



46 Eaton Drive Suite 5 - Pagosa Springs, Colorado 81147 – www.sjwcd.org

January 18, 2024

Board of Directors
Pagosa Area Water
and Sanitation District
100 Lyn Avenue
Pagosa Springs, CO 81147
Jim Smith, President

Re: Running Iron Ranch – San Juan Headwaters Project

Dear PAWSD Directors:

At your December Board meeting and again at your January 4 special meeting, you discussed a proposal to extend the gravel mining lease at the Running Iron Ranch. In December, you also indicated your willingness to schedule a PAWSD work session to discuss selling the Running Iron Ranch.

The San Juan Water Conservancy District, co-owner of the Running Iron Ranch, opposes both continued gravel mining at the property and any suggestion that the Running Iron Ranch is for sale. Those actions conflict with the long-term public objectives for which the property was purchased.

In the 2015 loan/grant restructuring agreement among PAWSD, SJWCD, and the Colorado Water Conservation Board, all three parties recognized the importance of holding onto the Running Iron Ranch property as a site for developing water storage. Water storage is an imperative for Colorado, and new storage at the headwaters of the San Juan River, a tributary to the Colorado River, would be an asset for our community of far greater value than the price a private purchaser would pay for the land today.

We – PAWSD and SJWCD – along with the CWCB also acknowledged in 2015 that it is in our collective best interests to protect conditional water rights associated with a water storage project. The restructuring agreement designated SJWCD to lead the long-term management of a water storage project, and PAWSD agreed to “make every effort to retain the Running Iron Ranch during the [20-year] Planning Period made possible” by the restructuring arrangement.

Unilateral PAWSD work sessions focusing on sale are contrary to both the letter and spirit of the 2015 agreement. The Running Iron Ranch is uniquely situated for water storage near the headwaters of the San Juan. Failure to treat the property as an essential component of larger scale water management deprives the community of a future public resource of substantial value.

We appreciate that some current PAWSD directors do not like the purchase and financing terms agreed years ago for the Running Iron Ranch. Nevertheless, SJWCD expects the PAWSD Board to honor PAWSD’s contractual obligations to SJWCD and the CWCB.

We also expect the PAWSD Board to act in a manner consistent with the reality that planning for the community’s long-term water future takes a sustained cooperative effort. Cooperation begins with practices like engaging with the SJWCD Board in regular discussions regarding shared interests. Arrangements for any use of the Running Iron Ranch need to be the product of joint negotiations involving PAWSD and SJWCD, each bringing their respective views. The PAWSD Board’s recent practice of acting unilaterally regarding uses of the property undermines the ability of SJWCD to focus on long-term development of the Running Iron Ranch. We waste valuable time and energy countering the perception that PAWSD alone can determine the future of the Running Iron Ranch and our community’s water resources.

Regarding the pending proposals from the Weber family, SJWCD will not consent to extending the gravel mining lease at the Running Iron Ranch. Another extension of the gravel mining lease is not consistent with the parties' agreement reached last year. Further, any rock that could be extracted from the property should be left in place for the benefit of the community and future project development.

SJWCD supports extension of the grazing lease on the business terms proposed by the Weber family, and SJWCD is prepared to sign the lease extension in the form SWJCD returned the lease to PAWSD on December 18, 2023.

We look forward to your timely response and a more cooperative and productive relationship between the SJWCD and PAWSD Boards in 2024 and beyond.

Sincerely yours,

Candace M. Jones

Candace M. Jones
President