

**Animas – La Plata Water Conservancy District
Board of Directors Meeting
November 9, 2017
Durango Office**

Present: Bob Wolff Ken Beegles Gene Bradley
Lee Campbell Joe Colgan Ron Gillen
Dan Huntington Matt Isgar David Liberman
Steve Krest Jerry Schmitt Deems Taylor

Absent: Tom Brossia Tom Hartnett Ted Vickers

Staff: Bruce Whitehead, ALPWCD Executive Director
Laura Spann, ALPWCD Office Manager
Barry Spear, Maynes, Bradford, Shipp & Sheftel

Guests: Tom Compton, Public
Paul Gray, La Plata West Water Authority

Call to Order

President Bob Wolff called the meeting to order at 5:00 p.m. The board recited the Pledge of Allegiance. Roll was taken and a quorum was present.

Swearing in of New Board Member

(time 00:02:15)

General counsel Barry Spear swore in David Liberman, director representing Subdivision 3 (Durango).

Approval of Minutes (August 17, 2017)

(time 00:03:55)

Gene Bradley moved to approve the August 17 minutes. Ken Beegles seconded. The motion passed.

Approval of Treasurer's Report (October 2017)

(time 00:04:45)

Gene Bradley detailed the October 2017 Treasurer's Report, which included the budget comparison, bank account summary, and transaction detail. Steve Krest moved to accept the Treasurer's Report. Dan Huntington seconded. The motion passed.

Other Reports

Division of Water Resources

No representative was present; a report was not available.

Lake Durango Water Authority (LDWA)

No representative was present; a report was not available.

Animas-La Plata Operations, Maintenance & Replacement Association

(time 00:08:30)

Bruce and Laura reported on highlights from the November meeting, ongoing project maintenance and existing transfer stipulations with BOR. Some pumping plant equipment has already exceeded its useful life and is scheduled for replacement. Lake Nighthorse may be open for recreation by April 1, 2018.

Bureau of Reclamation (BOR)

(time 00:10:45)

No representative was present. Bob, Bruce and Christine will meet with the BOR Commissioner at the National Water Resources Association Annual Conference in Tucson on Thursday, November 16 to discuss several topics, including Lake Nighthorse recreation and the final cost allocation for the Animas La Plata Project.

La Plata West Water Authority (LPWWA)

(time 00:11:00)

Paul Gray provided an update on pipeline construction, which is anticipated to be completed by the end of the year. LPWWA is in the process of preparing to solicit bids for Phase I (delivery of water from Blue Hill west) in early 2018. The USDA grant letter of condition requirements are being worked on and mostly completed as well. Paul wasn't aware of any additional taps being sold. LPWWA is currently working to meet the USDA deadline within the week to secure outstanding right-of-ways.

Southwest Basin Roundtable

(time 00:18:00)

At the October Roundtable meeting, there were updates on the West Slope Roundtable Risk Assessment, the San Miguel Environmental and Recreational Needs Assessment Pilot Project, and the Statewide Water Supply Initiative process. There have been no IBCC meetings since April, but a meeting has now been scheduled for November 30 to discuss the IBCC's future and the implementation of Colorado's Water Plan. There were also three conceptual proposals from 1) the Town of Ignacio for a raw water irrigation system, 2) the Town of Rico for raw water system improvements, and 3) environmental advocates for the development of an Upper San Juan Stream Management Plan. The next Roundtable meeting is scheduled for January 10 at the Dolores Water Conservancy District in Cortez.

Office Report

(time 00:23:50)

Bruce reported on the following topics:

- Lake Powell and Lake Mead levels remain low, which has driven conversations regarding demand management and reservoir reoperations. However, recent inflows and an increase in the Lake Powell storage have calmed the intensity of these discussions.
- Bruce summarized stream flows for the La Plata and Animas rivers.
- Long Hollow Reservoir was able to store just under 3000 af of this year due to the above normal snowpack and runoff conditions that delayed a call on the La Plata River. The storage releases provided supplemental irrigation water by exchange for use in Colorado, with approximately 2000 af of water being used during the 2017 irrigation season. The 300 af compact pool used to supplement deliveries to New Mexico during split river administration on the La Plata River was not needed this year, and is included in the 1043 af of carry-over storage for use in 2018.
- The La Plata Water Conservancy District is working to ensure that BOR meets its wetlands mitigation depletion requirements on the lower La Plata River. A request has been sent to the Division of Water Resources requesting that the depletions associated with the wetland area be replaced using other water rights or storage owned by the BOR.
- Eric Kuhn announced his retirement as General Manager of the Colorado River District, and Andy Mueller (former CRD Board member and President) has been offered the position. Eric Wilkinson will also be retiring as Northern Water Conservancy District General Manager in 2018.
- Board members asked questions regarding the recent change of water right filed for by the ALPOM&R Association. While SWCD had agreed by stipulation not to file a statement of opposition, SWCD has provided comments on the draft decree.
- Discussion of potential partnerships are still being pursued by SWCD for delivery of irrigation water to the La Plata River basin with the SWCD Project Water Rights. There was discussion regarding the level of community participation and the level of interest in an irrigation project in the La Plata Basin, particularly on the "Dry Side".

Questions/Comments from Audience

(time 00:41:00)

There were none.

Old Business

ALPWCD Notice of Appointment to LPWWA Board

(time 00:41:35)

Barb McCall's term on the LPWWA board ends November 2017. Notice of the position was published in the Durango Herald on Saturday, September 16. Applications for appointment to the board were due on Tuesday, October 31. One letter of interest was submitted by Barb McCall. Gene Bradley moved to reappoint by acclimation Barb McCall to the LPWWA board for a three-year term through November 2020. Lee Campbell seconded. The motion passed unanimously.

Lake Nighthorse Recreation

(time 00:44:00)

The City of Durango is proceeding with annexation of the Lake Nighthorse area, with a public hearing in front of City Council on December 5. The process should be completed by February 1. The Tribute Garden was incorporated into the annexation footprint. Bob provided background on the evolution of the plan for Lake Nighthorse recreation, including the law enforcement needs and requirements for the area. There was board discussion regarding recent efforts by a contingency of Durango residents to limit motorboat use at the lake, and the history of the community consensus around boating at the lake established through the public process. Unofficially, the City of Durango plans to open the Lake for recreation by April 1, 2018. There was consensus to invite Cathy Metz to the February meeting to hear about recreation.

Water Use & Development in the La Plata Basin

(time 01:05:30)

Bruce met with Trent Taylor, President of the Red Mesa Reservoir Company, to discuss potential funding sources for spillway renovation and possible enlargement at Red Mesa Reservoir on Hay Gulch. Bruce met previously with CWCB, DWR, and Red Mesa Reservoir officials regarding potential funding to address the Dam Safety Engineer's concerns with Red Mesa Reservoir. Trent planned to follow-up with CWCB staff by phone or in writing to leverage Roundtable and Water Plan Implementation funds. ALPWCD has budgeted \$40,000 in water development aid for fiscal year 2018, which may be used for projects like this.

Regarding other old business items, board members discussed the pros and cons of continuing to own the portion of the Durango Pumping Plant property encumbered by the BOR final easement. Should ALPWCD want to sell the remaining unencumbered parcel, a subdivision will be necessary. Should ALPWCD want to build on the remaining parcel, no subdivision will be necessary. ALPWCD has an agreement with the City of Durango for annexation of the parcel and access to City services.

In addition, staff provided a summary of the existing water sale agreement between ALPWCD and Lake Durango Water Authority, as well as the Letter of Intent to sell water to the La Plata West Water Authority.

Bruce was thanked by the board for his 10 years of employment with the District, and recognized with a gift.

3.0 New Business

3.1 Haynie & Co. Audit Engagement Letter Ratification

(time 01:25:15)

The Secretary-Treasurer and staff recommended continuing the audit relationship with Haynie and Company. Gene Bradley moved to execute the engagement letter with Haynie & Company to conduct the 2017 audit. Lee Campbell seconded. The motion passed.

3.2 FY2018 Budget Hearing and Adoption

(time 01:28:20)

The budget committee met on September 14 to develop the draft FY2018 budget. Bruce and Gene highlighted several line items of significance, including the addition of a property maintenance line item and increase in

water development aid. SWCD authorized a bonus for staff to be paid in full by SWCD as has been done in the past.

Bob Wolff opened the budget discussion for public hearing. With no comments made, the public hearing was closed. The following motions were made:

- Dan Huntington moved to approve Resolution 2017-02 to adopt the proposed 2018 budget based on the final assessed valuation the District will receive from the La Plata County Assessor in December. Ken Beegles seconded. The motion passed.
- Joe Colgan moved to approve Resolution 2017-03 to certify a mill levy of .331 on the assessed valuation of \$838,519,530 to generate revenue of \$277,550, and approve any adjustment based on the final assessed valuation the District will receive from the La Plata County Assessor in December. Gene Bradley seconded. The motion passed.
- Dan Huntington moved to approve Resolution 2017-04 to appropriate funds in the amount of \$516,812 to be spent in 2018 based on any changes made to expenditures prior to budget submittal. Ken Beegles seconded. The motion passed.

3.3 Proposed 2018 Board Meeting Schedule

(time 01:47:00)

There was consensus to accept the 2018 board meeting schedule as follows: Tuesday, February 27 at 5:00pm (Durango), Tuesday, May 22 at 7:00pm (Marvel), Tuesday, August 28 at 7:00pm (Marvel), Tuesday, September 11 at 1:30pm (Durango, Budget Workshop), and Tuesday, November 27 at 5:00pm (Durango).

4.0 Legal Report

There were no additional items to report.

5.0 Executive Session

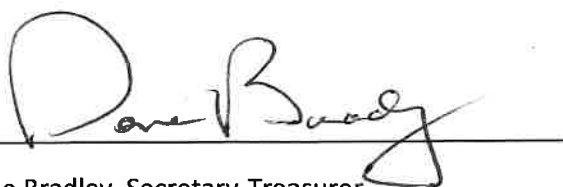
There was no need for executive session.

Upcoming Meetings

Tuesday, February 27	5:00 pm	Durango	Regular Board Meeting
Tuesday, May 22	7:00 pm	Marvel	Regular Board Meeting
Tuesday, August 28	7:00 pm	Marvel	Regular Board Meeting
Tuesday, September 11	1:30 pm	Durango	Board Budget Workshop
Tuesday, November 27	5:00 pm	Durango	Regular Board Meeting

Adjournment

President Robert Wolff adjourned the meeting at 7:00 p.m.



Gene Bradley, Secretary-Treasurer