

**Animas – La Plata Water Conservancy District
Board of Directors Meeting
February 28, 2017
Durango Office**

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|-----------------|----------------|---------------|--------------|
| Present: | Bob Wolff | Gene Bradley | Tom Brossia |
| | Lee Campbell | Ron Gillen | Tom Hartnett |
| | Dan Huntington | Jerry Schmitt | Deems Taylor |
| | Ted Vickers | | |

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|----------------|-------------|------------|------------|
| Absent: | Ken Beegles | Joe Colgan | Matt Isgar |
| | Steve Krest | | |

Staff: Bruce Whitehead, ALPWCD Executive Director
Laura Spann, ALPWCD Programs Coordinator
Adam Reeves, Maynes, Bradford, Shipps & Sheftel

Guests: Elaine Chick, Water Information Program
Mardi Gebhardt, La Plata West Water Authority
Roy Horvath, La Plata West Water Authority
Diana Schmitt, Public
John Simpson, Colorado Division of Water Resources

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. Elaine Chick, Water Information Program Manager, introduced herself to the board.

Approval of Minutes (November 17, 2016)

(time 00:06:20)

Tom Brossia moved to approve the November 17, 2016 minutes as corrected. Ted Vickers seconded. The motion passed.

Approval of Treasurer’s Report (Year End 2016; January 2017)

(time 07:55:00)

Gene Bradley detailed the Year End 2016 and January 2017 Treasurer’s Reports, which included the budget comparison, bank account summary, and transaction detail. Bruce added that ALPWCD now has the option to participate in the Colorado Water Congress State Affairs Committee for an additional membership fee of \$200. Also, the Colorado Water Congress is seeking additional contributions to support the Water Stewardship Project, which monitors activity and educates the public regarding risks associated with public trust doctrine initiatives. Gene responded to board questions. A footnote will be made in the 2016 audit regarding the updated value of the Durango Pumping Plant land with the recent appraisal, but the value on the balance sheet will not change, per governmental accounting standards. Ted Vickers moved to accept the Treasurer’s Report. Tom Hartnett seconded. The motion passed unanimously.

Other Reports

Division of Water Resources

(time 00:21:10)

John Simpson, Assistant Division Engineer, reported that Long Hollow Reservoir storage is at 1050 af, double the storage in 2016. Snowpack in the La Plata Mountains is excellent. The ALPOM&R Association filed for a change in their ALP Project water right to divert non-stored allocations on a direct flow basis at any point on the Animas River below the Durango Pumping Plant. La Plata Water Conservancy District is working on two substitute water

supply plans. Scott Brinton, former Hydrographer and Assistant Division Engineer for the Colorado Division of Water Resources, passed away in February, and his memorial service will be held on March 11.

Bureau of Reclamation (BOR)

No representative was present; a report was not available.

Animas-La Plata Operations, Maintenance & Replacement Association

(time 00:25:00)

Tom Brossia passed along the most recent audit report for the Association to staff.

La Plata West Water Authority (LPWWA)

(time 00:25:30)

Roy Horvath and Mardi Gebhardt reported on the following items:

- Completion of the raw water project completion is expected for August 2017. Roy provided an update on construction progress;
- All documents have been submitted to U.S. Department of Agriculture for funding consideration, and LPWWA is waiting on a letter with conditions for funding;
- Efforts continue to execute easements with various property owners along the pipeline route;
- LPWWA hopes to begin bidding for construction of the distribution system in the spring, with construction to follow in the summer; and
- LPWWA is working with Lake Durango and the tribes to finalize the next iteration of the operating agreement.

Lake Durango Water Authority (LDWA)

(time 00:30:00)

Tom Brossia reported that there will be a request for release of funds from Lake Durango's loan with the Colorado Water Conservation Board (CWCB) to purchase water from ALPWCD and construct a pipeline to Lake Durango.

Southwest Basin Roundtable

(time 00:31:10)

At the January 11 meeting, April Montgomery announced that she would attend her last meeting as the CWCB director for southwest Colorado on January 23 and 24, and was recognized and thanked for her dedication and time served on the CWCB Board. Montezuma Valley Irrigation Company Manager Brandon Johnson was elected to serve as the At-Large Agricultural Representative. As for the San Miguel Stream Management Pilot Plan, data gaps have now been identified for recreation and environmental needs, and the next step is to conduct several public meetings and solicit ideas on management proposals to address those needs. There was significant discussion at the meeting regarding the shortfall in water project funding due to the sharp decrease in severance tax revenues for the State of Colorado. Roundtable members adopted revised criteria and related documents for Water Supply Reserve Fund grant requests, which can be found on the webpage. The next Roundtable meeting will be at the Durango Community Recreation Center on April 12.

Office Report

(time 00:35:25)

Bruce reported on the following topics:

- The terms of seven other board members ends on March 31, 2017: Gene Bradley, Lee Campbell, Deems Taylor, Steve Krest, Ron Gillen, Joe Colgan, and Matt Isgar. Also, Chuck Lawler's position is currently vacant in Subdivision 3. Notices were published in February for applications to be submitted to Judge Wilson by March 1, 2017.
- Board members were invited to register for SWCD's Annual Water Seminar on Friday, April 7.
- Bruce summarized storage conditions, forecasts and management in the broader Colorado River basin with the increased snowpack.
- The USGS has moved the Tall Timbers gage (which will be referenced to administer the SWCD Project Water Rights) approximately two miles upstream where there is better access and improved conditions for gage

accuracy. The gage name will not be changed. SWCD staff is also confident that the gage relocation will have minimal or no impact on administration of the SWCD Project Water Right, since water availability at the original location of the Teft Diversion determines the diversion amount for the alternate point of diversion at the Durango Pumping Plant.

- Recent discussions continue regarding resolution of the U.S. Forest Service reserved water rights, which have been pending since the mid-1970s.
- The SWCD board matched funding from the River District, with additional funds from each west-slope roundtable, to expand on a risk assessment of development of Colorado River supplies (Phase I). This risk evaluation is consistent with Point 4 in the conceptual framework regarding trans-mountain diversions (TMDs) that was included in Colorado's Water Plan. A draft scope of work for Phase II of the study has been circulated. The Front Range Water Council was involved in the technical updates during Phase I, but has now expressed concerns about some of the modeling assumptions and Lake Powell trigger elevations. CWCB consideration of the WSRF grant request to fund Phase II of the study has been tabled until the March CWCB meeting, once the scope of work has been revised to address all stakeholders' concerns. Bruce has been working with CWCB, and River District staff on the revision of the Scope of Work.

Questions/Comments from Audience

(time 00:50:30)

There were none.

Old Business

Water Purchase Contract for Lake Durango Water Authority

(time 00:51:00)

ALPWCD's contract with Lake Durango Water Authority for the purchase of water is awaiting final execution and signature by the U.S. Bureau of Reclamation. Board members were directed to the February 24 letter sent by ALPWCD to Lake Durango Water Authority detailing the itemized payment amount for closing by March 31. Once the purchase is complete, the ALPOM&R Association will be notified of the transfer of the water allocation.

Legislative Update

(time 00:57:20)

The CWC State Affairs Committee has met each week to discuss water legislation introduced thus far during the 2017 Legislative Session. Bruce Whitehead explained the bills, relayed CWC discussion of those bills to the board, and answered board questions.

Acceptance of LPWWA 2017 Budget, Disbursement of Financial Assistance

(time 01:28:55)

Roy answered questions regarding the timing of LPWWA's water purchase from ALPWCD. Lee Campbell moved to accept the LPWWA 2017 budget and 2016 audit, and disburse the \$25,000 in grant funding to LPWWA for 2017. Deems Taylor seconded. The motion passed unanimously.

Durango Pumping Plant Annexation

(time 01:33:40)

Adam Reeves would check with Barry Spear regarding any correspondence with Craig Roser, City of Durango, requesting an update on the Durango Pumping Plant Annexation. There was consensus to remove this item from future agendas until an update is needed.

Durango Pumping Plant Final Easement Discussions

(time 01:34:20)

Adam Reeves reported that in December 2016, BOR provided partial relinquishment to CWCB of their easement on the Durango Pumping Plant property owned by ALPWCD. ALPWCD is awaiting further communication from the CWCB on how and when the easement will be relinquished from CWCB to ALPWCD.

Valve and Pipeline below Ridges Basin Dam

(time 01:40:15)

Bruce and Bob have been participating in discussions regarding the use of the 36 inch valve, and extension of the pipeline below Ridges Basin Dam. Environmental review and permitting for the initial 200 foot extension has begun and is being coordinated with BOR. The design of the pipe and bifurcation or manifold system will be
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done by Harris Water Engineers. The ALPWCD financial participation for this initial phase is estimated to be between \$18,000 and \$20,000, which has been appropriated as part of the 2017 budget.

Lake Nighthorse Recreation

(time 01:42:30)

Bob reported that BOR issued a "Finding of No Significant Impact" (FONSI) regarding archaeology for the new recreation plan, which allowed several other processes to begin. The City of Durango has executed the contract with BOR for management of recreation. The entrance station will be completed this spring, and a second parking lot may need to be constructed soon. The City of Durango's grant funding from Motorboat Colorado was again approved. BOR has initiated tribal consultation on the Cultural Resources Management Plan and the draft EA. The process may be lengthy with involvement or comments from up to twenty-five tribes, but BOR is still hopeful that recreation could begin in 2017.

New Business

Election of Officers

(time 01:50:30)

There was discussion regarding Bob Wolff's recent election as SWCD board president, his current role as ALPWCD board president, and his service on the Colorado Water Resources & Power Development Authority board. ALPWCD has transactions and agreements with both of these entities. A board member felt that the ALPWCD board needs to be aware that the potential for conflict of interest exists (perceived or actual). Bob Wolff will no longer sign reimbursement checks from ALPWCD to SWCD for rent, payroll and office expenses. Legal counsel Adam Reeves was not aware of any current legal conflicts of interest between SWCD and ALPWCD regarding any active court case, or any current ethical issues in a board member serving on the boards. Adam also added that he did not perceive any distinction in this regard with whether one serves as a board officer or a regular board member. In the instance where one board carries a vote that impacts the other board, a board member with a fiduciary duty to both entities should recuse himself out of an abundance of caution. A few board members believe there is a distinction between holding office and being a board member. Dan Huntington moved to reelect current officers by acclimation. Tom Hartnett seconded. The motion passed 8-1 (Bob Wolff did not vote on the motion as president of ALPWCD per the bylaws, and Gene Bradley was the dissenting vote.)

Resolution - Meeting Posting Location

(time 02:07:30)

Bob Wolff explained the statutory requirement for ALPWCD to adopt a resolution establishing the location where meeting notices will be posted in 2017. Tom Brossia moved to adopt Resolution 17-01 regarding the meeting posting location. Lee Campbell seconded. The motion passed unanimously.

Legal Report

There were no additional items to report, nor a need for executive session.

Upcoming Meetings

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| Tuesday, May 16 | 7:00 pm | Marvel | Regular Board Meeting |
| Thursday, August 17 | 7:00 pm | Marvel | Regular Board Meeting |
| Thursday, November 16 | 7:00 pm | Durango | Regular Board Meeting |

Adjournment

President Robert Wolff adjourned the meeting at 7:20 p.m.