

**RECORD OF PROCEEDINGS**  
**SAN JUAN WATER CONSERVANCY DISTRICT**  
**REGULAR MEETING – JANUARY 9, 2024, 4 pm**

**Attendance**

A Regular Meeting of San Juan Water Conservancy District was held Tuesday, January 9, 2024, at 4 pm in person at 46 Eaton Drive Suite 5 and on Zoom.

The following Directors were present in person: Al Pfister, Rob Hagberg, Candace Jones, Joe Tedder, Chuck Riehm, and Susan Nossaman. Also present were Sally High (SJWCD Executive Assistant), Josh Pike (Pagosa Sun), Christi Bode-Skeie (Moxiecran Media), and Erik Skeie (Colorado Water Conservation Board).

Directors attending by Zoom were Doug Secrist, Bill Nobles, and Rod Proffitt. Jeff Kane (SJWCD Attorney) also attended by Zoom, joining later.

**Call to Order**

The Regular Meeting of the San Juan Water Conservancy District (SJWCD) was called to order by Chairman Al Pfister at 4:00 p.m. A quorum was present.

**Revisions to Agenda**

The Board considered Revisions to the Agenda and no need to revise or renumber agenda items was identified as the meeting began. Jeff Kane joined the meeting late, so Consideration of the Treasurer's Report preceded the Attorney's Report.

**Declarations of Conflicts of Interest**

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

**Public Comment (Three Minute Limit)**

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

### **Consideration of Treasurer's Report**

Directors considered two spreadsheets submitted by Director Tedder, Treasurer, in the Board Packet: 1) the final 2023 Budget versus Actual -December Year to Date and Forecasted End of Year and 2) the 2024 budget.

Director Jones moved to accept the 2023 Budget and End of Year Forecast. Director Hagberg seconded. Approval was unanimous.

Regarding the 2024 budget, the Colorado Trust interest income was \$11,300. Archuleta County tax income was \$137,849. Director Tedder reminded Directors that line item 14 for Engineering was increased to \$95,000. Line item 36 for Public Education was \$10,000 and not increased. Public Education will pay matching funds for film production and creative website updating. Director Tedder committed to deliver the Certification of Tax Levies to Archuleta County on January 10.

### **Consideration of Resolution 2024-01 – 2024 Budget Final**

Director Hagberg moved to accept the 2024 budget and Resolution 2024-01. Director Pfister seconded. Acceptance was unanimous.

### **Consideration of Attorney's Report**

Before Jeff joined on Zoom, Director Jones described Attorney Kane's requested changes to the Attorney Engagement Agreement and an hourly rate increase. Director Secrist asked about the need to increase the line items for legal representation (Lines #17 Water Rights Defense, #24 Legal/CORA, #27 Legal-District General). Director Tedder, Treasurer, stated that Kane predicted no increase in payments to the Attorney in 2024. After joining on Zoom, Attorney confirmed that he predicted no increase.

Attorney Kane provided no written report in the Board Packet. Regarding the Treasure Pass Ditch cases, Southwestern Water Conservation District is close to a decree that will settle with the Bureau of Land Management. SJWCD will continue to receive updates on the status of Treasure Pass Ditch cases.

Kane has received proposed decrees from Colorado Parks and Wildlife regarding the Piedra Pass cases. He has received nothing from the U.S. Forest Service about the requested Special Use Authorization to enlarge ditches. Kane will continue to reach out to all parties and update SJWCD in future meetings.

A decree for one of Bootjack Ranch's requests has been received and will be shared with SJWCD in a future meeting. The second Bootjack application has been amended and republished, but a decree is still "some months out."

Director Jones moved to approve the updated Attorney Engagement Agreement for Southwest Water and Property Law. Director Hagberg seconded. Directors unanimously approved the motion.

Directors moved up discussion of Item #13, Consideration of Weber Lease of Running Iron Lease, so that Attorney Kane could offer advice. Directors Pfister and Jones read the lease agreement currently proposed by PAWSD. The lease suggested extending the Weber's grazing lease and gravel mining lease. Directors engaged in a detailed discussion of the proposed extension of gravel mining. In 2023 the Webers mined and stockpiled 19,000 tons of gravel for the exclusive use of PAWSD. The 2023 extended lease stated that the rock underground was exhausted and their remediation would begin after June 30, 2023. The lease, newly proposed by PAWSD, included an extension of mining gravel to sell to parties other than PAWSD and an agreement that the Webers pay PAWSD a "royalty" of \$1.50 per ton for the gravel. Both the neighbors to the Running Iron Ranch property and the Directors of tenant-in-common SJWCD have expressed opposition to continued gravel mining. There has been no agreement about how much remediation or clean-up has been performed by the Webers. PAWSD announced their plan to consider the lease at their February 15 meeting. Directors of SJWCD stated that they are not necessarily opposed to the grazing extension, but are opposed to continued gravel mining. PAWSD has signed the new lease, but SJWCD has not.

Directors suggested that SJWCD send a letter to PAWSD's directors, staff, and legal counsel. They need to see the revised PAWSD lease as soon as possible. After lengthy discussion, Directors arrived at three objectives, points that need to be made to tenant-in common PAWSD, clarifying SJWCD's legal position.

- Any remaining gravel is an asset to future project development. The rock should stay in the ground to be used by SJWCD's Headwaters project planning.
- As tenant-in-common, SJWCD is a negotiating partner and needs access to documents at the same time as, or shortly after, PAWSD.
- PAWSD is not to impair progress of the Headwaters project. This includes speaking negatively about the legally defined role of SJWCD in planning the project and ensuring the long-term management of the property.

Director Nobles requested response in writing from PAWSD that they understand SJWCD's concerns or at least receipt of the letter. SJWCD understands that PAWSD may throw the letter away and not respond. Directors also expressed interest in knowing more about the opinions and dissatisfactions of the neighbors, as PAWSD and the Webers attempt to break the previous agreement. PAWSD ability to sell the Running Iron Ranch was also mentioned. Attorney Kane explained that PAWSD's implied opposition to the Headwaters Project could impair SJWCD's seeking diligence on its water rights.

Director Pfister moved that Director Jones take the lead and work with Attorney Kane to write a letter containing the three points listed above. Authority is given to Jones and Kane to send to PAWSD board, staff, and attorneys shortly thereafter. Director Hagberg seconded. The motion passed unanimously.

#### **Consideration of Resolution 2024-02 – 2024 Exemption from Audit**

Director Tedder moved to apply to the State of Colorado for Exemption from Audit, an application that requires a Resolution. Director Nossaman seconded. The motion passed unanimously.

#### **Consideration of Resolution 2024-03 – Notice of Meetings**

Director Riehm moved to approve Resolution 2024 – 3. Director Nossaman seconded. Approval was unanimous.

#### **Consideration of Vacancy on Board of Directors**

Directors considered the one empty seat and three seats becoming vacant in March 2024. Director Pfister offered a verbal resignation, pending a written letter. Director Tedder stated that he intends to renew in March. Director Secrist expressed concern that his time commitments may prevent him from renewing. Director Proffitt will renew. Director Nossaman stated that she is considering whether or not to resign, but she has not made a decision.

### **Consideration of Election of Officers**

Director Hagberg nominated Director Jones to serve as President. Director Nobles moved to accept filling the role of President by acclamation. Director Riehm seconded. The motion passed unanimously.

Director Nobles nominated Director Riehm for Vice President. Director Hagberg seconded. The motion passed unanimously.

Director Hagberg nominated Director Tedder to continue as Treasurer. Director Pfister seconded. The motion passed unanimously.

Director Hagberg nominated Director Proffitt as Secretary. Director Nobles seconded. The motion passed unanimously.

### **Consideration of Renewal of WECO membership**

Director Hagberg moved to renew SJWCD's membership in Water Education Colorado at the \$300 level. Director Pfister seconded. Approval was unanimous.

### **Consideration of Approval of Record of Proceedings – Nov 2023**

Director Nossaman moved to approve the Record of Proceedings from the November 2023 Special Meeting. Director Riehm seconded. Approval was unanimous, with Director Proffitt abstaining.

**Departing President Pfister reminded** the board that they were wise to provide communications and in-person presentations to Southwestern Water Conservation District, the Archuleta County Commission, and the Town of Pagosa Springs Council.

**In lieu of Committee Reports about the 2023 Strategic Objectives**, Directors scheduled a Work Session to review and revise the Strategic Objectives for 2024. A Work Session was scheduled for Monday, January 22, at 4 pm, 46 Eaton Drive Suite 5 and on Zoom.

The next Regular Meeting of SJWCD was scheduled for Monday, February 12, at 4 pm, 46 Eaton Drive Suite 5. A Zoom link will be included in the upcoming agenda.

There being no further business to come before the Board, the Regular Meeting was adjourned at 6:10 pm.

SAN JUAN WATER CONSERVANCY DISTRICT

By /s/ Sally High

Executive Assistant for Board of Directors

DISTRICT SEAL