

**Southwestern Water Conservation District  
Board of Directors Special Board Meeting  
SWCD Office, 841 E 2<sup>nd</sup> Avenue  
Durango, Colorado  
July 12-13, 2022**

- Present:** Dagan Chadd\* (July 12-13) JR Ford (July 12-13)  
Kenny Heldman (July 12-13) Rusty Hinger (July 12-13)  
Amy Huff\* (July 12-13) Jenny Russell (July 12-13)  
Charlie Smith (July 12-13)
- Absent:** David Guilliams (July 12-13) Don Schwindt (July 12-13)
- Staff:** Laura Spann, Programs Coordinator (July 12-13)  
Steve Wolff, General Manager (July 12-13)
- Consultants:** Taylor Adams, Hydros Consulting\* (July 13)  
Douglass Field, Fredrick Zink & Associates (July 12)  
Pete Foster, Wright Water Engineers (July 13)  
Hayes Lenhart, Wright Water Engineers\* (July 13)  
Carrie Padgett, Harris Water Engineering (July 12-13)  
Beth Van Vurst, Van Vurst Law, General Counsel (July 12-13)  
Skyler Zilliox, Wright Water Engineers\* (July 13)
- Guests:** Ken Curtis, Dolores Water Conservancy District (July 13)  
Mia Gonzales, Colorado Department of Local Affairs\* (July 12)  
Marcellus Briscoe, Colorado Department of Local Affairs\* (July 12)  
Ed Millard, Public\* (July 13)  
Kelly Shen, Colorado Department of Local Affairs\* (July 12)

*\*Asterisk indicates participation via Zoom.*

**Tuesday, July 12, 2022**

**1.0 Call to Order – Roll Call and Verification of Quorum**

President Jenny Russell called the meeting to order at 12:01 p.m. Roll was taken and a quorum established.

**2.0 Review and Approve Agenda**

*(time: 00:01:00)*

Beth Van Vurst recommended adding executive session agenda items 4.5, a discussion regarding § 37-47-104, C.R.S. and § 37-47-106, C.R.S., and 9.1, San Miguel River basin planning, due to some last minutes developments. There was board consensus to approve the agenda as revised.

**3.0 Questions & Comments from the Public**

*(time: 00:02:00)*

There were no questions and comments.

#### **4.0 Review & Possible Acceptance of FY2021 Audit Report**

(time: 00:02:30)

Douglass Field, FredrickZink and Associates, detailed the 2021 audit. There were no audit disagreements, and all requested documentation was supplied. No audit issues arose, and SWCD received a clean opinion for the 2021 audit. Charlie Smith moved to accept the final 2021 audit as presented for submittal to the State by the July 31 deadline. Rusty Hinger seconded. The motion passed.

There was board consensus to direct SWCD checking account signatories to establish a sweep payroll account to further isolate the full account balance from the risk of fraud.

#### **4.5 Executive Session**

(time: 00:28:50)

Beth Van Vurst recommended that the board move into executive session for the purpose of discussing § 37-47-104, C.R.S. and § 37-47-106, C.R.S. The statutes covering this executive session are § 24-6-402(4)(b), C.R.S., “conferences with an attorney for the district for the purpose of receiving legal advice on specific legal questions,” and § 24-6-402(4)(e), C.R.S., “determining positions relative to matters that may be subject to negotiations; developing strategy for negotiations; and instructing negotiators.” Rusty Hinger moved that the board go into executive session. Kenny Heldman seconded. The motion passed.

Beth Van Vurst stated that no further record of the executive session need be kept based on her opinion that the discussion will constitute privileged, attorney-client communications.

Beth Van Vurst announced that the board was out of executive session at 12:59 p.m. During the executive session, the board discussed § 37-47-104, C.R.S. and § 37-47-106, C.R.S. No action was taken during executive session.

*The board recessed for a short break.*

#### **5.0 Board Workshop: District Priorities, Budget & Resources**

(time: 00:30:50)

Mia Gonzales, Colorado Department of Local Affairs (DOLA), presented on local government budgeting basics, including the five legal limits on local government budgets, statutory deadlines, budgeting approaches, financial policies, and de-brucing. Marcellus Briscoe, DOLA, presented on his analysis of SWCD’s financial trends from 2013-present. Laura Spann, SWCD, provided an overview of the draft 2023 budget document and other in-house financial trends analyses on recent expenditures, property tax revenues, SWCD’s grant program.

Steve Wolff directed the board to SWCD’s six strategic priorities as adopted in the strategic plan in February 2022. The board discussed current revenue, staffing, and fund balance levels in detail, along with their perspectives on SWCD’s most critical and unique roles. There was general board consensus to explore the possibility of hiring additional staff and adjust the draft 2023 budget accordingly.

*The board recessed at 4:30 p.m. until Wednesday, July 13, 2022 at 8:00 a.m.*

### **Wednesday, July 13, 2022**

#### **6.0 Call to Order – Roll Call and Verification of Quorum**

(time: 03:37:00)

President Jenny Russell called the meeting to order at 8:03 a.m. Roll was taken and a quorum established.

## **7.0 Review and Approve Agenda**

(time: 03:37:50)

There was unanimous consent to approve the agenda as revised.

## **8.0 Questions & Comments from the Public**

(time: 03:37:55)

There were no questions and comments.

## **9.0 Executive Session**

(time: 03:38:15)

Beth Van Vurst recommended that the board move into executive session for the purpose of discussing San Miguel River Basin water supply planning. The statutes covering this executive session are § 24-6-402(4)(b), C.R.S., “conferences with an attorney for the district for the purpose of receiving legal advice on specific legal questions,” and § 24-6-402(4)(e), C.R.S., “determining positions relative to matters that may be subject to negotiations; developing strategy for negotiations; and instructing negotiators.” Jenny Russell recused herself from the discussion. Pete Foster and Skylar Zilliox with Wright Water Engineers were invited to participate in the executive session as SWCD’s consultants on these issues. Charlie Smith moved that the board go into executive session. JR Ford seconded. The motion passed.

Beth Van Vurst stated that no further record of the executive session need be kept based on her opinion that the discussion will constitute privileged, attorney-client communications.

Beth Van Vurst announced that the board was out of executive session at 8:29 a.m. During the executive session, the board discussed San Miguel River basin water supply planning. No action was taken during executive session.

## **10.0 Board Workshop: Colorado River**

### **10.1 Current Colorado River System Conditions, Projections, Operations & Planning**

(time: 03:40:00)

In discussion with the SWCD board, Steve Wolff and Beth Van Vurst reviewed key tenants of the “Law of the River,” current operational framework, mid-term projections, the current Colorado River supply and demand gap, and additional short-term efforts to protect Lakes Powell and Mead. The SWCD board also discussed longer-term Colorado River basin planning, including development of the post-2026 operating guidelines and the Upper Basin and/or Seven Basin States preferred alternative, the federal process including pre-scoping and NEPA, and issues being considered.

### **10.2 Southwest Colorado modeling**

(time: 05:03:50)

Taylor Adams, Hydros Consulting, presented their hydrologic modeling of pre- and post-compact consumptive use across southwestern Colorado’s sub-basins, which is part of SWCD’s ongoing technical efforts to better understand how proposed actions and drought may impact constituent water users.

*The board recessed for a short break.*

## **11.0 Executive Session**

(time: 05:34:50)

Beth Van Vurst recommended that the board move into executive session for the purpose of discussing agenda item 11.1, Colorado River Compact, interstate and intrastate negotiation matters, including re-negotiation of the interim guidelines and agenda item 11.2, southwest Colorado modeling. The statutes covering this executive session are § 24-6-402(4)(b), C.R.S., “conferences with an attorney for the district for the purpose of receiving legal advice on specific legal questions,” and § 24-6-402(4)(e), C.R.S.,

“determining positions relative to matters that may be subject to negotiations; developing strategy for negotiations; and instructing negotiators.” Pete Foster, Skylar Zilliox, and Hayes Leonhardt with Wright Water Engineers were invited to participate in the executive session as SWCD’s consultants on these issues. Kenny Heldman moved that the board go into executive session. Rusty Hinger seconded. The motion passed.

Beth Van Vurst stated that no further record of the executive session need be kept based on her opinion that the discussion will constitute privileged, attorney-client communications.

### **12.0 Summary and Action Items from Executive Session**

*(time: 05:36:50)*

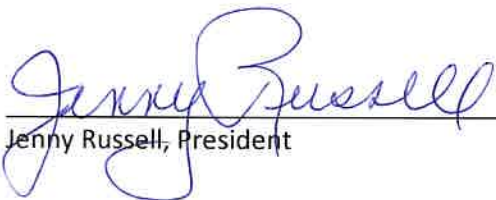
Beth Van Vurst announced that the board was out of executive session at 1:30 p.m. During the executive session, the board discussed agenda item 11.1, Colorado River Compact, interstate and intrastate negotiation matters, including re-negotiation of the interim guidelines and agenda item 11.2, southwest Colorado modeling. No action was taken during executive session.

### **13.0 Other Announcements**

There were no other announcements

### **14.0 Adjournment**

President Russell adjourned the meeting at 1:31 p.m.

  
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Jenny Russell, President