

1.3 Partner Updates

Division of Water Resources

(time 00:12:15)

Rob Genualdi, Division 7 Engineer, reported that the San Juan Water Commission cancelled their release from Ridges Basin Reservoir. DWR has no recorded direct flow or release from the Ridges Basin for New Mexico. The compact period on the La Plata River is about to end. Colorado is not making compact currently, and the only flows to New Mexico are via Long Hollow. There will be a fish release per agreements with Colorado Parks and Wildlife.

Animas-La Plata Operations, Maintenance & Replacement Association

(time 00:16:20)

Tom Brossia reported that the U.S. Bureau of Reclamation (BOR) is working with ALP Project participants to finalize the cost allocation. The December meeting was cancelled. Adam and Bruce are working on behalf of ALPWCD with the Association in discussions regarding the joint pool.

Lake Durango Water Authority (LDWA)

(time 00:17:00)

Charlie Smith reported that the joint project with La Plata West Water Authority to pump water from Lake Nighthorse is very close to completion. When the pump system is fully operational, Lake Durango will work to maintain a target elevation of 600af per month, pumping monthly to take advantage of the base electricity charge LDWA pays as part of their agreement with La Plata Electric Association. LDWA is working to fully utilize their CWCB grant funding, and as such will work to complete their next purchase of 25 af of depletion from ALPWCD around the end of the year. Bruce directed the board to a letter from ALPWCD to LDWA which outlined the water costs for this next purchase. After this anticipated purchase, LDWA will have bought a total of 100 af of depletion.

Bureau of Reclamation (BOR)

No representative was present; a report was not available.

La Plata West Water Authority (LPWWA)

(time 00:21:10)

Ken Spence reported that Phase I pipeline is going in the ground along CR 141, with work likely to be completed in winter 2019. LPWWA hosted an open house celebration for subscribers, with 70 people in attendance. Phase 0 will likely be completed by year end, coming in under budget overall. The screen contractor defaulted, but fortunately was bonded.

Southwest Basin Roundtable & IBCC

(time 00:24:30)

Bruce Whitehead reported on the drought contingency planning discussions at the October 10 Roundtable meeting. State officials outlined the Upper Basin DCP agreements, highlighted outstanding questions around demand management, and how it would be funded as a voluntary, temporary, and compensated program. SWCD expressed support for the planning effort, with the need for sideboards regarding any program to reduce consumptive use on the Western Slope.

John Taylor announced he was stepping down from the Roundtable. Mr. Taylor was the Hinsdale County appointment to the Roundtable, and a member since its inception in 2005. Becky Guilliams has been appointed to replace him. Ed Tolen was reelected as the at-large representative, Mely Whiting as at-large environmental representative, and Elaine Chick as the PEPO liaison. With the decline in severance tax revenues, the Roundtable now considers grant requests only in January and July, up to \$25,000. The IBCC met on October 18 at Fort Lewis College, their first meeting in southwestern Colorado. The IBCC has transitioned into a technical review role for the Pinnacol group, which is pursuing a 2020 ballot initiative to fund the water plan.

1.4 Office Report

(time 00:30:15)

Before leaving to another meeting, La Plata County Commissioner Julie Westendorff described the overhaul of the County land use code. She clarified that La Plata County will not be taking any action regarding zoning at

their meeting next week, nor during the coming 120 days. The Landowners of La Plata report points to potential conflicts between the County and water conservancy district authorities regarding land use. Commissioner Westendorff did not perceive a conflict between those authorities, as those respective powers are created by the State and do not contradict regarding jurisdiction. The ALPWCD and other water conservancy districts were invited to provide comments on the County land use code revision. She responded to board questions regarding the parallel processes of (*Planning*) District plans and the planning code. The land use code will not be adopted until the (*Planning*) District plans are finished, which may be another year, but the broader county planning code can be roughed out as those are completed.

Bruce Whitehead reported on the following topics:

- Efforts to extend infrastructure below Ridges Basin Reservoir will likely continue in 2019.
- He summarized regional D4 hydrologic conditions, as well as reservoir levels for Lake Powell. Snowpack was at 75% of average as of November 20. Conditions at Lakes Powell and Mead are concerning.
- SWCD and the River District are funding Phase III of the Colorado River Risk Assessment Study. The study will look at basin-specific scenarios for water management under various hydrologic conditions, and is expected to inform and guide policy efforts on the Western Slope. ALPWCD will be asked to contribute to the study later on in the meeting.
- Neither Proposition 112 (Setback Requirements for Oil and Gas Development) nor Amendment 74 (Just Compensation for Reduction in Fair Market Value by Government Law or Regulation) passed in the November election. Colorado Water Congress (CWC) opposed both ballot initiatives. CWC's Water Stewardship Project is tracking progress in the Hill vs. Warsewa case, which has raised the question of the state's title to navigable streambeds. Should the motions to dismiss from the defendant and the State be denied, the case may directly raise the issue of public trust.
- Joe Colgan notified ALPWCD staff of his resignation. He will be dearly missed for his service to the community.

1.5 Questions/Comments from Audience

(time 00:47:00)

Mae Morley, Fort Lewis Mesa Planning District Chair and member of Landowners of La Plata, outlined long-held concerns with the La Plata County planning process and efforts to establish zoning in western La Plata County, and the potential impacts to private property rights for residents. La Plata Water Conservancy District has submitted a letter to La Plata County requesting a stay in any zoning discussion for 120 days. In January 2018, the County released their draft zoning code, and it included proposed limitations to which County residents objected. Mae requested the support of the ALPWCD in helping to address what she referred to as a "broken planning process." She said it was appropriate for ALPWCD to act given its boundaries, and the powers it has from state statute.

Lorene Bonds, president of the Landowners of La Plata and fourth generation rancher, expressed support for Mae's comments and concerns regarding efforts to limit ditch right of ways as part of the planning process. She said that the planners have an urban background, making it difficult to understand rural values and property rights concerns. She also requested ALPWCD's support in addressing these concerns. As of this meeting, the paperwork is filed to make Landowners of La Plata an official organization. They don't have a list of members available yet.

Roy Horvath, public and member of Fort Lewis Mesa Planning District, added that he views this as a question of land stewardship, and ALPWCD and other water entities can help provide a comprehensive view of the area while allowing individuals to guide how it is developed. Since the last change in Planning Directors, the Districts have had less input in planning decisions in their region. The County is looking to change the Planning Districts to Planning "Areas," which he views as a move to limit the official role of the Districts.

Ken Beegles acknowledged the concerns and the difficulties around County planning. He added that the board would further evaluating ALPWCD's statutory authority as part of the agenda item under New Business.

2.0 Old Business

2.1 ALPWCD Appointment to LPWWA Board

(time 00:59:25)

Ken Spence's term on the LPWWA board expires November 2018. Notice of the position was published in the *Durango Herald*, with applications accepted through October 31. One letter of interest was received from Ken Spence. Dan Huntington moved to reappoint Ken Spence to the LPWWA board. Tom Hartnett seconded. The motion passed. Bruce provided background on ALPWCD's role in the formation of LPWWA and appointment of three LPWWA board members in staggered terms. Charlie added that the volunteer time LPWWA board members put into the project is significant.

2.2 Water Use & Development in the La Plata Basin

(time 01:07:05)

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 compilation and update of past feasibility studies to clarify options for the dam's rehabilitation. The Company ultimately opted not to pursue state funding for a large dam rehabilitation effort in spring 2018, in part because the Dam Safety Division is looking at revising the dam regulations in 2019 and it may impact the restrictions on the project. The alternative to rehabilitation is breaching the dam at significant cost.

2.3 ALP Project Final Cost Allocation

(time 01:14:10)

BOR continues to work on the final cost allocation, which is expected to be finalized by the end of the year. Bruce summarized BOR's presentation at the November ALPOM&R Association. CWRPDA purchased a statutory allocation of 2,600af of depletion up front on behalf of the City of Durango, ALPWCD, and other future users. This purchase allowed end users to avoid 8% in interest during construction, a significant cost savings. ALPWCD has a contract with CWRPDA to purchase 700af of depletion in increments, and the City of Durango has a contract with CWRPDA for 1,900 af of depletion. ALPWCD has paid CWRPDA 7/26 of the cost of the 36-inch valve and pipeline as a specific cost, separate from the "joint costs" for all project participants. Costs are going to be indexed to 2017. For non-tribal participants, there is cap to the total project cost (originally near \$45 million) that limits the participant repayment obligations. The federal government has obligations for the total project cost under the Colorado Ute Water Rights Settlement. ALPWCD will meet with CWRPDA, then with the City of Durango, in early December to review the final costs. Those numbers are not yet final.

2.4 Durango Pumping Plant Property Annexation & Uses

(time 01:25:50)

Adam Reeves had nothing new to report on the City of Durango's possible annexation of the Durango Pumping Plant Property.

2.5 Colorado River Drought Contingency Planning

(time 01:27:00)

The Upper Basin states have released a draft drought contingency plan (DCP) which includes the following strategies: 1) reservoir reoperations to maintain target elevations at Lake Powell 2) water supply augmentation (cloud seeding and phreatophyte removal), and 3) voluntary, compensated, temporary demand management to ensure compact compliance. CWCB adopted policy statements in November that expressed support for Colorado's participation in the DCP, how a demand management program might be developed, and the agency's perspective on compact curtailment. SWCD and the River District engaged actively in the CWCB's discussion regarding this policy to ensure that any exploration of a demand management program not unduly impact Western Slope communities, and balance conserved consumptive use contributions proportionately between the West and East Slope, among other conditions. The draft DCP calls for the creation of a storage account in Lake Powell for the Upper Basin to store conserved consumptive use for compact compliance purposes.

The Lower Basin states have not yet agreed on a DCP, and Reclamation has given the Colorado River basin states until January 31, 2019 to arrive at a consensus. Any DCP would need federal legislation in order to be

implemented. Bruce directed the board to information provided in their board packets as well as on the Roundtable webpage.

3.0 New Business

3.1 ALPWCD Resolution 18-04 LPWWA

(time 01:43:40)

Ken Beegles read Resolution 18-04 recognizing LPWWA for their achievements in 2018. Tom Hartnett moved to adopt Resolution 18-04 LPWWA. Tom Brossia seconded. The motion passed.

3.2 ALPWCD Resolution 18-05 Recognizing Joe Colgan

(time 01:48:10)

Ken Beegles read Resolution 18-05 recognizing board member Joe Colgan for his service upon his resignation. Tom Brossia moved to adopt Resolution 18-05 Recognizing Joe Colgan. Dan Huntington seconded. The motion passed.

3.3 2019-2020 Financial Assistance Request: LPWWA

(time 01:51:45)

The board considered the financial assistance application from LPWWA for \$25,000 in 2019 and \$25,000 in 2020 to support the hiring of a manager and bookkeeper for district operations and subscriber communications. Roy Horvath explained that this funding would serve as a base, and requests may go to other organizations. Adam Reeves advised the board to consider only the 2019 request, as they cannot bind a future board (2020) to this financial commitment. Tom Brossia moved to approve the LPWWA financial assistance request for \$25,000 in 2019, subject to appropriation. Tom Hartnett seconded. There was discussion. The motion passed. Board members requested to see the 2019 LPWWA budget at the February 2019 meeting, and receive the 2020 LPWWA budget as a part of any application for funding in that year.

3.4 2018 Financial Contribution: Colorado River Risk Study Phase III

(time 02:05:30)

Bruce Whitehead presented a request from the Southwestern Water Conservation District (SWCD) for financial contribution in the amount of \$5,000 in 2018 to support Phase III of the Colorado River Risk Assessment Study being undertaken by SWCD and the River District. Tom Brossia moved to approve financial support for Phase III of the Colorado River Risk Assessment Study in the amount of \$5,000 to be disbursed in 2018. Steve Ruddell seconded. The motion passed.

3.5 Permanent Radar for Southwestern Colorado

(time 02:12:10)

Bruce Whitehead described recent efforts to install permanent radar for southwestern Colorado. Current radar coverage limits water managers' forecasting ability. La Plata County Emergency Manager Butch Knowlton and County Manager Joanne Spina are leading the collaborative effort among county, aviation, water and other agencies that would benefit from improved radar coverage in the region. There was board discussion regarding the benefits for improved cloud seeding forecasting and the radar coverage for La Plata County. Bruce will continue to participate in the effort, and report any progress to the board. There was board consensus to consider any financial support for radar operation and maintenance as part of the "Water Development Aid" line item, should such a request be made in 2019.

3.6 FY2019 Budget Hearing & Adoption

(time 02:27:30)

The budget committee met on September 11 to develop the draft FY2019 budget. The draft budget was provided to the board, noticed, and made available to the public by October 15, 2018. Ken Beegles opened the budget discussion for public hearing. Laura Spann presented the FY2019 budget. With no comments made, the public hearing was closed. The following motions were made:

- Tom Brossia to approve Resolution 2018-06 to adopt the proposed 2019 budget with adjustments based on the final assessed valuation the District will receive from the La Plata County Assessor in December and the salary cost share dictated by the 2019 SWCD adopted budget. Dan Huntington seconded. The motion passed.

- Tom Brossia moved to approve Resolution 2018-07 to certify a mill levy of .344 on the assessed valuation of \$844,339,020 to generate revenue of \$290,453 for calendar year 2019, with adjustments based on the final assessed valuation the District will receive from the La Plata County Assessor in December. Matt Isgar seconded. The motion passed.
- Tom Brossia moved to approve Resolution 2018-08 to appropriate funds in the amount of \$619,041 to be spent in 2019, which may be adjusted based on the salary cost share dictated by the 2019 SWCD adopted budget." Steve Ruddell seconded. The motion passed.

3.7 Landowners of La Plata Report

(time 02:43:30)

Tom Hartnett directed the board to a draft letter from ALPWCD he proposed for submission to La Plata County asking them to hold off on zoning discussion for 120 days to allow ALPWCD to understand the impact to the District. The Landowners of La Plata envisions a coalition of the 12 La Plata County planning districts along with the four conservancy districts that would liaise with the County regarding land use planning issues.

Adam Reeves, MBSS, directed the board to a memo regarding the water conservancy district's legal authorities, and the extent to which county zoning can affect the provided legal review of the Stillwater Report. He said that the report overstates the authorities of a water conservancy district in a number of important areas. This District has absolute authority to locate water infrastructure wherever it deems appropriate.

There was considerable board discussion on the request regarding topics including ALPWCD's statutory powers and policy duties, concerns and potential solutions for La Plata County's planning process, and the Landowners of La Plata organization and report. Steve Krest was not present, but provided a statement in advance that was read for the record.

Dan Huntington moved to submit a letter to La Plata County requesting a suspension of zoning discussions or further work on the land use code for 120 days with the legal clarifications that Adam Reeves highlighted (eg. police powers and removal of reference to the Stillwater report). Tom Brossia seconded. There was considerable discussion. Bruce Whitehead stated that he would not sign the letter to the County.

Tom Hartnett moved to amend the letter to strike the second and third paragraphs, strike references to the Stillwater report, and instead request a suspension of adoption of any zoning regulations for 120 days. Tom Brossia seconded. The motion passed 8-2.

Dan Huntington moved to submit a letter to La Plata County as modified requesting a suspension of adoption of any zoning regulations for 120 days. Lee Campbell seconded. The motion passed 7-5. (Please find the final letter attached to these minutes.)

3.8 Proposed 2019 Board Meeting Schedule

(time 03:49:30)

There was consensus to accept the 2019 board meeting schedule as follows: Tuesday, February 26 at 5:00pm (Durango), Tuesday, May 21 at 5:00pm (Marvel), Tuesday, August 27 at 5:00pm (Marvel), Tuesday, September 10 at 1:30pm (Durango, Budget Workshop), and Tuesday, November 26 at 5:00pm (Durango). Dan Huntington moved to approve the 2019 board meeting schedule as proposed. Gene Bradley seconded. The motion passed.

3.9 Haynie & Company Audit Engagement Letter Ratification

(time 03:50:30)

The Secretary-Treasurer and staff recommended continuing the audit relationship with Haynie and Company. Tom Brossia moved to execute the engagement letter with Haynie & Company to conduct the 2018 audit. Steve Ruddell seconded. The motion passed.

4.0 Legal Report

There were no additional items to report.

4.1 Executive Session

There was no need for executive session.

Upcoming Meetings

Tuesday, February 26	5:00 pm	Durango	Regular Board Meeting
Tuesday, May 21	5:00 pm	Marvel Grange	Regular Board Meeting
Tuesday, August 27	5:00 pm	Marvel Grange	Regular Board Meeting
Tuesday, September 10	1:30pm	Durango	Budget Workshop
Tuesday, November 27	5:00 pm	Durango	Regular Board Meeting

Adjournment

Vice-President Ken Beegles adjourned the meeting at 9:00 p.m.



Gene Bradley, Secretary-Treasurer