

RECORD OF PROCEEDINGS
SAN JUAN WATER CONSERVANCY DISTRICT
JOINT WORK SESSION WITH PAWSD – March 9, 2023, 4 pm

Attendance

A Joint Work Session of San Juan Water Conservancy District and Pagosa Area Water and Sanitation District (PAWSD) was held Wednesday, March 9, 2023, 4 pm in person at 100 Lyn Avenue.

The following SJWCD Directors were present in person: Al Pfister, Candace Jones, Susan Nossaman, Bill Nobles, and Joe Tedder. Also present were Sally High, SJWCD Executive Assistant.

Attending by Zoom was Rod Proffitt.

Call to Order

A Joint Work Session of San Juan Water Conservancy District (SJWCD) and Pagosa Area Water and Sanitation District (PAWSD) was called to order by PAWSD Chairman Jim Smith at 4 pm. The purpose of the Work Session was to discuss the four agenda items listed below.

Discussion of Extending PAWSD's Water Lines to Aspen Springs

Justin Ramsey began discussion by describing existing access to PAWSD water by Aspen Springs residents. PAWSD has a 12-inch line to Elk Park and three fill stations around town. The Trails Fill Station is most often used by Aspen Springs residents. Colorado Department of Transportation (CDOT) is in the process of giving Archuleta County an approximately 6-acre piece of land at Hurt Drive and Highway 160, across from the Fire Station. CDOT has told PAWSD that PAWSD could put a fill station there by extending the 12-inch line about 2.5 miles. Extending the 12-inch line would be beneficial to residents, CDOT, and PAWSD. PAWSD keeps a water tank full for Elk Park Subdivision, but nobody lives in Elk Park. It is necessary for PAWSD to flush up to 500 thousand gallons of treated water from that tank each month. If the line were extended, enough water would be drawn past Elk Park that flushing would be less necessary. Ramsey estimates

the cost of this project to be \$1.5 million that PAWSD does not have. In the past, PAWSD discussed this possible project with Aspen Springs Metro District and suggested that the Metro District apply for grants to achieve this water access. Rural and underserved communities are priorities for new water projects. Al Pfister stated that Colorado Water Conservation Board (CWCB) is de-emphasizing municipal projects and suggested that Colorado Department of Local Affairs (DOLA) be contacted by the Metro District. Southwestern Water Conservation District (SWCD) is also not responsible for municipal water projects. Al agreed to contact Aspen Springs Metro District.

PAWSD Report of Proposed Workforce Housing on Running Iron Ranch Property

Bill Hudson began the discussion. Hudson described the proposal and handed out maps at a recent SJWCD meeting. PAWSD is upgrading the Snowball Water Treatment Plant. The budget for the construction loan includes a \$2million line item for per diem amounts that would be paid for worker housing for two years. Hudson suggested that housing could be built and the community would benefit from the housing development after the 2-year construction process. He has researched shipping container housing. A ten-inch sewer line and other utility infrastructures already exist at the Running Iron Ranch property along Highway 160. Directors expressed concerns about funding the housing construction. Al Pfister explained that the parcel would be needed for construction of a reservoir. It was stated that our (shared) job is to use the land for “highest and best use.” Peter Hurley stated that the proposal should be revisited when \$2 million was found. PAWSD has not talked with CWCB about this proposal.

Discussion of Leasing the 20-acre Parcel for Public River Access

Al Pfister stated that SJWCD was seeking PAWSD’s support for leasing the 20-acre parcel to an entity for provision of public river access. Lease obligations would include locking and unlocking the property, cleaning up any trash, and other responsibilities. Toby Rowher reported that he had discussed this proposal with Archuleta County. The County expressed interest in such a lease. A proposal from the County was requested.

SJWCD Report of Advancing the San Juan Headwaters Project

Al Pfister took the lead by reminding directors that the restructured Three-Way Agreement (CWCB/PAWSD/SJWCD) describes the origins of the Headwaters Project. The restructured Three-Way Agreement defines responsibilities of the two districts. SJWCD is responsible for long-term management of the project, promoting the project, developing additional stakeholders, and taking the lead in future Water Court proceedings. More money would become due to CWCB if PAWSD defaults on their agreement to make minimum payments. About three years ago, Justin Ramsey and Renee Lewis created an excellent Power Point explaining the Three-Way Agreement in detail. It was agreed that the Power Point be revisited in a future joint meeting when incoming PAWSD board members are in place. Bill Hudson stated that the Agreement gave PAWSD the right to sell the property after consulting with CWCB and SJWCD. The Wilson Water Group supply and demand study, completed in 2022, considered the feasibility of an 10,000-acre foot reservoir. In order to move the Headwaters project forward, SJWCD recently adopted an 11,000-acre foot size as a target size. Mr. Hudson reminded directors that purchasing additional land would not be necessary if the reservoir size were 4,000-acre feet. It was again explained that no size had been agreed upon, only a target size for research purposes. SJWCD initiated conversation with the U.S. Bureau of Reclamation about a grant program for reservoirs from 2,000 to 30,000 acre-feet (up to \$30 million). A preliminary engineering study is planned for 2023. The State Park proposal is contingent upon a reservoir. The project would rank “high” with CPW, if a reservoir were built. There is currently a state program for new state parks. Conversations have begun with state and federal legislators and with CWCB. Three subcommittees are established to implement SJWCD’s three objectives in the 2023 Strategic Plan. Funding sources for each objective are being explored. SJWCD continues to oppose trans-mountain diversions of water and file letters of opposition when applications for new diversions are filed.

Bill Hudson stated that SJWCD should care what PAWSD thinks about the size of the reservoir. Peter Hurley stated that he was not opposed to an 11,000 acre-feet reservoir and understands that SJWCD is moving forward to determine the appropriate size. Candace Jones reminded all that multiple uses of the property is desirable and pragmatic. Bill Nobles reminded all that “we are a team.” Hudson asked how a reservoir would ensure agricultural water use. Jones reminded all that the WWG study expected no change in agricultural use, but the future need

for environmental and recreational use was predictable. Pfister stated that a reservoir is an insurance policy against fire and watershed damage.

PAWSD Chairman Smith adjourned the work session at 5 pm.

SAN JUAN WATER CONSERVANCY DISTRICT

By /s/ Sally High

Executive Assistant for Board of Directors

DISTRICT SEAL

FINAL