

**Southwestern Water Conservation District
Board of Directors Meeting
April 4, 2013**

Present: John Porter Steve Fearn Bob Wolff
 J. R. Ford April Montgomery Monte Naslund
 Doug Stowe John Taylor Fred Kroeger (Emeritus)

Absent: Tim Kelly

Staff: Bruce Whitehead, Executive Director
 Jane Maxson, Office Manager
 Barry Spear, MBSS
 Peggy Montano
 Steve Harris, Harris Water Engineering

Guests: Steve Anders Ryan Christianson Rege Leach
 Dave Grey Darlene Marcus Cindy Dozier
 Carrie Lile

President John Porter called the meeting to order and roll was taken. A quorum was present. President Porter recognized Doug Stowe as SWCD's new board member, representing Dolores County. Doug gave the Board a short biography.

Approval of Minutes

Steve Fearn moved and Monte Naslund seconded that the following minutes be approved as written: Dec. 4, 2012, Jan. 23, 2013, Feb. 13, 2013, Mar. 6, 2013 and Mar. 20, 2013. The motion passed unanimously.

Approval of Treasurer's Report

Steve Fearn moved and John Taylor seconded that the Treasurer's Report be accepted. The motion passed unanimously. It was agreed that a footnote would be added to show the dollar amount expended for the nutrient study work performed by MBSS that is included in budget line item "Litigation".

Board Member Reports

(time:00:07 :03)

J. R. Ford (Archuleta County)

One and a half miles of river restoration has been completed in town. Pagosa Area Water & Sanitation District is picking up the last of their easements so they can do a bypass on the sewer system.

John Taylor (Hinsdale County)

The snow pack is disappearing quickly. John's been trying to talk to Rusty Hinger as a potential Mineral County Board member. Director Tim Kelly has indicated that he will resign from the Board when he sells his house, or sooner, if a replacement is named by the Mineral BOCC.

Bob Wolff (La Plata County)

The Bureau of Reclamation has officially changed the status of the ALP Project from construction to operation and maintenance, and transferred those responsibilities over to the ALP OM&R Association. A meeting of all entities interested in recreation management was held; some progress was made, and future discussions will be held. There will be no recreation in 2013.

Doug Stowe (Dolores County)

It's going to be a very dry year for Dolores County. The river hasn't been muddy yet.

Monte Naslund (Montrose County)

The river is lower than usual and the low snow has already disappeared. It's been cold and that helps hold the higher snow back. Delta County is 50% below their average.

April Montgomery (San Miguel County)

There was a settlement agreement over the Silver Bell mining tailing in Ophir; they were leaking pollutants into Howard's Fork. As part of the settlement, Pacific Corp agreed to donate \$150,000 towards the Priest Lake Project. Public Service Company is draining Trout Lake to perform outlet and valve repair work this summer. Miramonte Lake is being drained by the Fish & Wildlife Service to eliminate the bass. It may take a long time to refill.

Steve Fearn (San Juan County)

San Juan County started clearing the road towards Animas Forks, about a month earlier than normal. The River Protection Workgroup is wrapping up their work on the Upper Animas, and should be finished in April or May, and then will begin the final phase ("Circle Back Process"). It's anticipated that the whole body of work for the District will be finished in 2014. The Animas River Stakeholders are trying to find a better way to treat the water at Gladstone. It will probably require a water treatment facility. There may be a temporary solution that would work for a few years—dumping fresh limestone directly into Cement Creek to raise the pH level. They will probably do a demo project next summer. Steve and Peter Butler made a presentation to the environmental subcommittee of the National Mine Association in Phoenix to see if there is interest in working with the Stakeholders on the mine projects.

John Porter (Montezuma County)

John distributed a graphic report depicting SWCD grants. 2002 marked the year that more money was invested in aid to water management causes. The highest single grantee over the last 32 years is weather modification.

Agency Reports

Bureau of Reclamation

(time:00:25:27)

Ryan Christianson distributed a report of current reservoir levels. The April-July forecasted volume was included. All reservoirs, except Lake Nighthorse are at less than half full. Snowtel is 60-70% of average. They're predicting there will be no spring peak release for Navajo Lake. The Bureau will top off Lake Nighthorse in May, June, or July. BOR approved the purchase agreement between ALPWCD and CWR&PDA of 700 af of depletion. They're waiting to receive the City of Durango agreement with CWR&PDA for 1900 af depletion. They've worked out a temporary one-time water service agreement

with Lake Durango Water Authority to supply up to 350 af from the Pine Ridge Ditch shares owned by the BOR. The Division of Water Resources is reviewing the agreement (Substitute Water Supply Plan). BOR is getting close to being in negotiations with the Florida District for 2500 af of water to reallocation for M&I use.

Only one conservation field service grant was approved, and that was for the Ute Mountain Ute Tribe from this area. The next Navajo Reservoir operations meeting is April 23.

USGS

(time:00:33:30)

Steve Anders, with USGS Western Colorado Office Water Science Center, reported that the organization faces 7% reduction in costs due to the sequestration which could impact the cooperative water program next year. They are re-prioritizing the list of stream gages this year and will forward the criteria to SWCD for review. SWCD is under contract to provide \$99,425 to stream gaging this year, with \$28,530 being cost shared by various entities in the District.

Dave Grey reported that they still are not sure what the issue is with the diurnal below the pumping plant. They changed the instrumentation and moved the gage to one end of the bridge with minimal effect. There is something affecting the flows between the two gages. The instrumentation is apparently recording the data accurately. The lower Piedra, lower San Juan and lower San Miguel are starting to see increases in flow. Most of the low snow percolated back into the soil.

CFWE

(time:00:41:02)

Steve Fearn reported that CFWE is awarding the President's Award to Jim Isgar and the Emerging Leader award to Amy Beattie at a reception May 3rd at the History Colorado Center. He distributed copies of an article published in "Colorado Water" by Colorado State University about CFWE.

CWCB

(time:00:43:08)

April Montgomery reported that CWCB has created a drought website—you can find reservoir levels, snow pack levels, and drought regulations that communities have posted. The CWCB approved the \$14,500 (Basin Account) grant request from the Animas Consolidated Ditch Company for a diversion headgate monitoring study. They started a 120-day review of acquisition of contractual interest (Edgemont Ranch) for water stored in Lemon Reservoir to be released to the Florida River. It is on the agenda today. CWCB Director Jennifer Gimbel's contract will not be renewed by Governor Hickenlooper. SWCD will discuss appropriate recognition for Jennifer at a later meeting.

IBCC & Roundtable

(time:00:46:38)

Steve Harris reported that the next IBCC meeting is June 5. Upcoming Southwest Basin Roundtable meetings will be focused on the "4 legs of the stool": conservation, new supply, implementing the IPPs, and ag dry-up on the East Slope. At the next Southwest Basin Roundtable meeting on April 17, a grant request from the Ute Mountain Ute Tribe for water planning will be reviewed and possibly a grant application from either San Juan Conservation District or Donny Shahan regarding Spring Creek irrigation/dam. Bruce Whitehead shared his perception of the last IBCC meeting and that members seemed to be struggling a bit with the group's direction. Bruce spoke with John Stulp who is gathering input from IBCC members about the direction the group should be taking; he spoke about the need to develop feasible IPPs. John Porter gave a brief history of the formation of the Roundtables and the IBCC.

CWC

(time:00:56:06)

Steve Fearn reported that work is continuing on the public trust initiative program; there has been no new request for funding from CWC for this educational process as yet. The Summer Convention is scheduled for August 21-23 in Steamboat Springs.

Division of Water Resources

(time:01:01:13)

Rege Leach reported that DWCD is developing plans to release about 400 af of water from Totten Reservoir for demands in McElmo Creek agriculture. It's not sure that Jackson Gulch will fill this year. New Mexico placed a formal call on the La Plata River. Lake Durango Water Authority filed an emergency substitute water supply plan with the DWR to be supplied from the Pine Ridge Ditch shares owned by the BOR. The Division is finalizing the ALP Operating Protocol. The retained jurisdiction in the Ute Settlement decrees was extended to August of 2013- the retained jurisdiction would no longer be needed if they can get a clear description of the Utes' needs on the Animas River. The Division will continue to work on the issue. The Animas River was at 185 cfs this morning. Grouting is still underway on Long Hollow Reservoir.

Questions/Comments from Audience

Hinsdale County Commissioner, Cindy Dozier, was welcomed. Bruce Whitehead thanked Cindy and her fellow commissioner, Stan Whinnery for their involvement with the Piedra River Protection Workgroup. Steve Harris reported that the first section of the La Plata – Archuleta Water District pipeline is being installed. The District is in negotiations with CWCB to purchase some of CWCB's ALP allocation. They are also in discussions with the City of Durango regarding a joint treatment facility.

Office Report

(time:01:41:48)

Bruce reported on the following

- The CWR&PDA is holding their board meeting here in October. It was suggested that we sponsor a reception or other activity.
- Ryan Christianson (BOR) was thanked for helping move the ALPWCD agreement with CWR&PDA.
- The BOR was thanked for including ALPWCD in recreation at Lake Nighthorse discussions.
- ALP Protocol discussions were productive.

The state of New Mexico sent a letter to the Department of the Interior requesting that the remaining portion of their state engineer's permit under ALP be transferred to the San Juan Water Commission, Navajo Nation and others. A copy of the letter was sent to CWCB, and Bruce will forward a copy to Peggy Montañó.

Legislative Update:

(time:01:48:55)

- Senator Bennet is introducing the Hermosa legislation. A few changes have been made; the River Protection Workgroup is supportive: added Perins Peak and Animas City Mountain mineral withdrawal, conveyance of land to La Plata County south of Durango, and release of wilderness study area for snowmobiling in San Juan County.
- State Affairs committee is meeting Monday, April 8.
- **SB41 Water Storage/Water Rights**
Waiting for Governor's signature

- **SB78** **Erroneously Located Water Diversion Points**
CWC supports
- **SB181** **Water Projects Bill**
CWC supports - the "improve" section was removed from the bill in committee.
- **HB1283** **Species Conservation Trust Fund**
Will be discussed at CWC State Affairs meeting
- **HB1248** **Authorize Pilot Projects for Leasing of Water for Municipal Use**
CWC will discuss
Discussion occurred and feedback was given by the Directors. SWCD will continue to monitor.

The Colorado Water Workshop (Gunnison) announced the inauguration of a Clifford H. Stone award to honor life-long contributions to water community, specifically in efforts to cross divides, bringing together communities with different views and perspectives. They are seeking nominations. The first award will be given at the 2013 workshop.

Old Business

31st Annual Water Seminar (time:02:25:52)

Bruce Whitehead recapped the seminar details. Directors decided who they would introduce. Designated tables will be included again this year.

Southwestern Colorado Research Center Update (time:02:39:00)

Abdel Berrada gave a presentation on the work being done by the Research Center.

Weather Modification – SWCD Contribution (time:03:06:31)

SWCD became aware just recently that the City of Durango did not intend to participate in the weather modification in 2012-13 season. Their contracted amount would have been \$6,300. Under ordinary circumstances, SWCD would not provide that portion of their matching funds if a participating entity does not participate. Western Weather Consultants, unaware that the City was not contributing, kept cloud seeding. Bruce asked the board for direction in either paying or not paying SWCD's "match" of \$6,300 even though the City is not contributing. After discussion, Steve Fearn moved that SWCD make our planned contribution of \$6,300. Bob Wolff seconded the motion which passed unanimously. It was suggested that SWCD staff be more involved in the administrative work than we have been since contracting with San Juan RC&D. The annual weather modification workshop is scheduled for May 30 during which time administrative issues will be discussed.

City of Durango RICD structure Grant (time:03:31:44)

Cathy Metz, Director of Durango Parks & Recreation, reported to the Board that construction on the white-water park is beginning. In 2010, SWCD committed to provide \$5,000 in grant funds, dependent on the City receiving a Great Outdoors Colorado grant. They did not receive that grant, but the City found the money within their budget, as well as from other entities, to do the improvements this year. Cathy asked the Board if they could honor its grant approval under these circumstances. After discussion, Bob Wolff moved that the SWCD grant be honored. John Taylor seconded the motion, and it passed unanimously. When asked, Cathy gave a brief update about the City's position on Lake Nighthorse recreation in light of the ALP OM&R's recent decision to investigate management themselves. The City, ALP OM&R, and the Bureau of Reclamation will meet later this month to see if a compromise might be reached regarding annexation.

Animas La Plata Water Rights & Protocol Discussion

(time:03:40:56)

This will be discussed in Executive Session.

Water Bank Phase 2B SOW & Funding

(time:03:41:02)

Steve Harris reported that the Water Bank group is applying for a CWCB Grant to fund Phase 2B of the process. A Scope of Work (SOW) was included in the Directors packets. Steve distributed and explained a draft budget to the Board. SWCD's cost share would be up to a total of \$35,000 to be paid across 2013 and 2014, contingent on CWCB grant and contributions by other entities. John Taylor moved, and Steve Fearn seconded that SWCD's cost share of up to \$35,000 be approved to be paid over a two-year period (2013 and 2014), contingent upon receiving the CWCB grant and cost share by the other participating entities.

Darlene Marcus from Representative Tipton's office reported that the small hydro legislation is out of committee and will be presented to the full house next week. It pertains only to canals on Bureau of Reclamation property.

Potential Listing Gunnison Sage Grouse & Habitat

(time:03:57:17)

Bruce Whitehead recapped the issue that was discussed at the last teleconference meeting. He distributed a letter from MBSS with comments from SWCD that was mailed to Fish & Wildlife. Adam Reeves reported that SWCD's comments were one of over 400 comments on the listing proposal, and one of 300 comments on the critical habitat proposal. Colorado Parks & Wildlife provided comments opposing the listing. Included in the letter from MBSS was a request to clarify "take", and a request to remove all irrigated agricultural land from the critical habitat designation. The economic analysis is to be finished by the end of April; May would be another comment period. In June, community hearings will take place.

Four-State Irrigation Council Reception

(time:04:12:13)

Coordinating with Brian Warner, Northern District

The Four-State Irrigation Council is having their annual tour in Durango Aug. 14th which is also the date of our board meeting. After discussion, there was general consensus that SWCD host a reception for them on the evening of Aug. 14th.

New Business

Approval of Resolution – Larry Deremo

(time:04:18:00)

Jane Maxson read a resolution to recognize Larry Deremo's contributions to the District upon his retirement. Doug Stowe moved and Bob Wolff seconded that the resolution be adopted and presented to Larry at the water seminar April 5. The motion passed unanimously.

CWCB Water Rights Acquisition – Florida Water

(time:04:26:00)

Bruce Whitehead reported that CWCB just recently publically noticed an in-stream flow acquisition on the Florida River. Edgemont Ranch, a subdivision on the Florida River, has an augmentation plan in place that wasn't sufficient for operation during the non-irrigation season, and was based primarily on a change of irrigation rights. They planned a small reservoir that was never built for non-season

replacements. They were going to store water and at certain times release it to keep the river whole. Bruce had discussed the donation agreement with representatives of the Florida Water Conservancy District that had expressed some concerns about the possible agreement. This will be discussed further at the June board meeting.

CWCB 2014 Proposed ISF Appropriation on Dolores River (time:04:37:25)

Steve Harris distributed documents to the Board. The proposed ISF runs from the San Miguel River to Gateway and lies in both the SWCD District and the Colorado River District. The CWCB is in the evaluation stages for considering a possible appropriation in 2014. The ISF is being proposed by Colorado Parks & Wildlife and BLM. Steve recommended that it be studied and evaluated and coordinate with the River District to determine if there would be negative impacts. It will be placed on the June meeting agenda.

CWC Federal Affairs DC Reception (time:04:43:55)

Steve Fearn moved to provide a \$200 sponsorship for the DC Reception hosted by CWC Federal Affairs. April seconded the motion, and it passed unanimously.

DARCA membership request (time:04:46:00)

J. R. Ford moved to approve a \$250 membership with DARCA. Monte Naslund seconded the motion and it passed unanimously.

Engineering Report (time:04:49:11)

Carrie Lile joined the meeting. She and Steve Harris reported on the following:

- The Animas Watershed Partnership’s website has been developed (animaswatershedpartnership.com). The Partnership was granted \$160,000 from Colorado Non-Point Source Program to install a riparian buffer fence project on the Florida on property owned by the La Plata County Airport.
- Carrie has been attending the San Juan River Basin Recovery Implementation Program Biology Committee meetings on behalf of SWCD. Their annual program meeting is May 8. In 2012, stocking goals for Colorado pike minnow and razorback suckers were met. In 2012, a record number of razorback sucker larvae were captured; pike minnow larvae is still not being found. The RIP wants a 100% success rate with the fish eradication mechanism at Lake Nighthorse that keeps fish from the reservoir entering the Animas River. Discussions with the Bureau of Reclamation continue. The Nature Conservancy built six restored secondary channels in the San Juan River, called RERI Sites – man-made complex river reaches. They’ve received funding to do an additional 12 sites. In 2011-2012, pilot studies were done in the San Juan arm of Lake Powell Reservoir to see if they could catch any fish that might have been lost over the waterfall; they’ve found quite a few fish. It’s a good sign that they are being sustained there. Three pike minnow have made transbasin moves.
- Steve added that RIP did their annual DC tour. Fish and Wildlife Staff can no longer attend this trip. Since its inception through 2013, approximately \$60 million has been spent on the San Juan recovery program. Half of that amount has come from power revenues, one-quarter from the Bureau of Reclamation, and the Ute Tribes, as well as other contributors such as SWCD. The bill passed in December to fund the program, and has more money going directly to the on-the-

ground programs. Summer season non-native fish removal from rivers and lakes may not take place at the pace that is needed due to a hiring freeze.

- Public Service Company is partially draining Trout Lake and Electra Lake for repairs this summer.

Legal Report

(time:05:13:25)

The monthly attorney's report was distributed.

- **Town of Silverton Water Rights Case**
Decree was entered mid-March. The case is closed.
- **05CW88 San Juan County**
Still in negotiations with Trout Unlimited.
- **09CW51 La Plata Exchange**
The only opposer is the Southern Ute Indian Tribe. Scott McElroy's office has asked for copies of some documents.
- **12CW34 USFS C-A 06CW127**
First status conference is April 12.
- **02CW85 Retained jurisdiction**
Extended to Aug 20th. Negotiations are proceeding.
- **80CW237 & B1751 ALP Due Diligence**
Is due in August
- **06CW127 Animas RICD Due Diligence**
Will have 6-8 deeds

Barry Spear recommended that the Board go into Executive Session for the purposes of discussing ALP Water Rights, ALP Administrative Protocol, and tribal decrees. The statutes applicable to this session are § 24-6-402(4)(a), C.R.S., "the executive session concerned the purchase, acquisition, lease, transfer or sale of any property interest."; § 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". Monte Naslund moved to go into Executive Session. John Taylor seconded the motion and it passed unanimously.

Executive Session

Barry Spear announced that the board is out of Executive Session during which ALP Water Rights, ALP Administrative Protocol, and tribal decrees were discussed and direction was given to counsel. No action was taken.

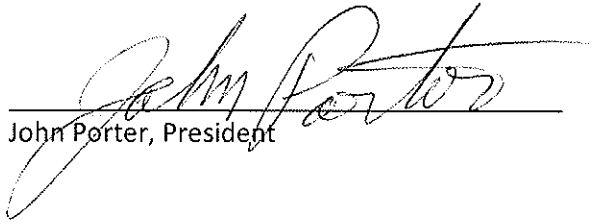
Next Meeting

Fred invited board to his property for next meeting.

June 12	10:00 am	Regular Board Meeting
August 14	10:00 am	Regular Board Meeting (Four States Irrigation Council Reception)
October 9	10:00 am	Regular Board Meeting

Adjournment

President John Porter adjourned the meeting at 4:33 p.m.



John Porter, President