

RECORD OF PROCEEDINGS
SAN JUAN WATER CONSERVANCY DISTRICT
November 14, 2022 SPECIAL MEETING

Attendance

A Special Meeting of San Juan Water Conservancy District was held Monday, November 14, 2022, at 2 pm in person at 46 Eaton Drive Suite 5 and on Zoom.

The following Directors were present in person: Al Pfister, Susan Nossaman, Candace Jones, Rachel Suh, Joe Tedder, Doug Secrist, and Bill Nobles. Also present was Sally High (SJWCD Executive Assistant).

Directors attending by Zoom were David Frederick and Rod Proffitt. Also on Zoom were Jeff Kane (SJWCD Attorney) and Terri House (Pagosa Sun x3).

Call to Order

The Special Meeting of the San Juan Water Conservancy District (SJWCD) was called to order by Chairman Al Pfister at 2:02 p.m. A full board of nine directors was present.

Revisions to Agenda

The Board considered Revisions to Agenda. No revisions were necessary.

Declaration of Conflicts of Interest

The Board considered Declarations of Conflict of Interest. No Conflicts of Interest were identified.

Public Comment

Chairman Pfister opened the meeting to public comment. No comments were offered.

Updates from Chairman

- **Dry Gulch Water Rights Application**
Directors received the documents filed on time by Attorney Jeff Kane in the Board Packet. A related site visit was attended by Director Pfister, Water Commissioner Joe Crabb, Becky Guilliams, Art from PAWSD, and Don and Kathy Weber. Commissioner Crabb took a photograph to be sent to the State Water Engineer. Attorney Kane explained that opposing parties have until the end of December 2022 to file a Statement of Opposition with the water court. A Consultation Report will be issued

by Joe Crabb's office and SJWCD will know its standing by mid-winter or early Spring 2023.

- *Directors' Fiduciary Duties (Notice of Meetings, Appropriate Internal and External Board Communications)*

When 3 or more SJWCD Directors *may* be at a meeting, that meeting must be noticed (for example, the San Juan Forest Health Partnership field trip). Directors report that they do not mind receiving water-related emails, even if duplicated.

- *SJWCD Facebook Page*

The Facebook page has been taken down, after Director Jones followed the process for removal.

- *Pagosa Area Water and Sanitation District (PAWSD)*

Director Pfister attended the PAWSD meeting on Thursday, October 10. The PAWSD board discussed the lease extension of the Running Iron Ranch. Log Park Subdivision representatives attended and registered concerns about continuing the gravel operation, particularly dust and noise issues.

Concerns expressed by the PAWSD Board included a need to set hours of operations and a need to know specifics about enforcing dust control by the Division of Mining and Reclamation.

Director Pfister asked that SJWCD Directors discuss their concerns when today's meeting reaches the Consideration of the Lease Extension later in the agenda.

The two boards will hold a joint meeting Tuesday, November 15, at 2 pm at the PAWSD Meeting Room. The only agenda item will be the lease extension. PAWSD expressed to Director Pfister that they are not ready to discuss the San Juan Headwaters Project.

- *Upper San Juan Forest Health Partnership (USJFHP)*

USJFHP asked SJWCD Directors to attend a field tour tomorrow (11/15/22) from 10 am to 1 pm. Discussed will be management of forest lands, including water issues. SJWCD funds USJFHP each year and this is an opportunity to see results of the District's investment.

- *San Juan Watershed Enhancement Partnership (WEP)*

WEP representative Al Pfister presented a WEP update to Archuleta County Commissioners.

WEP received a grant so that the ToPS Yamaguchi South Park project can proceed. Colorado Parks and Wildlife opposed one water feature due to concern about fish passage, so that component of the plan was removed.

The Pagosa Gateway Project was rewarded a Bureau of Reclamation grant. The project budget was reduced to \$1.2 million. The San Juan Basin Round Table has agreed to expend \$100,000 and sent a request to CWCB for \$675,000. Two cash match sources are pending. Archuleta County Commissioners explained that they are unable to spend Conservation Trust Funds unless public river access is assured. WEP is researching access through the KOA campground. The Running Iron Ranch 20-acre parcel may provide public river access, if all parties agree.

Consideration of Running Iron Ranch Lease Extension

Directors considered extending the Running Iron Ranch Lease, an agreement made among PAWSD, SJWCD and the Weber family. Directors received the draft lease document, written by PAWSD and their attorney, in the Board Packet. SJWCD Attorney Kane began the discussion by describing some history of the property. In 2009, the Weber family sold the ranch to the districts, with the expectation that they would lease back the property (for \$1 a year) for grazing, gravel mining, and other uses. The payment from the Webers proposed for 2023 is the amount of interest that PAWSD pays on the loan each year, \$48,000. SJWCD owns 10.7 % of the ranch and must ensure that no activities take place on the property that would impede the San Juan Headwaters Project. Attorney Kane recognized that there is wordsmithing necessary to address Directors' concerns. Attorney Kane is in communication with the PAWSD attorney. Attorney Kane will send copies of the existing leases for SJWCD Director's context and consideration.

SJWCD Directors' concerns included:

- adequacy of the \$50,000 bond in place (re: Sections 7 and 9 specifically) for operations except mining
- incentives for the lessees to honor removal of their personal property and clean-up
- enforcing a firm timeline to the lessee's fulfilling obligations, including fences, weeds, remediation, reclamation
- necessity for the lessees to continue 5 different leases in 2023 to mine gravel on 1 leased section
- SJWCD's potential liability for PAWSD purchase of the mined gravel
- clarification of severability language
- clarification of PAWSD/Weber agreement involving 20,000 tons of gravel which will exhaust the resource
- clarification of reclamation work done so far
- exclusion of the West Parcel, 20 acres west of Highway 160 with river access
- drafting, wordsmithing, more exact language in certain sections
- any delay of the Headwaters Project and financial consequences to the lessee
- aggregate from outside sources being crushed
- increasing the amount of the bond
- need for wording in renewed lease re: fencing, weed control, SJWCD unlimited access to property

- lack of compliance with original lease

Consideration of Finalizing One Document / 2022 Strategic Objectives

Directors considered finalization of the 2022 Strategic Objectives. Two versions were presented in the Board Packet, a 4-page version and a 7-page version. The difference between an objective and an action was discussed. After lengthy discussion, directors focused on three objectives.

Director Pfister moved that the 4-page version, its first 3 objectives, and corresponding actions be accepted. Director Secrist seconded. Approval was unanimous. Directors will each agree to work on one of the three objectives (and corresponding actions):

1. Advance the San Juan River Headwaters Project (SJRHP) as one resource for meeting agricultural, municipal, environmental, and recreational water needs of the San Juan Water Conservancy District (SJWCD) community.
2. Consider strategies beyond water storage for meeting agricultural, municipal, environmental, and recreational water needs of the SJWCD community.
3. Educate the SJWCD community about the water resources of the Upper San Juan River Basin and related issues, including SJRHP, water resource planning, water conservation, and the work of SJWCD.

Directors agreed to volunteer for one of the three objectives (or a specific action) and to inform Director Pfister of their choices before the December Regular Meeting.

Consideration of 2023 Draft Budget

Board Treasurer, Director Tedder, provided two versions of the revised 2023 budget reflecting changes in board priorities. "Version 2 – Alternate" included increased funds for Engineering/Studies/Surveying and was preferred. The preferred version ended in a \$20,000 negative balance and that deficit will be cured, if necessary, by transferring funds from Colorado Trust. A contingency fund of \$10,000 was included.

Director Nobles moved to accept the "Version 2 – Alternate." Director Suh seconded. Unanimous approval. A Public Budget Hearing in the December Regular Meeting will be noticed in the Sun. Archuleta County is expected to inform SJWCD of its projected tax revenue for 2022 around December 10 and a Public Hearing must take place before December 15.

The December Regular Meeting and Public Budget Hearing was scheduled for Wednesday, December 14, at 2 pm.

There being no further business to come before the Board, the Special Meeting was adjourned at 4:20 pm.

SAN JUAN WATER CONSERVANCY DISTRICT
By /s/ Sally High
Executive Assistant for Board of Directors

DISTRICT SEAL

FINAL