

**Animas – La Plata Water Conservancy District
Board of Directors Meeting
February 28, 2018
Durango Office**

Present: Bob Wolff Ken Beegles Gene Bradley
Tom Brossia Lee Campbell Joe Colgan
Ron Gillen Tom Hartnett Dan Huntington
Matt Isgar Steve Krest Jerry Schmitt

Absent: David Liberman Deems Taylor

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

Guests: Elaine Chick, Water Information Program
Roy Horvath, La Plata West Water Authority
Cathy Metz, City of Durango
Steve Ruddell, Public
Sherry Bowman, La Plata Conservation District
Diana Schmitt, Public
Ken Spence, La Plata West Water Authority
Charlie Smith, Lake Durango Water Authority

Call to Order

President Bob Wolff called the meeting to order at 6:15 p.m. The board recited the Pledge of Allegiance. Roll was taken and a quorum was present.

1.0 Administration

1.1 Approval of Minutes (November 9, 2017)

(time 00:03:40)

Dan Huntington moved to approve the November 9, 2017 minutes. Gene Bradley seconded. The motion passed.

1.2 Approval of Treasurer's Report (Year End 2017, January 2018)

(time 00:04:30)

Gene Bradley detailed the Year End 2017 and January 2018 Treasurer's Reports, which included the budget comparison, bank account summary, and transaction detail. Ken Beegles moved to accept the Treasurer's Report. Joe Colgan seconded. The motion passed.

1.3 Other Reports

Division of Water Resources

No representative was present; a report was not available.

Bureau of Reclamation (BOR)

No representative was present; a report was not available.

Animas-La Plata Operations, Maintenance & Replacement Association

(time 00:11:00)

Bruce Whitehead, Bob Wolff, and Tom Brossia reported that the BOR has begun more serious conversations with ALPOM&R regarding the Animas-La Plata Project final cost allocation. Ed Warner hoped to finalize it by the end of this calendar year.

La Plata West Water Authority (LPWWA)

(time 00:15:15)

Ken Spence, LPWWA President, reported that Phase 0 (pipe and pump system from Lake Nighthorse to Lake Durango) is a month away from completion; all the pipe is in the ground, the building is nearly complete, and pipeline testing may begin shortly. The Association is assisting LPWWA with a maintenance plan. LPWWA is also planning a ceremony to inaugurate the pipeline. Regarding Phase I, Colorado Water Quality Control Division has approved LPWWA plan, and LPWWA has satisfied all conditions except for the acquisition of easements to satisfy the US Department of Agriculture. Bidding for Phase I will begin in April, with construction to begin in May. Final settlement with the contractor for Phase 0 will begin in March, with the expectation that the project will be at or under budget.

Lake Durango Water Authority (LDWA)

(time 00:23:30)

Charlie Smith reported that Lake Durango is at 850 acre-feet of storage. LDWA will make a water purchase from ALPWCD in March 2018. Lake Durango has a treated water pipeline along Blue Hill and seven miles down Long Hollow. Excess capacity in that pipeline will be used to deliver water for Phase I of the LPWWA project.

Southwest Basin Roundtable & IBCC

(time 00:25:40)

The Southwest Basin Roundtable met on January 10, 2018 in Cortez. A significant decrease in severance tax revenues will severely impact state funding for water programs. The Roundtable also approved applications for funding to support Phase I of the Upper San Juan Stream Management Plan, a water system analysis for the Town of Rico, rehabilitation of the Sambrito Wetlands, irrigation utility improvements for the Town of Ignacio, rehabilitation of the Florida canal diversion structure, and water line construction for the Animas Air Park. The next Southwest Basin Roundtable meeting will be on April 11 at the Durango Recreation Center.

During the winter, the Interbasin Compact Committee (IBCC) formed three subcommittees to 1) develop a "water 101" white paper for 2018 electoral candidates, specifically gubernatorial candidates and other state elected officials, to ensure the political leadership going forward is versed in statewide perspectives on water, 2) implement the seven point conceptual framework outlined in the state water plan, and 3) develop options to address long-term sustainable funding for water projects and protections going forward. There was discussion of the results of Phase II and planning for Phase III of the Colorado River Risk Assessment study to evaluate the impact of compact curtailment to the western slope in drought conditions.

1.4 Office Report

(time 00:33:45)

Staff reported on the following topics:

- The following board members terms expire in March 2018: Ken Beegles, Jerry Schmitt, and Ted Vickers. Due to Ted's passing, his seat is now vacant. Notices were published in February for applications to be submitted to Judge Wilson by March 26.
- Tom requested that ALPWCD provide a map of the District and the subdivisions with more detail. Bruce described the subdivision boundaries using the map on the wall at the ALPWCD office.
- Board members were invited to contact Laura to register for the SWCD Annual Water Seminar on Friday, April 6.
- Elaine Chick, Water Information Program, reported on the website upgrade, the Annual Children's Water Festival, and the Forest to Faucets teacher training. She thanked ALPWCD for their support for local water education.
- Bruce and Bob attended the National Water Resources Association Annual Conference, at which they met with BOR officials on behalf of ALPWCD and SWCD to highlight important issues to southwestern Colorado, including the ALP Project final cost allocation.
- Bruce detailed the area snowpack and concerning Colorado River hydrologic conditions, which are accelerating drought contingency planning discussions. New Mexico placed a compact call on the La Plata River on February 19.

- There hasn't been any recent discussion with the City of Durango and the La Plata Archuleta Water District regarding the Ridges Basin Reservoir valve and pipeline partially owned by ALPWCD.
- Water Congress continues to track outside efforts to establish a public trust doctrine in Colorado, which would upset the prior appropriation system and create instability in Colorado's water administration. No current proposed ballot initiatives relate to public trust.

1.5 Questions/Comments from Audience

(time 00:55:20)

Sherry Bowman announced that the La Plata Conservation District has received a \$20,000 from the State of Colorado for noxious weed management. Residents were encouraged to contact La Plata County regarding their weed management to take advantage of the grant funding.

2.0 Old Business

2.1 Lake Nighthorse Recreation

(time 00:59:45)

Cathy Metz, City of Durango, provided an overview of the recreation planning process, the grant funding for the recreation amenities at the Lake, and answered many board member questions. The City of Durango signed the lease agreement in January 2017 to manage recreation at Lake Nighthorse, and since that time, the City has been working with the ALPOM&R Association and BOR to open recreation on a limited basis beginning in April 2018. The City is in the process of annexing Lake Nighthorse in order to provide law enforcement. Recreation at Lake Nighthorse at full build out is estimated to provide an economic impact of \$12.7 million to the City's economy. The City utilized the initial public planning effort sponsored by the ALPWCD to generate a final recreation plan with BOR and the Association members in October 2014. Based on that, BOR developed an environmental assessment of "no new significant impact." In response to recent public concerns regarding how to balance motorized and non-motorized recreation experiences, the City is conducting a public process to promote community consensus. Several amenities still need to be constructed, which continue through the spring. As a result, the City will open the lake for non-motorized recreation on the weekends starting April 1. Motorized boating on the Lake will begin on May 15.

2.2 Lake Durango Water Authority Purchase Schedule (Resolution 18-03)

(time 01:28:10)

In 2017, ALPWCD entered into a contractual agreement to sell water to Lake Durango Water Authority. The Authority made their first purchase of 50 af of depletion in 2017. The contract outlines that the Authority can purchase 25 af of depletion each year for the next six years for a total of 200 af. There is nothing in the contract that prohibits the Authority from accelerating their purchase, which is something La Plata County needs ALPWCD to confirm in order to authorize the Authority to sell additional taps. Ken Beegles moved to adopt Resolution 18-03 to Accelerate the Lake Durango Water Authority Acquisition of the ALPWCD Water. Tom Hartnett seconded. Bob Wolff and Tom Brossia recused themselves. The motion passed.

2.3 LPWWA Water Purchase Request

(time 01:38:00)

Bruce directed board members to a letter from LPWWA President Roy Horvath to the ALPWCD board formally requesting that negotiations begin on the water purchase contract, with the goal of execution by August 2018. Steve Krest and Bob Wolff volunteered to participate in negotiations with LPWWA representatives on the draft water purchase contract.

2.4 Water Use & Development in the La Plata Basin

(time 01:41:45)

Bruce Whitehead summarized the restrictions recently imposed on the Red Mesa Ward Reservoir by the Colorado Division of Water Resources Dam Safety Engineer. The reservoir assists with compact compliance, maintains pre-compact water rights, and ensures storage in a water short basin. The restriction imposed during a low snowpack year will significantly impact water users in the La Plata Basin. Rehabilitation of the reservoir will cost well into the millions of dollars and a broad coalition of regional support may be needed to obtain funding for the project. The Red Mesa Reservoir and Ditch Company has applied for a final feasibility study to review and summarize the collective knowledge obtained from the numerous previous studies, establish a firm yield for the

reservoir by modifying the existing StateMod river model, look at what entities could utilize additional water storage for the greatest regional benefit, and analyze the ability of each entity to assist in repaying debt incurred for construction of such a project and pay O&M through the coming years to keep the reservoir company solvent.

2.5 ALP Project Final Cost Allocation

(time 02:03:00)

Bruce directed board members to the final cost allocation process and timeline document provided by BOR.

2.6 Durango Pumping Plant Property Annexation & Uses

(time 02:04:50)

No communication or progress has occurred regarding the City of Durango's possible annexation of the Durango Pumping Plant Property. Regarding other uses, the Association has discussed developing a fencing plan for the property. There was board discussion regarding existing public uses of the DPP property.

2.7 Legislative Update

(time 02:09:20)

The CWC State Affairs Committee has met each week to discuss water legislation introduced thus far during the 2018 Legislative Session. Bruce Whitehead explained the bills, relayed CWC discussion of those bills to the board, and answered board questions.

3.0 New Business

3.1 Election of Officers

(time 02:28:45)

After a nomination and process discussion, Tom Brossia moved to elect the current officers (Bob Wolff, President; Ken Beegles, Vice-President; Gene Bradley, Secretary-Treasurer) by acclimation. Joe Colgan seconded. The motion passed. Bob Wolff did not vote.

3.2 Resolution 18-01 Meeting Posting Location

(time 02:31:16)

Bob Wolff explained the statutory requirement for ALPWCD to adopt a resolution establishing the location where meeting notices will be posted in 2018. Steve Krest moved to adopt Resolution 18-01 regarding the meeting posting location. Tom Hartnett seconded. The motion passed unanimously.

3.3 Resolution 18-02 In Memory of Ted Vickers

(time 02:32:00)

Bob Wolff read the resolution honoring Ted Vickers after his passing in December 2017. Dan Huntington moved to adopt Resolution 18-02 in memory of Ted Vickers. Gene Bradley seconded. The motion passed unanimously. The resolution will be mailed to Ted's family.

4.0 Legal Report

There were no additional items to report.

4.1 Executive Session

(time 02:35:34)

Adam Reeves recommended that the board go into executive session for the purpose of discussing the draft contract for the La Plata West Water Authority water purchase from ALPWCD. The statutes covering this session are § 24-6-402(4)(a), C.R.S., "the executive session concerned the purchase, acquisition, lease, transfer or sale of any property interest," § 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." Ken Beegles moved to go into executive session. Tom Brossia seconded. The motion passed.

Adam Reeves announced that the board was out of executive session, during which no action was taken. The board discussed the draft contract for the La Plata West Water Authority water purchase from ALPWCD. The board provided direction to negotiators.

Upcoming Meetings

Tuesday, May 22	7:00 pm	Marvel	Regular Board Meeting (rescheduled to May 29)
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 9:00 p.m.



Gene Bradley, Secretary-Treasurer