

RECORD OF PROCEEDINGS
SAN JUAN WATER CONSERVANCY DISTRICT
October 24, 2022 SPECIAL MEETING

Attendance

A Special Meeting of San Juan Water Conservancy District was held, Monday October 24, 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, and Bill Nobles. Also present was Sally High (SJWCD Executive Assistant) and Emily Lashbrooke (Pagosa Springs Community Development Corporation).

Directors attending by Zoom were Doug Secrist, David Frederick, Rachel Suh, Rod Proffitt, and Joe Tedder. Also on Zoom were Joe Crabb (Water Commissioner), Jeff Kane (SJWCD Attorney), and Terri House (Pagosa Sun).

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 were 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.

Introduction of Emily Lashbrooke, Director of Pagosa Springs Community Development Corporation

Emily Lashbrooke described the role of the CDC to SJWCD directors. Highlights of the presentation included an explanation of a CO Workforce Development grant, continued (vocational and higher ed) training for high school students making them more employable and eligible for higher wages, affordable housing, and the Archuleta County/ToPS Sales Tax measure on the upcoming ballot. Director Pfister asked specifically about SJWCD's grant opportunities. CDC has a grant writer (available at the end of November) funded by both the county and ToPS.

The federal Infrastructure Act contains opportunities for collaborative partnerships at the local level and a list of those grants will be shared. Director Pfister briefly described SJWCD's collaborative partner organizations. Ms. Lashbrooke suggests that SJWCD Directors identify potential projects within the Infrastructure Act opportunities and allow CDC to research further. The CDC director and grant writer will meet with SJWCD to clarify plans upon Directors' request. Grant funds must be spent by 2025.

Introduction and Oath by Dave Frederick

Chairman Pfister administered the Oath of Office to Director Frederick (on Zoom). Director Frederick will come to the office and sign the Oath which will be kept in SJWCD records. Director Frederick's term of office expires on March 21, 2025.

Consideration of Draft Diligence Application for Dry Gulch Water Rights

The (privileged and confidential) draft Diligence Application for SJWCD's Dry Gulch Water Rights was included in the Board Packet. Attorney Kane identified all transactions and expenses undertaken by SJWCD since its most recent water rights approval six years ago. Chairman Pfister listed for Directors the expenses that Treasurer Tedder had compiled for the current application. Director Proffitt pointed out that Directors' time is valuable and should be mentioned in the application. Director Nobles moved to approve the application. Director Nossaman seconded. Directors Pfister and Tedder will finalize the application with Attorney Kane for submission to the court before October 31, 2022. Unanimous approval.

Updates from Chairman

Director Pfister attended the PAWSD Board Meeting on Thursday October 20 and requested a Joint Meeting. The PAWSD Board replied that they intended to conduct a Water Needs Projection study on their own and to share findings with SJWCD. PAWSD's Water Needs Projection may be accomplished in house or through an outside researcher. After the Water Needs Projection is shared, a Joint Meeting will be scheduled to discuss water supply and demand.

The extraction of gravel by Weber from a 20-acre parcel on the west side of Highway 160 was discussed by the SJWCD board. PAWSD needs 900 tons of gravel for the Snowball Water Treatment Project. If taken from that parcel, the level of the property would be lowered by about 10 feet and PAWSD intends to hire an appraiser to estimate the new value of the affected property. If the gravel is mined at the Running Iron Ranch, PAWSD would save approximately \$125,000 to \$150,000 over trucking the gravel to the Snowball site from another provider. The one-year lease extension with the Webers is being examined by PAWSD's attorney and his analysis of the new agreement will be available by November 1. Director Nobles stated that SJWCD did not have ample input into the process of extending the lease with the Weber family. Director Pfister agreed. Attorney Kane and the PAWSD attorney are communicating about the relationship between PAWSD and SJWCD. Directors Pfister, Jones,

and Nobles have visited the property with Natural Resource Conservation Service (NRCS), a local agency that is developing a grazing management plan on SJWCD's behalf. A previously (gravel) mined parcel on the east side of Highway 160 has been reclaimed and the reclamation has been approved. The 3-way agreement among SJWCD, PAWSD, and CWCB, as well as other uses of the property, were briefly discussed.

Consideration of 2022 Strategic Objectives Update

Directors considered updating the 2022 Strategic Objectives. Director Suh clarified the minimal changes found in her spread sheet, as well as her rationale in naming subcategories. Discussion identified common ground among several directors about objectives and the actions needed to advance them. Director Proffitt provided a historic overview of SJWCD's agreement to pursue an 11,000-acre foot reservoir to store water for an unknowable future. The origins of the 11,000-acre foot limit and the three-way agreement among CWCB, PAWSD, and SJWCD were clarified. A potential alignment among ideas for organizational structure and actionable priorities was recognized.

Director Pfister moved that Directors Jones and Suh collaborate to present one concise version of 2022 Strategic Objectives, with related actions, to the board in November. Director Nobles seconded. Unanimous approval.

Consideration of Draft 2023 Budget's Alignment with Strategic Objectives

Directors considered the finalization of the 2023 budget. Continued clarifications were made regarding the ongoing relationship with PAWSD and expectations of revenue (each December) from Archuleta County. The board discussed budgeting \$50,000 from the Colorado Trust savings account into the Engineering (or Contingency) line. Director Tedder pointed out that the budget can be amended as needed in 2023 when the nature and scope of engineering work is determined. Pros and cons of the proper time to move funds was discussed. The board agreed that the Colorado Trust savings should appear in the budget. Director Nobles moved to accept the draft budget as it appears and then moved to table his motion. Director Suh seconded to table the draft budget. Unanimous approval.

There being no further business to come before the Board, the Special Meeting was adjourned at 4:44 pm.

A Special Meeting is tentatively scheduled for Monday, November 14, 2022 at 2 pm. The next Regular Meeting of the San Juan Water Conservancy District is tentatively scheduled for Monday, December 19, 2022 at 2 pm.

SAN JUAN WATER CONSERVANCY DISTRICT

By /s/ Sally High

Executive Assistant for Board of Directors

DISTRICT SEAL

FINAL