

**Southwestern Water Conservation District
Special Board Meeting & Work Session
July 19, 2016**

Present: John Porter, President Steve Fearn, Vice-President Bob Wolff, Secretary-Treasurer
 J.R. Ford David Williams Rusty Hinger
 Monte Naslund Jenny Russell Doug Stowe

Staff: Bruce Whitehead, Southwestern Water Conservation District (SWCD) Executive Director
 Laura Spann, SWCD Office Manager

Legal & Engineering: Beth Van Vurst, Fairfield and Woods,
 Peggy Montano, Trout, Raley Montano, Witwer, Freeman
 Steve Harris, Harris Water Engineering

Guests: Jimbo Buickerood, San Juan Citizens Alliance
 Steve Dougherty, ERO Resources Corporation
 Allen Freemyer, Freemyer & Associates
 Ed Harvey, Harvey Economics
 Sean Larmore, ERO Resources Corporation
 Brice Lee, La Plata Water Conservancy District
 Ben Norman, Harvey Economics
 Peter Ortego, Ute Mountain Ute Tribe
 Perry Pepper, Southwest Colorado Community College
 Brett Sherman, Harris Water Engineering
 Gregg Ten Eyck, Leonard Rice Engineering
 Travis Wheeler, Southern Ute Indian Tribe

President John Porter called the meeting to order at 8:45 a.m. Roll was taken and a quorum was established.

New Business

Case No. 2010CW36 Div. 3 (Change of Water Right, Augmentation Plan) *(time: 00:00:35)*

Beth Van Vurst summarized the amended application filed by Timothy and Lori Lovato for a change of water right and approval of plan for augmentation. The amendment proposes a change to Treasure Pass Ditch on the Continental Divide near Wolf Creek Pass for diversions into the San Luis Valley. The ditch is currently decreed for 7 cfs for irrigation purposes, and the application is not clear as to how much of that right would be changed for other purposes. SWCD may want to be party in the case to ensure that use is not expanded, resulting in adverse impacts to users in the San Juan Basin. Statements of Opposition must be filed by July 31. Steve Fearn moved to direct counsel to file a Statement of Opposition in Case No. 2010CW36, Division 3, Amendment to Application of Timothy and Lori Lovato for change of water rights and approval of plan for augmentation. Monte Naslund seconded. The motion passed unanimously.

Work Session

(time: 00:10:45)

Introductions were made, and Peggy Montano and Bruce Whitehead described the settlement in general terms in Case No. 13CW3011. The settlement resulted in the transfer of water rights needed for the federally constructed Animas-La Plata Project, with SWCD retaining the "SWCD Project Water Rights" for development and use of both direct flow/diversion and storage rights. The workshop was intended to summarize work done by the Experts hired by SWCD, to discuss the next steps in the development and use of the SWCD Project Water Rights, and to explore potential partnerships. A pre-meeting to the work session with experts, SWCD staff and legal counsel was held the afternoon before the work session. Steve Harris, Harris Water Engineering, and Gregg Ten Eyck, Leonard Rice Engineering, presented the engineering options studied as part of the due diligence application (Case No.

13CW3011) to deliver water under the SWCD Project Water Right to the La Plata Basin. Ed Harvey and Ben Norman, Harvey Economics, presented their studies regarding the economic and financial feasibility of the development alternatives outlined by Harris and Ten Eyck. They also highlighted possible next steps for the board. Steve Dougherty, ERO Resources Corporation, summarized environmental compliance processes and consideration for use of federal facilities, use of federal lands or obtaining a Section 404 permit. Dougherty recommended that SWCD explore all options to productively use the SWCD water rights that would not require a federal discretionary action. Dougherty provided his conclusions reached as part of Case No. 13CW3011, which detailed the federal compliance processes needed for the proposed project alternatives. Allen Freemyer, Freemyer and Associates, commented on the political and congressional interface for potential water projects. Throughout the day, board members, experts and guests discussed the expert reports and asked questions. Brice Lee said he would share information with the La Plata Water Conservancy District board, and communicate their interest to SWCD as beneficiaries of any proposed project to divert water to the La Plata basin. Peter Ortego, Ute Mountain Ute Tribe, commented that future discussions between the Tribe and SWCD would be productive since they have a common interest in moving water to the west.

Executive Session

(time: 05:08:00)

Peggy Montano recommended that the board go into executive session for the purpose of discussing the SWCD Project Water Rights. The statues covering this session are § 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” 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 that the board go into executive session. Steve Fearn seconded. The motion passed unanimously.

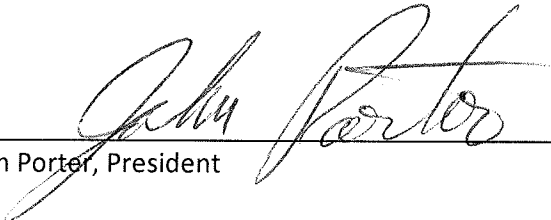
Peggy Montano announced that the board was out of executive session, during which no action was taken. The board discussed the SWCD Project water rights.

Next Meetings

<i>Monday, August 8</i>	<i>10:00am</i>	<i>Tour Lower San Miguel and Dolores Rivers (Nucla)</i>
<i>Tuesday, August 9</i>	<i>10:00am</i>	<i>Special Regular Board Meeting (Nucla)</i>
<i>Thursday, September 8</i>	<i>10:00am</i>	<i>Budget Committee Meeting</i>
<i>Tuesday, September 15</i>	<i>12:30pm</i>	<i>Joint Meeting with the River District (Ridgway)</i>
<i>Tuesday, October 11</i>	<i>10:00am</i>	<i>Special Regular Board Meeting</i>
<i>Tuesday, December 6</i>	<i>10:00am</i>	<i>Special Regular Board Meeting</i>

Adjournment

President John Porter adjourned the meeting at 4:00 p.m.



 John Porter, President