

The Southwestern Water Conservation District
The West Building, 841 E Second Avenue
Durango, CO 81301

NOTICE IS HEREBY GIVEN
A Regular Board Meeting of the
Southwestern Water Conservation District
will be held via teleconference on

Wednesday, February 10, 2021

8:00 a.m. – 12:00 p.m.

1:00 - 3:30 p.m.

Thursday, February 11, 2021

8:00 a.m. – 12:45 p.m.

[Click here to join Zoom](#)

Phone Number: (346) 248 7799

Meeting ID: 852 4669 2513

Passcode: 931249

Posted and Noticed February 5, 2021

Tentative Agenda

Please text 970-901-1388 if you have difficulty joining the meeting.

*Please raise your hand to be recognized by the chair. To raise your hand by phone, dial*9. To raise your hand by computer, please use Alt+Y (Windows) or Option+Y (Mac). To mute and unmute by phone, dial *6.*

Wednesday, February 10, 2021

- 1.0 Call to Order – Roll Call, Verification of Quorum (8:00 a.m.)**
- 2.0 Review and Approve Agenda (8:02 a.m.)**
- 3.0 SWCD Board of Director Appointments for La Plata, Hinsdale and San Juan Counties (8:03 a.m.)**
- 4.0 Annual Election of Officers (8:05 a.m.)**
- 5.0 Board Committee Membership for 2021 (8:25 a.m.)**
- 6.0 SWCD Resolution 21-01 Honoring Bob Wolff (8:40 a.m.)**
- 7.0 Executive Session (8:45 a.m.)**
 - 7.1 San Miguel River Basin Water Supply Planning
 - 7.2 Application of Salem Minerals, Inc. et al. for Finding of Reasonable Diligence, Case No. 20CW3036, Water Division 7.
 - 7.3 Application of Navajo Development Co., Inc. for Appropriative Right of Exchange, Case No. 20CW3016, Water Division 3.
 - 7.4 Colorado River Compact, Interstate and Intra-state negotiation matters, including drought contingency planning and exploration of demand management
 - 7.5 Joint SWCD/River District Agreement with Hydros Consulting for Colorado River Basin Modeling

8.0 Summary and Action Items from Executive Session (11:55 a.m.)

Recess for Lunch (12:00 p.m.)

9.0 SWCD Grant Program (1:00 p.m.)

9.1 2020 Grant Program Summary Report (1:00 p.m.)

9.2 Review of SWCD Grant Program Criteria (1:05 p.m.)

9.3 2021 SWCD Grant Applications Presentations (1:10 – 2:50 p.m.)

Aspen Springs Metro District – Buttercup Water Depot Well Drilling
Florida Consolidated Ditch Company – Florida Canal Diversion Rehab Phase II
Montezuma County – Phreatophyte Removal Project
Town of Ophir – Werner Springs Infiltration System Replacement
Town of Silverton – Kendall Mtn Well Field Test Drilling Program
Twin Buttes Metro District #1 – Lightner Creek Fisheries Enhancement
Fort Lewis College – Dolores River Adaptive Management, Online Repository
San Juan RC&D (Bonita Peak CAG) – Animas River Data Collection and Standard
Proposal Development
Trout Unlimited – Upper San Juan Integrated Water Management Plan, Phase II
Montezuma School to Farm Project – Colorado Water Plan Education Initiative
Materials

9.4 2021 SWCD Grant Applications Decisions (2:50 p.m.)

9.5 Board Feedback on Grant Program (Process, Criteria) and Wrap Up (3:15 p.m.)

Recess at 3:15 p.m. until Thursday, February 11th at 8:00 a.m.

Thursday, February 11, 2021

10.0 Call to Order – Roll Call, Verification of Quorum (8:00 a.m.)

11.0 Review and Approve Agenda (8:03 a.m.)

12.0 Executive Session (8:05 a.m.)

- 12.1 General Manager Hiring Process— Update on General Manager hiring process and continued Deliberations regarding the same
- 12.2 Potential consulting services agreement for additional technical services

13.0 Summary and Action Items from Executive Session (10:00 a.m.)

14.0 Approve and/or Remove Consent Agenda Items (10:03 a.m.)

15.0 Consent Agenda (10:05 a.m.)

- 15.1 Approval of Minutes (Dec 8-9; Dec 14; Dec 18; Dec 22; Jan 4; Jan 19)
- 15.2 Acceptance of Treasurer's Report (Year-End 2020)
- 15.3 Resolution 2021-02 Designation of Meeting Posting Location

16.0 Questions and Comments from Audience (10:07 a.m.)

17.0 Reports (10:10 a.m.)

- 17.1 Director Reports
- 17.2 Board Committee Reports (Unofficial Notes, Board Finance Committee Meeting, Jan 8)
- 17.3 Staff Report
 - 17.3.1 Hydrologic Conditions Update
 - 17.3.2 Proposed SWCD Account Signatories (Bank of Colorado and COLOTRUST)
 - 17.3.3 Proposed Consolidation of SWCD's COLOTRUST Accounts
 - 17.3.4 Proposed Virtual 2021 SWCD Annual Water Seminar

18.0 Old Business (10:40 a.m.)

- 18.1 Colorado River matters
 - 18.1.1 Interstate and intra-state matters, including drought contingency planning effort and exploration of demand management
 - 18.1.2 Colorado River Water Bank Working Group
- 18.2 SWCD Strategic Planning Update
- 18.3 State Legislative Update
- 18.4 Federal Legislative Update
- 18.5 CWCBC Instream Flow Recommendations
 - 18.5.1 Division 7: Rincon La Vaca (2021)
 - 18.5.2 Division 4: Goat Creek (2022)
- 18.6 Anti-Speculation Committee Update
- 18.7 Southwest Basins Implementation Plan Update
- 18.8 Proposed Assignment of a Portion of the FY2020 Year-End Fund Balance

19.0 New Business (12:15 p.m.)

- 19.1 SWCD Interim Appointment to Southwest Basins Roundtable
- 19.2 Proposed Alternative to 2021 Annual Children's Water Festival – Elaine Chick
- 19.3 Update regarding Statewide Education Action Plan (SWEAP) - Scott Williamson

20.0 Engineering Report (12:35 p.m.)

- 20.1 Upper Colorado & San Juan River Basin Recovery Implementation Programs
 - 20.1.1 Potential Transfer of SWCD's Fiscal and Contracting Responsibilities for Water Development Committee
- 20.2 Paradox Salinity Unit Final Environmental Impact Statement

21.0 General Counsel Legal Report (12:40 p.m.)

- 21.1 December Water Court Resume Review (Divisions 3, 4, 7)
- 21.2 Water Quality Control Commission's Regulation No. 93 Rulemaking Hearing

22.0 Executive Session (if needed)

23.0 Adjournment (12:45 p.m.)

Upcoming Meetings

February 24, 2021	Special Board Meeting
March 10, 2021	Special Board Meeting
March 24, 2021	Special Board Meeting
April 1-2, 2021	Regular Board Meeting

Except the time indicated for when the meeting is scheduled to begin, the times noted for each agenda item are estimates and subject to change. The Board may address and act on agenda items in any order to accommodate the needs of the Board and the audience. Agenda items can also be added during the meeting at the consensus of the Board.

Agenda items may be placed on the Consent Agenda when the recommended action is non-controversial. The Consent Agenda may be voted on without reading or discussing individual items. Any Board member may request clarification about items on the Consent Agenda. The Board may remove items from the Consent Agenda at their discretion for further discussion.

Southwestern Water Conservation District
Bank Account Summary
As of **January 31, 2021**

	<u>Jan 31, 21</u>
ASSETS	
Current Assets	
Checking/Savings	
100 · SWCD Checking	265,516.04
101 · SWCD Credit Card	(2,960.19)
102 · SJRBRIP Checking	23,151.67
103 · WIP Checking	117,501.70
105 · COLOTrust Project Reserve	85,437.50
106 · COLOTrust Emergency Reserve	165,066.18
107 · COLOTrust General	52,889.08
123 · CD - January 2022	1,559,007.32
159 · CD - January 2023	417,206.87
160 · CD2 - January 2023	102,382.05
166 · CD - July 2021	502,779.02
167 · CD - July 2022	503,158.97
	<hr/>
Total Checking/Savings	3,791,136.21
Other Current Assets	
131 · Bauer Lake Loan	5,573.59
	<hr/>
Total Other Current Assets	5,573.59
	<hr/>
Total Current Assets	3,796,709.80
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TOTAL ASSETS	3,796,709.80
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LIABILITIES & EQUITY	0.00

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Southwestern Water Conservation District

Check Detail

December 2020 through January 2021

Num	Date	Name	Memo	Account	Original Amount
Bill.com	12/01/2020	Elaine Chick Consulting	November 2020	103 · WIP Checking	-4,120.46
			November 2020	54111 · WIP Contract Coordination	4,120.46
TOTAL					4,120.46
VISA	12/03/2020	US Postal Service	December Board Packet Mailing	101 · SWCD Credit Card	-184.45
			December Board Packet Mailing	5.8.11 · Postage	184.45
TOTAL					184.45
Bill.com	12/03/2020	Christopher Treese	November 2020	100 · SWCD Checking	-2,475.00
			November 2020	5.5.11 · Technical Other Expenses	2,475.00
TOTAL					2,475.00
Bill.com	12/03/2020	Robert Wolff	Mtgs 10/29-11/23/20	100 · SWCD Checking	-1,100.00
			Mtgs 10/29-11/23/20	5.7.1 · Director Fees	1,100.00
TOTAL					1,100.00
Bill.com	12/03/2020	Don Schwindt	Mtgs 10/13-11/23/20	100 · SWCD Checking	-800.00
			Mtgs 10/13-11/23/20	5.7.1 · Director Fees	800.00
TOTAL					800.00
VISA	12/04/2020	Pinnacol Assurance	2021 Workers Compensation Coverage	101 · SWCD Credit Card	-530.00
			2021 Workers Compensation Coverage	110 · Prepaid Expenses	530.00
TOTAL					530.00
VISA	12/05/2020	Charter Spectrum	November 2020	101 · SWCD Credit Card	-69.99
			November 2020	5.8.14 · Telecommunication	69.99
TOTAL					69.99
VISA	12/07/2020	Fredrick Zink & Associates	October 2020	101 · SWCD Credit Card	-110.00
			October 2020	5.8.02 · Accounting	110.00
TOTAL					110.00
VISA	12/07/2020	ImageNet	December 2020	101 · SWCD Credit Card	-150.00
			December 2020	5.8.06 · Equipment Leasing	150.00
TOTAL					150.00
VISA	12/07/2020	Blue Channel	WIP admin email recovery	101 · SWCD Credit Card	-78.75
			WIP admin email recovery	5.8.14 · Telecommunication	78.75
TOTAL					78.75
Bill.com	12/07/2020	Colorado Employer Benefit Trust	January 2021	100 · SWCD Checking	-1,408.17
			January 2021	110 · Prepaid Expenses	1,408.17
TOTAL					1,408.17
ACH	12/08/2020	Bill.com	November 2020	100 · SWCD Checking	-120.43
			November 2020	5.8.02 · Accounting	120.43
TOTAL					120.43
Bill.com	12/08/2020	Colorado Special Districts Assoc	2021 Property & Liability Coverage	100 · SWCD Checking	-6,674.00
			2021 Property & Liability Coverage	110 · Prepaid Expenses	6,674.00
TOTAL					6,674.00

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Num	Date	Name	Memo	Account	Original Amount
VISA	12/09/2020	Water Information Program	Water Law in a Nutshell Registration-Ford	101 · SWCD Credit Card	-55.00
			Water Law in a Nutshell Registration-Ford	110 · Prepaid Expenses	55.00
TOTAL					55.00
ACH	12/10/2020	Laura E Spann	2020 Bonus	100 · SWCD Checking	-443.75
			2020 Bonus	5.6.7 · Wages - ED Bonus	500.00
			2020 Bonus	215 · FICA/Medicare/Fed W/H	-2.00
			2020 Bonus	5.6.4 · Wages - Payroll Taxes	31.00
			2020 Bonus	215 · FICA/Medicare/Fed W/H	-31.00
			2020 Bonus	215 · FICA/Medicare/Fed W/H	-31.00
			2020 Bonus	5.6.4 · Wages - Payroll Taxes	7.25
			2020 Bonus	215 · FICA/Medicare/Fed W/H	-7.25
			2020 Bonus	215 · FICA/Medicare/Fed W/H	-7.25
			2020 Bonus	216 · State W/H Tax Payable	-16.00
TOTAL					443.75
Bill.com	12/10/2020	J R Ford	Mtgs 12/8-9/20	100 · SWCD Checking	-200.00
			Mtgs 12/8-9/20	5.7.1 · Director Fees	200.00
TOTAL					200.00
Bill.com	12/11/2020	Van Vurst Law	November 2020	100 · SWCD Checking	-18,965.60
			November 2020	5.5.01 · Attorney Fees - General Counsel	17,168.00
			November 2020	5.5.03 · Litigation - General Counsel	1,797.60
TOTAL					18,965.60
ACH	12/14/2020	United States Treasury	November 2020	100 · SWCD Checking	-1,357.72
			November 2020	215 · FICA/Medicare/Fed W/H	468.00
			November 2020	215 · FICA/Medicare/Fed W/H	360.54
			November 2020	215 · FICA/Medicare/Fed W/H	360.54
			November 2020	215 · FICA/Medicare/Fed W/H	84.32
			November 2020	215 · FICA/Medicare/Fed W/H	84.32
TOTAL					1,357.72
ACH	12/14/2020	Laura E Spann	11/30-12/13/20	100 · SWCD Checking	-1,315.45
			11/30-12/13/20	5.6.2 · Wages - Programs Coordinator	1,938.40
			11/30-12/13/20	5.6.6 · Wages - Health & Life Insurance	-143.74
			11/30-12/13/20	221 · 457 Withholding	-96.92
			11/30-12/13/20	215 · FICA/Medicare/Fed W/H	-156.00
			11/30-12/13/20	5.6.4 · Wages - Payroll Taxes	120.18
			11/30-12/13/20	215 · FICA/Medicare/Fed W/H	-120.18
			11/30-12/13/20	215 · FICA/Medicare/Fed W/H	-120.18
			11/30-12/13/20	5.6.4 · Wages - Payroll Taxes	28.11
			11/30-12/13/20	215 · FICA/Medicare/Fed W/H	-28.11
			11/30-12/13/20	215 · FICA/Medicare/Fed W/H	-28.11
			11/30-12/13/20	216 · State W/H Tax Payable	-78.00
TOTAL					1,315.45
ACH	12/14/2020	Lincoln Financial Group	11/30-12/14/20	100 · SWCD Checking	-193.84
			11/30-12/14/20	221 · 457 Withholding	96.92
			11/30-12/14/20	5.6.5 · Wages - Retirement Benefit	96.92
TOTAL					193.84
Bill.com	12/14/2020	Special Districts Association	2021 Membership	101 · SWCD Credit Card	-1,237.50
			2021 Membership	110 · Prepaid Expenses	1,237.50
TOTAL					1,237.50
Bill.com	12/14/2020	Mary Porter	Fruit basket to Director Emeritus John Porter	100 · SWCD Checking	-64.99
			Fruit basket to Director Emeritus John Porter	5.8.09 · Miscellaneous	64.99
TOTAL					64.99
VISA	12/15/2020	Office Depot	Year-End Accounting Forms	101 · SWCD Credit Card	-47.29
			Year-End Accounting Forms	5.8.02 · Accounting	47.29
TOTAL					47.29

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Num	Date	Name	Memo	Account	Original Amount
Bill.com	12/15/2020	Harris Water Engineering, Inc	November 2020	100 · SWCD Checking	-1,012.50
			November 2020	5.5.09 · Engineering - General	1,012.50
TOTAL					1,012.50
Bill.com	12/15/2020	Mancos Conservation District	2020 SMP Grant Final	100 · SWCD Checking	-6,308.59
			2020 SMP Grant Final	5.1.1 · SWCD Grant Program	6,308.59
TOTAL					6,308.59
VISA	12/17/2020	US Postal Service	Director Term Letters	101 · SWCD Credit Card	-7.00
			Director Term Letters	5.8.11 · Postage	7.00
TOTAL					7.00
VISA	12/17/2020	Microsoft 365	Renew Microsoft 365 subscription	101 · SWCD Credit Card	-48.49
			Renew Microsoft 365 subscription	5.8.10 · Office Expenses	48.49
TOTAL					48.49
VISA	12/18/2020	Microsoft 365	Renew Microsoft 365 subscription for 2 computers	101 · SWCD Credit Card	-225.21
			Renew Microsoft 365 subscription for 2 computers	5.8.10 · Office Expenses	225.21
TOTAL					225.21
Bill.com	12/22/2020	CO Special Districts P&L Pool	2021 P&L Policy (Adjustment)	100 · SWCD Checking	-568.00
			2021 P&L Policy (Adjustment)	110 · Prepaid Expenses	568.00
TOTAL					568.00
Bill.com	12/22/2020	Russell Hinger	Mtgs 2/26-12/22/20	100 · SWCD Checking	-1,100.00
			Mtgs 2/26-12/22/20	5.7.1 · Director Fees	1,100.00
TOTAL					1,100.00
Bill.com	12/22/2020	Douglas Stowe	Mtgs 11/2-12/22/20	100 · SWCD Checking	-1,000.00
			Mtgs 11/2-12/22/20	5.7.1 · Director Fees	1,000.00
TOTAL					1,000.00
Bill.com	12/22/2020	David Guilliams	Mtgs 7/9-12/22/20	100 · SWCD Checking	-1,100.00
			Mtgs 7/9-12/22/20	5.7.1 · Director Fees	1,100.00
TOTAL					1,100.00
VISA	12/26/2020	Verizon	November 2020	101 · SWCD Credit Card	-75.78
			November 2020	5.8.14 · Telecommunication	75.78
TOTAL					75.78
ACH	12/28/2020	Laura E Spann	12/14-27/20	100 · SWCD Checking	-1,315.45
			12/14-27/20	5.6.2 · Wages - Programs Coordinator	1,938.40
			12/14-27/20	5.6.6 · Wages - Health & Life Insurance	-143.74
			12/14-27/20	221 · 457 Withholding	-96.92
			12/14-27/20	215 · FICA/Medicare/Fed W/H	-156.00
			12/14-27/20	5.6.4 · Wages - Payroll Taxes	120.18
			12/14-27/20	215 · FICA/Medicare/Fed W/H	-120.18
			12/14-27/20	215 · FICA/Medicare/Fed W/H	-120.18
			12/14-27/20	5.6.4 · Wages - Payroll Taxes	28.11
			12/14-27/20	215 · FICA/Medicare/Fed W/H	-28.11
			12/14-27/20	215 · FICA/Medicare/Fed W/H	-28.11
			12/14-27/20	216 · State W/H Tax Payable	-78.00
TOTAL					1,315.45
Bill.com	12/28/2020	Robert Wolff	Mtgs 11/24-12/29/20	100 · SWCD Checking	-1,100.00
			Mtgs 11/24-12/29/20	5.7.1 · Director Fees	1,100.00
TOTAL					1,100.00

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Num	Date	Name	Memo	Account	Original Amount
Bill.com	12/29/2020	The West Building	January 2021	100 · SWCD Checking	-2,464.46
			January 2021	110 · Prepaid Expenses	2,464.46
TOTAL					2,464.46
Bill.com	12/31/2020	HabiTech, Inc	Sept 25-Dec 30, 2020	102 · SJRBRIIP Checking	-10,580.00
			Sept 25-Dec 30, 2020	5.1.4 · SJRBRIIP Water User Committee	10,580.00
TOTAL					10,580.00
Bill.com	12/31/2020	Jenny Russell	Mtgs 6/30-12/22/20	100 · SWCD Checking	-2,500.00
			Mtgs 6/30-12/22/20	5.7.1 · Director Fees	2,500.00
TOTAL					2,500.00
Bill.com	12/31/2020	Harris Water Engineering, Inc	December 2020	100 · SWCD Checking	-2,295.00
			December 2020	5.5.09 · Engineering - General	2,295.00
TOTAL					2,295.00
Bill.com	12/31/2020	Don Schwindt	Mtgs 12/1-22/20	100 · SWCD Checking	-600.00
			Mtgs 12/1-22/20	5.7.1 · Director Fees	600.00
TOTAL					600.00
Bill.com	12/31/2020	Moxiecran Media LLC	Final Payment, PEPO Video 2020	103 · WIP Checking	-4,100.00
			Final Payment PEPO Video 2020	54119 · WIP Educational Products	4,100.00
TOTAL					4,100.00
Bill.com	12/31/2020	Robinson, Waters & O'Dorisio	November and December 2020	100 · SWCD Checking	-1,350.00
			November and December 2020	5.5.05 · Attorney Fees - Special Counsel	1,350.00
TOTAL					1,350.00
Bill.com	12/31/2020	SW Water Conservation District	August-December 2020 Copies	103 · WIP Checking	-23.41
			August-December 2020 Copies	54124 · WIP Office Expenses	23.41
TOTAL					23.41
Bill.com	01/04/2021	Wright Water Engineers	August, September, October 2020	100 · SWCD Checking	-6,217.75
			August, September, October 2020	200 · Accounts Payable	6,217.75
TOTAL					6,217.75
Bill.com	01/04/2021	Elaine Chick Consulting	December 2020	103 · WIP Checking	-4,120.46
			December 2020	203 · Accounts Payable/WIP-For 1099	4,120.46
TOTAL					4,120.46
VISA	01/05/2021	Charter Spectrum	December 2020	101 · SWCD Credit Card	-69.99
			December 2020	200 · Accounts Payable	69.99
TOTAL					69.99
ACH	01/05/2021	Laura E Spann	2020 PTO Payout: 24.802 Hours Over 80	100 · SWCD Checking	-521.93
			2020 PTO Payout: 24.802 Hours Over 80	5.6.2 · Wages - Programs Coordinator	600.90
			2020 PTO Payout: 24.802 Hours Over 80	215 · FICA/Medicare/Fed W/H	-12.00
			2020 PTO Payout: 24.802 Hours Over 80	5.6.4 · Wages - Payroll Taxes	37.26
			2020 PTO Payout: 24.802 Hours Over 80	215 · FICA/Medicare/Fed W/H	-37.26
			2020 PTO Payout: 24.802 Hours Over 80	215 · FICA/Medicare/Fed W/H	-37.26
			2020 PTO Payout: 24.802 Hours Over 80	5.6.4 · Wages - Payroll Taxes	8.71
			2020 PTO Payout: 24.802 Hours Over 80	215 · FICA/Medicare/Fed W/H	-8.71
			2020 PTO Payout: 24.802 Hours Over 80	215 · FICA/Medicare/Fed W/H	-8.71
			2020 PTO Payout: 24.802 Hours Over 80	216 · State W/H Tax Payable	-21.00
			2020 PTO Payout: 24.802 Hours Over 80	5.6.4 · Wages - Payroll Taxes	1.80
			2020 PTO Payout: 24.802 Hours Over 80	217 · State Unemployment Tax	-1.80
TOTAL					521.93

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Num	Date	Name	Memo	Account	Original Amount
Bill.com	01/05/2021	Kogovsek & Associates, Inc.	1Q2021 Retainer	100 · SWCD Checking	-12,500.00
			1Q2021 Retainer	5.5.07 · Lobbying Fees	12,500.00
TOTAL					12,500.00
Bill.com	01/05/2021	Club 20	2021 Membership, Wolff	100 · SWCD Checking	-300.00
			2021 Membership, Wolff	5.3.2 · Dues & Memberships	300.00
TOTAL					300.00
Bill.com	01/05/2021	Blue Channel	2021 WIP website hosting	103 · WIP Checking	-180.00
			2021 WIP website hosting	54127 · WIP Web Hosting	180.00
TOTAL					180.00
VISA	01/05/2021	Blue Channel	2021 swwcd.org hosting	101 · SWCD Credit Card	-240.00
			2021 swwcd.org hosting	5.8.14 · Telecommunication	240.00
TOTAL					240.00
VISA	01/05/2021	Blue Channel	2021 swwcd.org domain registration	101 · SWCD Credit Card	-25.00
			2021 swwcd.org domain registration	5.8.14 · Telecommunication	25.00
TOTAL					25.00
Bill.com	01/05/2021	Family Farm Alliance	2021 Membership	100 · SWCD Checking	-9,300.00
			2021 Membership	5.3.2 · Dues & Memberships	9,300.00
TOTAL					9,300.00
VISA	01/05/2021	Fredrick Zink & Associates	November 2020	101 · SWCD Credit Card	-434.70
			November 2020	200 · Accounts Payable	434.70
TOTAL					434.70
Bill.com	01/06/2021	Christopher Treese	December 2020	100 · SWCD Checking	-2,100.00
			December 2020	200 · Accounts Payable	2,100.00
TOTAL					2,100.00
VISA	01/07/2021	ImageNet	1Q2021 Base, Jan 2021 Equip Leasing	101 · SWCD Credit Card	-582.76
			Jan 2021	5.8.06 · Equipment Leasing	150.00
			1Q2021 Base	5.8.10 · Office Expenses	432.76
TOTAL					582.76
ACH	01/07/2021	Bill.com	December 2020	100 · SWCD Checking	-134.93
			December 2020	200 · Accounts Payable	134.93
TOTAL					134.93
Bill.com	01/08/2021	Water Consult	Oct 31, 2020-Dec 30, 2020	102 · SJRBRIP Checking	-13,591.50
			Oct 31, 2020-Dec 30, 2020	200 · Accounts Payable	13,591.50
TOTAL					13,591.50
Bill.com	01/08/2021	SJRBRIP Steering Committee	2021 Assessment	100 · SWCD Checking	-50,873.00
			2021 Assessment	5.1.4 · SJRBRIP Water User Committee	50,873.00
TOTAL					50,873.00

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Southwestern Water Conservation District

Check Detail

December 2020 through January 2021

Num	Date	Name	Memo	Account	Original Amount
ACH	01/11/2021	Laura E Spann	12-28-20 to 1-10-21	100 · SWCD Checking	-1,447.36
			12-28-20 to 1-10-21	5.6.2 · Wages - Programs Coordinator	1,938.40
			12-28-20 to 1-10-21	5.6.6 · Wages - Health & Life Insurance	-92.75
			12-28-20 to 1-10-21	215 · FICA/Medicare/Fed W/H	-167.00
			12-28-20 to 1-10-21	5.6.4 · Wages - Payroll Taxes	120.18
			12-28-20 to 1-10-21	215 · FICA/Medicare/Fed W/H	-120.18
			12-28-20 to 1-10-21	215 · FICA/Medicare/Fed W/H	-120.18
			12-28-20 to 1-10-21	5.6.4 · Wages - Payroll Taxes	28.11
			12-28-20 to 1-10-21	215 · FICA/Medicare/Fed W/H	-28.11
			12-28-20 to 1-10-21	215 · FICA/Medicare/Fed W/H	-28.11
			12-28-20 to 1-10-21	216 · State W/H Tax Payable	-83.00
			12-28-20 to 1-10-21	5.6.4 · Wages - Payroll Taxes	5.82
			12-28-20 to 1-10-21	217 · State Unemployment Tax	-5.82
TOTAL					1,447.36
Bill.com	01/11/2021	Blue Channel	Water Law in a Nutshell, website support	103 · WIP Checking	-343.75
			Water Law in a Nutshell, website support	54113 · WIP Workshops	343.75
TOTAL					343.75
Bill.com	01/12/2021	Van Vurst Law	December 2020	100 · SWCD Checking	-19,426.00
			December 2020	200 · Accounts Payable	19,426.00
TOTAL					19,426.00
Bill.com	01/12/2021	Water Education Colorado	2021 Support and Membership	100 · SWCD Checking	-11,000.00
			2021 Support and Membership	5.4.3 · Water Education Colorado	11,000.00
TOTAL					11,000.00
VISA	01/12/2021	Fredrick Zink & Associates	December 2020	101 · SWCD Credit Card	-389.00
			December 2020	200 · Accounts Payable	389.00
TOTAL					389.00
Bill.com	01/13/2021	Colorado Employer Benefit Trust	February 2021	100 · SWCD Checking	-1,408.17
			February 2021	5.6.6 · Wages - Health & Life Insurance	1,408.17
TOTAL					1,408.17
ACH	01/14/2021	United States Treasury	December 2020	100 · SWCD Checking	-983.66
			December 2020	215 · FICA/Medicare/Fed W/H	314.00
			December 2020	215 · FICA/Medicare/Fed W/H	271.36
			December 2020	215 · FICA/Medicare/Fed W/H	271.36
			December 2020	215 · FICA/Medicare/Fed W/H	63.47
			December 2020	215 · FICA/Medicare/Fed W/H	63.47
TOTAL					983.66
VISA	01/19/2021	Colorado Water Congress	CWC Virtual Conference Registration - Schwindt	101 · SWCD Credit Card	-175.00
			CWC Virtual Conference Registration - Schwindt	5.7.3 · Registration Fees	175.00
TOTAL					175.00
Bill.com	01/19/2021	Colorado River WCD	July-December 2020 (Co River Basin Modeling Costshare)	100 · SWCD Checking	-25,834.50
			July-December 2020 (Co River Basin Modeling Costshare)	200 · Accounts Payable	25,834.50
TOTAL					25,834.50
Bill.com	01/19/2021	Colorado Water Congress	2021 Water Congress Support, Dues	100 · SWCD Checking	-13,788.00
			2021 Water Congress Support, Dues	5.3.2 · Dues & Memberships	13,788.00
TOTAL					13,788.00
VISA	01/20/2021	Best Buy	Director Laptop for Zoom - Stowe	101 · SWCD Credit Card	-758.79
			Director Laptop for Zoom - Stowe	5.8.05 · Manager's Discretionary Budget	758.79
TOTAL					758.79

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02/03/21

Southwestern Water Conservation District

Check Detail

December 2020 through January 2021

Num	Date	Name	Memo	Account	Original Amount
Bill.com	01/20/2021	Elaine Chick Consulting	Water Law in a Nutshell Exps, December Webinar Registrati...	103 · WIP Checking	-398.88
			Water Law in a Nutshell Mailing Expenses	54113 · WIP Workshops	348.88
			December Climate Change Webinar Registration	202 · Accounts Payable/WIP	50.00
TOTAL					398.88
Bill.com	01/22/2021	Center for Snow & Avalanche Studies	2021 CSAS Support	100 · SWCD Checking	-7,000.00
			2021 CSAS Support	5.2.1 · Center for Snow & Avalanche	7,000.00
TOTAL					7,000.00
VISA	01/22/2021	Colorado Water Congress	2021 CWC Virtual Conf, Russell	101 · SWCD Credit Card	-175.00
			2021 CWC Virtual Conf, Russell	5.7.3 · Registration Fees	175.00
TOTAL					175.00
VISA	01/23/2021	Office Depot	Printer Toner (Laura Remote work)	101 · SWCD Credit Card	-76.99
			Printer Toner (Laura Remote work)	5.8.10 · Office Expenses	76.99
TOTAL					76.99
Bill.com	01/23/2021	Hermosa Company Ditch	2019 Grant Final Invoice	100 · SWCD Checking	-4,204.00
			2019 Grant Final Invoice	200 · Accounts Payable	4,204.00
TOTAL					4,204.00
ACH	01/25/2021	Laura E Spann	1/11-1/24/2021	100 · SWCD Checking	-1,585.37
			1/11-1/24/2021	5.6.2 · Wages - Programs Coordinator	2,132.24
			1/11-1/24/2021	5.6.6 · Wages - Health & Life Insurance	-92.75
			1/11-1/24/2021	215 · FICA/Medicare/Fed W/H	-199.00
			1/11-1/24/2021	5.6.4 · Wages - Payroll Taxes	132.20
			1/11-1/24/2021	215 · FICA/Medicare/Fed W/H	-132.20
			1/11-1/24/2021	215 · FICA/Medicare/Fed W/H	-132.20
			1/11-1/24/2021	5.6.4 · Wages - Payroll Taxes	30.92
			1/11-1/24/2021	215 · FICA/Medicare/Fed W/H	-30.92
			1/11-1/24/2021	215 · FICA/Medicare/Fed W/H	-30.92
			1/11-1/24/2021	216 · State W/H Tax Payable	-92.00
			1/11-1/24/2021	5.6.4 · Wages - Payroll Taxes	6.39
			1/11-1/24/2021	217 · State Unemployment Tax	-6.39
TOTAL					1,585.37
Bill.com	01/25/2021	The West Building	February 2021	100 · SWCD Checking	-2,486.30
			February 2021	5.8.12 · Rent	2,486.30
TOTAL					2,486.30
Bill.com	01/27/2021	The PC Clinic	WIP Computer Check-Up, Upgrades	103 · WIP Checking	-283.56
			WIP Computer Check-Up, Upgrades	54112 · WIP Website/Tech Support	283.56
TOTAL					283.56
VISA	01/27/2021	Office Depot	Tax Forms	101 · SWCD Credit Card	-32.96
			Tax Forms	5.8.02 · Accounting	32.96
TOTAL					32.96
ACH	01/29/2021	Colorado State Treasurer	4Q2020	100 · SWCD Checking	-42.21
			4Q2020	217 · State Unemployment Tax	42.21
TOTAL					42.21
ACH	01/29/2021	Colorado Department of Revenue	4Q2020	100 · SWCD Checking	-561.00
			4Q2020	216 · State W/H Tax Payable	561.00
TOTAL					561.00

YEAR-END 2020

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February 3, 2021

Southwestern Water Conservation District Budget Comparison Summary January through December 2020

	Jan - Dec 20	Budget	\$ Over Budget	% of Budget
Income				
4 · SWCD INCOME				
4.1 · Property Tax	1,593,812	1,620,102	(26,290)	98%
4.2 · Specific Ownership Tax	147,681	100,000	47,681	148%
4.3 · Interest, PILT & Other Taxes	36,781	35,500	1,281	104%
4.4 · Other Income				
4.4.1 · Interest Earned	61,688	40,000	21,688	154%
4.4.2 · Loan Interest	275	275	0	100%
4.4.3 · Miscellaneous Income	4,878	5,000	(122)	98%
4.4.4 · Water Seminar Registration	0	6,000	(6,000)	0%
4.4.5 · ALP/WIP Cost Sharing	93	200	(107)	47%
4.4.7 · SJRBRIP Water User Committee	50,873	50,873	0	100%
4.4.8 · Stream Gaging Reimbursement	18,613	32,481	(13,868)	57%
4.4.9 · Water Info Program	36,804	37,850	(1,046)	97%
Total 4.4 · Other Income	173,224	172,679	545	100%
Total 4 · SWCD INCOME	1,951,497	1,928,281	23,216	101%
Total Income	1,951,497	1,928,281	23,216	101%
Gross Profit	1,951,497	1,928,281	23,216	101%
Expense				
5 · SWCD EXPENSES				
5.01 · Water Management & Development				
5.1.1 · SWCD Grant Program*	219,954	400,000	(180,046)	55%
5.1.2 · Previously Committed Grants	4,204	85,694	(81,490)	5%
5.1.3 · Project Reserve Fund	0	350,000	(350,000)	0%
5.1.4 · SJRBRIP Water User Committee	101,147	101,746	(599)	99%
5.1.5 · SWCD Project Water Rights	0	10,000	(10,000)	0%
5.1.6 · Weather Modification**	28,340	117,000	(88,660)	24%
5.1.7 · Emergency Reserve Fund	0	500,000	(500,000)	0%
Total 5.01 · Water Management & Developme...	353,645	1,564,440	(1,210,795)	23%
5.02 · Data Collection				
5.2.1 · Center for Snow & Avalanche	7,000	7,000	0	100%
5.2.2 · Stream Gaging - Federal	97,111	108,500	(11,389)	90%
5.2.3 · Stream Gaging - Colorado***	0	2,640	(2,640)	0%
5.2.4 · Water Quality Studies	9,200	13,000	(3,800)	71%
5.2.5 · SW Colorado Permanent Radar	0	10,000	(10,000)	0%
Total 5.02 · Data Collection	113,311	141,140	(27,829)	80%
5.03 · Ongoing Organizational Support				
5.3.1 · Event Sponsorships	1,000	6,000	(5,000)	17%
5.3.2 · Dues & Memberships	22,879	22,350	529	102%
5.3.3 · Bonita Peak CAG	5,000	5,000	0	100%
5.3.4 · Water Bank Working Group	11,000	17,500	(6,500)	63%
5.3.5 · Demo CSU Farm/Water Efficiency	10,000	10,000	0	100%
Total 5.03 · Ongoing Organizational Support	49,879	60,850	(10,971)	82%

*awaiting invoices for \$25,000 to Dolores RRP, \$2,061.72 to FLC

**awaiting invoices from DWCD for weather modification

***awaiting DWR invoice

**Southwestern Water Conservation District
Budget Comparison Summary
January through December 2020**

	Jan - Dec 20	Budget	\$ Over Budget	% of Budget
5.04 · Water Education				
5.4.1 · Water Info Program	65,012	72,095	(7,083)	90%
5.4.2 · Water Seminar	880	18,000	(17,120)	5%
5.4.3 · Water Education Colorado	10,500	10,500	0	100%
5.4.4 · Water Leaders Scholarship	3,500	5,000	(1,500)	70%
5.4.5 · Children's Water Festival	758	9,500	(8,742)	8%
5.4.6 · Watershed Education Program	6,000	6,000	0	100%
Total 5.04 · Water Education	86,649	121,095	(34,446)	72%
5.05 · Technical Support				
5.5.01 · Attorney Fees - General Counsel	184,299	140,000	44,299	132%
5.5.02 · Travel Exps - General Counsel	1,152	15,000	(13,848)	8%
5.5.03 · Litigation - General Counsel	42,701	30,000	12,701	142%
5.5.04 · Co River Litigation- General Co	0	40,000	(40,000)	0%
5.5.05 · Attorney Fees - Special Counsel	29,971	10,000	19,971	300%
5.5.06 · Attorney Exps - Special Counsel	0	5,000	(5,000)	0%
5.5.07 · Lobbying Fees	50,000	50,000	0	100%
5.5.08 · Lobbying Expenses	708	5,500	(4,792)	13%
5.5.09 · Engineering - General	34,523	45,000	(10,477)	77%
5.5.10 · Engineering - Special Projects	8,168	25,000	(16,833)	33%
5.5.11 · Technical Other Expenses	45,950	50,000	(4,050)	92%
Total 5.05 · Technical Support	397,473	415,500	(18,027)	96%
5.06 · District Staff				
5.6.1 · Wages - Executive Director	71,794	146,450	(74,656)	49%
5.6.2 · Wages - Programs Coordinator	51,102	50,393	709	101%
5.6.4 · Wages - Payroll Taxes	9,896	17,716	(7,820)	56%
5.6.5 · Wages - Retirement Benefit	5,787	11,811	(6,023)	49%
5.6.6 · Wages - Health & Life Insurance	19,986	46,260	(26,274)	43%
5.6.7 · Wages - ED Bonus	500	0	500	100%
5.6.8 · Wages - Coordinator Bonus	0	0	0	0%
Total 5.06 · District Staff	159,066	272,629	(113,563)	58%
5.07 · Meetings & Travel				
5.7.1 · Director Fees****	26,900	21,000	5,900	128%
5.7.2 · Director Travel	4,758	31,000	(26,242)	15%
5.7.3 · Registration Fees	6,348	8,500	(2,152)	75%
5.7.4 · Meeting Expenses	1,165	10,000	(8,835)	12%
5.7.5 · Staff Travel	8,150	35,000	(26,850)	23%
Total 5.07 · Meetings & Travel	47,320	105,500	(58,180)	45%
****additional meetings in 2020				

Southwestern Water Conservation District
Budget Comparison Summary
January through December 2020

	Jan - Dec 20	Budget	\$ Over Budget	% of Budget
5.08 · Administration				
5.8.01 · Audit	8,200	8,400	(200)	98%
5.8.02 · Accounting *****	3,975	500	3,475	795%
5.8.03 · Capital Outlay	15,260	15,000	260	102%
5.8.04 · Casual Labor	0	200	(200)	0%
5.8.05 · Manager's Discretionary Budget	759	2,000	(1,241)	38%
5.8.06 · Equipment Leasing	1,800	1,800	0	100%
5.8.07 · Insurance - General Liability	6,734	6,000	734	112%
5.8.08 · Legal Notices	189	600	(411)	32%
5.8.09 · Miscellaneous	162	500	(338)	32%
5.8.10 · Office Expenses	4,597	7,500	(2,903)	61%
5.8.11 · Postage	1,828	1,000	828	183%
5.8.12 · Rent	29,521	30,796	(1,275)	96%
5.8.13 · Staff Training/Development	0	2,500	(2,500)	0%
5.8.14 · Telecommunication	3,159	3,500	(341)	90%
Total 5.08 · Administration	76,184	80,296	(4,112)	95%
*****in past years, some accounting-related exps were tracked under office exps; Bill.com was also an expense not initially planned for 2020				
5.09 · County Treasurer Fees	46,660	52,668	(6,008)	89%
5.10 · TABOR Reserve	0	84,424	(84,424)	0%
5.11 · Contingency Reserve	0	96,414	(96,414)	0%
Total 5 · SWCD EXPENSES	1,330,188	2,994,956	(1,664,768)	44%
Total Expense	1,330,188	2,994,956	(1,664,768)	44%
Net Income	621,310	(1,066,675)	1,687,985	(58)%

**RESOLUTION
BOARD OF DIRECTORS OF
SOUTHWESTERN WATER CONSERVATION DISTRICT**

WHEREAS, pursuant to C.R.S. 24-6-402(2)(c): The Board of Directors (“Board”) of the Southwestern Water Conservation District (“District”) is charged with designating at its first regular meeting each year the public place or places for posting the notices of District meetings.

WHEREAS, notices for the meetings of the District have traditionally been posted on the doors of the District offices located at 841 East Second Avenue, Durango, Colorado, 81301.

NOW, THEREFORE, BE IT RESOLVED that the Board at its first regular board meeting held on February 10-11, 2021, at its principal place of business in Durango, Colorado, there being a quorum present, designated the doors of the District office located at 841 East Second Avenue, Durango, Colorado, as the public place for posting notices of the meetings of the District for 2021. The District will also endeavor, to the extent reasonably practicable, to post such notices on the District’s website (swwcd.org).

DATED this 11th day of February 2021.

SOUTHWESTERN WATER CONSERVATION DISTRICT

By: _____
TBD, President

By: _____
TBD, Secretary-Treasurer

Passed by a vote of _____ to _____.

Staff Report February 2021

Southwestern Water Conservation District



In the opinion of the general assembly of the state of Colorado, the conservation of the water of the San Juan and Dolores rivers and their tributaries for storage, irrigation, mining, and manufacturing purposes and the construction of reservoirs, ditches, and works for the purpose of irrigation and reclamation of additional lands not yet irrigated, as well as to furnish a supplemental supply of water for lands now under irrigation, is of vital importance to the growth and development of the entire district and the welfare of all its inhabitants and that, to promote the health and general welfare of the state of Colorado, an appropriate agency for the conservation, use, and development of the water resources of the San Juan and Dolores rivers and their principal tributaries should be established and given such powers as may be necessary to safeguard for Colorado, all waters to which the state of Colorado is equitably entitled.

DIRECTOR APPOINTMENTS

Charlie Smith was reappointed by San Juan County and David Guilliams by Hinsdale County. Welcome to our new board member, Amy Huff, who was appointed by La Plata County. Beth, Chris, Laura, and Amy held a board orientation session on Thursday, February 4th.

HYDROLOGY SNAPSHOT

Colorado's water year (starting in October) is off to one of its very slowest starts ever and is shaping up to rival 2002 for driest ever. The southwest's recent snows provided hope but are unlikely to make a significant dent in Colorado's statewide numbers. Statewide snowpack is currently less than 75% of average. The notable exception is the Rio Grande basin sitting at almost 100%. While welcome (and overdue) good news for the San Luis Valley, it means the other basins of the state are in fact below 70%. For perspective, our future snowfall needs to exceed 133% of average to end the winter with a 100% of average snowpack on April 1. See below a summary of area snowpack, reservoir levels, and stream flows.

STREAM FLOWS ON 2/2/21

San Juan at Pagosa Springs – 46.4 cfs

Piedra at Arboles – Gage iced over

Pine near Ignacio – Gage iced over

Animas at Durango – 110 cfs (record low)

La Plata at Hesperus – 2.53 cfs

Mancos near Towaoc – Seasonal gage

McElmo Creek near Cortez – Gage iced over

Dolores at Dolores – Seasonal gage

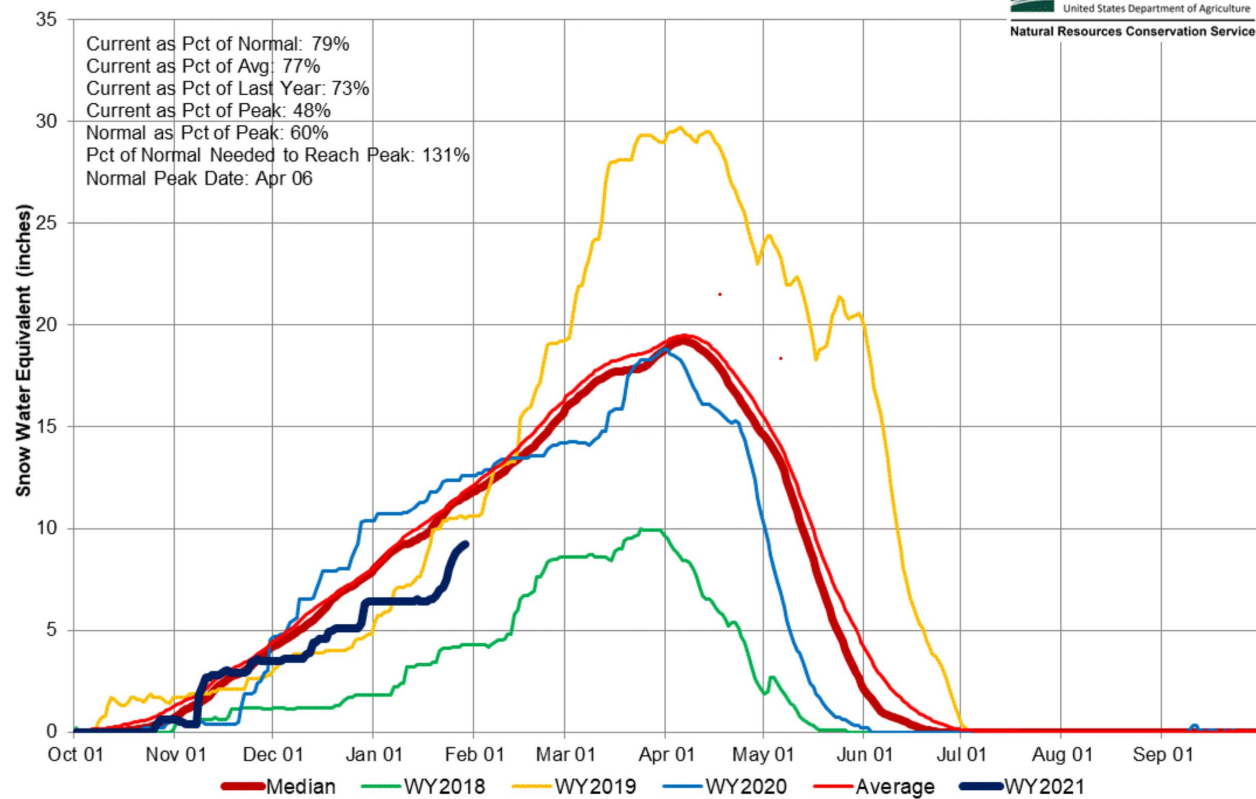
San Miguel at Placerville – Gage iced over

San Miguel at Uravan – Gage iced over

San Miguel, Dolores, Animas & San Juan River Basins Time Series Snowpack Summary

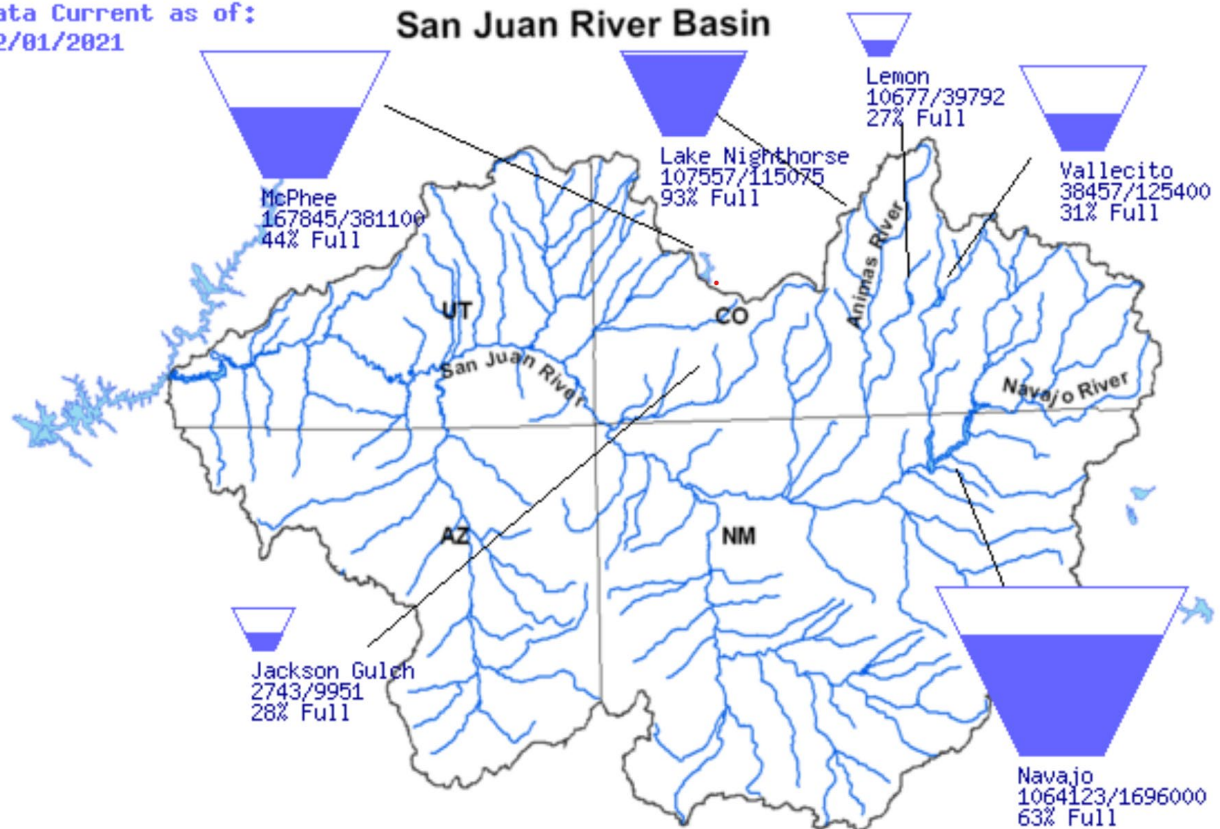
Based on Provisional SNOTEL data as of Jan 29, 2021

USDA
United States Department of Agriculture
Natural Resources Conservation Service



Data Current as of:
02/01/2021

San Juan River Basin



THE COLORADO RIVER

COLORADO RIVER HYDROLOGY & STORAGE CONDITIONS

As you are all well aware, the runoff forecast Colorado River basin as a whole is pretty grim. The water surface elevation at Lake Powell will mostly likely continue to drop which could possibly lead us into uncharted territory at Lake Powell in the next 24 months.

For Water Year 2021 (Oct. 2020 – Sep. 2021), Reclamation's January 2021 24 Month Study projects the most probable Lake Powell inflow at 5.72 million acre-feet (MAF). This is 53% of the 30-year average. The projected minimum probable inflow is a sobering 3.59 MAF or 33% of average. While statistically there is a 90% probability it will be greater than 3.59 MAF there is still a 10% probability it could be that low or even worse.

On January 1, 2021 Lake Powell storage was at 9.9 MAF which is 40.7% full. The water surface elevation was 3,579.6 ft. At the same time Lake Mead storage was at 10.3 MAF which is about 40% full. The water surface elevation was 1,083.2 ft. Per the 2007 Interim Guidelines for the Operation of Lake Powell and Lake Mead, the water surface elevation at Lake Powell keeps it in the "Upper Elevation Balancing Tier" where it has been for the past several years.

Given the projected inflow, combined with the January 1 elevations at Powell and Mead, the release from Powell in WY 2021 will be 8.23 MAF, as it was in WY 2020. Under the most probable inflow of 5.72 MAF this means that Powell storage will drop 2.7 MAF (32 ft.) in WY 2021 ending at elevation 3,564 or 8.63 MAF (35.5%) Under the minimum probable inflow it would drop 4.2 MAF (52 ft.), reaching elevation 3,544 by October 1, 2021 and elevation 3,537 by January 1, 2022. Under either of these scenarios it would drop into the "Mid-Elevation Release Tier" in 2022 the release from Powell under either scenario in WY 2022 would most probably be 7.48 MAF.

The uncharted territory becomes a real possibility towards the end of 2022. Reclamation's minimum probable projection shows that Powell could drop below 3,525' in November 2022. This has two ramifications: 1) it potentially threatens the ability to generate power and 2) it sets in motion a consultation process with the Upper Division states and the UCRC that was contemplated in the 2018 Drought Contingency Plan (DCP).

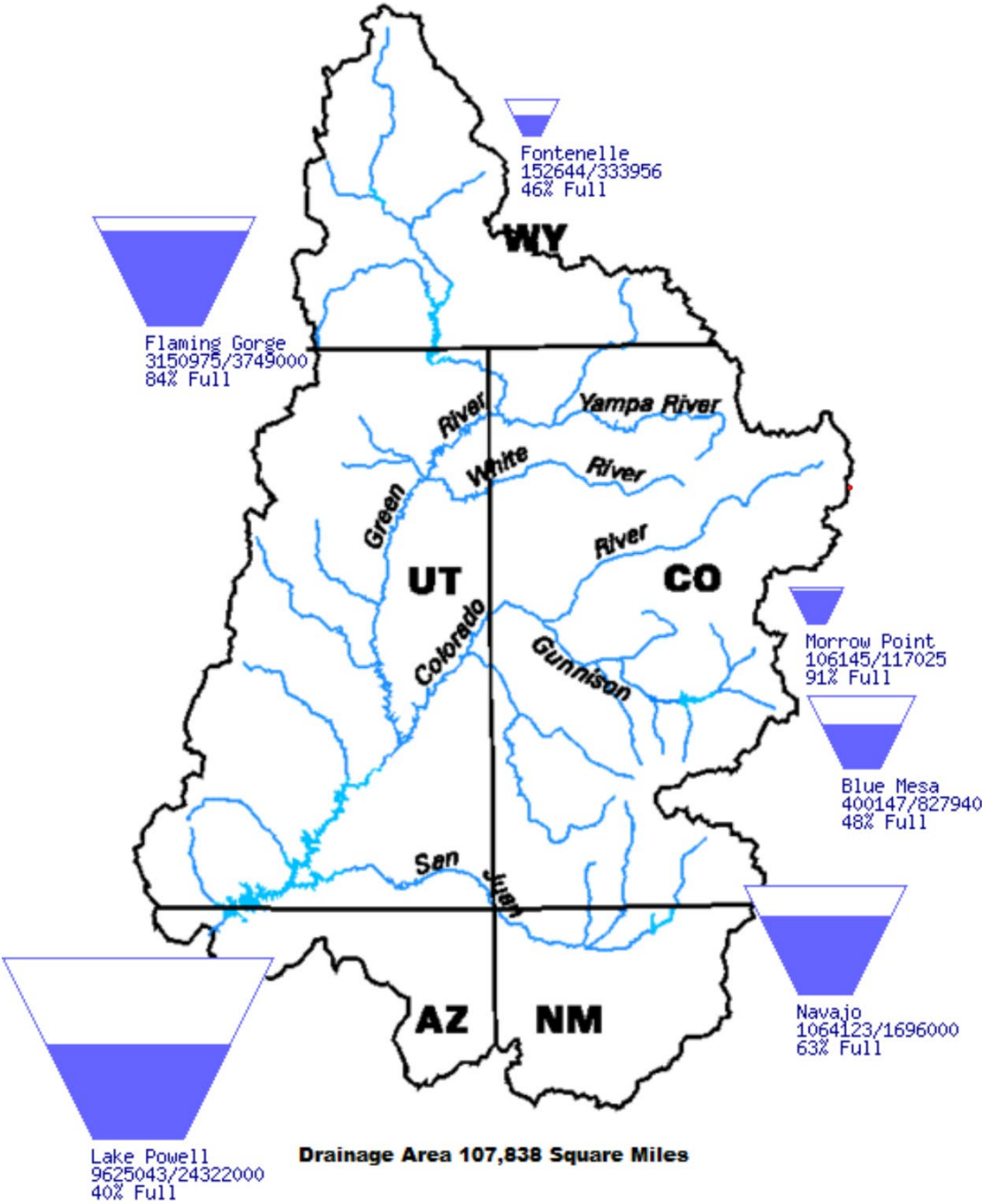
Under the consultation process Reclamation will be meeting with the Upper Division states and the UCRC on a monthly basis to provide hydrology updates and discuss implementation of the Drought Response Operation Agreement (DROA) set forth in the DCP. Ultimately that could lead to delivery of water from Upper Basin Colorado River Storage Project (CRSP) reservoirs to shore up Lake Powell and preserve power generation capability. As a practical matter, if that does occur most of the water would likely come from Flaming Gorge Reservoir.

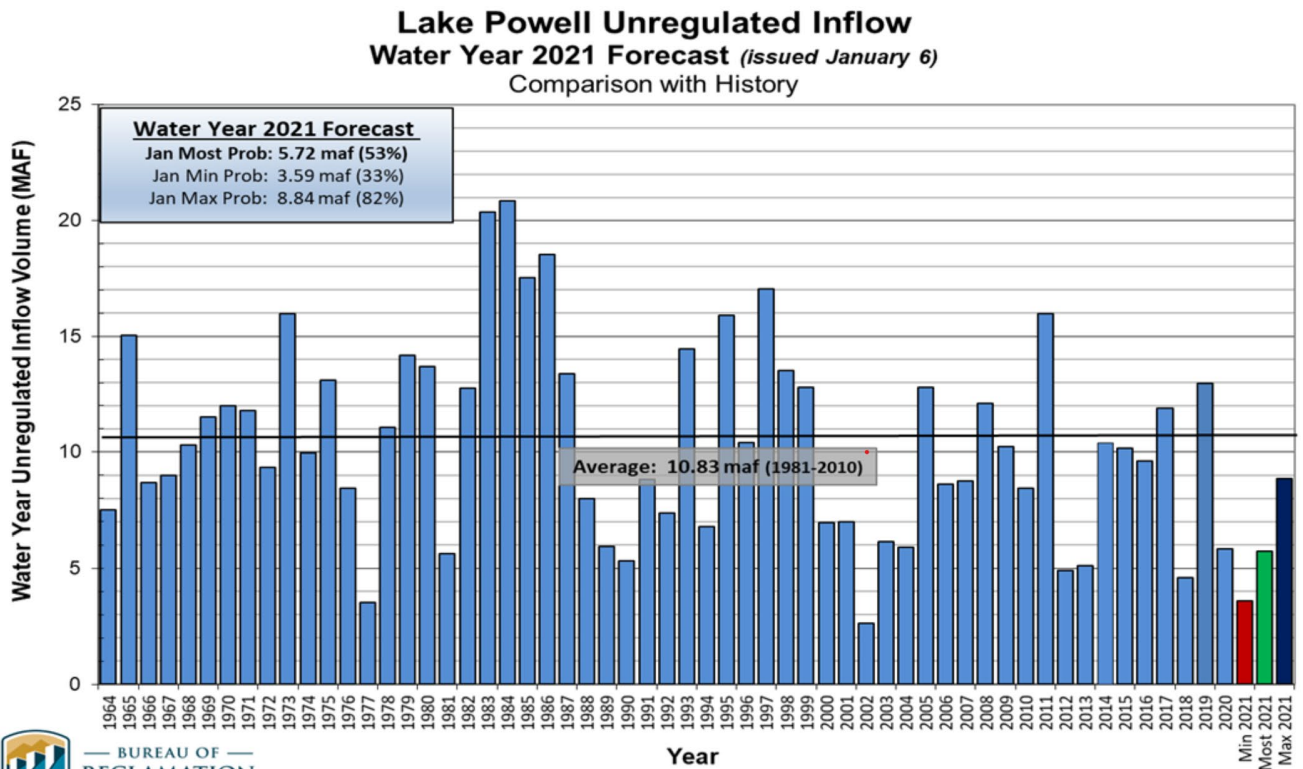
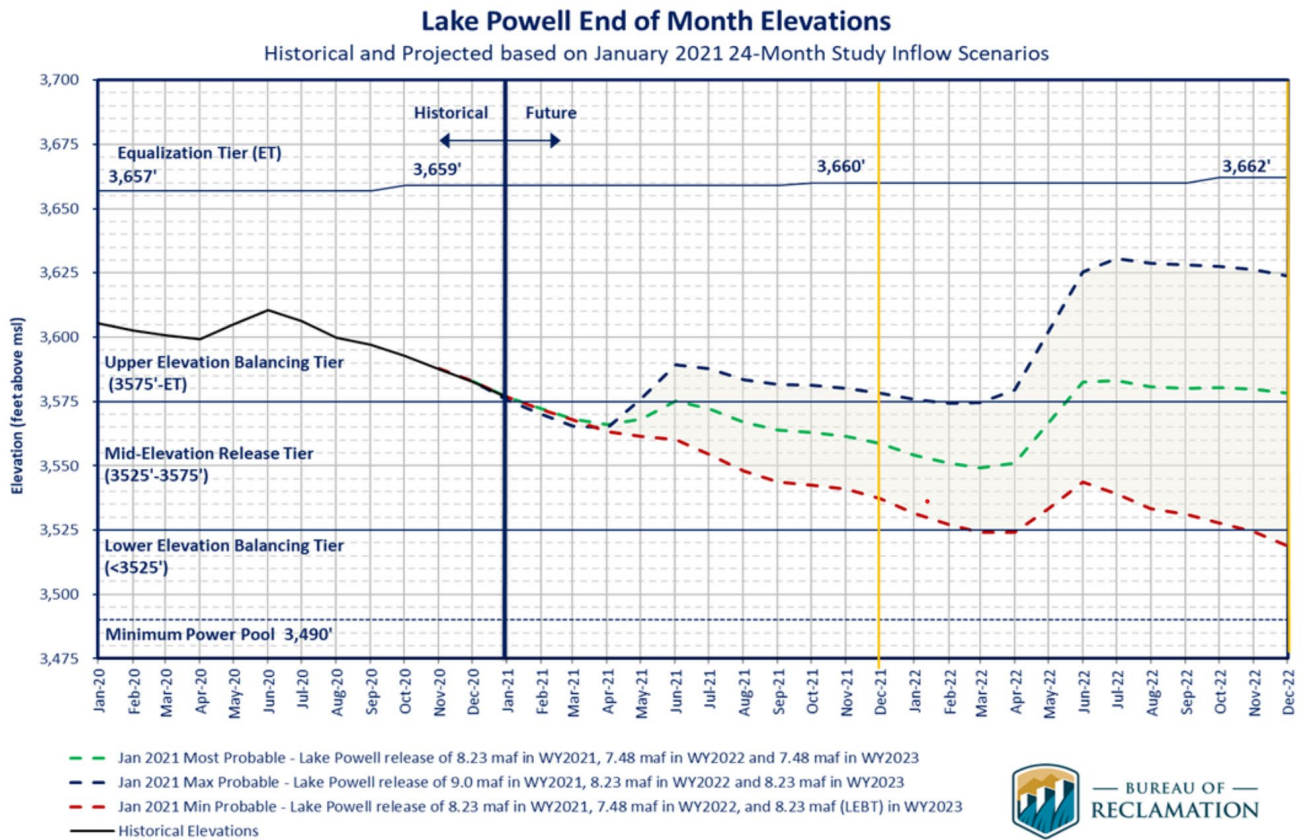
In summary, the next 24 months could be very "interesting" (to say the least) and emphasizes the sustained drought the Colorado River Basin has been in since 2000, with the inflow into Lake Powell

ranking above average in only four of the past 19 years. A drier, more challenging future is almost assured. The board should factor this into its thinking and certainly into its Strategic Planning.

Data Current as of:
02/01/2021

Upper Colorado River Drainage Basin





DEMAND MANAGEMENT

The Upper Colorado River Commission (UCRC) reports it is making “deliberate progress” in its study of demand management, reporting that it has consultants under contract and is initiating work on the scope of work previously approved by the Commission. No substantive progress has been reported, but the issue is clearly on everyone’s mind.

In November, the Colorado Water Conservation Board (CWCB) approved its 2021 staff work plan for Demand Management. At the CWCB’s January board meeting, Amy Ostdiek and Greg Johnson presented updates on the work plan.

Throughout her presentation, Amy stressed this is still an analysis of the feasibility of a Demand Management program. Amy noted the current investigation does explore what a Demand Management “framework” could look like in Colorado. This was not an action item on the CWCB board’s agenda, just an update. Amy also highlighted the upcoming CWCB workshop on Demand Management and on-going outreach efforts.

Many, including the State, continue to stress that a Demand Management program is not a foregone conclusion. The CWCB is conducting a three-step analysis: Achievability, Worth, and Advisability. Amy mentioned several, but not all, of the “principles” the Southwestern and River District advocated for and the CWCB subsequently largely adopted regarding Demand Management. The CWCB’s work plan includes the following tasks in 2021: Develop a “strawman framework” of a Demand Management program; “analyze and learn from existing, ongoing and/or new programs and projects”; conduct an “ongoing assessment of potential larger-scale pilot program.”

Aside from the sideboards referenced above, SWCD has no formal statement, policy or position on Demand Management. The Board may consider establishing a board policy statement on Demand Management, which of necessity would be general and dynamic as feasibility is assessed and potential programs, if any, are framed. I suggest the 2018 joint letter from the Southwest and the River District to the CWCB provides a solid start to the policy elements of a board position.

MEDIA COVERAGE

A lengthy story in the New York Times and a follow-on editorial in the [Denver Post](#) regarding hedge fund investments in western water, and Colorado water rights in particular, were very concerning to nearly everyone in the water community, especially to irrigators. Beth, Bob Wolff and Chris worked with the Colorado River District and major Front Range water providers on a response, which was published in the [Colorado Sun](#). Laura mailed this Op Ed to the nine print media within the district.

Of particular concern in the Times and Post stories were statements by James Eklund, formerly Colorado’s Commissioner to the Upper Colorado River Commission and former executive director of the Colorado Water Conservation Board. In the Times article James is cited, “James Eklund ‘believes

that the last best hope against the drought is a market-based solution, one that allows private investors seeking a profit a significant hand in redrawing the map of water distribution in the West’.” James is legal counsel to Water Asset Management (WAM) which has made numerous land purchases in the Grand Valley. The article also reported James arguing that the long history of state, federal and tribal governments’ dividing and distributing water has no place in today’s world and that the Law of the River should eliminate these government controls and allow venture capitalists to determine water allocations.

Two days after the New York Times’ story, an opinion piece calling for the drying up of western Colorado agriculture ran in the Denver Post. The guest editorial authored by Brian Richter, who, at least until recently we understand, also worked for WAM but presented himself in print only as the former lead for water resources and the Colorado River for The Nature Conservancy, was equally one-sided and disturbing.

James called Southwestern in mid-January, leaving a voice mail “for Frank.” I returned his call. He wants Southwestern to know that he does not believe private accounts in Lake Powell are a good idea.

James added that he has received numerous calls since the NYT article inquiring about investing in western water as well as would-be sellers contacting him. And therein lies the rub. Water rights are private transferable property rights. Speculation in water is prohibited in Colorado but distinguishing between investment and speculation can be difficult.

There were numerous other, related articles and editorials on this subject in the final weeks of January and the first days of this month. Please see the links below (Laura offered to mail these articles upon request):

[Jan 3rd New York Times: Wall Street Eyes Billions in the Colorado’s water](#)

[Jan 6th Denver Post: Western Slope needs to suspend irrigation to avert water shortage catastrophe](#)
(Opinion, Brian Richter)

[Jan 11th American Rivers: Can Wall Street Profit off the Colorado River?](#) (Opinion, Matt Rice)

[Jan 13th Denver Post: To protect the Colorado River from drought and speculation, we need collaboration](#) (Opinion, Becky Mitchell)

[Jan 13th Colorado Politics: Big Money Eyeing Colorado’s Water](#) (Opinion, Kate Greenberg)

[Jan 15th Grand Junction Sentinel: Sorry, still not for sale](#) (Opinion, Greg Walcher)

[Jan 17th Grand Junction Sentinel: Lasting solutions come from Main Street, not Wall Street](#) (Opinion, Family Farm Alliance, The Nature Conservancy)

[Jan 17th Grand Junction Sentinel: National eyes on Colorado River, but local reporters got there first](#)
(Opinion, Hannah Holm)

[Jan 19th Writers on the Range: Who calls the shots on the Colorado River?](#) (Opinion, Dave Marston)

[Jan 21st Colorado Sun: Why Colorado is losing the water war](#) (Opinion, Ed Millard)

[Jan 29th Colorado Sun: On this one thing, 9 Colorado water managers agree](#)

(Opinion, **Southwestern Water Conservation District**, Colorado River District, Denver Water, Northern Water, Aurora Water, Colorado Springs Utilities, Pueblo Water, Twin Lakes Reservoir and Canal Company, and Southeastern Colorado Water Conservancy District

[Jan 31st Durango Herald: Some Colorado water officials balk at Wall Street buying rights](#)

[Jan 31st Grand Junction Sentinel: Trust issues-Water attorney's role with firm buying ag rights adds to River District's unease](#)

ENGAGEMENT

HAPPY BIRTHDAY SOUTHWESTERN

The Colorado General Assembly created the Southwestern Water Conservation District by statute in 1941. Mineral County was added in 1961. Accordingly, this is our 80-year anniversary/birthday. Under normal circumstances, we would recommend some public recognition or celebration to mark this milestone. However, until you have a full complement of staff, I suggest you hold off any public outreach/celebration until next year. The first board of directors was seated and sworn in in 1942. I suggest plan for and recognize your 80-year history of service next year.

COLORADO WATER STEWARDSHIP PROJECT

Colorado Water Congress has suspended its Water Stewardship Project meetings for the time being to save resources. We are in an odd-numbered year, which means that the proposed ballot initiatives that can be filed at the Title Board are restricted to financial topics, taxes, TABOR, etc. As a result, we do not expect to see any initiatives that would pose a threat of Public Trust for the foreseeable future. SWCD will continue to track information on proposed initiatives and the *Hill v. Warsewa* case.

WATER EDUCATION COLORADO

Laura and Chris attended Water Education Colorado's January board meeting, the principal focus of which was the organization's FY2022 budget, survey results regarding WEco's programming and content, and 2021 nominations for the Diane Hoppe Leadership Award and Emerging Leader Award. Applications are currently being accepted for the 2021 Water Leaders Program, so please encourage talented water professionals from southwestern Colorado to pursue this opportunity.

MEMO

Southwestern Water Conservation District

From: Laura Spann
To: SWCD Board of Directors
Date: February 1, 2021
Subject: Proposed Consolidation of SWCD's COLOTRUST Accounts

Currently, SWCD holds three COLOTRUST Plus accounts with the following names and amounts as of February 1st, 2021: General \$52,889.08, Project Reserve \$85,437.50, and Emergency Reserve \$165,066.18.

With recent clarifications to how the board wishes to assign a portion of the general fund balance, there is not a need to hold separate accounts for the Project Reserve or Emergency Reserve. Rather, the board plans to address their intentions to set aside monies for Water Development and Water Defense as assignments of a portion of the fund balance.

I recommend the board authorize these three accounts to be consolidated into one COLOTRUST Plus account with the following name and total balance: General \$303,392.76.

I believe this change would avoid confusion for future boards and staff, as well as increase simplicity where possible for SWCD's accounting.

MEMO

Southwestern Water Conservation District

From: Laura Spann
To: SWCD Board of Directors
Date: February 2, 2021
Subject: Proposed Virtual 2021 Annual Water Seminar

Action: I am requesting board feedback on and approval of the recommendations below.

Format:

Bad news: Given the current trajectory of the pandemic, it appears SWCD's Annual Water Seminar will again need to be a virtual event.

Good news: We have learned a lot since this time last year about hosting virtual conferences.

Timing:

SWCD's Annual Water Seminar is currently scheduled for Friday, April 2nd. I recommend postponing until at least July. SWCD may have a new general manager to introduce by then. Also, this will allow for a two-day board meeting in April, which seems like a valuable trade-off.

Partners:

Would SWCD like to partner with the River District, an opportunity made possible by virtual events? Might the board again be interested in partnering with Four Corners Water Center at Fort Lewis College for the event?

If the board is comfortable with authorizing a virtual format, postponement, and partners, we would then like to enlist the Outreach Committee, along with several relevant consultants (e.g., Christine Arbogast) to help brainstorm hot topics and an appropriate format and timing for the event (e.g., over lunch hours, half-day, full day).



OPINION

Opinion: On this one thing, 9 Colorado water managers agree

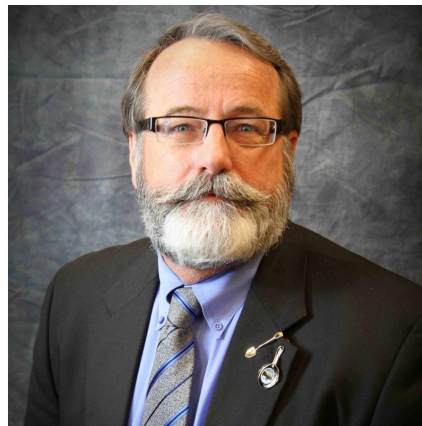
Venture capital has circled Colorado water before. This time, investors are posturing as the only solution to a climate change driven reduction in the flows of our rivers.



Andy Mueller and 8 other water managers

2:35 AM MST on Jan 29, 2021





From top left, Andy Mueller, Bob Wolff, Jim Lochhead, Brad Wind, Marshall Brown, Earl Wilkinson, Seth Clayton, Kevin Lusk, James Broderick. (Provided photos)

We may not always agree on the particulars of water policy and water use in the Centennial State, but we all recognize the importance of the Colorado River to our statewide economy and our Colorado way of life. The Colorado River is arguably the single most

important natural resource to the State of Colorado. It powers economies on both sides of the Continental Divide. It provides food and fiber to the nation and the world from both sides of the Divide. And its fate will determine our own.

Colorado's constitution and our state's laws have long recognized one simple truth: The waters that originate in our great state are the property of the public. The people of Colorado have the right to appropriate and use that water for beneficial uses, such as municipal, irrigation, industrial and recreation. Long excluded from the list of beneficial uses of water is holding water for speculation. Our state supreme court has ruled unconstitutional any scheme that *"would encourage those with vast monetary resources to monopolize, for personal profit rather than for beneficial use . . ."*

TODAY'S UNDERWRITER



Recently we have seen a series of articles and opinion pieces discussing and even advocating for the potential influx of financial capital from out of state investment funds to buy water from Colorado's vibrant farms and ranches with the apparent aim of "solving" Colorado's drought problems.

This is not the first time we have seen venture capital eyeing our state's water resources. This time around, however, the investors and their representatives are posturing to portray themselves as the only solution to a climate change driven reduction in the flows of our rivers. We have come together to set the record straight on this misguided concept.



A man watches the flow of the Uncompahgre River in Montrose May 26, 2020. (William Woody, Special to The Colorado Sun)

Our organizations and the water users we represent are working collaboratively with the State of Colorado to examine solutions to the threat of water shortages brought on by a changing climate and prolonged overuse of the River's water by downstream states. Together, we are exploring a multi-faceted effort to secure our state's water supply and protect irrigation for food product, our thriving communities and the environment that depend on this water. Among these approaches is the feasibility of a proposed "demand management" program to temporarily compensate water users in Colorado and other Upper Basin states to reduce their use of water to assure that we are able to meet our obligations under the Colorado River Compact.

READ: Colorado Sun opinion columnists.

Demand management is complex. It is controversial. But we are approaching these conversations in good faith because we recognize that we must work together to protect the economies and livelihoods supported by the Colorado River throughout the entire state. Since solutions to our water challenges must be undertaken for the benefit of the state as a whole, these efforts must be led by the state. The Colorado Water Conservation Board articulated a set of guiding principles for this process in November 2018, principles with which we agree.

One thing is clear. There is no place for private for-profit interests in this process. Moreover, private sector entities do not have the legal ability or authority to manage water across state lines or through federally owned reservoirs. This can be done only by the states and the federal government. Colorado state government has a long history of opposing interstate marketing and transfers of water by private interests, and that opposition should continue.

The introduction of private investors in our statewide water planning efforts will only serve to further exacerbate the water divisions that exist between our urban areas and our irrigated agricultural communities on both sides of the Continental Divide. Our state must stand strong together to protect our Colorado way of life.

Andy Mueller, general manager of the Colorado River District

Bob Wolff, president, Southwestern Water Conservation District

Jim Lochhead, CEO, Denver Water

Brad Wind, general manager, Northern Water

Marshall Brown, general manager, Aurora Water

Earl Wilkinson III, chief water services officer, Colorado Springs Utilities

Seth Clayton, executive director, Pueblo Water

Kevin Lusk, president, Twin Lakes Reservoir and Canal Co.

James Broderick, executive director, Southeastern Colorado Water Conservancy District

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Andy Mueller and 8 other water managers

Read More: [Andy Mueller](#) [Aurora Water](#) [Bob Wolff](#) [Brad Wind](#)

The Latest

Some Colorado water officials balk at Wall Street buying rights

This corner of state may be more shielded from issue, for now

DURANGO HERALD Jonathan Romeo County & environment reporter
Sunday, Jan. 31, 2021 11:04 AM

The prospect of Wall Street buying water rights in Colorado has seemingly brought the water community on the Front Range and Western Slope together – a rare occurrence between two sides of the state often at odds over water use.

In recent weeks, much attention has been focused on an issue not new to officials in the water world: private interests or hedge funds purchasing water rights from agricultural communities and diverting that water to cities.

An open letter from almost 10 water officials from across the state, including the local Southwestern Water Conservation District, lashes out against the practice, saying, “waters that originate in our great state are the property of the public.”

“The people of Colorado have the right to appropriate and use that water for beneficial uses, such as municipal, irrigation, industrial and recreation,” the letter, sent Thursday, says.

The open letter is largely in response to a Jan. 3 article in [The New York Times](#) called “[Wall Street Eyes Billions in the Colorado’s Water](#),” which says private investors may become more of a force in the political water world.

The article cites several examples of private investors purchasing water rights from ranches, and then diverting it to cities to feed new developments or subdivisions in drought-strapped places.

Several private equity owners argue the practice could be one of the solutions to curb the impacts of climate change that has resulted in drought and less available water throughout the West.

In one stance, Greenstone, a private investment firm, bought most of the water rights in Cibola, Arizona, and then sold the rights to a suburb of Phoenix known as Queen Creek, 175 miles away.

“One of the things I think we’ve learned over time is that a resource like water is best allocated through kind of a combination of market forces and regulatory oversight,” Grady Gammage, a spokesman for Greenstone, said in the article.

“The market would say,” Gammage went on, “water is far more valuable serving urban populations.”

The Colorado water officials' letter says this is not the first time venture capital firms have eyed the state's water resources.

“This time around, however, the investors and their representatives are posturing to portray themselves as the only solution to a climate-change driven reduction in the flows of our rivers,” the letter says.

Indeed, demand for water is growing on the Colorado River, which supports about 40 million people and 5.5 million acres of agricultural land in seven states. And increasingly, prolonged drought is resulting in less of it being available to users.

Colorado water managers in the letter argue efforts are already concentrated on responding to the issue, and should be led by the state and local officials, not private for-profit businesses.

Namely, the letter cites the “Demand Management” program to temporarily compensate water users in Colorado and other Upper Basin states to reduce their use of water to be able to meet obligations under the Colorado River Compact.

“The introduction of private investors in our statewide water planning efforts will only serve to further exacerbate the water divisions that exist between our urban areas and our irrigated agricultural communities,” the letter says.

The practice has been more common in urban areas along the Front Range or near Phoenix, and the issue hasn't reared its head quite yet in Southwest Colorado, according to several water officials interviewed for this story.

Robert Genualdi, Colorado Division of Water Resources Division 7 engineer, which covers Durango, said there are several key distinctions why the hedge funds of Wall Street haven't set their sights on local waterways.

For one, in most places along the Front Range where it is happening, the waterways are over-appropriated and there is not enough water to go around to serve new developments or subdivisions.

As a result, entities looking for water for urban areas seek out farm and ranch owners who may be interested in selling their rights. Then, the developers use that water for their projects and let the farms go fallow, known as “buy and dry.”

On the other hand, most waterways in the region, like the Animas River, are not over-allocated, meaning water rights can still be bought, Genualdi said.

“In our corner of the state, it’s probably not as prevalent as it might be in other parts of the state because of the water availability down here,” he said.

Also, Genualdi pointed out that much of the water is stored in Bureau of Reclamation projects – like Vallecito, Lake Nighthorse and McPhee reservoirs – which bring some level of federal protections against the practice.

“Those projects were built for specific things, so it’s more of a task to get water use changed,” he said. “You’d have to go to Congress for a change.”

While not currently an issue in Southwest Colorado, efforts should be made to prepare for private interests in water, said Amy Huff, a water attorney recently appointed to the Southwestern Water Conservation Board.

“I think it’s a possibility it could happen in the next few years,” she said. “But I don’t think right away. We’re not a low hanging fruit for someone.”

Where water officials see the biggest issue of hedge funds buying up rights is within ditch companies where individual water-right holders have the ability to sell off their rights to private interests, Huff said.

That structure, Huff said, is not the case for most of water distribution in Southwest Colorado, though she did mention one Mancos ditch company that is seeking better protections against the practice.

A call to Dan James with the Animas Consolidated Ditch Company was not returned.

Mike Preston, former manager for the Dolores Water Conservancy District, said several water districts in the region have set up restrictions for people to sell off to private companies.

“They’ve done what they can to protect themselves,” he said. “That water is all tied up to the land.”

Ed Tolen, general manager of the La Plata Archuleta Water District, said his water right holders shouldn’t have to worry because it’s all domestic water use, not for irrigation.

But still, he said there is concern among the agricultural community that some ranchers and farmers may have to send their water to lower basin states to meet water compacts.

“People are thinking if they buy land with water rights, they could sell that water to help meet that compact requirement,” Tolen said. “I think it’s something we need to prepare for.”

Indeed, the Colorado state Legislature formed a study group to take on the issue and provide a report and recommendations by August.

“One thing is clear. There is no place for private for-profit interests in this process,” the open letter said. “Colorado state government has a long history of opposing interstate marketing and transfers of water by private interests, and that opposition should continue.”

jromeo@durangoherald.com

Southwest Water Conservation District

Strategic Plan Timeline

1. Participant & Stakeholder Interviews to explore:

- Needs and Opportunities
- Desired Long-term Impact
- Operational Needs

2. Strategy Meeting 1

- Level-set on what a strategic plan is and review interview data.
- Clarify desired impacts in 15 to 30 years vs current state.
- Identify strategic priority areas for the next five years.

3. Strategy Meeting 2

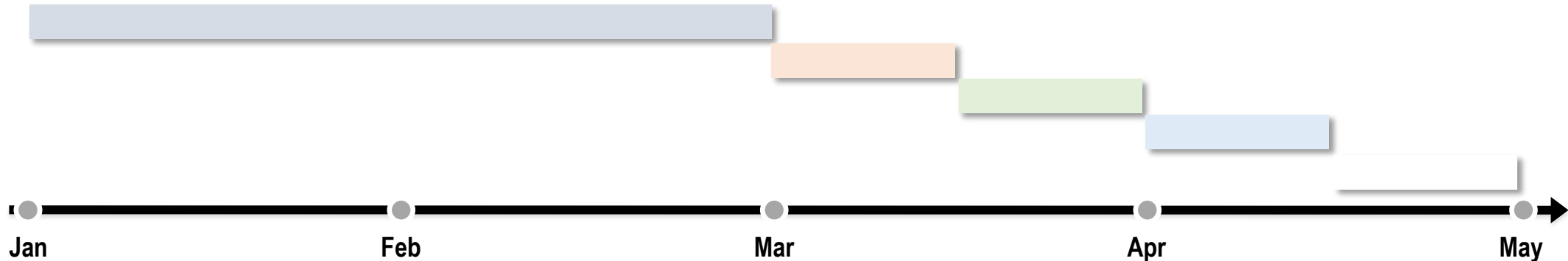
- Ground conversation in District's role in the SW and Colorado.
- Clarify values of operating.
- Prioritize strategy areas.
- Determine annual results for each of these.

4. Strategy Meeting 3

- Identify core strategies for achieving annual results. This may include a deep dive into one or two strategic priorities that require board discussion.
- Detail initial tactics over the next few months.
- Discuss how to operationalize, adapt, and expand this work.

5. Strategic Plan

- Short strategic plan summary.
- Adaptive Implementation Plan Template.



VIRSA Strategic Planning Method

Values: The codification of the shared beliefs that is the container that holds all the work and how that work plays out within the organization and between partners. This set of commitments should engender trust at all levels.

Impact

The ultimate outcome that the organization is working toward accomplishing. Fully achieving this mission should be outside of the direct influence of the organization itself and ultimately be inspiring for the group.

Reality

Data and information that indicates to what extent the desired impact is being achieved and what the current needs, gaps, and opportunities are.

Strategic Direction

The overarching approaches for achieving the desired impacts.

Adaptive Plan

The short summary of the strategic plan with built in opportunities to operationalize the plan, adapt it over time to continuously learn and improve and plan next steps. This includes the specific tasks we are going to do to advance the strategy between now and the next meeting, including who is going to take the lead and who is going to support the tactic.





THE SOUTHWESTERN WATER CONSERVATION DISTRICT

Developing and Conserving the Waters in the
SAN JUAN AND DOLORES RIVERS AND THEIR TRIBUTARIES
West Building – 841 East Second Avenue
DURANGO, COLORADO 81301
(970) 247-1302

MEMORANDUM

February 4, 2021

To: Southwestern Board of Directors

From: Chris Treese

RE: **Colorado legislative report**

I will produce a brief memo prior to each regular and special board meeting during the Colorado legislative session. My memo will typically include requested actions on bills of potential interest to the District. Generally, I will not ask the board to adopt a position on legislation until it has been officially introduced and assigned a bill number. I will include a recommended position on each bill. I will also provide additional commentary on session outlook and any expected legislation on which the Board may wish to offer comment or direction.

Laura will again this year produce weekly updates to legislation, sharing with the board and her extensive mailing list, as well as posting on the web site.

Requested Action:

There is a single bill already introduced on which I request action.

[HJR21-1002](#) Water & Power Development Authority projects' eligibility list

Arndt; Donovan

SUMMARY: This is the 2021 joint resolution providing the required annual legislative approval of the projects' eligibility list for Water and Power Authority financing of drinking water and wastewater revolving loan funds. The list includes scores of projects previously approved along with new projects and modifications and deletions of previously approved projects. Projects must be approved by joint resolution to be eligible for Authority financing, but projects are not required to proceed to financing in the coming year; most will not. There are numerous projects on the list within the District.

RECOMMENDED POSITION: Support

Commentary:

I have registered as an independent lobbyist with the Secretary of State listing a single client, the Southwestern District. I will not be accepting any other clients.

I reached out to all west slope and other key legislators announcing my contract with Southwestern and pledging consistent and regular communications from the me on behalf of the District.

The general assembly convened on January 13th for three days to swear in members and conduct other necessary business and then recessed with a resumption date of “no earlier than Feb. 16th.” The three-day session corresponds to how long it takes to pass a bill through both chambers under statutory deadlines. Only those bills necessary for the safe and effective conduct of business and as otherwise required by statute were considered during this three-day “false start” of the 2021 session.

Most of the traditional pomp and ceremony associated with the opening on a new session are being delayed until the resumption in February. Traditionally the first two days are dominated by Democratic and Republican leaders in each chamber making speeches outlining their agendas and approach to the session. Governor Polis traditionally makes his State of the State address on day two. All of these will wait until February.

The Colorado Supreme Court ruled in April 2020 that the legislature can pause and restart its 120-day (maximum) clock, ruling the constitutional limit of a 120-day legislative session is ambiguous enough to allow for interruptions and make-up days in a public health emergency. Accordingly, this year’s session can and likely will extend beyond the normal adjournment deadline of May 12.

One of the first days’ bills allows legislators to participate in legislative meetings remotely and conduct certain committee hearings even while the General Assembly is temporarily adjourned. Such hearings are likely to be limited to SMART Act, oversight hearings for state departments and agencies, but I will be closely monitoring committee agendas. The Joint Budget Committee (JBC) will continue to meet with the public not permitted to participate but permitted to listen online. None of these committee hearings will “count” against the 120-day constitutional limit.

House Majority Leader Daneya Esgar (D-Pueblo) said, “While there’s (currently) a temporary adjournment . . . , I guarantee there’s not a legislator who is taking the month off.” Neither are we.

Landscape

Makeup of the State Legislature: The House of Representatives has a Democratic majority of 41-24 after picking up one seat in Centennial and losing one seat in southeastern Colorado/Pueblo area. The Senate also remains in Democrat control, where it increased its majority to 20-15 after picking up one seat in Centennial.

West Slope Representation: November elections only brought two new faces to the West Slope delegation. Representative Judy Amabile (D-Boulder) replaces former Speaker KC Becker (term limited) in House District 13, representing Grand County on the West Slope. Freshman Senator Cleave Simpson (R-Alamosa), General Manager of the Rio Grande Water Conservation District, was elected to Senate District 35, representing the San Luis Valley and Mineral County in the Southwestern District.

2021 Legislative Radar

In the absence of Interim Water Committee hearings last summer due to COVID, there has been significantly less public discussion on water- and natural resource-related legislation for the 2021 session. I do not expect water to be a defining focus of the 2021 session. Historically, there are at least a couple dozen water-related bills introduced and considered each session. I do not expect this year to be an exception.

While I only have a single, introduced bill for board action, I have a handful of expected legislative proposals for board discussion and direction as time permits.

Forest/Watershed Health

The advocates for the proposed Southwestern Wildfire Infrastructure Fund (SWIF) have drafted legislation that they believe largely clarifies the authority of several governmental entities (counties, municipalities, special districts, River District and Southwest) to participate financially in forest health plans. The legislation would also authorize Water & Power Development Authority to continue its statutory authorization to finance forest health-watershed protection projects, which authorization would otherwise sunset July 1, 2023. In the decade and a half since authorization, the Authority has not had any requests for financing. SWIF proponents are currently exploring Authority financing. Accordingly, I expect at least a narrow bill in 2021 to extend or repeal the 2023 sunset on the Authority's ability to finance such projects.

Beth and I had a constructive conversation with the SWIF advocates. We explained that we do not see a need for Southwest's inclusion in the bill. Southwest's organic act provides sufficient authority to participate in Forest Health Projects. SWIF advocates explained the bill is drafted with Southwest (and the River District) included and cannot be redrafted at this time. However, they committed to removing the section addressing Southwest in first committee if that is the board's desire.

Recreational In-Channel Diversions (RICD)

There is talk in the conservation community of a bill amending the Recreational In-Channel Diversions (RICD) statute. I understand the preliminary considerations are for an inclusion of natural stream features as qualifying for the physical control structures currently required to both define the upper and lower terminus of the RICD and to "capture and control" the stream along the recreation course. This bill may also expand eligible applicants for RICDs to include the CWCB. Currently counties, cities, water conservation and water conservancy districts, water and water and sanitation districts are the only entities eligible to hold RICDs.

My initial take on this proposal is that it allows current RICD-eligible applicants (public water entities) to own a de facto instream flow right. The addition of CWCB to entities eligible to own RICDs is also troubling from a practical and policy perspective.

Water Right Protections for Conservation Efforts

The legislature in 2013 passed protections for water rights owners who temporarily reduced or eliminated diversions for environmental purposes. Water rights enrolled in an approved conservation program are protected from abandonment as well as a reduction of historical consumptive use calculations for up to five out of any consecutive ten years' participation in a governmentally approved conservation program. Water Conservation Districts are among those entities authorized to approve such conservation plans. Application of the original statute was limited to water divisions 4, 5, and 6 (Colorado River District and a small portion of the Southwestern District). The statute was amended a few years ago to include divisions 1, 2 and 3, leaving water rights only in division 7 ineligible. I am not aware of any overtures to Southwestern, but I understand there may be a bill introduced to make this provision statewide.

Mutual Ditch Companies

There is a bill drafting effort underway concerning mutual ditch companies that has drawn considerable attention. Based on a call organized through the Water Congress today, if a bill is introduced this year, it will likely come in the later weeks of the session. The issue originates from recent water court rulings on the Front Range (Division 1) over the terms and conditions necessary to prevent injury when a shareholder seeks to change their pro-rata interest in mutual ditch company water. DWR has previously argued that a turn-back provision should be imposed on both the ditch company and the shareholder when the shareholder reached its monthly, annual or long-term volumetric limits. DWR has argued that the turn-back provision is an implied condition of certain previously entered change decrees. The only clear message from today's call was this is a technical and legal issue of considerable complexity. Accordingly, I will continue to rely on Beth for background and legal analysis on this subject.

Basin of Origin protections

I understand Representative Donald Valdez, representing the San Luis Valley, is again considering legislation in response to recent proposals to export water from the Valley for municipal use in Divisions 1 and 2. Representative Valdez sponsored House Bill 20-1327 last year prohibiting in-state or inter-state water export from Division 3 unless the CWCB finds no impact (not no injury) to local water rights, water use, recreation, the economy, and the natural environment. This bill lost in first committee 9-1 just before the COVID adjournment in March 2020.

I do not know what form this bill may take this year. I have reached out the Representative Valdez but have not heard back as of this memo.

Anti-speculation

Last year's legislature mandated a thorough review of Colorado's anti-speculation statutes and laws with direction to recommend ways to strengthen. The CWCB-led task force is not expected to make recommendations until late summer 2021. However, given the flurry of articles and

editorials on hedge fund investments in ag land and water rights in January, legislation this session would not surprise me.

Demand Management

Similarly, the CWCB's broad examination of the feasibility of a Demand Management program in Colorado is very much in-process. The CWCB is expected to circulate a "strawman program" in order to better evaluate the feasibility as well as the advisability of Demand Management. The CWCB has a full year work plan regarding Demand Management for 2021. While the CWCB has not set any dates for interim publications, its evaluating efforts will continue through and well beyond this legislation session. Nevertheless, legislation addressing budget issues or potentially setting sideboards or other legislative direction for any Demand Management program in Colorado may be introduced this session.

Clean Water Act implementation

Following a summer stakeholder process hosted by the Colorado Water Congress, it now appears that the Colorado Department of Public Health and Environment (CDPHE) is opting not to pursue legislation to establish a state Dredge and Fill Permit Program within CDPHE's Water Quality Control Division. CDPHE is holding a meeting tomorrow that may provide additional insight into 2021 legislation or rule making. The future of a state-run Dredge and Fill program will likely depend on the Biden Administration's approach to the Waters of the United States (WOTUS) rule at the federal level. I will rely principally on Christine Arbogast for the federal developments in this arena.

Budget

In good times and bad, the budget is a perennial challenge. This year will be no exception. Complicating this year's budgetary efforts are the uncertainties and interactions of the pandemic and last November's repeal of the Gallagher Amendment and passage of an increased cigarette and vaping tax and reduction in the state income flat tax rate. Continuing low oil and gas prices and companion production means continued pressure on the construction fund and base account at CWCB. It's worth noting that the West Slope has two of six members on the powerful Joint Budget Committee, Senator Bob Rankin (R-Carbondale) and Representative Julie McCluskie (D-Dillon).

Aquifer Storage

Representative Holtorf (R-Akron) has drafted a bill requiring a university study of the potential for and costs of water storage and recovery methods in Colorado groundwater aquifers. A report on the study's findings are required to be submitted by January 1, 2022.

KOGOVSEK & ASSOCIATES, INC.

MEMORANDUM

TO: Southwestern Water Conservation Board

FROM: Christine Arbogast

DATE: February 4, 2021

RE: New Year update

I hope this memo finds you all doing well as we begin a new year, a new Congress and a new Administration. I thought it might be helpful to provide a written update in advance of your upcoming board meeting, during which we can have further discussion of any of the issues raised herein, or otherwise of concern to you.

As you know, we have two new members of the Colorado congressional delegation: Senator John Hickenlooper and Congresswoman Lauren Boebert. Both have been assigned to their respective committees on Natural Resources, including energy. Both are staffing up in Washington, and here in Colorado. I have been in regular communication with their chiefs of staff and will be connecting with the legislative staff whose portfolio includes water and natural resources issues. Colorado now has four of its seven House members on the House Natural Resources Committee.

It is also important to note that Senator Bennet is now the chair of the Senate Agriculture Committee's subcommittee on forestry, which is beneficial as the water community focuses heavily on watershed health.

As of this writing, we do know that Senator Hickenlooper will be joining others in the delegation in support of the CORE Act, which includes the San Juan wilderness area which the District has reviewed and agreed to its inclusion and language. Congresswoman Boebert is planning to re-introduce the Water Rights Protection Act, which was long a priority of former Congressman Tipton. This early in the session, we are not certain what other initiatives they or others in the delegation might pursue in the water arena, which of course includes watershed health, public land management, etc.

With the process for another COVID relief bill well underway, attention is turning to the “recovery” piece of President Biden’s rescue and recovery plan. The recovery legislation is the infrastructure initiative, which many are hoping becomes a real action item and not just a talking point. We are working with Senator Bennet on the principles of what might be included in an infrastructure investment package specifically for Western water needs. More details on that should be forthcoming in the near future, but thoughts include both new and aging infrastructure investment.

The general thinking is that the infrastructure legislation will be started in the House and will be based on a bill from the previous Congress, H.R. 2, which was not enacted into law. It is anticipated that the infrastructure bill will enjoy bipartisan support, first because of the recognized need for attention to all infrastructure, including roads, bridges, airports and the different types of water and wastewater systems; and second because of the enormous number of jobs lost and unemployment claims resulting from the pandemic.

Two other items of note on congressional process: the House intends to return to an appropriations process which allows congressionally directed funding, commonly referred to as earmarks. There will be limits and requirements. The total amount of any one of the twelve appropriations bills which can be earmarked will be 8 percent of the bill’s total funding allocation. Members requesting earmarks will be required to disclose who requested and benefits from the earmark, and what if any financial relationship does that member have with the requesting entity. And, of course, funding details and amounts must be transparent. Earmarks will only be given to public entities, cities, counties, subdivisions of states, which includes water districts.

It is unknown if the Senate will go along with this plan but that detail should emerge soon.

The other process change is that the “pay as you go” requirement for new spending will be waived in the House for any spending which is related to the pandemic, or is related to climate variability. The broad consensus is that the climate-related waiver can be argued to include water resource development, management and conservation.

There have been many actions on the Administration front. The new team is, generally speaking, looking at the various regulatory changes made in the previous Administration, and determining which they will seek to change. The Waters of the United States rule and the changes made to the National Environmental Policy Act regulations are front and center for the water community. Depending on the status of regulatory changes, court challenges and states like the Congressional Review Act, the manner in which rules can be changed or rewritten can vary.

The Administration’s cabinet nominees are moving quickly now through the confirmation process. Secretary designee for USDA Tom Vilsack has had his hearing, as has the EPA

nominee. Interior nominee Congresswoman Deb Haaland is tentatively scheduled to appear before the Senate Energy and Natural Resources Committee on February 23.

At the subcabinet level, there are not formal nominations for Commissioner of Reclamation, Director of the Fish and Wildlife Service, etc., although acting personnel are in place to “stand up” the agencies’ work.

At the time of your next board meeting, there are certain to be bills in the hopper more specifically related to Western water.

I am happy to respond to any questions you have and hope you will feel free to contact me.

MEMO

Southwestern Water Conservation District

From: Beth Van Vurst and Laura Spann
To: SWCD Board of Directors
Date: February 3, 2021
Subject: Recommendation regarding assignment of a portion of the 2020 year-end fund balance to SWCD Water Defense and SWCD Water Development

Since the December board meeting, staff, legal counsel, and the accountant have met to further refine the recommendation regarding assignment of a portion of the projected 2020 year-end fund balance to SWCD Water Defense and SWCD Water Development as follows:

Projected Fund Balance on 12-31-20 (After Adoption of Recommendation)		
Restricted		
	3% TABOR Reserve	\$84,424
Committed		
	Undisbursed Grants*	\$142,294
Assigned		
	SWCD Water Defense**	\$1,760,000
	SWCD Water Development***	\$1,140,000
	Water Information Program****	\$122,000
	SJRBRIP Water Development Committee*****	\$21,000
Unassigned*****		\$497,994
	Total Projected Fund Balance	\$3,767,712
Notes: *A projection generated from “Previously Committed Local Financial Support” budget line item **Created to defend the water resources of the District ***Created to develop and maintain the water resources of the District ****These assignments reflect prior contribution from external parties for these purposes as well as the District’s matching contributions *****Amount is a projection based on the budget, actual unassigned fund balance at year-end may vary		

At the upcoming meeting, staff will be recommending that the Board confirm its intent to assign those portions of the general fund balance to SWCD Water Defense, SWCD Water Development, Water Information Program, and SJRBRIP Water Development Committee as set forth on the Projected Fund Balance table above.

For the board's information and reference, below is the City of Loveland's helpful graphic explanation of the five classifications of fund balance:

GASB 54 defines five classifications of fund balance, which are summarized in the table below:

Governmental Accounting Standards Board Statement No. 54 Fund Balance Classifications			
	Classification	Definition	Degree of Spendability
Restricted Fund Balance	Nonspendable	Resources that are not in a spendable form (inventories, prepaid items, or items required to be maintained intact).	Nonspendable
	Restricted	Resources constrained to specific purposes by external providers (creditors, grantors, contributors, and other levels of government) through laws and regulations.	
Unrestricted Fund Balance	Committed	Resources constrained by limitations the City imposes upon itself at its highest level of decision-making authority (City Council); limitations remain binding unless removed in the same manner.	
	Assigned	Resources a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates authority.	
	Unassigned	Resources available for any purpose; these resources are reported only in the General Fund.	Spendable

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DURANGO, COLORADO 81301
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Memorandum
February 2, 2021

To: SWCD Board of Directors
From: Carrie Padgett
Subject: Engineering Report for the February 10 and 11, 2021 Board Meeting

The following is a summary of the topics Carrie Padgett worked on for SWCD since the last Board meeting, during the months of December 2020 and January 2021. For more background and detail please contact me.

On March 1st, my hourly rate will be increasing to \$110 per hour. I have been at my current hourly rate since receiving my Professional Engineering license (PE) over seven years ago. Since then, I have had the privilege of working on many topics of importance to SWCD. Through this experience, I have honed my skills and knowledge to better serve SWCD and your constituents. I am confident my rate remains very competitive within the water resources sector for the quality of services I provide. This new rate will not increase the annual amount budgeted for engineering services for 2021. Thank you again for the opportunity to serve SWCD and our community. Please feel free to contact me if you have any questions.

San Juan and Upper Basin Endangered Fish Recovery Programs

I participated in a series of Biology Committee meetings in December. These meetings were held over three days. I have tried to capture the big topics at this meeting and describe them below.

- Habitat efforts: Committee members are in the process of evaluating and ranking potential habitat improvement treatments. The results of these evaluations will be discussed at the February meeting.
- Fish passage: Fish passage alternatives at the APS structure on the San Juan are being investigated. The Program Office is working with representatives from APS on these alternatives. The committee was also presented fish passage alternatives for the waterfall (aka, where the San Juan enters Lake Powell). These alternatives range dramatically in cost (\$1.5 to \$15 million) and earth work. The committee will continue to discuss these alternatives at future meetings.
- Diversion prioritization: A subcommittee has drafted an approach and criteria for evaluation diversions structures specific to fish passage or entrainment. I worked with Tom Wesche and Aaron Chavez on providing comments on this draft approach in December. The approach and initial prioritizations will be discussed at our upcoming February meeting.
- Non-native removal: This topic will be a big focus for the upcoming meeting, including how to address non-native removal post-2023. There is renewed interest in this management activity based on recent findings of a KSU catfish diet study which found that

predation by large catfish on young Colorado pikeminnow could be having a population level requirement effect.

Tom Wesche has officially retired from the Biology Committee as our water development interests representative. Until a new person is hired by the water development steering committee, I will be acting as the primary person on the committee. I was Tom's alternate for many years so I am confident I can step into this role and represent our interests at a committee level. The next series of Biology Committee meetings are planned for February 17 and 18, 2021.

Navajo Reservoir

A Navajo Reservoir coordination meeting was held virtually on January 19, 2021. Summary points of the meeting are listed below. If you would like a copy of the materials presented, they are available online here: <http://www.usbr.gov/uc/water/crsp/cs/nvd.html>. The next meeting will be on April 20, 2021.

- Snowpack is well-below average (65% above Navajo Reservoir) and dry soils coming into the season further reduce the spring inflow forecasts.
- Climate Prediction Center (CPC) outlook is showing a chance for drier than average conditions through the spring and a high chance for warmer than average temperatures.
- The April-July runoff most probable forecast for Navajo is 450kaf (61% of average).
- Based on current conditions (snowpack and reservoirs), and the range of forecast possibilities provided by Colorado Basin River Forecast Center (CBRFC), a spring peak release in 2021 is very unlikely.
- Expect low releases throughout the winter (300-500 cfs) as minimum releases to meet the target baseflows will be made.
- Currently no model runs result in a shortage for WY 2021.

Water Bank

I have participated in minimal Water Bank Work Group activities in the last few months. The group held a "what's next" meeting on December 18, 2020. At this meeting, the group decided to go dormant for now since so much other activity is going on regarding Demand Management investigations. No new projects were proposed for the group to undertake at this time. The group does not want to completely disband and plans to reconnect every six months or so for partner updates.

Paradox Salinity Project

The Final EIS was released on December 11, 2021. Reclamation identified the "no action" alternative as the preferred alternative. Reclamation believes "this action achieves the best balance among the various goals and objectives outlined in the Final EIS, including: optimizing costs; minimizing adverse effects on the affected environment; minimizing the use of nonrenewable resources; consistency with Bureau of Land Management Resource Management Plans; and being in the best interest of the public, including consideration of health and safety." The existing well will continue operating until it is no longer feasible.

Beth found this interesting article about the recommended “no action” alternative: <https://news.bloomberglaw.com/environment-and-energy/colorado-river-getting-saltier-sparks-calls-for-federal-help>

Animas Watershed Partnership (AWP)

The steering committee continues to meet monthly. As you may recall, AWP has two active Reclamation WaterSmart grants. The first grant is specific to construction actions in New Mexico to improve a diversion structure and its ditch deliveries. I am happy to report these construction activities occurred within in the last two months with the project being completed this past week. The entities in New Mexico also worked with the Recovery Program to help construct a PIT tag reader near the diversion structure. This piece of equipment has yet to be installed. This reader will provide valuable information on if and how endangered fish may be using the Animas River.

The second grant focuses on the coordinator’s GIS work for a Florida River Assessment to identify future project opportunities. From this work, the coordinator has identified reaches of the river that could benefit from habitat restoration and agricultural improvement projects. Connections have been made with one landowner with the hopes of scoping a project to benefit both the landowner’s agricultural operations and the river’s riparian area along their property.