongly considering the needs of “local efforts”. We believe there will be more information provided before the end of the year.

We all recognize that to develop and implement any water conservation program, additional capacity is necessary. As such, we have continued our efforts to receive grant funds from CWCBC to retain a Community Navigator position. This is a critical first step to grow a grant program. This individual would focus on the federal funding bureaucracy, help connect constituents with funding sources and package projects together to qualify for larger sums of money. To help gauge how much funding one person can manage, the SWCD Programs Coordinator has been working with Stacy Beaugh (Strategic by Nature) to interview others who have pursued similar positions. This includes individuals with the Rio Grande Water

Conservation District, Rio Grande Headwaters Land Trust, Mancos Conservation District, and Gunnison Water Conservancy District. All these entities have implemented successful water conservation and infrastructure programs. These meetings are underway, and we hope to have a clearer understanding of workloads and lessons learned after compiling individual answers. Additionally, we have an another meeting with Laura Spann (Colorado Water Conservation Board) and Michael Regan (Department of Natural Resources) to discuss funding for this position on Friday, October 13th.

SWCD Water Conservation and Infrastructure Program Proposal

Drafted for consideration by the
Southwestern Water Conservation District (SWCD)
Board of Directors

Summary

Southwestern Water Conservation District (SWCD) proposes the development of a water conservation and infrastructure program to pursue and implement projects identified in SWCD strategic priorities, SW BIP, and through other community-engaged processes. SWCD and regional partners plan to request federal 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, and water conservation projects that require complex regional partner collaboration and larger monetary investment to be achieved. Ultimately, this program seeks to leverage current unprecedented 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 Southwest District.

Background

With diminishing water availability in the West due to drought, aridification, and growing populations, there is an ongoing need to conserve water while maintaining the economic viability of our communities. SWCD has an interest in pursuing the ongoing development of these projects and in advancing water conservation efforts, all to help the region maintain economic viability and quality of life in the face of ongoing drought, increasing water demands, and other challenges.

Currently, there are ample opportunities to conserve water within our existing systems. The projects in the SW BIP all share this common goal. Projects that upgrade agricultural water infrastructure, make more efficient use of existing water supplies, improve flow monitoring and water management, restore habitats and ecosystems, and provide thoughtful development of municipal and industrial water services all continue to support ongoing conservation efforts in the Southwest Basin.

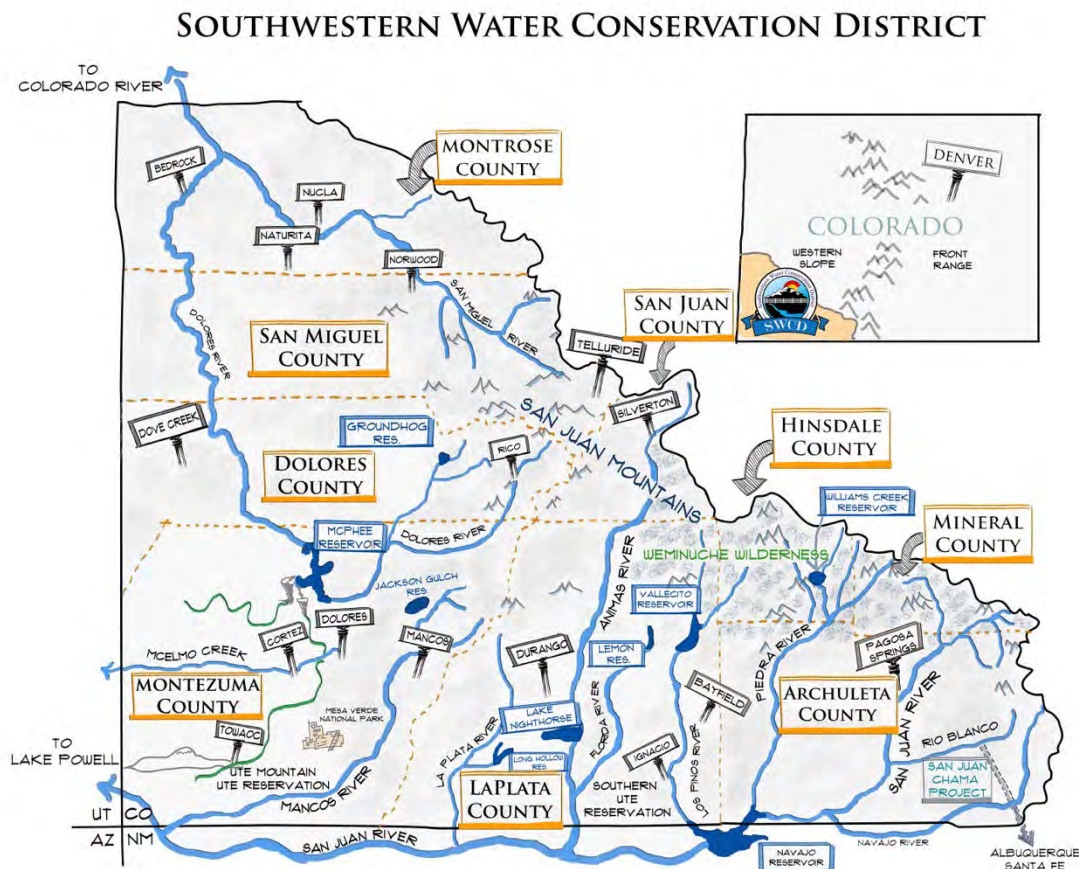
When the 2022 Southwest Basin Implementation Plan (SW BIP) was completed, it identified 148 projects in the Southwest Basin with an estimated \$790 million construction cost. This price tag presents a huge challenge as project proponents don't have the revenue to fund projects on their own. The current update of the SW BIP coincides with historic federal funding that is available to fund these projects now. Accessing federal funding can increase the number, scale, and timeline of projects that are implemented in the Southwest Basin.

Approach

SWCD is uniquely positioned to leverage federal funding to implement local water projects in their District for many reasons.

1. Mission alignment with regional and state funding initiatives.
2. SWCD is a local entity that can uniquely access and leverage federal funds.
3. SWCD has the organizational structure in place with its existing grant program.
4. SWCD has supported numerous projects in the Southwest Basin and helped collect information for many more.
5. SWCD is a regional leader and has strong working relationships with the project proponents, partners, and stakeholders.

SWCD consists of nine sub-basins within the San Juan and Dolores River basins of Colorado. SWCD was created by the Colorado General Assembly in 1941 “to protect, conserve, use and develop the water resources of the San Juan and Dolores River Basins for the welfare of all the inhabitants, and safeguard for Colorado all waters to which the state is entitled”. SWCD currently funds water supply projects, recreational development, environmental improvements, community collaboration, water quality studies, and others that carry out the statutory purpose of the District. This experience makes SWCD an excellent entity to help connect federal funds to local projects.



SWCD’s strategic priorities are:

1. In coordination with the appropriate partners, ensure the SWCD remains engaged in obtaining, updating, and analyzing water supply, demand, and quality data necessary to address the water management challenges facing southwest Colorado.
2. Lead advocacy for southwest Colorado in Colorado River, interstate, and transmountain issues.
3. Balance meeting multiple water needs amongst a diverse set of priorities, especially when there is potential for conflict or mutual benefit.
4. Support investment in improvements to existing infrastructure as well as the development of new infrastructure for multiple uses in southwest Colorado.
5. Strengthen the continued professional and efficient operation of SWCD while building a culture of mutual trust and respect.
6. Cultivate SWCD's credibility with decision-makers and the public through targeted outreach efforts.

SWCD's statutory purpose and strategic priorities align with the goals of the Colorado Water Plan and the SW BIP. The Colorado Water Plan and Basin Implementation Plans led by the Colorado Water Conservation Board (CWCB) are statewide and regional plans that identify priorities and projects to address water resource challenges in our state. The Colorado Water Plan provides a framework for helping Colorado meet its water challenges through collaborative action around water development and water conservation. Each major river basin in Colorado produced its own detailed Water Plan called Basin Implementation Plans (BIPs), within the larger framework of the State Water Plan. The Southwest Basin covers the same nine sub-basins in the San Juan and Dolores basins as SWCD, with the addition of a portion of Mesa County (lower Dolores River).

The Southwest Basin Implementation goals are to:

- Balance all needs and reduce conflict.
- Support the needs of agriculture.
- Meet municipal and industrial water needs.
- Meet recreational water needs.
- Meet environmental water needs.
- Promote healthy watersheds.
- Manage risk associated with the Colorado River Compact and the Upper Colorado River Basin Compact.

A wide variety of projects and activities have been implemented since the first SW BIP was completed in 2015. The ongoing and completed projects have achieved results that further the goals of the SW BIP and improve water management in the basin (SW BIP 2022, p.14). Since 2015 over 97 projects have been completed or implemented. Of these completed projects, 18 met agricultural needs, seven met municipal/industrial needs, four met environmental, and four were innovative and multi-benefit projects. These funded projects received financial support through the Water Supply Reserve Funds (WSRF) program through the CWCB and the Southwest Basin Roundtable (SW BIP 2022, p.14-20). There are many more future projects to implement that were cataloged in the 2022 SW BIP update, for which SWCD helped compile project details. In addition, there are many other projects that did not make it on the BIP list for a variety of reasons including a lack of awareness of the BIP process or simply new developments since the list was completed.

SWCD has a grant program that helps to fund projects throughout the District. In their 2023 budget, SWCD appropriated \$250,000 in total grant funding for that year: \$125,000 for water supply projects, \$50,000 for studies and processes, \$10,000 for education, and \$65,000 for emergencies. Other projects that have been funded include ditch rehabilitation, water storage development, water quality studies, collaborative events, targeted educational outreach, and habitat restoration.

There are currently historic levels of federal funding for water projects from the Inflation Reduction Act (IRA) and Infrastructure Investment and Jobs Act (IIJA). The Bureau of Reclamation (Reclamation) has been allocated \$4 billion for drought mitigation across the Country from the IRA. Regionally, Reclamation announced in the fall of 2022 that “at least \$500 million would be available for investment in the Upper Colorado River Basin States for long-term system efficiency improvements that will result in additional water conservation for the entire system”. They are focusing these funds on system conservation and long-term, durable projects that incorporate efficiency improvements, demonstration of innovation, and ecosystem restoration projects with drought benefits. SWCD and regional partner organizations strive to take advantage of this available funding.

There are many experienced and invested regional partners that can help SWCD leverage this federal funding to develop the program. These include:

- Southwest Basin Roundtable (SWBRT). One of the nine basin roundtables that were formed in 2005 in Colorado “to facilitate continued discussions within and between basins on water management issues, and to encourage locally driven collaborative solutions to water supply challenges. The SWBRT led the development of the SW BIP and provides funding for local projects in addition to supporting local applications to state funding sources.
- Colorado Ag Water Alliance (CAWA). CAWA is comprised of agricultural leaders from across Colorado committed to the preservation of agriculture through the wise use of Colorado’s water resources.
- Theodore Roosevelt Conservation Partnership (TRCP). The TRCP is a policy-oriented nonprofit with the mission to guarantee all Americans quality places to hunt and fish, is working to help ensure that federal funding is accessible to on-the-ground partners across the West. They have recently conducted research on the challenges of accessing and utilizing federal funding for cross-boundary watershed-scale projects (2022 Universal Barriers Report).
- Colorado Farm Bureau (??)
- The Nature Conservancy (TNC). TNC is working to position local place-based community collaboratives and Tribes to apply for and utilize federal funding for projects. They are working in the San Juan and Dolores Basins.
- Trout Unlimited. TU is actively working to support local communities in designing and implementing multi-benefit projects.
- Mancos Conservation District (MCD). The MCD has successfully coordinated with local partners to grow their capacity to implement projects and have developed an integrated water management plan. The District Manager, Gretchen Rank, piloted a Community

Navigator position with the River Network that was funded by a CWCB Water Plan grant.

- Strategic by Nature (SBN). SBN is an independent consultant that has worked on many projects with organizations and communities to advance multi-benefit projects through planning, organizational development, grant writing, facilitation, and is local to the region.

The proposal project team consists of SWCD, TRCP, and SBN. The project team exists to support SWCD to implement this proposal by utilizing their extensive community relationships and experience with similar initiatives past and current.

Program Goals and Objectives

The goal of this program is to increase the capacity of the Southwest Basin to develop projects and leverage federal funding to achieve SWCD strategic priorities, SW BIP goals, and related water conservation needs. The measurable objective is to **is to grow the capacity within SWCD to operate a water conservation program with annual disbursements of up to \$5 million annually and and \$25 million from 2024 to 2028.**

Specific tasks are to:

Apply for a local capacity grant from CWCB to help support a Community Navigator position in SW Colorado to support efforts to implement our water conservation program. The SWCD Board has included required matching funds in its draft 2024 budget.

1. Position SWCD to apply for a “block grant” or similar programmatic agreement to distribute federal funding to community partners.
2. Identify readiness and priority of projects from the SW BIP and other stakeholders to create a “pipeline of projects” to utilize funds most effectively.
3. Identify and support watershed-scale, multi-benefit and water conservation projects that require complex regional partner collaboration and larger monetary investment to be achieved. This will require close coordination with water conservancy districts, irrigation districts, conservation districts and others.
4. Coordinate with existing regional project navigators (e.g., Mancos, Upper San Juan) to ensure collaboration and leveraging of resources when possible.

The program will make improvements in the Southwest District ability to “protect, conserve, use and develop the water resources of the San Juan and Dolores River Basins for the welfare of all the inhabitants”, per SWCD’s statutory purpose. This means, in part, implementing as many quality SW BIP projects as possible, as quickly as possible. The SW BIP identifies projects that support the needs of many diverse stakeholders, including agricultural, environmental, recreational, municipal, and industrial, with the goal of doing so in a balanced way that minimizes conflict. Of the projects cataloged in the 2022 SW BIP, 48 projects were identified as ready to launch as soon as funding is available while another 34 projects are almost ready to launch but need additional development prior to implementation. It is understood that the SW BIP is not inclusive of all projects that could be eligible for the program. Thus, SWCD will help identify and fund additional multipurpose projects that address the goals and needs of multiple stakeholders in the District.

Doing so will also fulfill the second part of SWCD’s statutory purpose, which is to “safeguard for Colorado all waters of the basin to which the state is entitled.” By investing in these SW BIP projects, this shows commitment, future planning, and demonstrated cooperation between all water users to protect, conserve, and wisely use this resource. This could help protect Colorado’s water interests from out-of-state claims, water rights calls, or federal mandates, because there is hard evidence of programmatic, collaborative work to improve water conservation and management.

In addition to expanding the funds available for projects, the expanded grant program as the opportunity addresses these other barriers to project implementation:

- The lack of funding for staff capacity on the part of project proponents. Specifically, there is often limited capacity for project and organizational capacity specific to administration and planning during the development and funding coordination phases of a project (River Network, 2023, Scaling Up Capacity for Multi-Benefit Projects In Colorado). Incorporating resources for these activities (e.g., funding and/or technical support) into grants, as allowable by the federal funding sources, can dramatically increase a project’s chances for success.
- Need for coordination among stakeholders to bundle projects, collaborate, and leverage resources to create program proposals that are large enough in scope to be competitive for federal funding programs (TRCP, 2022 Challenges in Accessing and Utilizing Federal Funding to Support Cross-Boundary Watershed Scale Restoration). Implementing a community navigator position to assist with this type of collaboration could prove beneficial in terms of garnering more funding and realizing efficiencies and learning between projects.

Program Description

The proposed program consists of four integral parts:

1. Expanding the amount of funds in SWCD’s existing grant program;
2. Creating a Priority Project Pipeline across the District;
3. Establishing a Community Navigator position; and
4. Ensuring the appropriate capacity supports at the District and among partner organizations.

Expanded Grant Program

SWCD’s current grant program funds (1) water supply/watershed restoration projects, (2) research studies and stakeholder involvement activities, (3) education & outreach efforts, and (4) emergency needs. In the past five years, the grant program has ranged in budget from \$230,000 to \$500,000. Recipients receive between \$3,000 to \$70,000. Twelve grants were given out in 2023 which is about the average per year. The proposed scope expansion would build on this focus and scale providing more opportunity for the District to support multi-benefit projects throughout their geographic area.

The benefit of this expanded program is the ability to identify and support watershed-scale, multi-benefit, and water conservation projects that require complex regional partner collaboration and larger monetary investment to be achieved. Similar programs in the Rio Grande basin and the Colorado River District (CRD)’s Community Funding Partnership can

serve as helpful resources to develop this program. Though the CRD program operates on a larger scale, there could be important lessons to draw from in terms of communication approaches, program metrics, and capacity needs that could be useful for SWCD to apply to their program development.

Priority Project Pipeline

To apply these funds strategically and with maximum benefit, a Priority Project Pipeline will be developed to identify the priority and readiness of projects to implement. This will be done by working with local partners and following the SW BIP goals and strategies/actions to guide prioritization. This task is essential to be able to access federal funds.

Throughout this process, multi-benefit, watershed-scale, and water conservation projects will be identified. These are projects that can support the SW BIP goals on a watershed-scale across multiple sub-basins and bring together collaboration between multiple local partners and stakeholders. With an expanded grant program, the basin will have the funding and capacity to implement larger watershed-scale, multi-benefit, and water conservation projects in the near term.

The first task will be to identify which projects would be ready for funding in the next 1-3 years and estimate the amount of funding that SWCD could reasonably request from federal sources to support those projects. This will be used in the federal funding application to develop this expanded grant program.

Community Navigator

To achieve the goals of supporting watershed-scale, multi-benefit, and water conservation projects, a dedicated position called a “Community Navigator” is recommended to coordinate and facilitate collaboration between project partners to leverage larger federal investment.

Community navigation can connect local project proponents to “bundle” or elevate regional-scale projects that are more likely to garner federal funding support. Shared goals, strong relationships, and connected partners are essential to successfully accessing grant funding. In addition, this role will help community organizations navigate funding opportunities, align projects with available federal funding resources, support the development of proposals for federal funding, coordinate with federal agencies (e.g., USFS, BLM) on funding opportunities, understand what’s needed to prepare to apply for funding, and coordinate stakeholders during project implementation.

To design this role to provide the best service to the Southwest Basin, background research will be done to identify gaps in coordination that currently exist within the Southwest Basin (e.g., Pine River, Florida River, etc.). It will also be important to understand how this position can complement other community navigation that is currently underway in the Southwest Basin (e.g., through TNC with Tribal partners and MCD). This position will ideally be designed for longevity, with consistent funding sources identified to support it in the future. TRCP will provide ongoing support to SWCD in identifying and pursuing long-term capacity resources. Other communities that have created similar positions will be helpful resources for this information. TRCP will also work with the navigator to troubleshoot any challenges in navigating/accessing federal resources and help leverage NGO support for SWCD proposals.

The community navigator position is in alignment with the Colorado Water Plan grant funding criteria which could potentially be a funding source for the position.

Capacity to Support the Program

Expanding SWCD's existing grant program will require additional capacity to facilitate basin and region-wide coordination between community partners and address geographic inequities, as well as provide increased capacity to administer and manage a greater number of contracts. SWCD, with the help of regional partners, needs to determine the specifics of the additional services to successfully expand this grant program.

Additional administrative, management, technical resources and community coordination support will be needed to develop this Program. For example, the Upper Gunnison River Water Conservancy District (UGRWCD) found great success in hiring an agricultural engineer to provide technical assistance up-front to support project design for their grantees, prior to application. This helps the UGRWCD ensure their grant program criteria for multi-benefit projects are met and helps the provide the project proponent with a needed service that they would otherwise have to raise funds for, potentially delaying the project.

While multiple additional staff could be required to fill the needed capacity, there are also opportunities for collaboration with partners to help fulfill capacity needs (e.g., cost-share or partnerships with NGOs, State, and Federal Agencies).

The following is a brief list of duties and responsibilities that will form the job description of these support roles:

1. Pre-Application/Program Development (supported with the current capacity of the proposal team)
 - a. Research and coordinate consultation on TABOR law to understand funding requirements and restrictions to support additional capacity as relates to state funding sources.
 - b. Identify requirements and restrictions of funding sources, including reporting requirements, insurance requirements, entity eligibilities, and contract administration.
 - c. Prepare a budget for the proposed program which includes capacity to manage the program.
 - d. Submit funding proposals to federal agencies.
2. Expanded Grant Program
 - a. Determine program funding restrictions and expectations.
 - b. Outreach about the program.
 - c. Administer the program for SWCD, including processing and reviewing proposals.
 - d. Provide technical assistance support to project proponents for project design.
 - e. Help local partners apply for and manage their grant funding.
 - f. Complete reporting back to federal agencies.
3. Priority Project Pipeline
 - a. Inventory projects identified in the SW BIP and other regional water planning efforts (e.g., integrated water management plans, etc.).

- b. Conduct outreach with Southwest Basin stakeholders to garner updates and additions to project lists and learn opportunities and potential challenges that may need to be considered in developing the SWCD program.
 - c. Identify which projects would be ready for funding in the next 1-3 years and estimate the amount that SWCD could reasonably request from federal sources to support those projects.
 - d. Create a process for rolling updates to the pipeline.
4. Community Navigator
- a. Become familiar with funding opportunities, projects, and stakeholders in the Southwest Basin.
 - b. Help community organizations navigate the Priority Project Pipeline and understand what is required to apply for funding.
 - c. Coordinate and facilitate collaboration between project partners.
 - d. Perform basin-wide outreach to show SWCD has added this community benefit.
 - e. Work with partners to develop a long-term funding plan to maintain the community navigator position.

Program Scope and Next Steps

In the following sections, a description of the program scope, timing, and who it serves is provided along with next steps needed to pursue this program.

What is it?

A proposal to request federal 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 include in the request for funding.

Where will it take place?

The program will have the same jurisdiction as SWCD and will operate with a focus on “water conservation”. It is important to have local staff support because they are familiar with the local landscape, projects, and have existing relationships with local and regional partners.

Who is the target audience?

This program will be available to any qualified entity (per SWCD's current grant program eligibility requirements) with a project that needs financial support. These include public entities, non-profit corporations, not-for-profit corporations, carrier ditch companies, mutual ditch or reservoir companies, unincorporated ditch or reservoir companies, or cooperative associations within the boundaries of the District organizations are all eligible. The program will target multi-benefit projects that have multiple project proponents and stakeholders. To reach this target audience, outreach and relationship building between community partners will be critical. SWCD can rely on regional partners, SWBRT, CAWA, TRCP, SBN, TNC, and others, to help coordinate these outreach and communication activities.

Who will fund it?

Potential funding sources include U.S. Bureau of Reclamation (USBR) Upper Colorado River Basin System Conservation and Efficiency Program (Bucket 2), USBR WaterSMART

Cooperative Watershed Management Program, Colorado Water Conservation Board Local Capacity Grant Program.

Who will staff it?

Additional staff will be needed to help administer and manage this program. The SWCD Board has already discussed the need for additional staff and will consider the need when staff resources are better defined. SWCD will lean on partner organizations to help fill the capacity needs required for the success of the program. The number of staff required to be effective for the program is to be determined and will be determined during the development of the federal funding application.

What is the timing?

The plan is for SWCD and partners to complete a federal grant proposal in the fall of 2023. The approval and contracting process may take 6-9 months. After this point, if awarded, the program can be implemented with the goal of the first expanded funding round available in the fall of 2024.

What needs to be done next?

The next step is for SWCD to work with the project team (TRCP, SBN, others) to develop a detailed framework for the expanded grant program and associated capacity needs that will become the federal grant funding application. These next steps are:

1. Get SWCD board approval to advance this program based on this proposal.
2. Create a communications and outreach plan to show SWCD's plan and progress.
3. Gather input from community partners and project proponents about the program framework.
4. Determine funding requirements and restrictions for program launch.
 - a. Research and coordinate consultation on TABOR law to understand funding requirements and restrictions to support additional capacity.
 - b. Research and apply for federal funding opportunities to establish the community navigator position (e.g., Reclamation IRA funding, Cooperative Watershed Management Program, etc.)
5. Determine the appropriate structure to administer and develop the program in the long-term. Options include creating an enterprise of the District, establishing a non-profit to be managed by the District, or de-Brucing.
6. Determine expanded grant program framework:
 - a. Does grantee eligibility align between SWCD and federal funding sources?
 - b. Would SWCD provide larger awards or more awards with smaller limits?
 - c. Will SWCD's existing fund matching requirements change?
 - d. Would SWCD want to open a rolling application window to capture more applicants?
 - e. Would SWCD be able to expand grant restrictions to include allowances for project and organizational capacity needs of program proponents, if those are allowed by the federal funding source?
7. Start the Priority Project Pipeline
8. Identify capacity needs on the part of SWCD to effectively administer the program.

9. Determine the amount of federal funding SWCD would be requesting to implement the proposed framework and Priority Project Pipeline.
10. Get SWCD board approval for the proposed framework, once complete.

The final step is to prepare a federal grant proposal in the fall of 2023. This will require input from SWCD, TRCP, and the project team. Writing will be led by SBN.

Metrics and Evaluation Process

SWCD and regional partners can determine specific metrics to track and evaluate the success of the expanded funding program. Initial ideas of metrics include:

1. Track the BIP goals achieved or progressed toward.
2. Track the number of applications/proposals for funding supported.
3. Track the amount of dollars leveraged (private, federal, state).
4. Identify a target number of projects to be implemented after a specified number of years. Choose an attainable number of projects and a reasonable timeframe. For example:
 - a. “Fund and coordinate 2 multi-benefit, watershed-scale and/or water conservation projects in the first year.”
 - b. “Fund 10 completed agricultural improvement projects, 5 municipal/industrial, 3 environmental, 2 recreation, and 4 multi-benefit projects in the next 5 years.”
 - c. “Procure stable funding to support the Community Navigator position for the foreseeable future.”
5. When able, measurable results – water conserved, ditch treated, miles of stream restored, acres of forest/watersheds restored etc.

Determining metrics that are tailored to and appropriate for the Southwest Basin will require input from SWCD and other stakeholders during the development of the federal funding application for this program.

Partnerships and collaboration

There are numerous organizations and entities that are looking to the federal funding opportunity with a great deal of coordination already happening throughout the Southwest Basin. For example, the MCD has recently scaled up its capacity through support from various partners and the development of its integrated water management plan. Another example, TNC, has recently supported the Upper San Juan Watershed Enhancement Partnership, to hire a watershed coordinator position using Reclamation WaterSMART funds and is also supporting local Tribes in coordinating federal grant proposals that are currently open. In all these examples, these organizations are positioning themselves and local partners to access federal funding as it becomes available. These entities will be critical partners to SWCD as they advance federal funding programs, allowing the opportunity to leverage each other's knowledge and resources and ensuring that efforts are targeted to the areas of the Southwest Basin that need support rather than duplicating efforts.

Multi-year Budget

Estimated total cost (TBD)



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: Monika Rock
Subject: 2023 Grant Update
Date: 09/23/2023

In 2023, the SWCD Board approved \$167,986 in local grant funding. They also approved the extension of a 2022 grant (\$30,000) and in late summer, the Board also approved an Emergency Grant totaling \$65,000. Currently, \$98,772 has been spent out of these funds and \$3,000 has been canceled. Please see below for a full breakdown of 2023 Grants:

2022 Grant Extension:

1. Town of Pagosa Springs - Yamaguchi South Project - \$30,000

Notes: “In general, since we applied for the grant, the Town has decided to look into a sanitary sewer treatment facility on this property and we are hoping to better understand the footprint needs so that our improvements, especially the access road for the new boater river ramp, before we engage a design/build contractor. I am presenting an update to the Town Council this evening and I hope that spurs a little more urgency to define the basic footprint needs sooner than later.” - James Dickhoff, Community Development Director, Pagosa Springs September 18th, 2023.

Current status of 2023 Grants:

Unpaid (\$74,000 - After canceled deduction \$71,000):

1. Trout Unlimited - Pagosa Gateway Project - \$17,000

Notes: Planning on issuing an RFP for the design/build for the project in early October - anticipate the design work will happen before the end of the year

2. Mancos Conservation District - Community Consensus Institute Workshop - \$8,500

Notes: Planning on using the funds in October.

3. **Emergency Grant:** Montezuma Valley Irrigation District - Beaver Ditch Repairs - \$65,000

Notes: Working on Document of Understanding

4. San Juan Basin Archaeological Society - Water in the Ancient World Conference - \$3,000

Notes: Canceled

5. Summit Reservoir Ditch Company - Turkey Gultch Ditch Repair - \$15,500

Notes: Delayed by weather, but planning on using the funds in 2023

Partially Paid (paid \$10,002 - to be paid \$18,984):

1. Bonita Peak - Animas River Data Collection - \$5,000 out of \$9,600
2. RiversEdge West - Dolores River Restoration - \$5,002 out of \$19,386

Paid (\$88,770):

1. Fort Lewis College - Tribal Water Media Fellowship - \$5,000
2. Florida Consolidated Ditch Company - West Lateral Repair - \$38,770 (came in under budget) out of \$45,000
3. Mountain Studies Institute - San Juan Mountain Snowtography Workshop - \$20,000
4. San Miguel Watershed Coalition - Integrated Modeling - \$20,000
5. Montezuma Land Conservancy - Water Education at Fozzie's Farm - \$5,000

Southwestern Water Conservation District

2023 Draft Action Plan

Proposed to the SWCD Board on April 13th, 2023

SP #1: In coordination with the appropriate partners, ensure SWCD remains engaged in obtaining, updating, and analyzing water supply, demand, and quality data necessary to address the water management challenges facing southwest Colorado.

1. Continue work with Wright Water Engineers (WWE) in the verification of Hydros Risk Study to assess current water supply and demand conditions at a subbasin scale within the San Juan and Dolores River Basins, and assess future scenarios. *(Work by WWE has been completed. Looking for opportunities to review and discuss results with local partners.)*
2. Continue to evaluate the SWCD stream-gaging funding program, including identifying additional local, state, and federal partners to support current efforts. *(Ongoing. Considering the lack of any increase in funding from USGS, may need to look at a cap of SWCD contributions to the cooperative program.)*
3. Support the Colorado Airborne Snow Measure (CASM) working group by helping to apply for and administer grant opportunities. *(Programs Coordinator continues to participate in statewide workgroup.)*

SP #2: Lead advocacy for southwest Colorado in Colorado River, interstate, and trans mountain issues.

1. SWCD staff will stay engaged in Colorado River interstate discussions. This includes within Colorado (Colorado Water Conservation Board and Colorado River District), Upper Division States (via Upper Colorado River Commission), and the seven basin states as appropriate. *(Ongoing; Includes work to develop a Southwest Colorado Water Conservation Program.)*
2. Monthly review of water court resumes (Divisions 3, 4 & 7) to identify water applications that need further evaluation and possible action by SWCD. *(Ongoing)*
3. Support efforts to reauthorize the Upper Colorado River and San Juan River Endangered Species Recovery Implementation Programs (RIPs). *(General Manager provided testimony to the Water, Wildlife, and Fisheries subcommittee of the US House of Representatives Natural Resources Committee in support of the reauthorization legislation. Reauthorization legislation has been introduced in both houses. Hope for passage by the end of 2023. Cooperative agreement extensions have been signed by all parties.)*
4. General Manager participating in the Colorado River Drought Task Force and the Tribal sub-task force created by SB-295. *(Added August 2023)*

SP #3: Balance meeting multiple water needs amongst a diverse set of priorities, especially when there is potential for conflict or mutual benefit.

1. Continue to monitor water planning issues within San Miguel and Montrose Counties.
2. Seek discussions and joint meetings between the SWCD Board and representatives of the Southern Ute tribe. *(Interactions occurring via the Tribal sub-task force.)*
3. Seek discussions and joint meetings between the SWCD Board and representatives of the Ute Mountain Ute tribe. *(Interactions occurring via the Tribal sub-task force.)*
4. SWCD staff to continue to participate in Animas River Working Group. *(Programs Coordinator attends meetings and provides input as necessary.)*
5. Work with other Southwest entities to identify existing infrastructure that needs improvements to run more efficiently. *(Being done via the Water Conservation framework.)*

SP #4: Support investment in improvements to existing and development of new infrastructure for multiple uses in southwest Colorado.

1. Continue to support efforts by Redmesa Ditch & Reservoir Co. to rehabilitate Redmesa Dam. *(Waiting for NRCS to move forward.)*
2. Stay involved in forest health discussions by supporting the authorization of the Agriculture Improvement Act of 2018 (commonly known as the Farm Bill). *(Continue to respond to requests for reviews by Colorado congressional offices.)*

SP #5: Strengthen the continued professional and efficient operation of SWCD while building a culture of mutual trust and respect.

1. For the 2024 budget, SWCD will continue to work to align the priorities identified in the strategic plan and the allocation of funds in its budget. *(Ongoing)*
2. SWCD staff in conjunction with General Counsel will work to ensure we have proper contracts in place for all consultants and related work efforts. *(Ongoing)*
3. Prepare a draft job description for one additional SWCD staff for Board review. Seek to hire by mid-2023. *(Put on hold until revenue picture is clarified. Working on grant funds for a Community Navigator position.)*
4. The SWCD board will consider the adoption of an SWCD Director Responsibilities and Board Code of Conduct.
5. SWCD staff will review all district policies and determine what needs to be updated. *(Ongoing)*

SP #6: Cultivate SWCD credibility with decision-makers and the public through targeted outreach efforts.

1. With support and coordination from the Board, SWCD staff shall continually seek opportunities to interact with and maintain good working relationships with elected officials at the local, state, and federal levels as well as with District water users and constituent groups, including water conservancy districts, the Southwest Basin Roundtable, and county commissioners. *(Ongoing)*
2. SWCD Board and staff will develop an “elevator speech” and tagline that adequately summarizes SWCD’s work.

3. SWCD staff and consultants will host the 39th annual Southwest Water Seminar and partner on the 4th annual “Water Connections” educational event with Four Corners Water Center at Fort Lewis College and SGM Consulting. *(Seminar held on March 31st; Water Connections scheduled for October 23)*
4. SWCD staff, with board direction, will begin disseminating a regular e-newsletter to increase SWCD visibility. *(Monthly newsletter is ongoing; continue to look for ways to improve)*
5. Develop multi-year strategy for compiling SWCD history to present to the Board in late 2022.
6. SWCD Staff to attend at least two annual water days hosted throughout the basin, rotating counties when possible - either setting up informational table or speaking for the event. *(General Manager and Programs Coordinator attend Norwood Water Day in May.)*
7. SWCD staff to evaluate social media gaps and areas where SWCD could improve on engaging new audiences, sharing events, and creating a more comprehensive online presence.



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: Monika Rock
Subject: 2022 Audit Update
Date: 10/03/2023

The 2022 audit was submitted on time to Colorado State on September 29, 2023, after SWCD filed for an extension with the State in early summer. The final audit is attached to this memo. On September 28, 2023, the SWCD Board had a special meeting to accept the audit. This acceptance was contingent on the following edits:

- Break out interest income on the Statement of Activities (pg 9)
- Added to the MD&A a statement about the accrual basis of accounting – to clarify that this is how the District tracks accounting (pg 4)
- Updated the estimated value of compensated absences to \$8,625, this value was left blank on the draft the Board received as a typo (pg 16).
- *Lastly, to add language to clarify that the District CDs had guaranteed return.

Following the SWCD Special Board meeting reviewing the audit, the following changes were made:

- *Following up with FZA, the Auditor determined that SWCD did not need to adjust their CDs to Fair Market Value on a yearly basis - this adjusted numbers throughout the audit, but clearly showed that the District did not lose money on investments, which SWCD staff determined was the goal of the final edit above
- Added that we do have an investment policy, as the draft stated we did not (pg 15)
- Adjusted the amount the District paid towards retirement in 2022 to \$6,250, as the draft was missing this number and reflecting \$0 (pg 21)
- A handful of typos were corrected throughout the audit

SOUTHWESTERN WATER CONSERVATION DISTRICT

FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT

December 31, 2022

SOUTHWESTERN WATER CONSERVATION DISTRICT

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Southwestern Water Conservation District
Durango, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities, and the major fund, of Southwestern Water Conservation District as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Southwestern Water Conservation District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and the major fund, of Southwestern Water Conservation District, as of December 31, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Southwestern Water Conservation District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Southwestern Water Conservation District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Southwestern Water Conservation District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Southwestern Water Conservation District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

FredrickZink & Associates, PC

FredrickZink & Associates, PC
September 29, 2023

SOUTHWESTERN WATER CONSERVATION DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

INTRODUCTION

The Board of Directors of the Southwestern Water Conservation District (the District) offers this narrative overview and analysis of the financial activities of the District for the year ended December 31, 2022. We encourage the readers to consider this Management's Discussion and Analysis (MD&A) in conjunction with the District's Basic Financial Statements and Independent Auditor's Report.

The MD&A is an element of the financial reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*.

Background Information

The District was created on April 16, 1941, by the Colorado General Assembly through House Bill #795 (codified at C.R.S. § 37-47-101 et seq.). The District is comprised of nine counties: Archuleta, Dolores, La Plata, Montezuma, San Juan, San Miguel, and parts of Hinsdale, Mineral, and Montrose. Each Board of County Commissioners appoints a representative to the District Board of Directors, which meets quarterly. The District's statutory authority is to protect, conserve, use, and develop the water resources of the Southwestern basin for the welfare of the District, and safeguard for Colorado all waters of the basin to which the state is entitled. Following this mandate, the District has assumed a broad strategic role on behalf of its diverse constituents. District representatives advocate for southwestern Colorado's water interests at the local, state, and regional level.

FINANCIAL HIGHLIGHTS

- The District's total assets exceeded its liabilities on December 31, 2022, by \$4,520,143. This represented an increase of \$267,146 from the net position at December 31, 2021. This perspective on net position includes spendable resources as well as the investment in land, building improvements, furniture, and equipment of \$75,211, restricted for emergencies \$47,736 and unrestricted of \$4,397,196.
- The District's total liabilities increased \$58,595 and deferred inflows of resources increased \$71,210.
- Total general fund expenditures were \$1,589,488 for the year ended December 31, 2022. This compares with general fund expenditures of \$1,470,045 for the year ended December 31, 2021.
- The District's total revenues on the fund financial statements decreased from \$1,898,145 in 2021 to \$1,858,333 in 2022.
- The Board of Directors increased assignments of a portion of the District's year-end general fund balance to SWCD Water Defense to "defend the water resources of the District" from \$2,080,000 in 2021 to \$2,307,000 in 2022, and to SWCD Water Development to "develop and maintain the water resources of the District" from \$1,386,000 in 2021 to \$1,538,000 in 2022.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of a series of financial statements and notes on the statements. The statements are organized so the reader can understand the District as a whole and then proceed to provide an increasingly detailed look at specific financial activities.

The District's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

The government-wide financial statements include the Statement of Net Position and the Statement of Activities. These statements provide information about the activities of the District as a whole and present a longer-term view of the District's property and debt obligations and other financial matters. They reflect the flow of total economic resources in a manner similar to the financial reports of a business enterprise.

Fund financial statements report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds. For governmental activities, these statements tell how services were financed in the short term as well as what resources remain for future spending. They reflect the flow of current financial resources and supply the basis for the appropriations budget.

The notes to the financial statements provide narrative explanations and additional data needed for full disclosure in the government-wide statements and the fund financial statements.

Reporting the District as a Whole

Government-wide Financial Statements

The analysis of the District's overall financial condition and operations is presented in the Statement of Net Position and the Statement of Activities. Its primary purpose is to show whether the District is better off or worse off as a result of the year's activities. The Statement of Net Position includes all the District's assets and liabilities at the end of the year while the Statement of Activities includes all the revenues and expenses generated by the District's operations during the year. These statements apply the accrual basis of accounting which is the basis used by private sector companies.

All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid as consistent with an accrual basis of accounting. The District's revenues are divided into those provided by outside parties who share the costs of some programs, such as fees received from individuals and entities from outside the District and grants (program revenues), and revenues provided by taxpayers (general revenues). All the District's assets are reported whether they serve the current year or future years. Liabilities are considered regardless of whether they must be paid in the current or future years.

These two statements report the District's net position and changes in them. The District's net position (the difference between assets and liabilities) provides one measure of the District's financial health, or financial position. Over time, increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating. To fully assess the overall health of the District, however, you should consider non-financial factors as well, such as changes in the District's property tax base and the condition of the District's facilities.

In the Statement of Net Position and the Statement of Activities, the District is reporting its governmental activities. The District currently has no business-type activities or component units as defined by GASB.

Governmental activities – the District's financial activities center on protecting, conserving, using, and developing the water resources of the Southwestern basin for the welfare of the District, and safeguarding all waters of the basin to which the state is entitled. The District's revenue consists primarily of funds received from property taxes and specific ownership taxes.

Reporting the District's Fund

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. The fund financial statements focus on the activities of the District's individual governmental fund and are divided into two parts: 1) the "modified accrual basis statements" and 2) the "budgetary basis statements".

The financial statements on pages 10 and 12 of the audit focus on assets that can readily be converted into cash in the short term and liabilities that will be settled in the short term. Governmental funds are reported using modified accrual accounting, which recognizes expenditures when the liability is incurred and revenue when measurable and available. The modified accrual accounting method provides a short-term spending focus, which helps the reader assess the amount of financial resources immediately available to finance the District's programs.

The annual budgets shown in the "budgetary basis statements" are prepared as described in the summary of significant accounting policies in the notes to the financial statements. These budgets are presented using the modified accrual basis of accounting and are found in the Required Supplementary Information section.

The "budgetary basis statements" for the General Fund, demonstrate how the District complied with the year's approved budget. The budgetary comparison schedule is presented using the same classifications as those used in the legal budget document.

Notes to Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

The notes to the financial statements can be found on pages 14 through 22.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Our analysis focuses on the net position (Table I) and changes in net position (Table II) of the District's governmental activities.

Table I
Southwestern Water Conservation District
Net Position
December 31, 2022 and 2021

	December 31,		Increase (Decrease)
	2022	2021	
Current Assets	\$ 6,224,494	\$ 5,860,528	\$ 363,966
Capital Assets	75,211	75,676	(465)
Total Assets	<u>6,299,705</u>	<u>5,936,204</u>	<u>363,501</u>
Current Liabilities	<u>132,670</u>	<u>107,525</u>	<u>25,145</u>
Deferred Inflows of Resources	<u>1,646,892</u>	<u>1,575,682</u>	<u>71,210</u>
Net Position			
Net investment in capital assets	75,211	75,676	(465)
Restricted for emergencies	47,736	44,101	3,635
Unrestricted	4,397,196	4,133,220	263,976
Total Net Position	<u>\$ 4,520,143</u>	<u>\$ 4,252,997</u>	<u>\$ 267,146</u>

The majority of the District's current assets are invested in cash, investments, and receivables for property taxes. The District has been able to provide for adequate operations without incurring debt. A restricted net position of \$47,736 represents a 3% or more emergency reserve required by an amendment to the State constitution (TABOR) and is not available for use by the District.

The majority of the District's revenue was from property and specific ownership taxes. The District's net position increased by \$263,976 (see Table II). Unrestricted net position the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements increased \$263,976 from \$4,133,220 in 2021 to \$4,397,196 in 2022 (see Table I).

Table II
Southwestern Water Conservation District
Changes in Net Position
December 31, 2022 and 2021

	December 31,		Increase
	2022	2021	(Decrease)
Revenues			
Property taxes	\$ 1,557,397	\$ 1,566,050	\$ (8,653)
Specific ownership taxes	150,842	155,567	(4,725)
Interest and penalties	33,506	41,497	(7,991)
Interest income	36,282	51,698	(15,416)
Water Information program	42,850	47,800	(4,950)
Stream gaging	29,179	26,125	3,054
Other local sources	8,277	5,745	2,532
Total Revenues	<u>1,858,333</u>	<u>1,894,482</u>	<u>(36,149)</u>
Expenses			
General Government	47,247	35,172	12,075
Administration	388,728	407,947	(19,219)
Water conservation activities	1,081,055	967,754	113,301
Water information program	74,157	65,496	8,661
Total Expenses	<u>1,591,187</u>	<u>1,476,369</u>	<u>114,818</u>
Change in Net Position	<u>\$ 267,146</u>	<u>\$ 418,113</u>	<u>\$ (150,967)</u>

Fund Financial Analysis

The District maintains only one governmental fund, the General Fund, which is the District's operating fund. The General Fund as of December 31, 2022 reported a balance of \$4,453,557, of the funds \$9,653 is nonspendable. The District's required 3% reserve for emergencies is \$47,736. The District has assigned fund balance of \$3,975,000. The remaining fund balance of \$421,168 is available for future commitments and is unassigned fund balance.

The District receives 86% of its funding from property taxes and 8% from specific ownership taxes. Water conservation activities expenditures represent 68% of the District's total expenditures, administration 24% and water information programs 5%.

Budgetary Highlights

The Board of Directors did not revise the District's budget. Total 2022 actual revenue was \$26,257 more than budgeted. The District's 2022 actual expenditures of \$1,582,097 were less than budgeted by \$477,618.

CAPITAL ASSETS AND LONG-TERM DEBT

Capital Assets

The District's investment in capital assets as of December 31, 2022, totaled \$75,211, net of accumulated depreciation. These assets include land, building improvements, furniture, and equipment.

Additional information on the District's capital assets can be found in the notes to the financial statements.

Long-term Debt

The District had no long-term debt during 2022.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The District will provide the following services during the 2023 budget year: support the conservation, development, and management of water use in southwestern Colorado; safeguard all waters to which the State is equitably entitled; participate in and provide funding for data collection; support, participate in, and lead local policy efforts; represent southwestern Colorado on federal and state policy concerns; and provide a variety of public education on water-related issues. Finally, the District will seek to serve constituents in providing general water information as requested. These activities align with the District's first strategic plan, which was adopted on February 17, 2022, and can be found at www.swwcd.org.

The District's total budgeted revenues for 2023 are projected to be \$1,906,046. Property tax revenues are expected to be approximately \$1,646,892, based on a mill levy of .407. This revenue is based on a combined assessed valuation across nine counties of \$4,046,416,904.

CONTACTING SOUTHWESTERN WATER CONSERVATION DISTRICT'S MANAGEMENT

This report is designed to provide a general overview of the District's finances. Questions concerning any of the information provided in the report or requests for additional financial information should be addressed to: Board of Directors; Southwestern Water Conservation District; 841 East Second Avenue; Durango, CO 81301. Interested citizens can also visit our website at www.swwcd.org.

BASIC FINANCIAL STATEMENTS

SOUTHWESTERN WATER CONSERVATION DISTRICT

STATEMENT OF NET POSITION

December 31, 2022

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents.....	\$ 1,061,245
Investments.....	3,503,304
Deferred property taxes receivable.....	1,646,892
Other receivables.....	3,400
Prepaid insurance.....	9,653
Capital assets, net of accumulated depreciation.....	75,211
Total assets.....	<u>\$ 6,299,705</u>
LIABILITIES	
Accounts payable.....	\$ 121,957
Accrued expenses.....	10,713
Total liabilities.....	<u>\$ 132,670</u>
DEFERRED INFLOWS OF RESOURCES	
Property taxes.....	\$ 1,646,892
Total deferred inflows of resources.....	<u>\$ 1,646,892</u>
NET POSITION	
Net investment in capital assets.....	75,211
Restricted - emergency reserves.....	47,736
Unrestricted.....	4,397,196
Total net position.....	<u>\$ 4,520,143</u>

The accompanying notes are an integral part of these financial statements.

SOUTHWESTERN WATER CONSERVATION DISTRICT

STATEMENT OF ACTIVITIES For the Year Ended December 31, 2022

Functions / Programs	Expenses	Net (Expense) Revenue and Change in Net Position Total Governmental Activities
Governmental activities:		
General Government.....	\$ 47,247	\$ (47,247)
Administration.....	388,728	(388,728)
Water conservation activities.....	1,081,055	(1,081,055)
Water information program.....	74,157	(74,157)
Total governmental activities	<u>\$ 1,591,187</u>	<u>(1,591,187)</u>
General revenues (losses)		
Taxes		
Property taxes.....		1,557,397
Specific ownership and other taxes.....		150,842
Interest and penalties.....		33,506
Interest income.....		36,282
Water information program.....		42,850
Steam gaging.....		29,179
Other local sources.....		8,277
Total general revenues		<u>1,858,333</u>
Change in net position		<u>267,146</u>
Net position, beginning of year		<u>4,252,997</u>
Net position, end of year		<u>\$ 4,520,143</u>

The accompanying notes are an integral part of these financial statements.

SOUTHWESTERN WATER CONSERVATION DISTRICT

BALANCE SHEET - GOVERNMENTAL FUND

December 31, 2022

	<u>General Fund</u>
ASSETS	
Cash and cash equivalents.....	1,061,245
Investments.....	3,503,304
Deferred property taxes receivable.....	1,646,892
Other receivables.....	3,400
Prepaid items.....	9,653
Total assets	\$ 6,224,494
LIABILITIES	
Accounts payable.....	121,957
Accrued expenses.....	2,088
Total liabilities	124,045
DEFERRED INFLOWS OF RESOURCES	
Property tax revenue.....	1,646,892
Total deferred inflows of resources	1,646,892
FUND BALANCE	
Nonspendable, prepaid expenses.....	9,653
Restricted for emergencies.....	47,736
Assigned for:	
SWCD Water Defense.....	2,307,000
SWCD Water Development.....	1,538,000
Water Information Program.....	130,000
Unassigned.....	421,168
Total fund balance	4,453,557
Total liabilities, deferred inflows of resources and fund balance	\$ 6,224,494

The accompanying notes are an integral part of these financial statements.

SOUTHWESTERN WATER CONSERVATION DISTRICT

RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUND TO THE STATEMENT OF NET POSITION December 31, 2022

Total fund balance - governmental fund.....	\$ 4,453,557
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in the governmental activities are not financial resources and therefore are not reported in the fund.....	75,211
Accrued compensated absences are not due and payable in the current period and therefore are not reported in the fund.....	<u>(8,625)</u>
Total net position - governmental activities.....	<u>\$ 4,520,143</u>

The accompanying notes are an integral part of these financial statements.

SOUTHWESTERN WATER CONSERVATION DISTRICT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUND For the Year Ended December 31, 2022

	<u>General Fund</u>
REVENUES	
Taxes	
Property taxes.....	\$ 1,557,397
TIF Reimbursement.....	946
Specific ownership taxes.....	150,842
Interest and penalties.....	33,506
Interest income.....	36,282
Water information program.....	42,850
Water Seminar Registration.....	5,722
Stream gaging.....	29,179
Other local sources.....	1,609
Total revenues.....	1,858,333
EXPENDITURES	
General government	
Board expenses.....	47,247
Administration	
Personnel.....	223,178
County treasurer's fees.....	46,162
Other services.....	31,461
Rent.....	30,552
Dues and subscriptions.....	22,156
Supplies.....	7,813
Professional and technical services.....	20,256
Water conservation activities	
Legal.....	310,284
Other district support.....	209,394
San Juan Recovery Program User Committee.....	38,113
Engineering.....	213,673
Stream gaging - federal.....	103,094
Lobbying.....	70,823
Weather modification.....	74,900
Water education.....	58,373
Stream gaging - Colorado.....	2,401
Water information program.....	74,157
Capital outlay.....	5,451
Total expenditures.....	1,589,488
Net change in fund balance.....	268,845
Fund balance, beginning of year.....	4,184,712
Fund balance, end of year.....	\$ 4,453,557

The accompanying notes are an integral part of these financial statements.

SOUTHWESTERN WATER CONSERVATION DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES For the Year Ended December 31, 2022

Net change in fund balance - total governmental fund..... \$ 268,845

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense in the current period.

Capital asset additions.....	5,451	
Depreciation expense.....	<u>(5,916)</u>	
Net difference in capital outlay treatment.....		(465)

Governmental funds do not record the change in accrued compensated absences during the year as an expenditure. However, in the statement of activities, this change is shown as additional expense. This is the amount of decrease in accrued compensated absences in the current year.....

(1,234)

Change in net position - governmental activities..... \$ 267,146

The accompanying notes are an integral part of these financial statements.

SOUTHWESTERN WATER CONSERVATION DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Southwestern Water Conservation District (the District) operates under Colorado statute 37-47, which outlines the District's statutory authority and powers. The District was created in 1941 for the protection, conservation, use, and development of the water resources of the San Juan and Dolores Rivers and their principal tributaries. The District is comprised of the counties of San Miguel, Dolores, Montezuma, Archuleta, San Juan, La Plata, and portions of Hinsdale, Mineral, and Montrose counties. The District operates under a Board of Directors form of government and the directors are appointed by County Commissioners of the counties within the District.

The accounting policies of the District conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The following is a summary of the more significant policies:

A. Reporting Entity

As required by generally accepted accounting principles, these financial statements present the District (the primary government) and its component units. Component units are legally separate organizations for which the appointed officials of the primary government are financially accountable, or other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the District's financial statements to be misleading or incomplete. Based upon the foregoing criteria, there are no component units included in the accompanying financial statements.

B. Basis of Accounting and Presentation

Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the government.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The District does not allocate indirect expenses to functions in the statement of activities. Taxes and other items not required to be included among program revenues are reported as general revenues.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when liabilities are incurred, regardless of the timing of related cash flows.

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 30 days of the end of the current fiscal period.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures and compensated absences are recorded only when payment is due.

SOUTHWESTERN WATER CONSERVATION DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued

December 31, 2022

Governmental Fund Types

The accounts of the District are organized on the basis of funds. Each fund is considered an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and/or other assets together with all related liabilities, obligations, reserves and equities, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

The District used the following fund during 2022:

General Fund - The general fund is used to account for all financial resources of the District. The general fund balance is available to the District for any purpose, provided it is expended or transferred according to the general laws of Colorado and the bylaws of the District.

C. Cash and cash equivalents

The District's cash and cash equivalents is comprised of demand deposits and highly liquid investments with original maturities of three months or less from the date of acquisition.

D. Investments

Investments are reported at fair value, except for money market funds and participating interest-earning investment contracts (such as certificates of deposit). Fair values are based on published market prices. The governmental investment pool operates in accordance with appropriate state laws and regulations. The value of the pool is reported at amortized cost which, in most cases, approximates the fair values of the pool shares.

The District has adopted a formal investment policy that follows state statutes regarding investments.

Under Colorado statutes, the District may lawfully invest eligible funds in the following securities:

- Obligations of the United States and certain U.S. government agency securities
- Certain international agency securities
- General obligation and revenue bonds of the U.S. local government entities
- Bankers' acceptances of certain banks
- Commercial paper
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- Certain corporate bonds

E. Allowance for Uncollectible

No allowance for uncollectible has been provided because the District's receivables are property taxes, and the County Treasurer is empowered to file liens on properties where delinquencies exist. Accordingly, the District believes any delinquencies will eventually be paid.

F. Prepaid expenses

Payments made to vendors for services that will benefit periods beyond December 31, 2022, are recorded as prepaid items using the consumption method by recording an asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed. At the fund reporting level, an equal amount of fund balance is classified as nonspendable, as this amount is not available for general appropriation.

SOUTHWESTERN WATER CONSERVATION DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued

December 31, 2022

G. Capital assets

Capital assets, which include land, furniture, equipment and office improvements are reported in the government wide financial statements. In the governmental fund financial statements, capital assets are charged to expenditures when purchased. Capital assets, which are defined as assets with an initial, individual cost of \$1,000 or more and an estimated useful life of more than one year, are recorded at historical cost or estimated historical cost if historical cost is not available. The reported value excludes normal maintenance and repairs, which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate. In the case of donations, the District values these capital assets at the estimated fair value of the item at the date of donation. Capital assets of the District are depreciated using the straight-line method. These assets are depreciated over the following estimated useful lives:

Asset	Years
Furniture and equipment	5 - 10
Office improvements	7 - 15

H. Deferred outflows/inflows of resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense or expenditure) until then. The District does not have any items that qualify for reporting in this category.

The government reports both deferred inflows, which arise under the full accrual and modified accrual basis of accounting. Deferred property taxes are reported as a deferred inflow for both the governmental activities presentation and governmental funds balance sheet. Since property tax revenues are collected in arrears during the succeeding year, a receivable and corresponding deferred inflow is recorded at December 31. As the tax is collected in the succeeding year, the deferred inflow is recognized as revenue and the receivable is reduced.

I. Compensated absences

The liability for compensated absences reported in the government-wide financial statements consists of unused paid time off (PTO), based on the employee's length and hours of service. The maximum of 80 hours of unused time may carryover into the next year. At year end, the estimated value of compensated absences was \$8,625.

J. Accrued liabilities and long-term obligations

All payables and accrued liabilities are reported in the government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, and are reported as obligations of these funds. However, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are "due for payment" during the current year.

SOUTHWESTERN WATER CONSERVATION DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued

December 31, 2022

K. Net position or fund balances

Fund equity at the governmental fund financial reporting level is classified as "fund balance". Fund equity for all other reporting is classified as "net position".

Net Position - Net position is assets minus liabilities plus deferred inflows of resources. Net investment in capital assets consist of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net position is reported as unrestricted.

Fund Balance - Generally, fund balance reflects assets minus liabilities and deferred inflows of resources. Financial reporting standards establish criteria for classifying fund balance amounts into specifically defined categories to make the nature and extent of constraints on these amounts more useful and understandable. The categories comprise a hierarchy based on the extent to which constraints must be honored for a specified purpose and for which amounts can be spent. Fund balances of governmental funds may be categorized as nonspendable, restricted, committed, assigned, and unassigned.

Nonspendable Fund Balance - cannot be spent because it is either in nonspendable form or is legally or contractually required to be maintained intact. Examples include items not expected to be converted to cash such as inventories and prepaid assets.

Restricted Fund Balance - is restricted for specific purposes based on constraints externally imposed by creditors, grantors, contributors, laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance - is constrained for a specific purpose by formal action (resolution or ordinance) adopted by the Board of Directors and can be rescinded only through the same type of formal action used to establish the original commitment. Director actions require either an ordinance or resolution. Both are equally binding for their respective purposes and are mutually exclusive, not interchangeable with one another.

Assigned Fund Balance - is constrained for specific purposes as determined by management and the Board of Directors through the budget process. The Executive Director is the only employee authorized to assign fund balance.

Unassigned Fund Balance - is unconstrained and comprised of residual uncategorized fund balance amounts. The General Fund reports a positive unassigned fund balance.

The District applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted resources are available. When expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, committed amounts are considered to be reduced first, followed by assigned amounts and then unassigned amounts.

L. Property taxes

The District's property taxes, levied by December 15, on assessed valuation as of the preceding January 1, are due and payable in the subsequent calendar year. Assessed values are established by the county assessor. Property taxes attach as an enforceable lien on property as of January 1 of the year in which payable. The taxes are payable under two methods: 1) in full on or before April 30, 2) one-half on or before February 28, and the remaining one-half on or before June 15. All unpaid taxes levied for the preceding year become delinquent June 16.

Property taxes are reported as a receivable and as deferred inflows of resources when the District has an enforceable legal claim to the taxes and as revenue when available for collection in the following year.

SOUTHWESTERN WATER CONSERVATION DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued

December 31, 2022

M. Specific ownership taxes

Specific ownership taxes are collected for motor vehicles and other personal property registered in the District's assessment area. Specific ownership taxes are recorded as revenue when collected by the County in which the property was purchased.

N. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

The District adopts an annual budget for the General Fund. All annual appropriations lapse at fiscal year-end. The District does not report encumbered balances as of December 31, 2022 as all encumbrances lapse at year-end.

The District adheres to the following procedures in establishing the budgetary data reflected in the financial statements:

- Budgets are required by state law for all funds.
- On or before October 15, the District's management submits to the Board a proposed budget for the next fiscal year commencing the following January 1.
- The budget includes proposed expenditures and the means of financing them. All budgets lapse at year end.
- Public hearings are conducted by the Board of Directors to obtain citizen comments.
- Prior to December 31, the budget is adopted by formal resolution.
- Expenditures may not legally exceed appropriations at the fund level.
- Revisions that alter the total expenditures of any fund must be approved by the Board of Directors.

State law requires that the District adopt a budget prior to the certification of its mill levy to the county and file a certified copy of its budget with the Division of Local Government within 30 days of such adoption. Failure to do so can result in the County Treasurer withholding future property tax revenues pending compliance by the District. The District filed the certified copy of its budget timely for 2022.

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund. The annual budget is presented on the modified accrual basis of accounting that is consistent with generally accepted accounting principles.

SOUTHWESTERN WATER CONSERVATION DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued

December 31, 2022

3. DEPOSITS AND INVESTMENTS

Deposits and investments of the District consist of the following:

Deposits

Cash - demand deposits	\$ 1,041,419
Cash – held by county treasurer	<u>19,826</u>
Total cash and cash equivalents	<u>\$ 1,061,245</u>

Investments

Certificates of Deposit:

1 st Southwest Bank, 0.60% rate, maturing January 2023	\$ 422,152
1 st Southwest Bank, 0.60% rate, maturing January 2023	103,596
Ally Bank, 3.15% rate, maturing February 2024	245,000
Beal Bank, 3.00% rate, maturing August 2023	245,000
Capital One Bank, 3.45% rate, maturing August 2025	245,000
Morgan Stanley Bank, 3.30% rate, maturing August 2024	245,000
Morgan Stanley Bank, 3.35% rate, maturing August 2024	245,000
Sallie Mae Bank, 3.25% rate, maturing July 2024	245,000
Sturgis Bank, 3.10% rate, maturing February 2024	245,000
Synchrony Bank, 3.40% rate, maturing July 2025	245,000
LPL Financial, Peaks Investment	2,547
Colorado Local Government Liquid Asset Trust	<u>1,015,009</u>
Total investments	<u>\$ 3,503,304</u>

In the case of deposits, there is the risk that in the event of bank failure, the government's deposits may not be returned to it. The District's deposits are in accordance with CRS 11-10.5-101, The Colorado Public Deposit Protection Act (PDPA), which governs the investment of public funds. PDPA requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels (\$250,000) must be collateralized by eligible collateral as determined by the PDPA. The financial institution is allowed to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. The institution's internal records identify collateral by depositor and as such, these deposits are considered uninsured but collateralized. The State Regulatory Commissions for banks and financial services are required by statute to monitor the naming of eligible depositories, as of December 31, 2022, all of the District's deposits as shown above were either insured by federal depository insurance or collateralized under PDPA and are therefore not deemed to be exposed to custodial credit risk.

The District has transaction accounts that are covered under Federal Deposit Insurance Corporation (FDIC) insurance. The FDIC insurance limit for cash accounts is \$250,000. The carrying amount of the District's deposits as of December 31, 2022 was \$3,488,684. The bank balances were \$3,478,929, which at various times throughout 2022 were in excess of FDIC insured amounts.

The District invested \$1,015,009 in the Colorado Local Government Liquid Asset Trust (the Trust); an investment vehicle established for local government entities in Colorado to pool surplus funds. The Trust operates under the authority and in conformity with Part 6 of Article 75 of Title 24 of the Colorado State Revised Statutes. Investment objective and strategies of the Trust are to seek preservation of principal, liquidity, and current income through investment in a diversified portfolio of short-term marketable securities. The Trust offers same day access to the investment funds and there are no maximum transaction amounts and withdrawals may be made daily.

SOUTHWESTERN WATER CONSERVATION DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued

December 31, 2022

COLOTRUST PLUS+ and COLOTRUST PRIME are rated 'AAAm' by S&P Global Ratings. The Trust's financial statements can be obtained on its website at <http://www.colotruster.com>.

The District's investment in the Trust are stated at fair value in accordance with Paragraph 4 of GASB Statement 79 and Paragraph 11 of GASB Statement 31, therefore the investment is not required to be categorized within the fair value hierarchy for purposes of Paragraph 81a(2) of GASB Statement 72.

GASB Statement 40 requires a determination as to whether the District was exposed to the following specific investment risks at year end as if so, the reporting of certain related disclosures:

Credit risk - The risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized agencies are designed to give an indication of credit risk. State statutes limit certain investments to those with specified ratings from nationally recognized statistical rating organizations, depending on the type of investment. At year end, the District was not significantly exposed to credit risk.

Custodial credit risk - For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of December 31, 2022, the District did not hold any such investments requiring additional disclosure.

Concentration of credit risk - The District places no limit on the amount that may be invested in any one issuer, except for corporate securities. As of December 31, 2022, the District did not hold any such investments requiring additional disclosure.

Interest rate risk - Colorado Statutes require that no investment may have a maturity in excess of five years from the date of purchase. The dollar weighted average days to maturity (WAM) of COLOTRUST PLUS+ at December 31, 2022, is 44 days. Next interest rate reset dates for floating rate securities are used in the calculation of the WAM. The weighted average life (WAL) of COLOTRUST PLUS+ at December 31, 2022, is 71 days. The dollar weighted average days to maturity (WAM) of COLOTRUST PRIME at December 31, 2022, is 31 days. Next interest rate reset dates for floating rate securities are used in the calculation of the WAM. The weighted average life (WAL) of COLOTRUST PRIME at December 31, 2022, is 57 days. The District's certificates of deposits maturity range from 1 to 3 years. As of December 31, 2022, the District did not hold any investments with a maturity over 24 months.

Foreign currency risk - This is the risk that exchange rates will adversely affect the fair value of an investment. At year end, the District was not exposed to foreign currency risk.

SOUTHWESTERN WATER CONSERVATION DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued

December 31, 2022

4. CAPITAL ASSETS

A summary of changes in general capital assets during the year ended December 31, 2022 is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets not being depreciated:				
Land	\$ 62,000	\$ -	\$ -	\$ 62,000
Capital assets being depreciated:				
Furniture and equipment	35,904	5,451	-	41,355
Office improvements	14,905	-	-	14,905
Total depreciable capital assets	50,809	5,451	-	56,260
Less accumulated depreciation	(37,133)	(5,916)	-	(43,049)
Capital assets being depreciated, net	13,676	(465)	-	13,211
Capital assets, net	\$ 75,676	\$ (465)	\$ -	\$ 75,211

Depreciation expense for the year ended December 31, 2022 was \$5,916 and was charged to government activities expense.

5. PROPERTY TAXES RECEIVABLE

The District reports deferred inflows in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. The \$1,646,892 of property taxes receivable is unavailable revenue representing property tax levied in 2022 but not available until 2023.

6. LEASE AGREEMENTS

In 2018, the District entered a five-year lease commencing November 1, 2018, terminating on October 31, 2023, for the business office in the West Building, located at 841 E 2nd Avenue in Durango. Lease payments are made monthly with a base amount plus their proportionate share of utilities and property taxes. For the year ended December 31, 2023, total payments on the lease due is \$19,130. As of the date the financial statements were available to be issued, there was no renewal on the lease.

The District's base rent expense for the lease was \$22,586 and included the District's proportionate share of the office's monthly janitorial service, electric, water, sewer, trash, gas charges, storage space, and parking space rentals.

7. RETIREMENT PLAN

The District has a 457b retirement plan for full-time employees. It is a defined contribution plan and is administered by Lincoln Financial Group. The District will match up to 5% of the employee's annual salary to the plan. The contributions into the Plan are fully vested immediately, foregoing any purpose for forfeitures. The District contributed \$6,250 during the year ended December 31, 2022.

8. COLORADO TABOR

In November 1992, the people of the State of Colorado passed an amendment to the State's constitution (Article X, Section 20) known as the Taxpayer's Bill of Rights (TABOR), which was effective December 31, 1992. TABOR's intended purpose was to reasonably restrain the growth of government by imposing spending and revenue limits on the state and any local government, excluding enterprises. Provisions of TABOR require, among other things, that:

SOUTHWESTERN WATER CONSERVATION DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued

December 31, 2022

- Each district shall reserve for use in declared emergencies 3% of its fiscal year spending (as defined by TABOR) excluding bonded debt service, and this amount is set aside as part of reserved fund balance, called “declared emergencies”.
- If revenue from sources not excluded from fiscal year spending exceeds the limits prescribed by TABOR in dollars for that fiscal year, the excess shall be refunded in the next fiscal year unless voters approve a revenue change as an offset. Revenue collected, kept, or spent illegally since four full fiscal years before an individual or class action enforcement suit is filed shall be refunded with 10% annual simple interest from the initial conduct.
- With minor exceptions, advance voter approval is required for any new tax, tax rate increase, or mill levy above that for the prior year or creation of any multiple-fiscal year direct or indirect district debt or other financial obligation without certain cash reserve amounts or a non-appropriation clause contained within the legal.

At December 31, 2022, the District had restricted \$47,736 in the General Fund for declared emergencies.

9. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; and natural disasters.

The District is a member of the Colorado Special Districts Property and Liability Pool (Pool). The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials liability, boiler and machinery and workers compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years. The District pays annual premiums to the Pool for liability, property and public officials liability coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

The Pool issues a publicly available annual financial report that includes financial statements and supplementary information. That report may be obtained by calling the Colorado Special District Association at 303-863-1733 in the Denver metro area and 1-800-886-1733 from outside the metro area.

10. CLAIMS AND LITIGATION

The District is unaware of any pending or threatened litigation that might have a material effect on the financial statements.

11. SUBSEQUENT EVENT

The District has evaluated subsequent events through September 29, 2023, the date which the financial statements were available to be issued. There were no material subsequent events that required additional disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

SOUTHWESTERN WATER CONSERVATION DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE GENERAL FUND - BUDGET AND ACTUAL For the Year Ended December 31, 2022

	Original & Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Taxes			
Property Taxes.....	\$ 1,575,682	\$ 1,557,397	\$ (18,285)
TIF Reimbursement.....	970	946	(24)
Specific Ownership taxes.....	120,000	150,842	30,842
Interest and penalties.....	35,500	33,506	(1,994)
Interest Income.....	30,000	36,282	6,282
Water Information Program.....	38,800	42,850	4,050
Water Seminar Registration.....	2,000	5,722	3,722
Stream gaging.....	23,924	29,179	5,255
Other local sources.....	5,200	1,609	(3,591)
Total revenues.....	1,832,076	1,858,333	26,257
EXPENDITURES			
General Government			
Board Expenses.....	53,500	38,994	14,506
Insurance.....	8,000	8,253	(253)
Administration			
Personnel.....	239,722	215,787	23,935
County treasurer's fees.....	51,965	46,162	5,803
Other services.....	31,599	31,461	138
Rent.....	32,040	30,552	1,488
Dues and subscriptions.....	28,000	22,156	5,844
Supplies.....	9,000	7,813	1,187
Professional and technical services.....	14,000	20,256	(6,256)
Water conservation activities			
Legal.....	400,000	310,284	89,716
Other district support.....	319,394	209,394	110,000
San Juan Recovery Program User Committee.....	38,112	38,113	(1)
Engineering.....	295,000	213,673	81,327
Stream gaging - Federal.....	103,000	103,094	(94)
Lobbying.....	76,800	70,823	5,977
Weather modification.....	80,000	74,900	5,100
Water education.....	55,500	58,373	(2,873)
Water Rights.....	-	-	-
Stream gaging - Colorado.....	2,640	2,401	239
Water Information Program.....	85,295	74,157	11,138
Total operating expenditures.....	1,923,567	1,576,646	346,921
Other Expenditures			
Capital outlay.....	5,000	5,451	(451)
Emergency contingency.....	131,148	-	131,148
Total other expenditures.....	136,148	5,451	130,697
Total expenditures.....	2,059,715	1,582,097	477,618
Net change in fund balance.....	(227,639)	276,236	503,875
Fund balance, beginning.....	4,147,304	4,184,712	37,408
Fund balance, ending.....	\$ 3,919,665	\$ 4,460,948	\$ 541,283



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 & Mo Rock

Subject: 2024 Director Appointments to the SWCD Board (*Informational*)

Date: October 4, 2023

As occurs each year, the terms of three SWCD Directors will expire on the day of the first regular SWCD Board meeting in 2024. For 2024, this includes:

David Guilliams, Hinsdale County
Amy Huff, La Plata County
Charlie Smith, San Juan County

In mid-November, SWCD staff will send notice letters to each of these counties requesting they reappoint the current director or appoint a new individual. Any appointee must have been both a resident of the county for at least two years prior to the date of his or her appointment and an owner of real property in the county who has paid property taxes in that county in the last calendar year. Appointments are for a term of three years and, according to statute, **must be made at the first Board of County Commissioner meeting in January 2024.**

Once an appointment has been made, the county must complete a Notice of Appointment and have the appointee sign and have notarized the Oath of Office. Any appointee may not commence duties as a District director until these documents have been received.

17. Consultant and Partner Updates

- 17.1. Harris Water Engineering - Carrie Padgett (written report in packet)
- 17.2. Water Information Program & Roundtable PEPO Liaison Report - Elaine Chick
"(written report in packet)
- 396" "Eqmqtcf q'Y cvgt'Eqpugtxcvkqp"Dqctf "/"Regional Water Plan Grant Manager Report -
Ncwtc Spann (written report in packet)"



Elaine Chick - WIP Update – SWCD Board Meeting – October 11 -12, 2023

- **Children’s Water Festival** – As I mentioned in the last SWCD meeting, WIP produced the 25th Children’s Water Festival, after a three-year hiatus due to the pandemic, on May 10, 2023, at Ft. Lewis College. The festival was met with an overwhelming positive response from teachers. There were 750 - 5th graders who attended. The presentations ranged from water information and hands on activities about our local watershed, how much water is in our food, a variety of agricultural presentations, soil health, forest health, how much pH is in our water, conservation, to the impact that our decisions have in conserving our natural resources for the ecosystem and watersheds around us.

There were 18 schools, 36 classes totaling 750 students attending. We had 28 presenters with a wide variety of topics, we had quite a few new presenters at the festival.

Next year we unfortunately will have to push the festival to the third week of May due to Fort Lewis College mandate. We are now looking at May 15, 2024 to hold the festival. I will have to check with all the teachers to see if they can still come as it is so close to the end of semester. Hopefully all will work out OK.

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

The Forest to Faucets teacher workshop took place on August 3 – 4, 2023 and was a great success. We had 17 teachers one day and 16 the second. This year it was held in the Durango area.

Educators participated in various activities in the classroom about the water cycle, non-point source pollution, and what watershed they live in. We then took them out in the field, and they met with experts from the San Juan National Forest and learned about the impacts of fire on our Watershed, benthic macroinvertebrates and the health of the river, they learned about the Durango water supply and how it gets to your tap and visited the water treatment plant and the Santa Rita Water Reclamation Facility, plus much more.

This was a wonderful way to get teachers outdoors and find out about the resources available to them for field trips and place-based education and activities that address Colorado State Standards. And a great way for teachers to network with other teachers!

WIP provided the teacher kits that included all items/supplies necessary for teachers to reproduce our activities, helped with the coordination and planning, provided lunch for all teachers and presenters for the two days, and Elaine facilitated two activities.

We will be holding our next Forest to Faucets training in Pagosa Springs on June 4 – 5, 2024, and will be using the Pagosa Area Water Sanitation District conference room as our classroom base. Thank you to them.

We received exemplary remarks from the sixteen teachers on the survey.

Here are a few quotes of what participants said about the 2023 program:

- *The tours were great! I was so impressed by how each of the people connected what we saw to chemistry or other science.*
- *So glad I did this. I'll do it again and suggest it! We went to places I would never have gone. Thanks!*
- *So much info – my head is swimming! Thank you.*
- *Extreme knowledge of all instructors and guests! Excellent!*
- *Amazing materials! Engaging activities*
- *I wouldn't have known how to present & teach water-related topics to students.*
- *I realized how valuable and important it is to know about our water source and the journey of water to our use of it.*
- *I didn't realize how much I take water for granted.*

- **Water Law in a Nutshell Course** – After the sold-out success of the last in-person course held last October, WIP presented another in-person eight-hour Water Law in a Nutshell course that took place Thursday, September 28, 2023, at Ft. Lewis College, in the Vallecito Room. The Four Corners Water Center acted as a co-presenter which allows us to get the room rental at no charge. Aaron Clay facilitated this eight-hour course and did another fabulous job presenting an in-depth look at water law and how it applies and took very complex topics and broke them down in a way that could be understood by the public. The course also provided a good overview of the roles and responsibilities of the State Engineer and Commissioners that is sometimes missed by the general public. We had 40 paid attendees, with 16 receiving continuing education credits (2 CLE for Attorneys; 2 CE for Appraisers and 12 CE for Realtors).

WIP will be presenting a virtual Water Law for Realtors short course in December.

WIP Partners Meeting – Elaine held the final WIP meeting of the year on September 20, 2023. There were 12 partners present (part in person and virtual). Elaine reviewed the 2023 WIP budget year to date, that included the projection of total expenses for the year, and was happy to say that with the few partners that increased their contribution, the City of Cortez coming on as a new partner, savings on expenses and additional anticipated revenue from the Water Law course, the projected year end bottom line looks like it will

come in close to expenses matching revenue. The original 2023 WIP budget had a deficit of \$10,000.00, and now looks like this will be remedied. Elaine reviewed the draft 2024 WIP budget and contractor Scope of Work and both were approved by the WIP partners in attendance.

SWCD

- **SWCD Annual Conference** – We have started working on next years SWCD Water Seminar. We are putting together ideas for the theme, working on panel topics and potential speakers. The Annual Water Seminar will take place next year at the Sky Ute Casino in Ignacio on March 27, the Board and speaker dinner will be held March 26. Hopefully we will have an even larger attendance next year.

Additional WIP Outreach in 2023-

- *Presented to the Animas Water Co, Animas La Plata Water Conservancy District and Dolores Water Conservancy District*
- *Attend monthly meetings and participate as part of the SWEELC (Southwest Environmental Educational Leadership Council)*
- *Had a WIP table (with brochures and mags) at the Ignacio Library for the Travelling Water Library exhibit put on by Co State University*
- *Helped coordinate and had a WIP table at the Powerhouse Science Center for the River Raft companies event to launch the Rising River Stewards Activity Book. We provided pizza and beer, and asked if the companies would hand out the activity book to the kids on the raft trips down the river. MSI, San Juan Mountain Association, WIP and the Powerhouse all had tables to educate the guides on the various organizations.*
- *Shared a booth at the Dolores River Festival, handed out Rising River Stewards Activity books and WIP brochures and magazines.*
- *Had the Rising River Stewards books available at the Animas River Days along with other WIP information.*

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Memorandum
October 5, 2023

To: SWCD Board of Directors
From: Carrie Padgett
Subject: Engineering Report for the October 11 and 12, 2023 Board Meeting

The following is a summary of the topics Carrie Padgett worked on for SWCD since the last Board meeting, during the months of July, August, and September in 2023. For more background and detail please contact me.

San Juan and Upper Basin Endangered Fish Recovery Programs

I participated in committee meetings in July, August, and September. Of those meetings, I participated in the annual hydrology model meeting for the SJRIP on September 12. The model is used for long-term planning purposes such as developing and evaluating Navajo Reservoir operating rules that will support the goals of the SJRIP while continuing to provide reliable water supply to the basin’s water users. The model is also used to simulate and assess the impacts of various levels of water use scenarios on stream flows and determine how well the flow recommendations can be met at certain levels of development.

This past year, the model’s data set was updated to extend from 1929 through 2020. For the update, Colorado’s StatMod is used to input our basins’ most recent acreages and other structure specific data. New Mexico’s historical and baseline irrigation data is provided by their Office of the State Engineer and Keller-Bliesner Engineering. Below is a table summarizing the change in acreage after the update. I noticed a significant change in acreage for the La Plata River and McElmo River basins. I think this change is worth investigating to better understand the underlying data driving this difference.

Table 1. Colorado’s Baseline Acres

	v2013	v2020	Change (acres)	% Change
Carracas	14,245	12,901	-1,344	-9%
Piedra	6,886	5,847	-1,039	-15%
Pine	39,567	38,346	-1,221	-3%
Animas (inc. Florida)	24,244	21,433	-2,811	-12%
La Plata	12,240	7,115	-5,125	-42%
Mancos	5,289	11,792	6,503	123%
McElmo	67,102	64,915	-2,187	-3%
Total	169,573	162,349	-7,224	-4%

Last week I attended an in-person meeting of the Executive Committee in Grand Junction. This was the first time I’ve met with the group in-person since participating in the committee. At this

meeting we visited the Roller Dam on the Colorado River. Staff from the Program Office and USFWS participated and provided information 15-mile reach management and demonstrated how the fish ladder operates. We got to sort some fish and I saw a humback chub!

Grant Program

I have been working with Southwestern staff on the draft guidelines for a possible future grant program. I met with the grant program development team in July and provided comments on the document.

Navajo Reservoir

I attended the August 22 Navajo Reservoir Operations meeting. Summary points of the meeting are below. The next meeting will be January 16, 2024.

- Modified Unregulated Inflow totaled 1,028,000 AF which was 163% of average.
- The current elevation is 6053.85 ft with a live storage of 1,216 kaf (74% full) and an active
- storage of 590 kaf (58% full). This is 94% of average for this time of year.
- A spring peak release was conducted that totaled 257 kaf over base, accomplishing three of four ESA goals.
- Summer and early Fall releases will likely range between 500 and 800 cfs during irrigation, subject to weather at the time. Late fall and winter releases will be lowered likely near 300 cfs as long as the downstream target baseflow can be satisfied.
- The current outlook for WY 2024 is wide, ranging from 51% of average to 165% of average.

Animas Watershed Partnership (AWP)

I attended two stream management planning meetings for the Animas River since July. In August, the group of stakeholders discussed the geographic scope of the SMP. Analysis and planning will focus on the Animas River mainstem from Baker's Bridge to Stateline. The goal will be to understand the impacts of the broader watershed, upstream and tributaries to the Animas River. While the Florida River and other tributaries impacts to the Animas River will be considered, however, analysis and planning regarding of these tributaries health assessment and potential projects will be considered in a future phase. At the September meeting, the group of stakeholders discussed how best to evaluate attributes either quantitatively or qualitatively. The next SMP meeting will be in late October will focus on drafting a scope of work for the next phase of the process.

06CW127 Case

I continue to provide technical support for this conditional water right. In recent months, I've reviewed proposed Notice of Intent forms, developed a depletion rate table for an applicant, and provide comments to Steve and the applicant.

MEMO

To: SWCD Board of Directors
From: Laura Spann, CWCB
Subject: A Brief CWCB Funding Update
Date: October 3, 2023



COLORADO
Colorado Water
Conservation Board
Department of Natural Resources

Soliciting your ideas regarding county outreach on CWCB funding opportunities.

Over the next year, I will be reaching out to counties in southwestern Colorado to present CWCB’s current water funding opportunities. If you would like me to connect with specific staff or elected officials with your county (or have other ideas), please let me know.

\$17.2 Million Remaining for FY23-24 Water Plan Grant Requests

The CWCB board approved [\\$7.8 million in Water Plan Grants](#) at their September board meeting, including revegetation on the Telluride Valley Floor led by Trout Unlimited and final construction on the Florida Consolidated Ditch Company’s diversion and headgate rehabilitation project. The CWCB’s [Water Plan Grant Program](#) provides funding to advance Colorado Water Plan goals.

Upcoming Water Plan Grant Deadlines:

SW Basin Roundtable Support (optional)	Application due to CWCB	CWCB Board Review
Request by October 12	December 1	March
Request by January or April meeting	July 1	September

CWCB Contact: Laura Spann, laura.spann@state.co.us, call or text 720-916-7723

WSRF Balance and Deadlines

As of today, the Southwest [WSRF Basin Account](#) balance is currently \$349,578 and the additional annual allocation of \$300,000 is expected to be available soon.

Upcoming WSRF Deadlines

Application to Roundtable Chair	Presentation to Roundtable	Application Due to CWCB	CWCB Board Consideration
December	January meeting	Feb 1 or April 1	May or July
March	April meeting	June 1 a	Sept
June	July meeting	Aug 1 or Oct 1	Nov or Jan
September	October meeting	Dec 1	March

Southwest Basin Roundtable Chair: Ed Tolen, (970) 563-0320, etolen@laplawd.org

CWCB Contact: Ben Wade, 303-866-3441 x3238, ben.wade@state.co.us

Other CWCB Funding Opportunities:

- [CWCB Technical Assistance and Local Capacity Grants](#)
- [Wildfire Ready Watershed Grants](#)
- [Water Project Loan Program](#)