

**Animas – La Plata Water Conservancy District
Board of Directors Meeting
May 29, 2018
Marvel Grange**

Present: Bob Wolff Ken Beegles Gene Bradley
Tom Brossia Lee Campbell Joe Colgan
Ron Gillen Tom Hartnett Dan Huntington
Steve Ruddell Jerry Schmitt Deems Taylor

Absent: Matt Isgar Steve Krest David Liberman

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

Guests: Diana Schmitt, Public
John Simpson, Colorado Division of Water Resources
Ken Spence, La Plata West Water Authority

Call to Order

President Bob Wolff called the meeting to order at 7:00 p.m. The board recited the Pledge of Allegiance. Roll was taken and a quorum was present.

Swearing in of New Board Member

(time 00:04:00)

Steve Ruddell was appointed by the judge for a four-year term through March 31, 2022, and was sworn in by Barry Spear. Jerry Schmitt and Ken Beegles were also reappointed for four-year terms through March 31, 2022.

1.0 Administration

1.1 Approval of Minutes (February 28, 2018)

(time 00:05:25)

Joe Colgan moved to approve the February 28, 2018 minutes. Tom Brossia seconded. The motion passed.

1.2 Approval of Treasurer's Report (April 2018)

(time 00:06:00)

Gene Bradley detailed the April 2018 Treasurer's Report, which included the budget comparison, balance sheet, and transaction detail. Gene and Bruce responded to board questions. In April 2018, the ColoTrust account earned 1.96% while the First National Bank of Durango checking account earned 0.40%. Tom Brossia moved to direct staff to invest an additional \$100,000 with ColoTrust. Joe Colgan seconded. The motion passed. Dan Huntington moved to accept the Treasurer's Report. Tom Brossia seconded. The motion passed.

1.3 Other Reports

Division of Water Resources

(time 00:19:40)

Assistant Division Engineer John Simpson announced two new employees. Regarding Case No. 17CW3002, ALP Project Water Rights case, which would allow ALPOM&R Association members to take their water at an alternate point of diversion, the decree was signed a few weeks ago. Long Hollow Reservoir has served the La Plata Basin well for exchange purposes; there is 600 af remaining for exchange and 300 af remaining for compact purposes. There was a call on Junction Creek, which has been met. With the low snowpack year, reservoir storage has helped alleviate supply concerns in some cases. The La Plata Water Conservancy District may need assistance in working with the U.S. Bureau of Reclamation regarding wetlands management and water losses.

Bureau of Reclamation (BOR)

No representative was present; a report was not available.

Animas-La Plata Operations, Maintenance & Replacement Association

(time 00:27:00)

Tom Brossia reported that the Association was unable to pump until late April. Lake Nighthorse will top off before June 1, with 682 af pumped from the Animas River. Recreation and boating at the lake has commenced. Parking lot paving is underway, which makes for intermittent closures. There was board discussion regarding the major issues for the Association looking forward, including conveyance of ALP Project water to the tribes. New Mexico or Navajo Nation may take some of their ALP Project allocation this year, either by direct flow or as a release from Lake Nighthorse. Bruce and Tom responded to board questions.

La Plata West Water Authority (LPWWA)

(time 00:42:00)

Ken Spence, LPWWA President, reported that LPWWA is out to bid for Phase I, due June 1. A celebration will be planned once Phase 0 is complete, likely in July, along with a groundbreaking for Phase I. LPWWA has tabled the discussion of a fill station until Phase I construction is underway.

Lake Durango Water Authority (LDWA)

(time 00:53:50)

Tom Brossia reported that La Plata County has lifted the moratorium on water tap sales for Lake Durango Water Authority. More than 100 people have reservations for taps. Tom applauded Charlie Smith's leadership at Lake Durango Water Authority. There was board discussion regarding the agreements Lake Durango has for the use of La Plata River water and then Lake Nighthorse storage as a supplemental supply.

Southwest Basin Roundtable & IBCC

(time 01:01:40)

Ken Beegles and Bruce Whitehead summarized the April 11 Roundtable meeting. There isn't enough severance tax revenue to cover priority water programs or CWCB operations. In this context, the Roundtable elected to limit requests to \$25,000 per project, as only \$257,322 remains in the Roundtable account (WRSF Basin Account). No funding applications were considered at this meeting, although the Roundtable did hear several concept proposals. Board members were encouraged to apply for the vacant at-large position, with applications due by the end of June.

1.4 Office Report

(time 01:08:20)

Bruce Whitehead reported on the following topics:

- "Exceptional" (D4) drought conditions in southwestern Colorado have provoked the activation of the drought mitigation and response plan by the governor. Most regional rivers peaked around mid-May. Carryover storage in area reservoirs may help augment needs through 2018.
- Steve Fearn, longtime SWCD board member, passed away mid-April. A memorial service was held in Silverton on May 27.
- The State of Colorado has temporarily lifted the storage restriction on Red Mesa Reservoir, after addressing spillway concerns in the short-term. The Reservoir is operating normally this summer.

1.5 Questions/Comments from Audience

(time 01:15:10)

No comments were made.

2.0 Old Business

2.1 Lake Nighthorse Recreation

(time 01:15:20)

The official opening for non-motorized recreation was on May 1. Reports of great fishing and boating abound. Along with other dignitaries, U.S. Bureau of Reclamation Brenda Burman attended a ceremony to mark the beginning of Lake Nighthorse recreation.

2.2 LPWWA Water Purchase Request

(time 01:20:20)

LPWWA is negotiating a draft contract to purchase water from ALPWCD, with their initial purchase to take place in 2019. This topic was recommended for executive session.

2.4 Water Use & Development in the La Plata Basin

(time 01:22:50)

SWCD granted Red Mesa Ditch & Reservoir Company \$20,000 used to match CWCB funding to prepare a summary reservoir rehabilitation feasibility and funding study. Dam rehabilitation would go forward with the goal of securing existing storage capacity and potentially expanding storage. There is also interest by the La Plata Water Conservancy District and other local partners to see Red Mesa Reservoir utilized for exchange to support compact compliance and augment water supplies across the La Plata Basin. With the feasibility and funding study, the Company will pursue state and local funding to complete rehabilitation at an estimated cost of five million dollars. A request may come before ALPWCD to partner in funding this local effort.

2.5 ALP Project Final Cost Allocation

(time 01:28:45)

BOR continues to work on the final cost allocation, which is expected to be finalized by the end of the year.

2.6 Durango Pumping Plant Property Annexation & Uses

(time 01:30:00)

No communication or progress has occurred regarding the City of Durango's possible annexation of the Durango Pumping Plant Property. Barry Spear responded to board questions.

3.0 New Business

3.1 Appointment of ALPWCD Alternate to ALPOM&R Association

(time 01:36:00)

As a result of the agreement between ALPWCD, the City of Durango, and CWR&PDA, ALPWCD shares a vote with the City of Durango on the ALPOM&R Association. Tom Brossia is ALPWCD's current representative. At the June 7 meeting, neither Tom nor Cathy Metz (Durango) will be present. There was the suggestion to appoint an alternate ALPWCD representative to the Association. In addition, there would be value for Bruce to also be an alternate as conversations regarding management of the joint pool goes forward. Dan Huntington moved to appoint Tom Brossia as the primary ALPWCD representative to the Association, Bruce Whitehead as the primary alternate representative, and Bob Wolff as the secondary alternate, until ALPWCD becomes the principal voting member on the Association in late 2019. Tom Hartnett seconded. The motion passed.

3.2 ALPWCD Appointment to Southwest Basins Roundtable

(time 01:48:10)

Bruce Whitehead has served as ALPWCD's appointment to the Southwest Basins Roundtable, and the Roundtable's representative to the Interbasin Compact Committee. Dan Huntington moved to reappoint Bruce Whitehead to serve as ALPWCD's appointment to the Southwest Basins Roundtable. Tom Brossia seconded. The motion passed.

3.3 Acceptance of 2017 Audit Report

(time 01:50:20)

Gene Bradley detailed the 2017 audit conducted by Haynie & Company and answered board questions. There were no audit disagreements, and all requested documentation was supplied. No audit issues arose, and ALPWCD will receive a clean opinion for the 2017 audit. Tom Brossia moved to accept the 2017 audit for submittal to the state by the July 31 deadline. Dan Huntington seconded. The motion passed.

4.0 Legal Report

There were no additional items to report.

4.1 Executive Session

(time 01:57:15)

Barry Spear 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." Dan Huntington moved to go into executive session. Ken Beegles seconded. The motion passed.

Barry Spear 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. Tom Brossia moved to extend the termination date for ALPWCD's existing letter of intent with LPWWA through September 1, 2019. Ken Beegles seconded. The motion passed.

Tom Hartnett encouraged ALPWCD to consider reviewing the La Plata County land use plan as it addresses the management of groundwater use. There was board discussion of the Colorado River drought contingency planning and recent correspondence regarding Arizona's water management.

Upcoming Meetings

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 9:30 p.m.



Gene Bradley, Secretary-Treasurer