

**Animas – La Plata Water Conservancy District**  
**Board of Directors Meeting**  
**August 28, 2018**  
**Marvel Grange**

**Present:** Bob Wolff Gene Bradley Tom Brossia  
Lee Campbell Joe Colgan Ron Gillen  
Tom Hartnett Dan Huntington David Liberman  
Steve Ruddell Jerry Schmitt Steve Krest  
Deems Taylor

**Absent:** Ken Beegles Matt Isgar

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

**Guests:** Brad Blake, La Plata County Commissioner  
Janelle Blake, Public  
Diana Schmitt, Public  
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.

**1.0 Administration**

**1.1 Approval of Minutes (May 29, 2018)**

*(time 00:01:30)*

Tom Brossia moved to approve the May 29, 2018 minutes as revised. Gene Bradley seconded. The motion passed.

**1.5 Questions/Comments from Audience**

*(time 00:03:40)*

Commissioner Blake thanked the ALPWCD board for their work, and emphasized water as a critical issue in La Plata County. He welcomed calls and comments, specifically on the land use code and planning. He discussed La Plata County's water development opportunities, including water rights jointly owned by SWCD and the County, the potential for a water dock owned by La Plata County after the City of Durango limited new customers for their water dock during the summer, progress on La Plata West Water Authority's rural domestic water system, and efforts to install permanent radar in southwestern Colorado. Commissioner Blake also commented on economic impacts of the 416 fire.

**1.2 Approval of Treasurer's Report (July 2018)**

*(time 00:18:00)*

Gene Bradley detailed the July 2018 Treasurer's Report, which included the budget comparison, balance sheet, and transaction detail. Water sale revenues were lower than budgeted, since Lake Durango Water Authority (LDWA) purchased fewer acre-feet than anticipated, and La Plata West Water Authority will not finalize their purchase until 2019. As directed at the May meeting, \$100,000 was transferred to the COLOTrust account, which now has an interest rate of 2.21%. Board members were directed to the final 2017 audit submitted to the state by the July 31 deadline, and encouraged to attend the ALPWCD budget workshop on September 11 at 1:30pm. Steve Ruddell moved to accept the Treasurer's Report. Tom Brossia 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 00:23:15)*

Tom Brossia and Bruce Whitehead reported that the ALPOM&R Association has begun discussions regarding the terms for use of the joint pool in times of shortage. Animas La Plata Project final cost allocation is expected to be prepared for stakeholder review by yearend, but it's likely that costs will reach the previously established cap for user costs, and there won't be a need for extensive negotiation. This final cost will be passed along to end users like LPWWA and LDWA. The Association and BOR engineers are pleased with the solutions presented to resolve the dysfunctional Obermeyer gates at the Durango Pumping Plant.

#### **La Plata West Water Authority (LPWWA)**

*(time 00:29:45)*

Ken Spence highlighted the following developments:

- A ribbon cutting ceremony was held for the pipeline completion from Lake Nighthorse to Lake Durango.
- Phase 0: LPWWA is providing a final punch list to Canyon Construction to address in the next month. Barring any delays, the intake screens should be installed by October. Canyon Construction will be paid on August 29.
- Phase I: LPWWA awarded Williams Construction the contract to lay 34 miles of pipeline. The initial bid package included the tank, but the bid costs were higher than anticipated. The pipeline will cost \$4.5 million, \$1,162,000 of which is from tap fees. Work may begin this fall, and then the tank will be bid separately.

#### **Lake Durango Water Authority (LDWA)**

*(time 00:40:40)*

Tom Brossia reported that since LDWA has a monthly standby demand charge from LPEA regardless, they will pump 15 af per month into the reservoir. LDWA has had recent water quality violations related to chlorine degradation and high levels of trimethylsilyl chloride towards the end of the system.

#### **Southwest Basin Roundtable & IBCC**

*(time 00:44:40)*

As part of Colorado Water Conservation Board's response to active fires in southwestern Colorado, CWCB and the Office of Emergency Preparedness funded the installation of a temporary radar on Missionary Ridge north of Durango. This has assisted the National Weather Service in anticipating flooding, as well as forecasting other weather events. Bruce Whitehead summarized the July 11 Roundtable meeting. Volatility in severance tax revenues has resulted in limited funding for the Water Supply Reserve Fund, from which the Roundtable approves funding for local projects.

Among six applicants for the position, Greg Black was elected as an At Large Roundtable member. Mike Preston was reelected as Chair, as he grooms Ed Tolen, elected First Vice Chair to replace him in the near future. Brandon Johnson was elected as Second Vice Chair. Bruce Whitehead and Steve Harris were reelected as IBCC representatives. Mely Whiting was elected as IBCC alternative representative. The Southwest Basin Roundtable will meet on October 10, and the next IBCC meeting will be held on October 18 in Durango. In September, there will be an opportunity to apply for two at-large Roundtable seats, as well as the educational liaison (PEPO).

### **1.4 Office Report**

*(time 00:51:00)*

Bruce Whitehead reported on the following topics:

- Laura Spann was thanked for five years with SWCD and ALPWCD.

- The Upper Basin states are developing a drought contingency plan (DCP) based on three strategies: 1) CRSP reservoir reoperations, 2) water supply augmentation (cloud seeding and phreatophyte removal), and 3) voluntary, compensated, temporary demand management to reduce consumptive use. The River District and SWCD have been coordinating western slope positions on the DCP.
- Bruce detailed “exceptional” (D4) drought conditions in southwestern Colorado, which provoked the activation of the drought mitigation and response plan by the governor. The State drought task force toured the area and reviewed local impacts. Reservoir storage contributed significantly to stabilizing water supplies in the region. The Greers have sold off 75-80% of their herd.
- Discussions regarding the 36-inch valve and pipeline with the City of Durango and La Plata Archuleta Water District are in a holding pattern.
- The USFS is exploring a proposal to address outstanding federal reserved water rights issues utilizing the CWCB instream flow program. As part of this effort, SWCD staff was notified on August 17, that the USFS intends to move forward with their instream flow recommendation to the CWCB for all unappropriated flows on Himes Creek, and will not seek quantification of a specific flow rate. The claim of all unappropriated flows is viewed as a bad precedent by the SWCD and the Dolores Water Conservancy District.
- Phase III of the risk assessment of development of Colorado River supplies is underway. Phase III will focus on basin-specific questions regarding varied hydrologic and demand management scenarios to inform policy discussions for each community. SWCD and the River District are jointly funding Phase III without seeking WRSF funding to allow the process to begin immediately. SWCD may approach local conservancy districts to for financial support of the effort. The Southwest Basins Roundtable has adopted a resolution in support of the effort.

As part of the office report, there was board discussion regarding Lake Powell levels that could trigger curtailment, the value of *Headwaters* magazine, and City of Durango water supply and treatment operations.

## 2.0 Old Business

### 2.1 LPWWA Water Purchase Request

*(time 01:18:50)*

LPWWA and ALPWCD continue to negotiate terms of the draft water acquisition agreement, with LPWWA’s initial purchase planned for 2019. Board members urged progress and execution of the water purchase contract. This topic was recommended for executive session.

### 2.2 Water Use & Development in the La Plata Basin

*(time 01:21:30)*

Bruce Whitehead provided background on storage restrictions placed on Red Mesa Ward Reservoir in spring 2018. SWCD and the CWCB provided funding to the Redmesa Ditch & Reservoir Company for a final feasibility study to clarify options for the dam’s rehabilitation. Bruce and Bob have been involved in several discussions with CWCB, the Company, and other La Plata basin stakeholders to seek rehabilitation of the dam while generating broader basin benefits (ie. La Plata compact compliance by exchange). In late July, the Company acted not to submit a Water Plan Implementation grant-loan application to the CWCB by the August 1 deadline so that further information could be reviewed. The State is also in the process of reevaluating criteria for spillway limitations, which may or may not impact the current restrictions on the reservoir. Should the dam not be rehabilitated, the loss of storage to the basin would be significant, as important augmentation plans depend on it. Furthermore, the estimated cost of breaching the dam is one and a half million dollars. There was board discussion regarding history of storage in La Plata basin, as well as the number of Company shareholders (less than 100, about five active users).

### 2.3 ALP Project Final Cost Allocation

*(time 01:37:00)*

BOR continues to work on the final cost allocation, which is expected to be finalized by the end of the year. This was discussed as part of the ALPOM&R Association update.

## 2.4 Durango Pumping Plant Property Annexation & Uses

(time 01:37:15)

Adam Reeves reported that BOR raised the issue of the City of Durango's annexation of the Durango Pumping Plant Property with the City. There is not any particular impact of annexation to ALPWCD. Bruce Whitehead provided background on prior annexation discussions.

## 3.0 New Business

### 3.1 Notice of ALPWCD Appointment LPWWA Board

(time 01:41:45)

Ken Spence's term on the LPWWA board will expire in November 2018. Notice of the position will be published in the *Durango Herald* on Wednesday, September 26. Applications for appointment to the board will be due on Wednesday, October 31. The ALPWCD board will consider the appointment to LPWWA at their November meeting.

## 4.0 Legal Report

There were no additional items to report.

### 4.1 Executive Session

(time 01:43:40)

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." Tom Brossia moved to go into executive session. Steve Krest seconded. The motion passed.

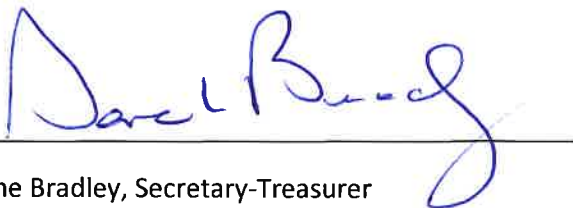
Adam Reeves announced that the board was out of executive session, during which no action was taken. The board discussed the draft contract for the La Plata West Water Authority water purchase from ALPWCD. The board provided direction to negotiators. Steve Ruddell moved to accept the terms of the water acquisition agreement with LPWWA. Joe Colgan seconded. The motion passed.

## Upcoming Meetings

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 9:20 p.m.



Gene Bradley, Secretary-Treasurer