

**Southwestern Water Conservation District
Board of Directors Meeting
February 9, 2016**

Present: John Porter, President Steve Fearn, Vice-President Bob Wolff, Secretary-Treasurer
David Guilliams Rusty Hinger Monte Naslund
Jenny Russell Doug Stowe

Absent: J.R. Ford

Staff: Bruce Whitehead, Southwestern Water Conservation District (SWCD) Executive Director
Laura Spann, SWCD Office Manager
Adam Reeves, Maynes, Bradford, Shipps & Sheftel
Carrie Lile, Harris Water Engineering

Guests Steve Anders, U.S. Geological Survey
Bob Becker, Mancos Conservation District
Ken Beegles, Animas-La Plata Water Conservancy District
Susan Behery, U.S. Bureau of Reclamation
Jimbo Buickerood, San Juan Citizens Alliance
Marcie Demmy Bidwell, Mountain Studies Institute
Deanna Drew, San Miguel Watershed Coalition
Rachel Hoffman, Animas Watershed Partnership
Don Janz, Bauer Lake Water Company
Amanda Kuenzi, Mountain Studies Institute
Darlene Marcus, U.S. Representative Scott Tipton
Steve Miles, High Desert Conservation District
Ann McCoy Harold, Senator Cory Gardner
Gabi Morey, San Juan Mountains Association
Ann Oliver, Animas Watershed Partnership
Denise Rue-Pastin, Water Information Program
Bill Simon, Animas River Stakeholders Group
Sarah Syverson, Mancos Conservation District

President John Porter called the meeting to order at 10:00 a.m. Roll was taken and a quorum was present.

Approval of Minutes (December 8, January 26)

(time: 00:00:30)

Bob Wolff moved to approve the December 8, 2015 and January 26, 2016 minutes. Steve Fearn seconded. The motion passed unanimously.

Approval of Treasurer's Report (Year End 2015; January 2016)

(time: 00:00:45)

Laura Spann summarized the Year End 2015 budget comparison. Expert report costs are now listed under the Technical/Other line item. The increase in 2015 miscellaneous income is due to a reimbursement from CWCB for Roundtable meeting and recorder expenses. Director and staff fees and travel expenses were just under budget for 2015. No water quality samples were processed in 2015, but some may be processed early in 2016. Regarding outstanding December billing from general counsel, Adam reported that the firm is moving to an integrated billing system which should address delays in the future. Laura directed board members to the January 2016 budget comparison, bank account summary, and check detail. Steve Fearn moved to accept the Treasurer's Report. Bob Wolff seconded. The motion passed unanimously.

Board Member Reports

Bob Wolff (La Plata County)

(time: 00:13:55)

High temperatures are expected, which will generate low elevation snow melt. Bruce and Bob will attend the Family Farm Alliance Annual Conference in mid-February.

Doug Stowe (Dolores County)

(time: 00:14:15)

David Robbins has not yet redrafted the legal review of the proposed National Conservation Area (NCA) on the Dolores River.

Rusty Hinger (Mineral County)

(time: 00:15:40)

High temperatures threaten the good snowpack in Mineral County.

Monte Naslund (Montrose County)

(time: 00:16:20)

Montrose County has had an average winter, with more snow and colder days than in recent years.

David Guilliams (Hinsdale County)

(time: 00:17:05)

2 inches were produced out of the most recent storm.

Jenny Russell (San Miguel County)

(time: 00:17:30)

San Miguel County snowpack is good on the east and west end. Norwood Water Commission will hear the results of their rural water development project feasibility study. Commissioner Art Goodtimes will not be seeking reelection.

Steve Fearn (San Juan County)

(time: 00:19:20)

With snowmelt expected this week, any storm to follow will create avalanche hazards in the backcountry.

John Porter (Montezuma County)

(time: 00:20:30)

Dolores Water Conservancy District (DWCD) has announced that all users will receive their full allocation.

Agency Reports

U.S. Geological Survey

(time: 00:21:00)

Steve Anders reported that USGS has secured full funding for operation of the Los Pinos at La Boca gage through the National Streamflow Information Program (NISIP). Currently, SWCD, Pine River Irrigation District, Southern Ute Indian Tribe, Bureau of Indian Affairs, and the USGS partner in funding the gage. USGS anticipates funding to continue into future years for the La Boca gage. At the request of the New Mexico Environment Department, the USGS will be collecting water quality data at three sites along the Animas River in Colorado.

U.S. Bureau of Reclamation

(time: 00:26:40)

Susan Behery reported that reservoir operators are currently managing a fine balance between preparing for large forecasted inflow in 2016 and a return to drought conditions in 2017. Ridges Basin Reservoir will not be pumping this year; the ALPOM&R Association does not want to introduce possible contaminants to Lake Nighthorse after the Animas River Gold King Mine spill.

Colorado Water Resources & Power Development Authority (CWR&PDA)

(time: 00:29:45)

Bob Wolff attended a joint meeting of the CWR&PDA and the CWCB to address funding of the larger initiatives in the Colorado Water Plan. Changes to the La Plata West Water Authority loan repayment schedule have been finalized. CWR&PDA had a recent loan default (one of two in the agency's history) which affects its credit rating.

Colorado Water Congress (CWC)

(time: 00:31:45)

Steve Fearn reported on record attendance at CWC's Annual Conference, meeting the capacity of the hotel facilities. The theme was the water plan implementation. Steve participated in a panel entitled "The Political Will to Get Things Done." John Porter hosted a table at the CSU Water Tables dinner about DWCD.

Colorado Foundation for Water Education (CFWE)*(time: 00:38:40)*

Steve Fearn reported on the next *Headwaters* issue, which will focus on collaboration around water issues. The President's Award will be presented to Governor Hickenlooper on May 13 at the Space Gallery in Denver. CFWE will host a tour in the Gunnison basin in advance of the Colorado Water Workshop at Western State Colorado University.

Interbasin Compact Committee (IBCC) & Roundtable*(time: 00:41:10)*

Bruce Whitehead reported that the IBCC will meet on February 23. There is discussion about the role of the IBCC through implementation of the water plan. At the January Roundtable meeting, two bylaws amendments were approved to add a voting seat for the Colorado Water Quality Control Commission representative (currently Chuck Wanner) and to clarify recusal of Roundtable members from voting on funding applications which they and/or their organization are affiliated. The vacant at-large seat created will be advertised to the public, and an election will be held at the next meeting. There was additional discussion regarding potential bylaw changes to add other voting seats, but no consensus could be reached. Due to a decrease in severance tax dollars collected by the State, the next installment of Basin funds will be significantly less than normal. SWCD is now hosting a webpage for Roundtable documents. The next Southwest Basin Roundtable meeting will take place on April 13 at the Durango Public Library.

Water Information Program (WIP)*(time: 00:46:00)*

Denise Rue-Pastin reported that the pilot Water and Land Use Planning Session was well-received, with more than 35 people in attendance. This year marks 10 years of the Water 101 seminar, which will be expanded to include a Water 201 session as well. Outreach to students has increased to include coordination with the life-long learning series at Fort Lewis College and presentations at the high school career fair.

River Protection Workgroup*(time: 00:55:25)*

Bruce Whitehead reported that the River Protection Workgroup Steering Committee agreed to move forward with the development of language for federal legislation, and a drafting committee was formed and has had several meetings. At the December meeting, SWCD provided revisions intended to simplify the conceptual agreement and avoid the issues that might cause additional controversy as the legislation moves forward. The last meeting was on January 8, and Jeff Titus (DWR Water Commissioner) attended to discuss water rights on East Hermosa Creek, and Adam Reeves participated in the discussion with Mely Whiting about the release language for Wild & Scenic suitability. Bruce and Adam will meet with a sub-group of the drafting committee on February 11 to further refine draft legislative language. The next meeting of the drafting committee is scheduled for February 24.

Questions/Comments from the Audience*(time: 00:59:50)*

Ann McCoy Harold, Senator Gardner's new field representative for southwestern Colorado, was welcomed to the meeting; she is in the process of setting up an office in Durango.

Office Report*(time: 01:02:45)*

Bruce Whitehead directed board members to the written Executive Director report, which he summarized:

- Staff and board were saddened to hear of Fred Kroeger's passing in December 2015. He was a board member for 55 years, and board president for 28 years. Fred was on the CWCB board and an Aspinall Award recipient.
- Snowpack for southwestern Colorado is at 122%. Bruce referred to the report for area reservoir levels.
- Regarding Case No. 13CW3011, Animas La Plata Project water rights, the United States has not yet filed approval of the settlement agreement. A due diligence application on the Basin Creek water right was filed by the ALPOM&R Association.
- SWCD, CWCB, and the USFS met in Durango on December 3 regarding claims for Federal Reserved Water Rights filed in 1976 by the USFS in Water Division 7. Since then, meetings have been held in Durango and Denver on December 19 and January 19. Bruce and Adam will provide an update in executive session.
- Bruce, Steve, and Adam attended the CWCB instream flow (ISF) workshop on January 27. SWCD is supportive of the collection of streamflow and habitat information for four reaches in southwest Colorado during the

summer 2016. The data will be available for review by SWCD and DWCD prior to moving forward in the appropriation process, which could start as early as 2017.

- The CWCB board cancelled the February 3 meeting to discuss the issue of future uses when an ISF is requested low in a basin. SWCD and the River District will have additional discussion on how to proceed.
- Two ballot measures may have potential impacts to water users and/or water rights. Initiative 40 has had a review and rehearing by the Title Board, and is focused on local jurisdiction and local sovereignty. Initiative 63 is similar to past attempts at an “Environmental Rights Measure”, but has had the Public Trust issue removed from the language.
- BOR is pushing to have all the recreation documents finalized by mid-April 2016; this includes the lease agreement, annexation agreement, planning MOU, the environmental assessment and the cultural resource management plan.
- The members of the Colorado Congressional Delegation (Senators Bennet and Gardner, and Congressman Tipton) released a draft of the Good Samaritan Cleanup of Orphan Mines Act, legislation designed to allow Good Samaritans, such as the mining industry, state agencies, local governments, nonprofits, and other groups, the opportunity to clean up the environment and improve water quality in and around orphan mines.
- San Juan County Commissioners and Silverton Town Trustees voted to pursue discussions of a Superfund Listing with the Environmental Protection Agency and the Colorado Department of Public Health and Environment. The proposal from Silverton and San Juan County would include a limited geographic area, and would not include the name of the town or county. The proposal and negotiations for the listing will likely take time.
- SWCD’s Annual Water Seminar will focus on the 75th Anniversary of the District.
- Monte and Doug were reappointed to the SWCD Board by their respective County Commissioners. Doug will not seek reelection as Dolores County Commissioner.

Questions/Comments from the Audience

(time: 01:25:25)

Bill Simon thanked the District for the 21 years of financial support for the Animas River Stakeholders Group.

SWCD thanked Bill for his dedication to the health of the Animas River basin over his many years as coordinator of the Animas River Stakeholders Group.

Old Business

Legislative Update

(time: 01:30:30)

The CWC State Affairs Committee met on February 8 to discuss water legislation introduced thus far during the 2016 Legislative Session, which convened on January 13. Bruce Whitehead explained the bills and relayed CWC discussion of the bills to the board. He summarized the most recent Legislative Report (#2016-03) and CWC bill status sheet (2-8-16).

Change to SWCD Statute: Sub-District Formation

(time: 01:45:15)

Bruce Whitehead explained that the current statute requires a certain number of landowners to vote in favor of sub-district formation. The River District is considering pursuing legislation to update their statute with an alternative process for sub-district formation. There was general consensus to support the River District as they pursue changes to their statute, but not seek a similar update to the SWCD statute at this time.

Instream Flow-Future Use Allocation

(time: 01:56:45)

Bruce Whitehead covered this agenda item in the Office Report.

Case No. 15CW3111 Dolores Instream Flow (Division 4)

(time: 01:57:30)

Adam Reeves recommended this topic be addressed in executive session.

Request for Qualifications: General Counsel

(time: 01:57:45)

As directed by the board, a Request for Qualifications for General Counsel was widely distributed in October. SWCD received 32 general counsel responses and two responses with interest in special counsel. A full board

Work Session was held on Friday, February 5 to review the RFQ responses. As a result of those discussions, staff will be sending out letters to all respondents, and arrange interviews will several firms for early March.

New Business

Election of Officers

(time: 01:59:25)

John Porter was the only board member nominated by ballot for board president. Monte Naslund moved to elect John Porter as board president by acclimation. Jenny Russell seconded. The motion passed. JR Ford and Steve Fearn were nominated for vice president by ballot. Steve Fearn was elected vice-president by a ballot vote. Bob Wolff was the only board member nominated by ballot for secretary-treasurer. Monte Naslund moved to elect Bob Wolff as secretary-treasurer by acclimation. Rusty Hinger seconded. The motion passed.

Agency Reports (cont.)

Colorado Water Conservation Board (CWCB)

(time: 02:10:30)

April Montgomery reported on the following topics:

- CWCB had a finance workshop with CWR&PDA regarding the \$7.8 million Projects Bill; themes included state fiscal agility, water plan implementation, and the decline in severance tax revenues. The Projects Bill includes new language authorizing CWCB to fund water treatment projects, and allowing CWCB to act as necessary to participate in the ALP Project.
- CWCB is considering minor changes to criteria and guidelines for the Arkansas Basin fallowing lease program, which has been very successful so far.
- The CWCB board approved ISF recommendations in Division 1,2,4,5 and 6, WSRA grants for the San Miguel Stream Management Plan and the Town of Mancos, and minor changes to pilot rainwater harvesting project guidelines.
- A new report published yesterday by the National Young Farmers Coalition addresses how agriculturalists are tackling water scarcity in the arid West.

Resolution—Meeting Posting Location

(time: 02:17:45)

Laura Spann read Resolution 16-01 addressing the statutory requirement for SWCD to adopt a resolution establishing the location where meeting notices will be posted in 2016. Bob Wolff moved to adopt Resolution 16-01 regarding the meeting posting location. Doug Stowe seconded. The motion passed unanimously.

Grant Request: High Desert Conservation District

(time: 02:20:00)

Steve Miles presented the request for \$14,500 in support of a multi-year project to provide individualized assistance to irrigators to increase on-farm agricultural water efficiencies and help to maximize the water holding capacity of soils in Montezuma County. The grant would fund a contracted irrigation water management soil health expert, a day-long water/soil health workshop, three watermark soil moisture sensor kits, and the project manager. Funding sources include the NRCS and in-kind contributions from the High Desert Conservation District. Steve responded to board member questions.

Grant Request: Bauer Lake Water Company

(time: 02:34:20)

Don Janz presented the request for \$13,500 in support of upgrades to the ditch from Jackson Lake to Bauer Lake #2. This project will incorporate several segments requiring repair work and upgrade improvements in order to achieve water transfer efficiency at an estimated cost of \$75,000. Bauer Lake Water Company plans to request \$60,000 from the Roundtable. Don responded to board member questions.

Educational Grant Request: Mancos Conservation District

(time: 02:42:45)

Sarah Syverson presented the request for \$20,000 in support of the development and promotion of a Montezuma School to Farm Drought Curriculum Manual for third to fifth grades to educate basin students in drought resilient conservation methods. Other funding sources include the Colorado State Conservation Board, AmeriCorps, Anschutz Family Foundation, School Districts, private donations, and in-kind donations from the Mancos Conservation District and Montezuma School to Farm Program staff. Sarah responded to board member questions.

Grant Request: San Miguel Watershed Coalition*(time: 02:56:05)*

Deanna Drew presented the request for \$14,138 in support of the San Miguel Stream Management Plan, a pilot project to develop environmental and recreational (E&R) water needs information in a manner that could provide a model for conducting cost-effective watershed-scale evaluations of E&R needs and implementing stream management planning efforts in other sub-basins of southwest Colorado. Funding includes the CWCB Watershed Restoration Grant, the Southwest Basin Roundtable, local governments and foundations, and in-kind contributions from the Coalition, Trout Unlimited, and American Whitewater. Deanna responded to board member questions.

Educational Grant Request: Forest to Faucets (Mountain Studies Institute)*(time: 03:03:00)*

Amanda Kuenzi presented the request for \$9,648 in support of the 2016 Forest to Faucets Teacher Training Workshop, a program designed to provide 25-30 teachers with 16 hours of in-depth education about watershed science and local water resources. The workshop is organized in partnership with WIP and the San Juan Mountains Association, and builds off of three years of previous workshops (2012, 2013, 2014) and a classroom-based demonstration project in 2015. The 2016 workshop will focus on the Animas river basin from Silverton to Durango. Expanding on previous programs, this year's workshop will reach out to high school teachers. Amanda responded to board member questions.

Educational Grant Request: Animas River Community Forum (MSI)*(time: 03:16:00)*

Marcie Demmy Bidwell presented the request for \$17,000 in support of the Animas River Community Forum, a community group formed in responses to the Gold King Mine release in August to address concerns regarding response, recovering and cohesive solutions for water quality in the Animas River. The funds will be used to fund hiring a part-time coordinator, materials and supplies, project management, events/conferences, speaker travel, and fiscal administration services. The Roundtable approved funding in the amount of \$37,850. Marcie responded to board member questions.

Financial Assistance Requests Approval*(time: 03:23:00)*

Doug Stowe moved to approve the following grants:

- San Miguel Watershed Coalition, \$14,138;
- High Desert Conservation District, \$14,500;
- Bauer Lake Water Company, \$13,500;
- Mancos Conservation District, \$20,000;
- Forest to Faucets (Mountain Studies Institute), \$9,648; and
- Animas River Community Forum (Mountain Studies Institute), \$17,000.

Bob Wolff seconded. Jenny Russell recused herself from voting on the San Miguel Watershed Coalition application. The motion passed.

Engineering Report*(time: 03:26:40)*

Carrie Lile referred board members to the written report, and highlighted the following:

- San Juan River Basin Recovery Implementation Program (SJRBRIP): Carrie now sits in on the monthly Upper Colorado River Program update, and has recently attended the Upper Colorado and San Juan joint researchers meeting. The Biology Committee meets on February 23 and 24. The Annual Meeting will be on May 11, at which 2015 results will be presented.
- Water Bank Working Group: Two meetings were held during the CWC Annual Conference. Three farmers provided their experiences with deficit irrigation and high elevation cattle production. Grand Valley Water Users Association presented on their system-wide conservation plan. Bruce & Carrie attended the work group meeting for SWCD.
- Animas River Watershed Partnership: The next meeting will be on March 3 in Farmington. The Partnership has a new project on the Florida River to fence off part of the riparian area from livestock, and received funding for invasive species-related projects.

General Counsel Legal Report

(time: 03:41:10)

Adam Reeves reported on proposed 303d listings impairment for temperature from the Colorado Water Control Division on reaches of the Animas River, Dolores River and Ritter Draw. Jeff Kane attended the hearing in Denver and provided written comments, which resulted in the withdrawal of the Dolores River and Ritter Draw proposed listings. Ongoing issues may arise with the structure of the temperature impairment standard as it currently stands.

On December 30, the USFS released the final directive concerning water rights used at ski areas located in the National Forest System lands. SWCD and 34 other entities provided substantive comments on the directive at the time it was proposed. The USFS has withdrawn its proposal to require ski area operators to transfer ownership of water rights for the ski area to the Federal government as a condition of obtaining or renewing a ski area permit. This would be important to an operator if it closes a ski area or reduces its snowmaking or other water use. Such operators will now remain free to sell any unneeded water rights to third parties for new or changed uses at market value.

Adam Reeves recommended that the board go into executive session for the purpose of discussing pending water rights cases, including Case No. 15CW3111 Dolores River ISF filing in Water Division 4. The statute covering this session is § 24-6-402(4)(b), C.R.S., “conferences with an attorney for the district for the purposes of receiving legal advice on specific legal questions.” In open session, Jenny Russell reported that San Miguel County Commissioners are very supportive of the Dolores River ISF appropriation, and request that SWCD not take a position on the filing in recognition of the diverse interests of the various counties within the District boundaries. Jenny Russell recused herself from the executive session. Steve Fearn moved that the board go into executive session. Doug Stowe seconded. The motion passed unanimously.

Adam Reeves announced that the board was out of executive session, during which no action was taken. The board discussed pending water rights cases, including Case No. 15CW3111 in Water Division 4 Dolores River ISF filing. Steve Fearn moved to file a Statement of Opposition in Case No. 15CW3111 regarding the Dolores River ISF filing. Monte Naslund seconded. The motion passed unanimously. Jenny Russel had recused herself from the executive session discussion on this topic, and was not present for the vote.

Special Counsel Legal Report

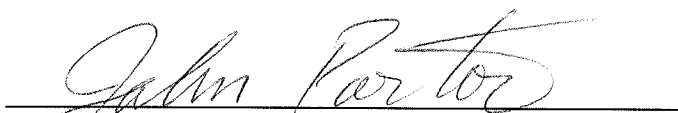
Bruce Whitehead addressed these cases as part of the Office Report.

Next Meetings

Wednesday, February 24	9:00am	Teleconference
Wednesday, March 9	9:00am	Teleconference
Wednesday, March 23	9:00am	Teleconference

Adjournment

President John Porter adjourned the meeting at 3:30 p.m.



 John Porter, President