

**Southwestern Water Conservation District
Board of Directors Meeting
June 12, 2013**

Present: John Porter Steve Fearn J. R. Ford
Tim Kelly April Montgomery Doug Stowe
John Taylor Fred Kroeger (Emeritus)

Absent: Monte Naslund Bob Wolff

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

Guests: Stan Whinnery Nick Warnick Mike Preston
Ryan Christianson Jeff Kane David Brown
Ken Beegles Rege Leach Carrie Lile
Patti Grafmyer Ann Oliver Jessica Berry
Beth LaShell Christina Beck Raymond Keith
Eldo Simmons Ben Wolcott

President John Porter called the meeting to order at 9:00 a.m. Roll was taken and a quorum was present.

John Porter requested that the Board go into Executive Session for the purpose of discussing personnel issues. (Jane Maxson announce her retirement effective the end of August 2013). The statues covering this session include § 24-6-402(4)(f), C.R.S., "personnel matters". John Taylor moved and Tim Kelly seconded that the Board go into Executive Sessions. The motion passed unanimously.

Executive Session

Barry Spear announced that the Board is out of Executive Session in which personnel issues were discussed. No action was taken.

Stan Whinnery, Hinsdale County Commissioner (also a board member of the Colorado River District board), addressed the Board. The biggest issue we face is the state water plan. The Hinsdale County Commissioners have been active on the Piedra River Protection Workgroup; Bruce Whitehead thanked him for the commissioners' participation in the process.

Approval of Minutes (April 4, April 17)

Doug Stowe moved, and John Taylor seconded the motion that the minutes be approved as written. The motion passed unanimously.

Approval of Treasurers Report

Bruce Whitehead explained some items on the treasurers report. Steve Fearn moved, and John Taylor seconded that the Treasurer's Report be accepted. The motion passed unanimously.

Audit Report – Haynie & Company (Nick Warnick)

(time:00:15:00)

Nick Warnick discussed the process that was followed to perform the 2012 audit. This is the second year they've performed the SWCD audit. They are providing a clean opinion. He reported that there are sufficient internal control processes in place, and records are well kept. They will file the report by the end of July with the State. Steve Fearn moved and Doug Stowe seconded the motion to accept the audit report with revisions. The motion passed unanimously.

Board Member Reports

John Porter (Montezuma County)

(time:00:22:45)

John asked Mike Preston, General Manager of the Dolores Water Conservancy Board, to report on DWCD issues. Mike said that DWCD's projected delivery is in the low 20% range. The allocation caps are being increased by tenths of an inch. Montezuma Valley Irrigation Company has about 80% if normal supply. The season will be brutally short; irrigation might be over in mid-August. The M&I supply is protected; there will be no shortage. John Porter reported that Mancos Water Conservancy District's projected delivery is 17%. They may come to SWCD with a request for financial assistance for finishing the inlet canal.

J. R. Ford (Archuleta County)

Pagosa Area Water and Sanitation is still working on the sewer line and are close to tying the two units together.

John Taylor (Hinsdale County)

Streams are lower now than they were at this time in 2002. On June 18-19, a Little Sand Fire survey and results meeting is scheduled. From the Forest Service's perspective, the results of the fire have been beneficial to the watershed, with the exception of damage experienced by private property owners.

Doug Stowe (Dolores County)

The Dolores Watershed Project is near completion, with a vote on final report in June or July.

Steve Fearn (San Juan County)

The Animas Stakeholders Group in conjunction with EPA is holding a public meeting in Silverton on June 20th to give an update on water quality issues on Cement Creek. The group is working to find better technologies to improve water quality; they are getting some financial support from the mining industry and others. The group is providing a tour for La Plata and San Juan County Commissioners to educate them about the work being done.

Tim Kelly (Mineral County)

It's dry and hot. There is no snow on Pagosa Peak, which is unusual for this early in the year.

April Montgomery (San Miguel County)

It's not only dry, but it has been a very windy spring. April referred the board to an article in their packets regarding Priest Lake. The Forest Service is in a scoping period to determine what the project should entail. Primary focus is rebuilding the dam to enlarge the lake. There has been a lot of discussion regarding recreation purposes. The Town of Telluride is working on a large water treatment plant project towards Bridal Veil Falls which is expected to be quite costly.

Agency Reports

Bureau of Reclamation

(time:00:52:06)

Ryan Christianson provided reservoir statistics; Vallecito is 54% of average inflow. All other reservoirs are less than 50%. The Bureau and Florida Water Conservancy District have an approval memo in negotiations for 2500 af of M&I water. The Bureau is in review of a draft contract.

CWCB and IBCC and Roundtable

(time:01:01:20)

April Montgomery referred the board to the Governor's Executive Order requiring a state water plan draft by the end of 2014. The plan will rely on information from the basin roundtables and the IBCC. There was no mention of the legislature, storage, or conservation districts in the Order. An announcement regarding the selection of a new Director should be coming soon. There has been some additional staff turnover. Steve Harris added his comments about the CWCB/IBCC meeting. Mike Preston (Southwest Basin Roundtable) added that the roundtable will be asked to do a supply/demand assessment and identify our gaps at the basin level, and he asked the SWCD Directors to think about gap questions. Bruce Whitehead suggested that our basin roundtable start scheduling bimonthly meetings. The roundtable has already identified an extensive list of IPPs for consumptive and non-consumptive projects or processes. All directors were invited to the roundtable meeting on July 10. Bruce will work with Mike to determine if additional administrative assistance will be needed. Mike, Steve, and Bruce discussed the process the roundtable has been in for some time. Discussion occurred about what is needed to move forward in order to meet the State's deadlines for development of the water plan.

USGS

(time:01:47:45)

David Brown, Supervisory Hydrologist, Rocky Mountain Area in Grand Junction, reported to the Board that USGS is involved in measuring how much salt is removed in the brine extraction at Paradox. The unit was shut down after the earthquake in January, but is back on line now. They are also modeling the ground water system there. Sequestration has impacted USGS, however, no furloughs are being required locally. There has been a significant cut to the coop program with over 100 gage sites affected in the U.S., including 3 in Colorado (Gunnison River, Pueblo, and northeast Colorado). The Bureau of Reclamation, CWCB, and Corp of Engineers are contributing to keep these gages operational. In Colorado, there are about 120 gages that are 100% funded by the USGS. Another 2% reduction is expected in 2014. A new water quality report has just been published and is online. Bruce will work with David to set up meetings with stakeholders to review the findings of the report, and to help design monitoring plans in this area. Twelve copies of the report will be sent to SWCD.

CFWE

(time:02:03:46)

Steve Fearn reported that there was a great turn-out for the President's Award Reception given to honor Jim Isgar. There were a record number of guests in attendance. CFWE is sponsoring an Upper Colorado River tour this week.

CWC

(time:02:06:30)

Steve Fearn shared that there is some concern that there has been no provision for the Colorado Water Congress to be involved in the state water plan development. The State Water Plan will require significant funding and the outcome could require a series of bond issues. There has to be a political will to make that happen. The CWC and the legislature will need to be involved. It's important to have everyone involved as decisions are made regarding the plan. Nominations for the Aspinall Award are being accepted at this time.

Division of Water Resources

(time:02:10:14)

Rege Leach reported that 2013 is NOT the worst water year on record. A new water commissioner has been hired for the Pagosa area, Joe Crabb. There are only 2 ditches on the La Plata with water at this time. They had an opportunity last week to try Compact deliveries in the H H and Treanor Ditches on the east side of the La Plata River. Grouting is about 90% complete on Long Hollow; they are cleaning up the foundation. The construction schedule is behind by about two months, and probably will not be completed by the end of 2013, and will likely require additional funding. The Division received additional ALP Protocol comments from the two tribes, and have made revisions which are available now. The Division is satisfied with the latest wording on the Retained Jurisdiction case. The Electra Lake repairs have been delayed. Rege described what will happen if releases from Lake Nighthorse are requested this year.

Questions/Comments from Audience

Steve Harris reported that La Plata – Archuleta Water District awarded a bid on the next 3 mile pipeline segment.

Old Business

USBLM Preliminary Suitable Wild & Scenic Dolores River

(time:02:32:50)

Bruce reported that staff wrote a letter to the CWCB, as directed by the board at an earlier meeting, stating a position of non-support for the proposed Wild & Scenic suitability for the lower reaches of the Dolores River, but expressing support for alternative levels of protection. A copy of the letter was in the board packet. After discussion, Steve Fearn moved that Maynes, Bradford, Shipps and Sheftel write a letter to the Bureau of Land Management and copy the Congressionals. Doug Stowe seconded the motion, and it passed unanimously.

USBLM Proposed ISF Appropriation Dolores River

(time:02:37:44)

Colorado Parks & Wildlife and the US Bureau of Land Management have recommended that CWCB pursue a 2014 ISF appropriation on the Dolores River below the confluence of the San Miguel. Steve Harris distributed a flow evaluation spreadsheet. Linda Bassi, CWCB, will be invited to the August meeting on this topic. Mike Preston added DWCD's perspective on the issue. Discussion occurred.

Weather Modification – Workshop and Program Update

(time:03:02:00)

Bruce reported that the Weather Mod Workshop held on May 30th was a success. Joe Busto, CWCB, was a great help in getting speakers for the afternoon program from 5 states, including the President of the National Weather Modification Association. Bruce shared the CWCB presentation. We need to talk in more detail about the purchase of remote generators at another meeting before budget meetings. Bruce suggested that he would like the board to consider maintaining SWCD's level of contribution for

seeding operations at \$90,000/year, and possibly provide funding for additional remote generator(s) that would come out of the "Aid To Water Management & Development" budget line item. Discussion occurred.

Animas – La Plata Project Administrative Protocol (time:03:20:30)
Stipulation 02CW85 – Retained Jurisdiction

These two items will be discussed in Executive Session.

Office Report (time:03:21:25)

Bruce Whitehead distributed his Executive Director Report (newsletter) that covers SWCD issues he's been involved in. Of note is the Paradox Project EIS Process.

Paradox Project IES Process –MOU (time:03:22:18)

Steve Harris and Bruce will participate in the EIS process. After discussion, Steve Fearn moved that SWCD be a cooperating agency. April seconded the motion, and it passed unanimously. MBSS will formally enter SWCD into the MOU.

Recreation Update Lake Nighthorse (time:03:36:40)

Bruce provided an update on Lake Nighthorse recreation. The City of Durango has been in contract negotiations with the Bureau to be named recreation managers. The Bureau of Reclamation has suspended the NEPA review of the Recreation Master Plan upon receiving a letter from the ALP OM&R Association, asking that they be considered to manage recreation primarily due to concerns about annexation the City has proposed to adequately provide law enforcement protection. The City and the Association are meeting to address concerns. Bob Wolff, President of ALPWCD, was asked by that board to write a letter to Larry Walkoviak, Bureau of Reclamation expressing concerns about the lack of action by the BOR.

New Business

Grant Request – Mancos Water Conservation District (Sheek & Bolen Ditches) \$17,975

(time:03:46:00)

Ann Oliver made the presentation regarding MCD's grant request. Eldo Simmons, Ben Wolcott, and Raymond Keith joined her to answer questions. The project is aimed at improving measurement and delivery of irrigation water. It would add measuring devices at the river which has not existed before.

Grant Request – Norwood Water Commission \$11,500 (time:04:04:10)

Finn Kjome presented the request from Norwood Water Commission for rehabilitation of Gardner Springs pipeline, a water source that Norwood Water Commission has had for years. It produces water year-round and has pretty senior rights. Patti Grafmyer was also in attendance.

Grant Request – Old Fort Lewis Property (FLC) \$49,103 (time:04:08:53)

Beth LaShell presented the request for the Old Fort Lewis Property. The project will rehabilitate the old water system by upgrading the electrical system, replacing the current pressure tank, installing up to date chlorination system and cartridge filtration equipment.

Grant Request – Western Hardrock Watershed Team (Educational Request) \$18,000

(time:04:35:10)

This grant request was reviewed by the WIP steering committee who shared their concerns with the WHWT and asked for a resubmission. Jessica Berry, Team Director, presented the request to the Board. The grant will be used to expand rural water quality education projects in mining communities and includes site support for retaining Americorp-VISTA volunteers. The Division of Mining and Office of Surface Mining have cut their funding support. Jessica was given input on the existing organizations that are involved in the work that WHWT is thinking of doing. The request was considered too generic; SWCD generally supports specific work plans.

DECISION REQUESTS:

(time:05:59:30)

- **Norwood Water Commission**
April Montgomery moved to approve the request. John Taylor seconded the motion that passed unanimously.
- **Old Fort Lewis Water System**
Steve Fearn moved, and J. R. Ford seconded that the motion, contingent with adherence to all state regulations. Discussion occurred. The motion passed unanimously.
- **Mancos Water Conservation District**
Steve Fearn moved that \$13,000 be approved. The motion was seconded, and passed unanimously.
- **Western Hardrock Watershed**
Steve Fearn moved that the present request not be approved. Future applications with specific projects would be accepted. April Montgomery seconded the motion that passed unanimously.

Colorado Water Workshop Sponsorship (Gunnison, July 17-19)

(time:05:06:00)

Steve Fearn moved, and April Montgomery seconded that \$1,500 be contributed towards the Colorado Water Workshop. The motion passed unanimously.

Colorado Foundation for Water Education (CFWE) Membership Renewal

(time:05:09:45)

J. R. Ford moved, and John Taylor seconded that the \$2,000 level membership be approved for payment. The motion passed unanimously.

Colorado Water Congress Public Trust Educational Project Funding Request

(time:05:10:25)

This education project is aimed at educating the public on the issue of public trust and what it would impact Colorado water and private property rights. Steve Fearn suggested that SWCD should be a significant contributor at between \$10 and \$25k. John Taylor moved that SWCD contribute \$25,000 at this time. Doug Stowe seconded the motion. Discussion occurred. A voice vote was taken, resulting in a 3-3 tie without the President's vote. More discussion occurred. John Porter abstained. Tim Kelly moved that \$10,000 be contributed at this time. It was seconded by April Montgomery. J. R. Ford amended the motion to raise the amount to \$15,000 if it can be matched by SWCD district entities. The motion died for a lack of a second. The vote on Tim Kelly's motion resulted in a 3-3 vote with the President abstaining. J. R. Ford moved that we contribute \$10,000 now, with up to an additional \$15,000 as a dollar-for-dollar match with other contributors within our district once the polling results are presented. Doug Stowe seconded the motion. Discussion occurred. The motion passed unanimously on a voice vote.

Colorado River Basin Study – Continued Cost Share for Wilson Water Group (time:05:51:27)

The next phase of the Colorado River Basin Study is underway, and being performed by Erin Wilson who is now working through her own firm, Wilson Water Group. SWCD and the Colorado River District are partnering on the project. Money for the project was budgeted for 2013.

Recognition – Jennifer Gimbel (time:05:55:36)

Bruce distributed a draft resolution, honoring Jennifer Gimbel, former Director of CWCB. April Montgomery moved, and J. R. Ford seconded that the resolution be approved and sent to Jennifer. The motion passed unanimously.

Animas River (NM) Total Maximum Daily Load (time:00:35:25)

Jeff Kane, MBSS, referred the board to a memo he wrote. New Mexico has drafted a Total Maximum Daily Load (TMDL) for phosphorus and ecoli in the Animas River, just downstream of the Colorado-New Mexico border. The TMDL draft is in a comment period. Jeff's observations are that New Mexico's calculations are based on limited (7-10) samples collected in 2010 and it is not enough data to base an implementation plan on. Under the Clean Water Act, upstream jurisdictions have to take in to consideration downstream water quality standards when discharge permits are issued. There is a reference to the impact the ALP project will have – asserts that because of depletions from the Animas River to the Project, that flows will go down and concentrations of phosphorus and e-coli will increase; this is in direct conflict with modeling in the EIS that showed no change in those levels. Jeff recommended that SWCD submit comments regarding technical concerns and provide advice, and to be sure that the Animas Watershed Partnership knows the position SWCD is taking. Steve Fearn moved that SWCD comments be given to the appropriate New Mexico agency. John Taylor seconded the motion and it passed unanimously.

Engineering Report (time:06:15:09)

Carrie Lile reported that the Animas Watershed Partnership applied for a BOR WaterSmart grant that would increase their strategic capacity and help deliver an outreach plan. She asked if the board would provide a letter of support for the grant. Staff was directed to provide the letter.

Steve Harris reported on the following:

- The Water Bank Principles met last week. Tristate will participate, but is not a funding partner. Phase 2B – going out in the next couple weeks; recommendation will be presented at the August Board meeting. CWCB approved the ag transfer grant.
- La Plata – Archuleta Water District is in negotiations with CWCB to purchase ALP water. Total purchase is for 1250 af depletion on an incremental basis.
- The San Juan River Basin Recovery Implementation Program (SJRIP) biology committee sent a letter requesting 100% compliance with zero non-native fish releases from Lake Nighthorse Reservoir.

Legal Report (time:06:26:00)

Barry Spear reported on the following:

- 05CW88 – San Juan County
Barry is negotiating with the single remaining opposer and hopes to have a decree by the August meeting.

- 09CW51 –La Plata Exchange (Augmentation plans for ditches in La Plata River Basin)
The only opposer is the Southern Ute Indian Tribe. Documents that they requested were sent. Should have a decree by the next meeting.
- 12CW34 USFS C-A 06CW127
SWCD filed a Statement of Opposition in this case to monitor it. There are two other opposers, Durango Mountain Resort and Red Tail Mountain Ranch. The DWR made corrections on a number of amounts. It should be resolved fairly soon.
- 80CW237 & B1751 ALP Water Rights, Conditional to Absolute and Due Diligence
Barry, Peggy, and Bruce are working together on the application which should be ready for Board review at the August meeting. It is to be filed by the end of August. Part of that application will be for absolute water rights for the water in the reservoir, pursuant to Senate Bill, SB41 passed by the legislature in the 2013 session.
- 06CW127 Animas RICD Due Diligence
Barry, and Bruce will be working on this application that needs to be filed by Nov. 30. SWCD will file jointly with La Plata County.
- 02CW85 – Retained Jurisdiction
Peggy Montaño has also been involved in this case on behalf of SWCD. The retained jurisdiction on the tribal decrees expired in Dec., 2012, but the State wanted to extend the retained jurisdiction because the ALP Project had not started operating yet. The decrees were for the Tribes to get a water right under the 2000 legislative amendments, and the retained jurisdiction allowed the State to discuss the water rights administration with the Tribes. If the Tribes agreed with the administrative protocol, the State would allow the retained jurisdiction to expire in August, 2013. Peggy requested that the board give the attorneys conditional authority to sign the motion to end the retained jurisdiction, contingent upon them reviewing a final version of it. April Montgomery moved that the board grant conditional authority to sign the motion, contingent upon staff and attorneys being satisfied with the final version. Steve Fearn seconded the motion. The motion passed unanimously.

Office Report

(time:06:39:45)

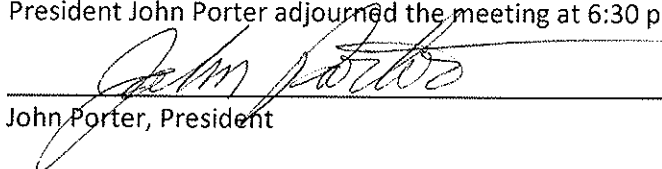
Bruce told the board to contact him if they had any questions from the report that he distributed earlier. There was a request from Congressman Tipton's office for a letter of support for Good Samaritan legislation. A copy was given to the board.

Next Meetings

Aug 14	Wednesday	10:00 am	Board Meeting
Aug 14	Wednesday	5:30 pm	Four States Irrigation Council Reception
Oct 9	Wednesday	10:00 am	Board Meeting
Dec 9	Monday	10:00 am	Board Meeting

Adjournment

President John Porter adjourned the meeting at 6:30 p.m.



John Porter, President

June 12, 2013

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