

3.0 SWCD Board of Director Appointment for Montezuma County

Beth Van Vurst reported that SWCD has received director credentials for the appointment of Gerald Koppenhafer from Montezuma County. Gerald Koppenhafer introduced himself.

4.0 Executive Session

Beth Van Vurst recommended that the board move into executive session for the purpose of discussing agenda item 4.1, Colorado River Compact, interstate and intrastate negotiation matters, including re-negotiation of the interim guidelines. The statutes covering this executive session are § 24-6-402(4)(b), C.R.S., “conferences with an attorney for the district for the purpose of receiving legal advice on specific legal questions,” and § 24-6-402(4)(e), C.R.S., “determining positions relative to matters that may be subject to negotiations; developing strategy for negotiations; and instructing negotiators.” John Carron with Hydros Consulting joined the executive session as a consultant for SWCD. Rusty Hinger moved that the board go into executive session. Dagan Chadd seconded. The motion passed.

Beth Van Vurst stated that no further record of the executive session need be kept based on her opinion that the discussion will constitute privileged, attorney-client communications.

5.0 Summary and Action Items from Executive Session

Beth Van Vurst announced that the board was out of executive session at 9:40 a.m. During the executive session, the board discussed agenda item agenda item 4.1, Colorado River Compact, interstate and intrastate negotiation matters, including re-negotiation of the interim guidelines. No action was taken during executive session.

6.0 General Counsel Legal Report

6.1 May and June Water Court Resume Review (Divisions 3, 4, 7)

Beth Van Vurst reported that there were no applications in the May Water Court resume for Divisions 3, 4 and 7 that warranted further discussion or action by SWCD. There are a couple of applications in the June Water Court resumes that warrant further review prior to determining whether SWCD should seek to participate in those cases. Beth, Pete, and Steve will perform that review after the August board meeting and confer with SWCD Board President, Jenny Russell, prior to filing any statement of opposition.

6.2 Proposed Tax Increment Finance (TIF) Agreement with North Main Gateway Urban Renewal Authority (URA) and Modification of Existing TIF Agreement with Durango Midtown URA

(#2 time: 00:00:00)

The City of Durango (Durango) has reached out to SWCD regarding a second proposed TIF agreement, this time for their North Main Gateway Urban Renewal Authority, which would require that Durango reimburse SWCD for SWCD’s portion of the tax increment collected by the North Main Gateway URA. Also, Durango and SWCD propose modifying their existing TIF agreement for the Durango Midtown URA to allow for annual, rather than monthly, reimbursement of property tax revenue to SWCD. Rusty Hinger moved to approve the North Main Gateway Urban Renewal Plan TIF agreement and the proposed modification of the existing TIF agreement with Durango Midtown URA. Kenny Heldman seconded. The motion passed.

7.0 Approve and/or Remove Consent Agenda Items

(time: 00:03:15)

There was unanimous consent to approve the consent agenda as noticed.

8.0 Consent Agenda

(time: 00:03:30)

8.1 Approval of Minutes (June 8; July 12-13)

Charlie Smith moved to approve consent agenda item 8.1. JR Ford seconded. The motion passed.

9.0 Questions & Comments from Public

(time: 00:04:00)

There were no questions and comments.

10.0 Colorado Water Plan Update and Comment Period

(time: 00:05:00)

Nora Flynn, Colorado Water Conservation Board (CWCB), summarized the state water planning process from 2015 to 2022, the draft 2023 Colorado Water Plan update, and the process to provide public comment by the September 30th deadline at engagecwcb.org. Nora further described Section 6 of the draft 2023 water plan, which organizes the agency and partner actions into four goal areas: vibrant communities, robust agriculture, thriving watersheds, and resilient planning. SWCD will be providing written comments to the CWCB on the plan in late September.

11.0 Reports

11.1 Hydrologic Conditions, including updates from Division 4 and 7 Engineers

(time: 00:18:15)

Bob Hurford, Division 4 Engineer, summarized streamflows and the status of key irrigation storage reservoirs in the San Miguel River basin. Specifically, construction was completed at Gurley Dam this spring and the reservoir storage limitation was removed. Gurley Reservoir ultimately filled this year. Lone Cone Reservoir ran out of stored water on June 3rd and the company is seeking funding for outlet works replacement. Buckeye Reservoir is leaking, an issue that is currently not jeopardizing the integrity of the dam. Even with the monsoonal rains, drought conditions persist in the Western United States. The Colorado River Basin Forecast Center models continue to predict warmer and drier than average conditions for western Colorado.

Rob Genualdi, Division 7 Engineer, summarized streamflows, reservoir storage, precipitation, and recent temperatures in southwest Colorado. There were only 10 out of 127 years of record with more precipitation in July than 2022. Gate problems at Long Hollow Reservoir have been fixed. Diligence applications for the Animas La Plata Operation Maintenance and Replacement Association and the SWCD water rights formerly associated with the Animas-La Plata Project were approved. Heavy rains reduced the required releases from most area reservoirs and allowed them to store additional inflows and extend the season.

11.2 Colorado River Basin Update

11.2.1 Hydrologic Conditions

(time: 00:31:15)

Steve Wolff referred directors to local hydrologic conditions summarized in their packet. Streamflows have increased with the monsoonal rains but in most cases, flows dropped again afterwards. The Bureau of Reclamation's (Reclamation) 24-month study will come out mid-August forecasting the reservoir elevations for January 1st. Based on this forecast, Reclamation sets operational tiers for Lakes Powell and Mead through water year 2023.

11.2.2 UCRC Letter to Reclamation regarding Five-Point Plan

(time: 00:32:15)

Steve Wolff summarized the Upper Colorado River Commission's (UCRC) letter responding to Reclamation's request that the Colorado River Basin States develop plans by mid-August to provide an additional 2-4 million acre-feet (MAF) of water to the system the following year to protect critical elevations at Lakes Powell and Mead. The UCRC outlined five actions that the Upper Basin States are taking to address system needs. So far, the Lower Basin States have not provided their formal response to Reclamation's request for a plan to reduce their water use.

11.2.3 SWCD Comments on Reclamation Pre-Scoping Operations Planning

(time: 00:35:45)

Steve Wolff summarized Reclamation's current request for comments on meaningful participation ideas and operational strategies to consider when scoping the post-2026 interim guidelines. SWCD is working with the CWCB and the Colorado River District to coordinate comments as appropriate.

11.3 Water Quality Update

11.3.1 Regulation 34/35 Hearing, including Bonita Peak & Outstanding Waters Proposals

(time: 00:37:40)

Peter Butler reported on proposals considered at the Colorado Water Quality Control Commission's (Commission) Regulation 34 (San Juan and Dolores River basins) and 35 (Gunnison and Lower Dolores River basins) hearing on June 13th. The Commission adopted the Bonita Peak Community Advisory Group's proposal to add aquatic life use classification and water quality standards to a reach of Mineral Creek near Red Mountain Pass, where water quality has improved to support a trout population. The Commission also adopted the proposal by a coalition of conservation groups to designate several reaches in southwestern Colorado as outstanding waters (OW), most of which SWCD supported. Only one proposed OW reach in the Dolores River basin was not adopted because of a lack of supporting data.

11.3.2 Proposed Changes to CWQCC Regulations 31, 34, 35

(time: 00:49:45)

Peter Butler summarized the November hearing on proposed changes to nutrient regulations. There was board consensus to direct Peter to continue monitoring the issue.

12.0 Legislative Affairs

12.2 Federal Affairs Update

(time: 01:00:15)

Four billion dollars was allocated for western drought response in the Inflation Reduction Act, along with five billion dollars for wildfire fuel reduction, \$525 million for endangered species act recovery programs, and additional funding for EQUIP and RCPP.

12.2.1 Proposed Dolores River National Conservation Act (S. 4542)

Christine Arbogast provided background on the proposed Dolores River National Conservation Act, which has been introduced by the Colorado delegation in the U.S. House and Senate and may get a hearing in early fall. Steve, Beth, and Christine will provide a written memo with background on the Dolores NCA bill, including the pros and cons of the legislation, for the board to prepare to consider taking a position at the October board meeting.

12.2.2 Proposed Rio Grande Water Security Act (H.R. 7793)

Steve, Beth, and Christine are monitoring the proposed Rio Grande Water Security Act closely because of the transbasin diversions that take water from the San Juan River and move it to the Rio Grande Basin, the largest of which is the San Juan-Chama project. The legislation proposes a Rio Grande basin-

wide study with involvement from all federal agencies but does not highlight the state's role in water administration, planning, and interstate compacts. The Colorado stakeholders are asking that Colorado be excluded from the bill.

12.2.3 Proposed Wildfire Response and Drought Resiliency Act

This agenda item was not discussed.

12.1 State Legislative Update

12.1.1 Interim Water Resources and Agriculture Review Committee

(time: 01:25:30)

Garin Vorthmann summarized activities of the Interim Water Resources and Agriculture Review Committee over the summer. At their August 4th meeting, the Committee requested bill titles on 13 topics including allowing homeowners associations to require xeriscape, encouraging water literacy at public schools, authorizing water conservancy districts to file augmentation plans on behalf of their users, creating a standing legislative water committee, and requiring annual reports on interstate compacts to the legislative agriculture committees. The bill drafts will likely be available by September 1st. The Committee can approve up to 10 bill titles at their September 22nd meeting for introduction during the 2023 session. The Colorado General Assembly will convene on January 9, 2023. Garin also provided a summary of state legislative seats up for election and ballot initiatives currently under review. The mid-term general election will be held November 8th.

13.0 Staff Report

13.1 State and Division Engineers' Draft Measurement Rules for Division 6

(time: 01:37:30)

Steve Wolff, Beth Van Vurst, and Pete Foster are reviewing the updated version of the State and Division Engineers' draft measurement rules for Division 6. Within the next few weeks, SWCD will provide comments to the Colorado Division of Water Resources (DWR), which mostly focus on ensuring clarity and consistency. While the draft measurement rules would apply to Division 6 only, it is anticipated that DWR will seek similar rules in Divisions 4 and 7. Board members asked questions regarding the available funding for water users to comply with the measurement rules and time allowed for constituents to comply with the new rules.

13.3 San Miguel River Basin Water Supply Planning

(time: 01:39:45)

Wright Water Engineering is analyzing current and forecasted water supply availability and water demands across various sectors within the San Miguel River basin. Pete Foster and his team have identified a water supply gap of 50,000 to 90,000 acre-feet and may present their results at the October SWCD board meeting.

13.4 Paradox Valley Salinity Unit Operations Update

(time: 01:40:30)

Steve Wolff reported that Reclamation's Paradox Valley Salinity Unit (Unit) was shut down in 2019 because of local earthquakes attributed to its operations. As of June 1, 2022, limited operations at the Unit have resumed to test reinjection at lower pressures. The Unit is critical to controlling salinity in the Colorado River system. Reclamation's recent environmental impact statement (EIS) identified four alternatives as the Unit is reaching the end of operational life; ultimately, an alternative was not selected. There was board and public discussion regarding background on the Unit, its water supply, and the local community's perspectives on the draft EIS alternatives.

13.5 Proposed FY2023 SWCD Budget Goals, Priorities, Process

13.5.1 Appointment of SWCD Budget Officer

(time: 01:48:55)

Steve Wolff directed the board to the FY2023 budget memo, which outlines the SWCD budget process and identifies several questions related to 2023 budget goals and priorities. There was board consensus to budget for an additional staff position once a job description is provided to and approved by the Board, and for staff to plan for total 2023 grant program funding of \$250,000. Amy Huff moved to appoint Steve Wolff as SWCD's budget officer. Rusty Hinger seconded. The motion passed.

13.6 Update on 2022 SWCD Action Plan Progress

(time: 01:56:40)

Steve Wolff directed the board to the one-page summary of progress on SWCD's 2022 action plan.

The board recessed for lunch.

13.2 CWCB Instream Flow Program Recommendations

13.2.1 2022 – Spring Creek (San Miguel Basin, Montrose County) Cancelled

(#3 time: 00:00:00)

Steve Wolff reported that the CWCB cancelled their Spring Creek instream flow (ISF) recommendation after local water users wrote a letter outlining their concerns.

13.2.2 Proposed 2023 – Red Canyon, Big A, Kelly & Goat Creeks (San Miguel Basin)

(time: 00:01:45)

Steve Wolff and Carrie Padgett directed the board to the memo summarizing 2023 ISF recommendations for stream segments located within SWCD boundaries, all of which are in the San Miguel Basin. The recommended ISF appropriations on Red Canyon Creek, Big A Creek, and Kelly Creek in Montrose County are intended to protect Colorado River cutthroat trout. At first review, these ISF recommendations did not seem to impact local water users and are located high in the watershed.

The ISF recommendation on Goat Creek (San Miguel County) may impact water uses for the Farmers Water Development Company and other Wrights Mesa water users. Gurley Ditch sweeps Goat Creek for a short reach. SWCD plans to review diversion records and discuss its concerns with CWCB.

14.0 Reports (continued)

14.1 Director Reports

(time: 00:13:20)

Dagan Chadd (Dolores County) reported that the proposed Dolores River NCA, which is supported by Dolores County, is generating a lot of public comment and concern from Dolores County residents.

Kenny Heldman (Montrose County) reported that the rains have increased storage in Gurley Reservoir by about 200 acre-feet. The Colorado Cooperative Ditch Company is diverting about 80-90 cubic feet per second (cfs). In general, Nucla's water situation is good.

Rusty Hinger (Mineral County) reported that the south side of Mineral County has received 11 inches of rain since May, which has kept the creeks and springs running later into the season.

Gerald Koppenhafer (Montezuma County) reported that the Montezuma Valley Irrigation Company (MVIC) has not shifted their allocation of three feet even though the Dolores River is higher than in recent years. MVIC has plenty of storage to run through October. Montezuma County is supportive of the proposed Dolores River NCA. In a recent meeting with Montezuma County, U.S. Senator Bennet described the four billion dollars of funding appropriated in the Inflation Reduction Act to support

drought response. Water users received their full allocation out of Jackson Reservoir this year after having no allocation during the 2021 water year.

Charlie Smith (San Juan County) reported that the U.S. Bureau of Land Management appraised the transmountain Mineral Point diversion to value the lands on which the water is used. Charlie and SWCD staff will meet with the U.S. Environmental Protection Agency on August 30th to request their funding costshare on several Upper Animas River basin streamgages.

Amy Huff (La Plata County) reported that the reservoir levels have increased thanks to monsoonal rains. The La Plata County Fair will take place next week. The Purple Cliffs homeless camp will close on September 30th. La Plata County airport will close from September 7th-16th.

JR Ford (Archuleta County) reported that reservoirs and flows are up. The San Juan Water Conservancy District and Pagosa Area Water and Sanitation District hosted a well-attended public meeting at which Erin Wilson presented a water supply and demand study on the Upper San Juan River basin.

Jenny Russell (San Miguel County) reported that John Norton and Mike Preston presented their study on temperature and precipitation trends in the San Juan Mountains to the San Miguel County Commissioners. Steve Wolff and Jenny Russell also updated the Commissioners on SWCD's latest activities.

14.2 Board Committee Report

14.2.1 Board Finance Committee and CD Investments

(time: 00:27:30)

Steve Wolff summarized several financial transactions undertaken by staff with guidance from the Board Finance Committee, including cashing out the First Southwest Bank certificate of deposit (CD), opening several CDs with competitive interest rates through Peaks Investment Management, and transferring additional cash to SWCD's COLOTRUST account. All these moves are intended to increase SWCD's interest income while minimizing risk within the statutory limits of local government investment rules.

14.2.2 Review and Acceptance of Treasurer's Report (August 4, 2022)

(time: 00:29:30)

Laura Spann summarized the SWCD Treasurer's Report updated format. Charlie Smith moved to accept the August 4, 2022 SWCD Treasurer's Report. Amy Huff seconded. The motion passed.

14.3 Southwest Basins Roundtable and IBCC Update

(time: 00:37:00)

Steve Wolff highlighted several items from the board's memo on recent Roundtable and IBCC activities. Steve attended the virtual IBCC meeting in July, at which DNR Director Dan Gibbs challenged each Roundtable to identify two or three projects to get off the ground in 2023. Cleave Simpson presented to the Roundtable's Colorado River Subcommittee on the San Luis Valley's compact issues, sub-district formation, and other lessons learned. Laura Spann summarized the Roundtable meeting, which included presentations from the CWCB on the draft 2023 state water plan and their Wildfire Ready Watershed initiative. Wendy Weygandt has been selected to take over as Roundtable Recorder.

14.4 SWCD, Water Info Program and Roundtable PEPO Liaison Report

(time: 00:46:00)

Elaine Chick reported on recent Water Information Program (WIP) activities, including the Forest to Faucets Teacher Training Program in the Dolores and McElmo basins in June, a fall in-person Water Law in a Nutshell course at Fort Lewis College (FLC), and WIP scholarships toward student tuition costs for FLC's fall water seminar.

On behalf of SWCD, Elaine and partners developed the Rising Rivers Stewards Activity Book for school-age children. More than 4,500 books have been distributed so far. For SWCD's 2023 Southwest Water Seminar, Elaine is working with Sky Ute Casino to support a larger audience for the proposed date of Friday, March 31st.

As Public, Education, Outreach, and Participation (PEPO) liaison, Elaine is working with a committee to finalize the Roundtable's standalone website and solicited photos from board members. Elaine has submitted a PEPO grant for \$25,000 to support 2022-23 educational activities via the CWCB's online grant portal. Elaine summarized the Water '22 mini tour organized in collaboration with Water Education Colorado for diverse local participants unfamiliar with water.

14.5 Upper Colorado & San Juan River Basin Recovery Programs

(time: 01:04:45)

Carrie Padgett reported that after the monsoonal rains, Reclamation changed its shortage projection for users below Navajo reservoir from 19% to no shortage. This shortage would have also applied to water set aside to hit targets for the San Juan River Basin Recovery Implementation Program.

Carrie also described SWCD's participation in scoping the Animas River stream management plan.

The board recessed for a short break.

15.0 Partner Updates

15.1 San Miguel Watershed Coalition

(time: 01:18:30)

Adrian Bergere presented on the San Miguel Watershed Coalition's (SMWC) proposal to develop an integrated hydrologic model of the San Miguel River watershed that would address a need identified by the San Miguel Stakeholders group to better understand groundwater. The SMWC would use a MIKE SHE model of the San Miguel watershed to provide stakeholders with a water management tool that a) improves understanding of fundamental integrated hydrologic system behavior and controlling factors, b) can predict a range of current and potential future impacts due to climate change, fires, floods, extended droughts, water quality degradation, and development, and c) can be used to help design and assess alternative engineering approaches that can achieve specific goals. The SMWC will be applying for a \$20,000 SWCD grant to support the total project budget of \$230,000. Local project partners include the Town of Telluride, San Miguel County, Montrose County, the Town of Mountain Village, Colorado State University, Fort Lewis College, Colorado School of Mines, and Western Colorado University.

16.0 Executive Session (if needed)

There was no need for afternoon executive session.

16.0 Adjournment

President Russell adjourned the meeting at 2:15 p.m.



Jenny Russell, President