

These written minutes represent the general discussion of the DWCD Board of Directors, DWCD staff, and participants at the DWCD board meeting, and they include a record of any and all board actions taken at the meeting. The written minutes are not intended to provide a word-for-word account of the board meetings. Nor are they a direct quote of any statements offered at board meetings. All DWCD board meetings are recorded on audiotape.

DOLORES WATER CONSERVANCY DISTRICT WATER ACTIVITY ENTERPRISE

MINUTES

Regular Meeting
April 14, 2022

CALL TO ORDER Godwin Oliver, President, called the meeting to order at 7:01 pm

ROLL CALL Godwin Oliver, President
Simon Martinez, Vice-President
Don Schwindt, Secretary-Treasurer
Sheldonna Z. Ives, Director
Wes Wilson, Director
Glen Fish, Director
Landan Wilson, Director
Ken Curtis, General Manager
Ben Harclerode, Chief of Engineering & Construction
Rob Walker, Maintenance Supervisor-Via Teleconference
Eric Sprague, DWCD Engineering Tech-Via Teleconference
Gina Espeland, Admin Assistant Accounting
Adam Reeves, Attorney
Robert Stump, Bureau of Reclamation

INTRODUCTION OF GUESTS

In-Person

Bob Neely, Rod Daves, Scott Packer, Full-Service Irrigators; Jim Mimiaga, Cortez Journal

Via Telephone/Teleconference

Brandon Johnson, General Manager MVIC; Rich Landreth, City of Cortez; Tony Tanner, Ben Lanier, Full-Service Irrigators; Marty Robbins, CDWR; Steve Garchar, Dolores County and Rusty Crangle, CDWR

Audience

Godwin opened up the meeting with input from the audience and asked if Bob Neely and Rod Daves would like to address the Board. Bob introduced himself as a Full-Service Irrigator. He is concerned with the trend of the snow and the drought season. The snowpack was decent this year, but the runoff has provided yet. If this is the way of the future, things have to change, or it will bankrupt Full-Service Irrigators. His thoughts are to get started on a solution now and get with Reclamation about downsizing the Project by buying back allocations. That way DWCD can supply water to what is allocated in the dry years. Bob stated that he would sell his allocation back in a heartbeat. This is just an idea to get something started, and we may need to go at it with a climate change angle for funding. Bob stated that we have to keep the Project alive. He stated that if the Full-Serves Farmers go broke, the Project will go broke. Bob said that the Board really needs to look at it and feels that it is just a starting place. There might be other ideas, but we need to start now and not wait.

Don stated that he has quite a few comments but would like to wait until we hear from others present. He said that he (Bob) was not bringing anything new to him. Bob stated that he thought the Project was overbuilt and too much allocated for the available water. Bob stated again that the Bureau overbuilt the Project. The District needs to downsize the project lands. Don stated he wanted to hold his comments till the other Full-Service Farmers had a chance to speak. Godwin asked if Rod Daves or Ben Lanier would like to say anything.

Ben Lanier, on the phone, stated that he was at the meeting to listen to see what was said tonight.

Tony Tanner stated that he would echo Bob's comments and possibly decrease acreage so the allocation wouldn't be so low in dryer years. If you look at MVIC's allocation on a full supply versus Full-Service Farmer's Allocation on a full supply, the farmers up north are already starting out at half of what the lower District starts with. Not saying it's right or wrong; just looking at the numbers. It is too challenging on the people up North who are trying to make a living in the dry years. He stated that he appreciates all the generated ideas and wants to keep the younger generation farming. It is imperative to make some changes and get something going to address the situation as best as we can.

Rod Daves said that he doesn't know what else to add. There are not a lot of young farmers coming up, which concerns him. It is getting tough; it's just getting worse even as long as he has been farming. He doesn't see how people can stay in it with the current state of everything. Rod asked if there is any way for the Board to help them like last year with the rate reduction. He hopes that it will turn around one day. Rod doesn't know when it will end or if anyone will be around if the hydrology changes. He knows it is hard to reduce costs because the District has costs as well, but pulling from reserves as much as you can will help everyone out right now. He restated that it is not looking good out there.

Godwin stated that he spoke with Ken earlier and would like to see the Board have a special meeting, pull in some more Full-Service people, and start brainstorming and talking about costs. There is going to be a lot to be discussed. Having a special meeting just for that would be more productive. Ken stated that it is on the agenda to come up later, and DWCD would send out a text when a meeting is scheduled.

Scott Packer stated that he keeps going back to work trucking as he tries to farm full time. It is tough. Scott stated that he has cows on the eastern side of the state due to not being able to raise feed here. He spoke about the land he owns in Hesperus and how the water shortage there is even worse. He has ditches that won't see any water this year and spoke to the progression of water shortage. We are in a drought cycle and not sure how long it will last. He appreciates the Board in any help that they provide.

Godwin asked if a special meeting to brainstorm will help? The response was yes that the Board needs to meet with Full-Service Irrigators to talk about and brainstorm ideas. Rod asked if there was an update on the water?

Ken stated that the forecast update would be Monday, and there would be a slight update with the final numbers coming in the next two months. Godwin said we will work on at least 1 or 2 special meetings. Scott suggested a zoom meeting for irrigators every week or 2. Godwin stated that he likes the in-person meetings. They seem to be more productive with fewer interruptions, but we can have the option of attending remotely for those who can't make it in person.

Rod asked for Don's comments. Don stated that we have to come together as a community and that he hasn't wanted to be loud in public about downsizing the Project. DWCD has been active in forest health and needs to continue pushing forest health. Don Coram has information on the number of trees in the basin. If we get rid of enough trees to create a healthy forest, it will produce more water during runoff. If enough water comes back, we don't need to downsize to the degree that these past few years warrant. Rod asked how long that would take. Will Full-Service still be around to see it? Don stated that he doesn't know but doesn't want to lose the Project to our short-sidedness on logging and forest health. We want to use the Project for the long term, and how do you walk the line right? This Project has had to defend against people wanting to take its Project water and MVIC's water and kick it back down the river. I want to keep the water here despite the dry time we are in with the short water supply. How do you walk the line of fighting right for a long-term view for the community in spite of the horrific times we are in with the current water supply? Some people in this community would have rather the Project never been built and sent the water downstream for recreation. Our community wouldn't be where it is today without the Project. Don emphasized that we have to do what we can to keep the ag in the community and protect what was given to us.

Scott told a story of his Great Grandfather, who rode on a train in the 1940s in support of the Animas project. They ultimately failed. Don said we don't want to lose that generation's vision. Scott said we have to be careful how we go about this because they would love to shut us down and let the water go downstream to build golf courses, fountains, and private lakes. Don stated that if the ag goes, where will our food come from, China, Brazil, Ukraine? Scott noted that our hay is critical for the dairies in West Texas, which produce milk, cheese, and yogurt that we all eat. Don stated that this is the story that has to be told right. It is where his heart is at, and despite his ups and downs on the Board, he has continuously fought for the Project.

Godwin said we'll have a special meeting to continue the conversation and asked If it would be better to send out a mass text instead of the postcard? The consensus was yes on the mass text versus the postcard to get the message out there. Godwin thanked them for coming.

MINUTES

APPROVAL OF THE MINUTES

MOTION: TO APPROVE THE MINUTES AS SUBMITTED FOR THE MARCH 10, 2022 ENTERPRISE MEETING.

**MOTION: GLEN FISH
SECOND: SIMON MARTINEZ
MOTION CARRIED UNANIMOUSLY.**

FINANCIAL STATEMENTS

MOTION: TO APPROVE THE FEBRUARY '22 FINANCIAL STATEMENT AND APPROVE THE STATEMENT OF PAYABLES AS PRESENTED.

**O&M: AP/CHECK #40282-40379 & PR/CHECK #125136-125203
\$708,343.69**

**MOTION: SIMON MARTINEZ
SECOND: WES WILSON
MOTION CARRIED UNANIMOUSLY.**

O&M REPORT – Rob reported the following:

Canal Maintenance

We're using both of our excavators to muck the sediment out of the Dove Creek Canal, starting at Dove Creek and working our way back to Fairview. We are also patching holes in the South Canal liner. The holes are mainly from deer/elk crossings, but some are from sun exposure. Our crew will be installing any future canal linings ourselves and have purchased the ironing tool for seaming the liners together. We will save 30% on Simbeck's installation labor by doing the installation ourselves. We are not installing any liners this year but will have the capabilities in the future. The liner manufacturer has a 20-year material warranty that will not be voided by our crew installing the liner, and Simbeck only offers a 1-year installation warranty which will be voided. We have an exceptional tumbleweed crop in the canals this year, so up north, everything is plugged. We're meeting with PVFD and DCFD this week to discuss a burning strategy. The tumbleweeds have overflowed the canal in some places and made the access road impassable. Josh was able to borrow Lewis-Arriola's brush truck to have on-site while we're burning.

Pumping Plants

WAPA finished replacing the 1,800' section of underground power lines along the South Canal, and they have load tested the entire line, from Pleasant View to Ruin Canyon. We're completing all the pre-season checks on the plants this week and prepping the canal M&I's.

Power Plants

Towaoc Power Plant will be up and running this week. There are no current plans for running McPhee Power Plant this year, but we are upgrading all of the SCADA equipment.

Control Room

The Control Room Operators started their day and night shifts as we are running water down the Towaoc Highline Canal.

Weed Control

Our weed spray truck is scheduled to be completed by next weekend. Frank has been clearing brush and spraying around the checks and plants.

Lead Mechanic's Trucks

Rob stated that we have three mechanic trucks, 2 of them are 2009 Chevy 3500 diesel with cranes and air. The third one is a newer truck but does not have a crane. We lost an engine in one of the trucks with the crane. It was scheduled to be replaced in 2020, but due to budget concerns, it was not replaced. Now we have lost the engine, and we have been looking at options. It would cost \$21,000 to replace the engine with Keetch doing the work. If our mechanics do the work, we will save \$3,200. The truck has a new rear end and a good utility box. The mileage is right at 198,000 miles. We have another mechanic truck which is set up the same way. The mechanic currently driving that truck will be retiring around June, and we will not fill his position this year. We are not spending any capital this year on vehicles. I'm asking the Board for their opinion on this vehicle's engine replacement, which may last another 5-6 years. We have backup trucks that we can use to get by this year with the water situation. Our thoughts are that if we had a rebuilt engine in the truck in 4-5 years, it would be worth more when we get back on schedule with replacing vehicles. Things are tight, so I would like to hear from the Board if they would like to replace the engine in this truck or

just get by with what we have. In a few years, we would take a loss on this truck if we don't replace the engine.

Wes stated that \$21,000 is cheaper than purchasing a new truck. Wes said he would replace the engine. Rob noted that we could save another \$3,200 if we did the work in-house. Glen asked if the motor is a new motor or a rebuilt one. Rob stated it would be a rebuilt motor. Godwin asked what year the truck was. Rob stated that it is a 2009. The one with the blown engine has 198,000 miles, and the other has 215,000 miles. Both are 2009 3500s. Simon asked how much is the truck worth right now. Rob stated maybe \$15,000-20,000, primarily because of the utility box. A new box runs around \$20,000, so we would really like to save the box. Rob stated that we have some trucks that we are not using that we could take to auction or sell and help reduce the bottom line. One of the trucks is an operator's truck that is not being used and could be sold. We are not rehiring an operator at this time. The lead mechanic is actually driving this truck now, but it isn't set up for mechanic work. Simon stated that he is with Wes on replacing the motor vs new truck. Godwin stated that he is looking at a 2009 truck and putting \$21,000 into it. We have enough vehicles to get us by this summer, plus having a person retiring in June or somewhere close. My opinion is that we get by with what we got and wait another year. I don't think the motor will cost any more or less in an hour, and a 2009 vehicle resell value shouldn't change much. Rob agreed that they could get by for the year, but the motor price will probably go up like everything else. Rob stated that we do have trucks, but in 4-5 years, we will be playing catch up on several trucks that will need replacing. Right now, we are focused on getting through this year, though, and we have enough trucks. Simon stated that if we have vehicles that we aren't using, we could sell them to help pay for the engine. If the engine isn't replaced, would we still sell off the extra vehicles? Rob asked for board input, but he would like to sell off the vehicles as the market is high. Ken asked what trucks we are talking about selling off. Rob said that one is the old welders truck, and the other is an old field tech's truck. Combined, they may be worth \$6,000 to \$7,000. Rob stated that we have three trucks total to sell for the cost of fixing. Ken stated longer term, we are getting concerned. We have a couple of 2009 half tons that are getting old, but other work trucks are newer and doing fine. He asked Rob to bring the issue to the Board for input. Glen stated that he agrees with Godwin and to hold tight for a year. Godwin said that we could sell the other vehicles and hold the money. The farmers are cutting big time, and I feel we need to do the same as a board and employees. Don said he would be putting the engine in and selling the others but won't be unhappy to go the other way. Landan said that he is with Godwin to sell the ones in the yard and hold back and not spend the money. The direction was given to staff to sell the trucks not being used and hold the money for now. Do not put a new motor in and let the truck sit as is.

Rob inserted hearing the full-service irrigators. Our entire crew drives in the FS area and have established a relationship with the irrigators. We all talk about it and it is hard to be in the MVI service area and see water wastefully running in the bar ditches. He stated that he owns shares of MVIC and would gladly give it up so Full-Service could have enough to raise a crop.

Personnel Committee

Rob stated that the Personnel Committee meeting was on March 8, and we decided to schedule an April meeting after this Board Meeting. He asked if they had dates in mind for this month? Wes and Sheldonna said that they were not able to attend. Godwin said that he would volunteer even if it was only him. Rob asked what dates, it was decided that on April 25, the committee would go to Godwin's. Wes said he would be out of town.

WATER MANAGEMENT REPORT

Water Accounting – Ben stated that the current reservoir elevation is 6,870.56, and we have gained 7.83 feet since the last meeting. Active capacity of 37,300 AF as of March 10. Calculated inflow for the low snow melting off is around 2500 AF, and it started around March 25. April has already seen a little over 2000 AF inflow with about 4500 AF total calculated for inflow. The Dolores River started rising on March 23 and peaked out, running at 346 CFS on March 29, and continued to climb until the storm hit this week. It hit just under 600 CFS on Monday, April 11.

MVIC, on April 4, officially filled Narraguinnep at 18,566AF in McPhee and diverted it will lose evaporation as we move forward. Totten exchange started filling after that and satisfied on the 9th with 3400 AF. Also, on the 9th, MVIC started storing call water and as of today has stored 4,754 AF. MVIC had a stock run that started April 7 and running this week. There is 10,569 AF Project water calculated from the inflow. There were 1.18 inches of precipitation for March, we were 70-90% of average. April had one storm and did not develop as predicted. The five Snotels show about ½" of SWE from the storm, and we saw a 1/10-inch of precip out at Great Cut .

Snowpack is shown on the first hand out. Today 7.7 inches of snow water equivalent (SWE), with the peak on March 23 at 13.4", which is almost a week earlier than normal. We had 5.3 inches of SWE and peaked on March 28 last year at 12.8". The chart also shows the new and previous median, which was 91% of that median. A hydrograph is starting to fall, and it will probably fall quickly.

The Snotel daily update that went out this morning shows that Sharkstooth is the best producer this year, and it is still 108% of the median. Normally this is not the snotel for the basis. The next chart is the progression of weekly Snotel and factors in Sharkstooth. Measured 14.2 inches in March at the

high point and starting to see melting. No snow was measured on April 1. Still, a couple of feet at Groundhog and the dust events are the two main ones that have impacted the snow. It will be exposed in the near future. Ben stated that he is going up tomorrow to check the snow density at Scotch Creek and Dunton. The ASO flight is scheduled for tomorrow, and I will try to get data for them to help in the forecast. The April 1 forecast to FAC, MVIC, and UF&R at the 90% exceedance is 2.3 inches/acres, 2,711 AF for UF&R and MVIC at 116,885 AF. The table below shows the buckets we have to fill before receiving project water. Still have a ways to go. Adam asked about the small tributaries on the backside of McPhee; how many come in below MVIC's historic diversion points? Ben stated all of them come in past the historic diversion points. Adam asked that when we are accounting are they being separated from call water? Adam stated that this is something that we need to look at. Ben stated we call it calculated inflow, and it goes to project supply.

Don stated that he likes to see the monthly inflows on paper, and it is valuable to him. Don asked about calculated inflow. Ben stated that it is 4,500AF. Don asked Ben to bring the Inflow/Outflow information to the meetings with copies for the Board. Ben stated that he would bring it next month.

Ken added to round out the report we have the ASO flight tomorrow and will start to talk about any changes. Had an early melt and significant dust. The forecasters are confused, but it did runoff which is positive. We also have a lot of high snow. Don said that is the place that the driver pictured in his head. Don asked what we got out of low snow. Ken stated that Lost Canyon had started to run. He stated that they didn't open Summit. Slick rock went over 200 CFS, and bedrock was up there. There was heat, dust, and a lot of low runoff. It is on the positive side, but most of the low snow is gone, and I hope the flight gives more insight into it. Don compared it to last year, in the low snow and how does it compare to last year. Ken stated that last year we had no low snow running off. There is 4500 AF calculated this far but is better than in the last couple of years. March 23 started runoff plus or minus. Don stated that in light of the supply rights and uses that I am pushing; how can we design something that will help us measure the watershed that we know and compare the same gage supply that was used to develop the 46 year DPR study history that didn't deal with anything we are dealing with now, to what we have dealt with the past 30 years without the logging, grazing and current hydrology? How can we compare the pre-46-year history to the post-project-built history? What can we tease out of those for supply numbers to make an accurate prediction moving forward? Our theory will need to be how much can be gained in terms of AF if we manage the forest in this manner. How do we get some science that we can put into a contract for water supply protection in the coming years. That is a science that has never been developed to the degree that it needs to be, how the water translates from the forest to the reservoir, and the losses in between. How can we be at the forefront and lead an experiment that we can design with groundwater gauges and streamflow gauges? Ken stated that Don is on the right track, but it is not a fix we can do tonight.

Ute Farm and Ranch Lease Request

Ben stated that the background information is that DWCD has approximately 4,000 AF of Dolores Project (DP) M&I allotment that can be leased annually. In past shortage years, the lease has been split between FSA and UF&R proportionate to their respective DP water supplies.

55,282 AF FSA DP supply & 23,300 AF UF&R DP supply

$55,282 / (55,282 + 23,300) = 70\% \times 4,000 \text{ AF} = 2,800 \text{ AF FSA}$
 $23,300 / (55,282 + 23,300) = 30\% \times 4,000 \text{ AF} = 1,200 \text{ AF UF\&R}$

This year DWCD didn't lease out MVIC Class A – 170 shares, but is proposing replacing a portion of UF&R M&I allotment with DWCD MVIC Class A shares. Assuming an MVIC allocation of 24-inches per share, the Class A shares equate to 340 AF. The proposed exchange would adjust 340 AF of DWCD M&I from UF&R to FSA. The final allotment would be 3,140 AF to FSA and 860 AF to UF&R of DWCD M&I water.

The UF&R M&I would be paired with 170 Class A Shares likely to receive 2 to 3 AF/Share which would provide 340 to 510 AF for a probable total lease of 1200 to 1370 AF.

The price has generally been increased the same as FSA rates, but has remained the same for 2020 and 2021 at \$33.17/AF.

Last year, Class A shares were leased at \$80/share with a \$50 administration fee per lease. A total of 24 leases were sold, and the final MVIC allocation was 2.5 feet for a final revenue of \$34.82/AF.

Ben stated that the Board needs to discuss this leasing and decide to approve, reject or modify UF&R lease amounts and price.

Ben stated that the staff recommendation at this time is to approve the minimum amount and rate for a 2022 UF&R lease. Staff proposes a lease of 860 AF of DWCD M&I and all 170 DWCD Class A shares at \$33.17/AF for UF&R planning purposes. Class A shares paid on actual amount as set by MVIC. Allow staff to supply additional water if available at the same price, which seems unlikely.

Discussion: Don stated that it looks like Ben did a good job, and the formula is good. Followed the same path moving forward. Don stated that Ben did a good job on the allocation and being fair between UF&R and Full Service.

MOTION: TO APPROVE STAFF RECOMMENDATION OF LEASING 860 AF OF DWCD M&I WATER AND ALL 170 DWCD CLASS A SHARES AT \$33.17/AF FOR UF&R PLANNING PURPOSES. CLASS A SHARES PAID ON ACTUAL AMOUNT AS SET BY MVIC AND ALLOW STAFF TO SUPPLY ADDITIONAL WATER IF AVAILABLE AT THE SAME PRICE FOR A 2022 UF&R LEASE.

**MOTION: DON SCHWINDT
SECOND: WES WILSON
MOTION PASSED UNANIMOUSLY, WITH SIMON ABSTAINING.**

2022 FSA Penalty for Overuse

Ben stated that DWCD Board sets rates and charges related to Full-Service water delivery. Ben stated that the background information is WY 2022 appears to be shaping up similar to WY2021, with substantial shortages for FSA farmers. Last year, the Board adopted a penalty for overuse. Ben proposed the same parameters for WY 2022 that the Board implemented for WY 2021. Modifications may be necessary in future years, given experience or changed conditions. We may ultimately add this practice to a permanent policy in the future or use it only as needed, given specific water supply conditions. For WY 2021, an escalating penalty was implemented for overuse in the FSA without a buffer, as highlighted below.

Overuse:	Penalty:
1 st AF	\$800
2 nd AF	\$1,600
3 rd AF	\$2,400

The penalty will continue to increase by an additional \$800/AF with the expectation that we will be able to catch problems before they get too far, given the limited boxes and continual monitoring. In the event of an "Act of God" type issue, we would not charge the irrigator for overage related to such an issue.

Similar to last year, if any disputes arise that are not settled between irrigator and staff, the irrigator will have the ability to address the Board. Last year, six irrigators went over their allocation, four under an acre-foot and two over three acre-feet. The total overage was 8.62AF for a total penalty of \$14,676.80. The WY2021 penalty appears to have successfully motivated irrigators to keep a vigilant eye on their water usage to avoid overuse.

Ben stated that the Board needs to decide to adopt or not adopt a penalty for FY2022. If adopting a penalty, accept no buffer on overuse and penalty charges or modify the parameters above.

Ben stated that the staff recommendation is to adopt WY 2021 penalty for overuse in Full Service with no buffer and the same charge for WY 2022. The Board has a final review on any penalty charges.

MOTION: TO ADOPT STAFF RECOMMENDATION TO REINSTATE FSA PENALTY FOR OVERUSE USING ADOPTED WY 2021 PENALTY FOR OVERUSE IN FULL SERVICE WITH NO BUFFER AND SAME CHARGE FOR WY 2022, WITH BOARD HAVING FINAL REVIEW ON ANY PENALTY CHARGES.

**MOTION: SHELDONNA IVES
SECOND: LANDAN WILSON
MOTION PASSED UNANIMOUSLY.**

2021 Financial Update & 2022 FSA Rate Adjustment

Ken stated that April billing has not gone out, but it will in the next week. The base charge, the repayment, and the water reserve charge are billed out in April, May, June, July, and August. Given the conditions not sure when the Board wants to have the full conservation about rate changes. The Water Supply Reserve Replacement has been the account to pull from when needed. Ken included in the packet, 2021 Revenue & Expenditure Summary, A/R Report, 2021 O&M (200) Budget Analysis, and the O&M (200) Statement of Operations. Although the revenue loss was large, \$1,121.375, cost cutting kept the net loss down to about \$200K. These are unaudited but should not change significantly. Ken stated that he has verified a few items but won't be official until the audit is final. Ken stated that the 2021 Revenue and Expenditure Summary was updated on March 14, 2022. It shows the Western Slope Health Care Group money, which was a one-time reimbursement that went into the checking. This was because of a switch in the plan administration. Nothing has been done with it; it just went into the cash flow in the checking account. The middle is the delayed

repayments, primarily the Water Supply Reserve payment, which is about \$60,000 a year, which was not done last year. The costs are the O&M Supplies – we did fewer projects and spent less money, about \$800,000 less than budgeted. We did not spend any capital but are starting to see that catch up with the truck motor. We had already committed to the spray truck for 2022. After all was said and done, the cash hit was about \$200,000. We did make a \$300,000 transfer out of Water Supply Reserve Replacement to comply with the budget. We still have money in the checking and need to keep our eye on things. We are not replacing the Water Supply Reserve Replacement. Ken stated that we will have to look at the net impact on the 200 operating budget. Not backfilling and building a gap as we go down the road. We did take in the Totten Sale Revenue and put it in the checking account. Ultimately the Board will decide what to do with that. Real savings as we move forward on where to cut. He wanted to give some background. Will ask for a Board decision on the \$1.05 replacement reserve charge. Ken stated that with the apparent extreme shortage again, he would ultimately recommend some adjustment to the full-service rates.

Farmers will have greater pools like last year and are trying to prepare and just taking a step on the \$1.05. The outlook doesn't look great for this year water wise.

Discussion: Godwin asked how far we put it off last year. Ken said the special meeting was on April 28, 2021. Ken stated that he suggests a special meeting on May 4, and we can put it off until then if the Board wishes. Full Service wants a better idea on allocation, and we will know more by that date. It was a tough decision last year, and it will be again this year. Godwin asked if we delayed billing last year as well? Ken stated they delayed April billing. It is the decision of the Board on what they want to do in billing. Ken stated that we can send out the 1st billing and then adjust the next four unless the Board wants to adjust the billing cycle. Wes said that it is kicking the can down the road, but I don't see much choice in not doing the same as last year. Ken stated we cut the base rate by \$10.00 and added it to the delivery. Ken stated that all he is asking for tonight is removing the \$1.05 for replacement reserve. Other options can be discussed later. Landan asked what we normally put in the reserve. Ken stated about \$60,000 a year since 2015. Landon asked if we took the \$300k out of that reserve. Ken stated yes. Landon asked what was left in the reserve, and Ken stated over \$2 million but would have to verify. Some of the money is in CDs and some in other investments. It's one of the larger reserves. The original hit on it back in 2013, was \$550k, so at \$60k replacement, it would take ten years to replace it. So we have paid back about five or six of those years to date. Ken stated that we have over 4 million in one set of investments and approximately 4 million in Colotrust. Wes stated that we could put the \$65,000 from Totten sale into reserve.

Godwin asked if the Board wanted to drop the \$1.05 now and then have a special meeting and talk about other billing rate options.

MOTION: TO DROP THE \$1.05 CHARGE FOR WATER SUPPLY REPLACEMENT RESERVE REPAYMENT FROM THE FULL-SERVICE BILLING FOR THE 2022 WATER YEAR.

**MOTION: SIMON MARTINEZ
SECOND: WES WILSON
MOTION PASSED UNANIMOUSLY.**

Ken stated that he included a copy of the letter that was sent out to the Dove Creek Lawn and Garden users, so the Board would know what was sent. This is just in case a Dove Creek Lawn and Garden customer wants to discuss it with any Board Member.

Projects Update & Board Profiles

Board Profiles - Ben stated that he had included in the Board's packet a profile sheet for Board Members to give a short bio of themselves in order to post on the website. Ben stated that we are just updating Web information. If you would write out a bio and get it to Ben in the near future. We are just trying to keep it current.

Project Updates – Ben stated that he is working on two grants; one is a MOA2 grant for valve and actuator replacement at each pumping plant. He is working on submitting paperwork on this grant for \$500,000-600,000 from the state. We would be doing the installation and have already done the engineering work. .

Ben stated that he has been working on a WaterSMART grant in the Full-Service area. The grant is to upgrade the original propeller meters with electromagnetic meters with remote reading capabilities. The proposed meters are more efficiency and will help cut down on meter reading times. It is up to \$225,000 and is a 50/50 match up to \$100,000. Ben stated that he would write it for \$200,000 and that would get between 50-70 meters depending on how it breaks down. Looking to work on 2 pumping plants at a time. It depends on the size of the meters and wanted to get input from the board as He has to apply by the end of April. Wes asked if that is one of the projects that qualify on what Christine has recommended funding for. Ken stated that this is a grant we have been kicking around for several years out in the field. It's a combination of personal and some years the program doesn't have great funding as for why we haven't chased it yet. In some ways it is an old thinking grant, that we have talked about for awhile and has good things for the Project. We just had a financial conversation with

a deeper conservation of where we are going in the future. The entire project will take 5ish years so we can postpone for a year and not hurt much. Within that infrastructure bill there are different buckets of money and they are going to keep money for funding in this WaterSMART Grant for 5 years. We have been successful in the past with WaterSMART, but that's not a guarantee. Now there is more money. If we do go with it we would be up for a 50% match. We could go to a roundtable or SW for additional funding request. Ken stated that we can kick the can down the road for 1 year if the Board wants. Ken stated that this is the final push and he wanted Ben to get input from the Board. If the time is not right then we need to wait and pursue a different year. Longer term because of the efficiencies and management capability it is a good project. In the broader view of things, there is a drought one out right now and the whole cycle will start again in the fall and will have 4 more years. It is longer planning for the future in not a good timing period. We have plenty of moving parts. Don stated that in response to Wes's question on Christine funding that it is mostly drought driven. We have reserve funds for use with these kinds of projects. Don stated that this is significant and it is not the match money we should worry about. We should go for it. Wes asked if the grant were to be approved and we had to match the \$100,000 could it be pulled from Capital Outlay Reserves. Ken said we have other funds to pull the money out of reserves. Wes stated that then he says go for it. Godwin asked when we would have to come up with the match. Ben stated that it is a longer process and would be getting final in fall. Don stated that we should go for it for all the 5 years. Ken stated that he would bring in reserves information in May regular meeting because it had been a while since he presented this information and give the Board an update on the reserves.

Godwin asked if Ben if he had figured the savings. Ben stated that last year we spent \$13,000 on meter parts and a lot of man hours rebuilding meters. The meters we have now get rebuilt every three years. Ben stated that he could run some numbers. Godwin asked if this would reduce labor hours. Ken stated that we are in a beneficial place where we can hire seasonal experience labor for awhile and not replace some full-time positions . Ben stated the time saved on rebuilding meters would be spent on other duties, more of an efficiency increase then a direct labor savings. Godwin asked what it does to the FS irrigator being able to check their own readings. Ben stated that the meter readout display would be mounted outside the box, so the irrigator would have easy access. It eliminates having to get in the box to read the meter, whether it is the staff or the FS irrigator.

Robert Stump said there has to be a water efficiency tool as well. There has to be some economic benefit and better use of water management. Ken stated that it is water efficient and will try and write it this way. We are not guaranteed to receive the grant.

Ben stated that he has to provide a Board Resolution for the application. He stated that he has a resolution if approved tonight.

MOTION: TO APPROVE THE RESOLUTION IN ORDER TO PROCEED WITH APPLYING FOR THE \$200,000 GRANT FOR ELECTROMAGNETIC METERS.

**MOTION: WES WILSON
SECOND: DON SCHWINDT
MOTION CARRIED UNANIMOUSLY**

ADJOURNMENT Dolores Water Conservancy District Water Activity Enterprise Board meeting adjourned at 9:06 pm

Donald W. Schwindt, Secretary-Treasurer

Godwin Oliver, President

These written minutes represent the general discussion of the DWCD Board of Directors, DWCD staff, and participants at the DWCD board meeting, and they include a record of any and all board actions taken at the meeting. The written minutes are not intended to provide a word-for-word account of the board meetings. Nor are they a direct quote of any statements offered at board meetings. All DWCD board meetings are recorded on audio tape.

DOLORES WATER CONSERVANCY DISTRICT

MINUTES Regular Meeting April 14, 2022

CALL TO ORDER Godwin Oliver, President, called the meeting to order at 9:06 pm

ROLL CALL Godwin Oliver, President
Simon Martinez, Vice-President
Don Schwindt, Secretary-Treasurer
Sheldonna Z. Ives, Director
Wes Wilson, Director
Glen Fish, Director
Landan Wilson, Director
Ken Curtis, General Manager
Ben Harclerode, Chief of Engineering & Construction
Rob Walker, Maintenance Supervisor-Via Teleconference
Eric Sprague, DWCD Engineering Tech-Via Teleconference
Gina Espeland, Admin Assistant Accounting
Adam Reeves, Attorney
Robert Stump, Bureau of Reclamation

INTRODUCTION OF GUESTS

In Person

Jim Mimiaga, Cortez Journal

Via Telephone/Teleconference

Brandon Johnson, MVIC General Manager; Rich Landreth, City of Cortez; Rusty Crangle, CDWR

MINUTES

APPROVAL OF THE MINUTES

MOTION: TO APPROVE THE MINUTES AS SUBMITTED FOR THE MARCH 10, 2022, REGULAR MEETING.

**MOTION: SIMON MARTINEZ
SECOND: SHELDONNA IVES
MOTION CARRIED UNANIMOUSLY.**

MOTION: TO APPROVE THE MINUTES AS SUBMITTED FOR THE MARCH 10, 2022, EXECUTIVE SESSION MEETING.

**MOTION: SIMON MARTINEZ
SECOND: SHELDONNA IVES
MOTION CARRIED UNANIMOUSLY.**

FINANCIAL STATEMENTS

MOTION: TO APPROVE THE FEBRUARY '22 FINANCIAL STATEMENTS AND APPROVE THE STATEMENT OF PAYABLES AS PRESENTED.

ADMIN: AP/CHECK #12146-12160

\$793,856.08

**MOTION: WES WILSON
SECOND: SIMON MARTINEZ
MOTION CARRIED UNANIMOUSLY**

AGENCY REPORTS

BOR Report – Robert Stump reported that the MOA for the water screens is starting the solicitation process and will start seeing proposals before too long. Robert stated that it will be interesting to see what comes in and hopefully we can fit in what is approved. He stated that with regard to the UMUT O&M payments they are still working on a couple of grant proposals under the Drought Assistance/Resiliency and Native American Affairs Assistance Program. Robert stated that he is also working on a grant because a couple of years ago he was approached regarding fire prevention by tree thinning around the Dolores Tunnel. At that time BOR was not able to find funding. There is fire mitigation funding available now and it looks real promising. Robert had asked Ken about a grant that would incorporate District personnel or contract out. It is about a \$200,000 project. If District personnel could do the work, it would generate funding. Robert will continue to work on this.

Division of Water Resources Report – Rusty Crangle stated that he has worked as a water commissioner on the La Plata, Animas and Mancos and just moved to the Dolores. He just wanted to introduce himself.

T/H Committee Report – Godwin stated that the Committee met March 16, 2022. The Committee discussed lack of funds from Ute Farm and Ranch. The Committee paid DWCD, MVIC and UF&R.

Next T/H Meeting – The Committee will meet at the DWCD, Cortez Office April 20, 2022 at 2:00 p.m.

MVIC Report – Brandon reported that the MVIC Board set the allocation at 32". Stock run started the first of this week and most were shut off today. MVIC is taking orders for starting on Monday April 18th and the ditches will come on as they are efficient to run water.

GENERAL MANAGERS REPORT

Board to Board 7:00 PM April 19, 2022 @ DWCD MVIC/DWCD Board to Board – This meeting has been cancelled.

DWCD Board Workshops 5:30 PM April 20, 2022 (3rd Wed) DWCD Board Workshop or Special Meeting on 2022 FSA Rates Wednesday May 4 – This would be an opportunity to set rates appropriate with the supply. Godwin asked if we wanted to have a meeting on April 20, 2022 for a Board Workshop and also on May 4th. Ken stated that it could be May 5th as well. Don asked about reviewing reconciliation information for the meeting by the April 20th meeting. Ken thought it would have to be based on materials prepared for tonight. Don asked about extending his discussion with Ken to dialogue amongst the full Board on other ideas that Don had proposed. It all ties together with comments from farmers tonight. It is a way to begin to have an answer with some depth on issues presented by the Full Service farmers tonight. The Board agreed on April 20, 2022, 5:30 PM with dinner for a Board Workshop. May 5th – Special Meeting for consideration of 2022 Full Service Rates at 7:00 PM. We will get a text out to FS Irrigators and will have updated water information.

Ken stated that there will be tour with Utah State students on May 11th in the morning. Jack Schmidt had requested the tour. We will bring some farmers and will have a few of our irrigators and may be working with Simon or not. It would be good if more than just the GM can attend. We will probably meet at the overlook.

Colorado Water Congress Board Retreat – Ken stated that he is helping to coordinate some of their meeting and that there will be a few tours between Sunday, May 15 for the Project and Tuesday, May 17 to Ute Farm & Ranch.

Board Appointment of a DWCD Representative to the Monitoring and Recommendation Team-

With Bruce Smart's retirement DWCD does need to appoint a representative to the Monitoring and Recommendation Team. Multiple organizations will have to assign new members, so we will probably see other new members. Ken stated that he included a current roster in the Board packet. MVIC appointed Danny Wilkin and James Snyder is the backup. Ken stated that he believes that Montezuma County has assigned Gerald Koppenhafer as their representative. Steve Garchar is the Dolores County representative. Bruce was the chair and co-chaired with Celene. Each listed organization has a seat. Ken stated that this meeting is mainly for two technical presentations and will be an open meeting. Jim White with CPW will talk about last year's fish surveys. Gigi Richards will talk about the monitoring protocol for the lower Dolores with current updates. The M&R Team was set up around supporting the downstream native fishery that has been talked about for many years. There are generally two formal meetings a year and there will be some history to learn and Ken will help to catch someone up. Meetings are usually in the spring and fall. Fort Lewis College (FLC) is doing the geomorphology monitoring. Jim White also did some fish monitoring last year. The meeting is scheduled for April 29, 2022 from 10-12. It is up the Board to appoint a Representative. Ken stated that he usually attends and will support the Board member who is assigned. Don stated that he suggested Godwin would be good, being the Board President. Don wanted to give him first shot at it. Godwin asked Landan if he would be interested. He stated that he didn't know anything about the M & R Team. Ken gave a brief background on the Monitoring and Recommendation Team (M&R) because a lot of the Board members are not familiar. Ken stated that the Monitoring and Recommendation team deals with downstream fishery and supporting the ecology for the fish. FLC started a 5- year monitoring plan for the lower Dolores. Around a McPhee managed release, the M&R Team gets very active as they help plan the spill flows and looks for monitoring opportunities. They are always talking about removing small mouth bass, a non-native predator, from the lower Dolores. It is a group that we have to be a part of to stay engaged on the Lower Dolores issues. Don stated we have to keep some alliance there no matter how hard a stance other interests take and try to push us. Ken stated that it was specifically set up balanced if you check the organization list.

Adam stated that if there isn't water you say let's explore other options for the fish because there isn't any water. That is when focusing on the fish you can recover with pools versus working on those that need channels (riffles). Wes stated that he would do it, but couldn't make it on the 29th. Ken stated that he could cover it the 29th. Landan said he would recommend Wes. Wes then volunteered to represent DWCD on the M&R Team.

MOTION: APPOINT WES WILSON TO SERVE AS DWCD'S REPRESENTATIVE TO THE MONITORING AND RECOMMENDATION TEAM WITH GODWIN OLIVER AS PRIMARY ALTERNATE AND KEN CURTIS SECONDARY ALTERNATE AND ALWAYS PARTICIPANT TO ASSIST IN REVIEW.

**MOTION: LANDAN WILSON
SECOND: DON SCHWINDT
MOTION CARRIED UNANIMOUSLY**

Colorado River Basin Issues – DCP & DM – Several articles were included in the handouts. Ken stated that today's news was related to backing off Powell's releases even lower. Don stated that the feds are using the UCRC to push the seven states to lower releases below 7.48 MAF. Don received notice through the Family Farm Alliance. It adds to the needs for a bigger basin discussion. The Secretary of Interior is taking the lead instead of the Seven States. DROA is not going to prevent Powell from dropping too low Reclamation has to do this for operational reasons. It was a decision of the Secretary to save the Powell power pool that they were concerned about. Ken also included an article on a hard pause on DM by Colorado, putting DM on hold for a while. Colorado now looking at drought resiliency and everyone is shifting course at CWCB. Steve Wolff and Jim Lockheed spoke on March 28 and the hydrology is driving the upper basin conversation. What are you going to do in the short term is the recurring UB theme to address the emergency before returning to the renegotiations. The lower Powell release decision is not complete. Don stated that usually the seven states lead these discussions, but this time the Secretary and UCRC found that DROA would not meet the Powell power level needs including safe release operations to Mead this year.

DWCD Board Support for FFA CR Statement – Ken included the final FFA Policy Brief position on Colorado Basin renegotiation based on the previously shared draft. FFA would like formal support from their member agencies to work with other basin partners, particularly Reclamation. It was a very good effort. Many of the things that the Family Farm Alliance Board adopted in supporting future Colorado River agriculture, plus the fact that FFA is an agriculture membership endorsing the policy by others that are friends and neighbors in both basins. It is a real opportunity from a wider ag perspective group advocating what is good for us.

Ken stated he is asking the Board to formally endorse the FFA CR policy. Ken pointed to other FFA efforts usually covered by the executive director reports. On national issues you can't beat the Family Farm Alliance as this group is concentrated in the west. They do good things as a group in support of western irrigated agriculture. FFA is looking for a seat at the table similar to the tribes. Adam said the challenges with the tribes at the table, is the difference how upper and lower basin tribes might want to operate the river. Adam asked if that was true for the FFA members? Don pointed to compromise language of Mead for the LB and Powell for the UB as mutually agreed stance. It has been a hard pill for the CAP agriculture and CAP won't support. It is the true active food supply that needs to be protected. Family Farm Alliance will be lobbying based on this policy and will get a lot of air time based off their recent Wall Street Journal campaign. Ken asked for a formal Board motion to support.

MOTION TO SUPPORT THE FAMILY FARM ALLIANCE POLICY

MOTION GLEN FISH
SECOND: WES WILSON
MOTION CARRIED UNANIMOUSLY

Legislation Update – Federal (incl. BOR funding), State, NCA & DWR Rule Making – Ken stated that there is information from the last couple of weeks and the most current. Finally voted against the speculation bill and opposed it and will have a tough road to get through. The South Platte was brought back up and voted down/opposed. Recently the fire suppression ponds were voted down by Congress. Water Quality and PFAs were supported and it was more on the front range. Adam stated that the RIVR bill was pulled and is off for this year. Two senators for ear mark with short notice. Scrambling to come up with projects. It will come up again next year and we need to get ours in order.

Reconciliation Process Review – Ken stated that Ben has been working on data and corresponding charts to help the Boards understand the information regarding Reconciliation. Tonight is just follow up on previously requested information. Ben started with the hydrographs that were mailed out. Eric S. went back to 2011 on the hydrographs and you can see the breakdown starting with 2021 and moving back. In 2019, a big spill year you can see how the call water was spilled out and more Project water was needed at the end of the season. 2018 was a short year, more Call water and less Project. During the spill, Call is the first water that spills out of the reservoir, so they don't use as much. In a dry year, MVIC has more call water that makes the season go longer. In a flush year (wet) more project water is available and MVIC can run longer on the project water and the hydrographs point that out. Adam asked that when MVIC losses the call water in the managed release, do they see a big problem? When project water fills in 70%, do they make do reasonably well with a 70% supply versus a 100% supply of the spilled Call water? Don thought not too bad. Don stated he looked at the contracts, 1977 first and then T/H overlaid on top of the 1977 contract that makes the call water the more expensive water. The 1977 contract tried to duplicate existing operations as if there was no project. If you live within the 72,000 diversion limit contractually, project water should be coming first before the use of call water at the tail end of the hydrograph when they can have choice when & how to use. End result may be the same result, but there is more ability to think about how to use. Project water first is getting close to anticipated full supply while there is some early non-use of available diversions. We need to develop the water supply available, the water rights to that supply and what diverters chose to use at that time. That should show the benefit of storing water, any supplies that change the hydrograph. It will help the non-use discussion and make for a better understanding.

Adam asked about when the project water fills in when they are out of call water, they make it work on that supply. In a shortage year MVIC gets the water and the bill. Adam stated that in a short water year, MVIC might be able to use 70% of their water and trade off the water for less than 100% of the billing that they would be getting. Don said historically, MVIC users would have shorted their Class 6 lands when water flows were down. We have to be really careful showing these different pieces that detail the buckets of water making it work for all of us. Adam stated that if MVIC would agree to just irrigate classified acres it would impact billing and supply. Don stated that we are really talking about a large bucket of carriage water with some are going to classified lands. Between 105KAF and 150.4 KAF there is some that fits classified and some that fits a different animal of water that we need to define. Don stated that the graphs are great, but still need some adjustment to explain history and contracts.

Ken pointed out that we only went back to 2008 until we settle on the details. Don would like to redo the DPR Appendix B with current hydrology to determine water supply. Wes asked about 2021 billing and Ben said that it was based on total stored in McPhee. Adam pointed out that the Project allows MVIC to flatten its use from the 707 running on days when available and use when not available.

Glen asked if it is fair to say that in any federal project it is the duty of the government to leave you as they found you. Don said that the government tried in the 1977 contract. Glen asked if they track alongside the MVIC water rights. Don pointed out that the government had to put an adjustment to the water rights to consider building a project. MVIC had an absolute for 707 CFS to run on. They

could never run it through the system even though it was made absolute. They had 1400 CFS, with conditionals, and wouldn't build McPhee if MVIC didn't limit their use. It was still part of the negotiations that the government had a need to get a limitation. MVIC got a contract right for 37,500 acres while only irrigating 33,000 at that time. In the end it was a mutual deal between parties. MVIC had the first veto and got the best deal they could.

Ben continued reviewing the handouts showing hydrographs and rolling averages. The one with the MVIC the water that goes back to 2008 showing a 5 year average until we add more data. McPhee total uses ranges between 39,000 to 29,000. Same process for all 3 types of water, Call, Project and Totten Exchange. Ken stated that we use up call water first as project water is calculate last based on other available supplies.

Robert S. asked about the billing, he couldn't see that the front part and back end of the hydrograph use would change any calculations. Don was calculating what was the water right, what was used and what was left. At the end of the day, it wouldn't affect what Robert was saying, but it was not traditional historical uses as of today. Adam doesn't think the color of water changes the proportions. Don thinks we have to see what this change does. It will show that when you pull it by direct flow in spring you will have less to put in McPhee to store and have later to use. There are different ways to calculate the Project use from storage instead of diverted flow. Don stated that the Totten Exchange muddies the water because written in as a salinity feature.

Final piece is the dredging costs that Ben shared previously that has the Bureau costs and tracks equipment. Ken confirmed that do not charge equipment that way in the reconciliation. The question was, are we going to amortize the dredging costs? First, we back out the Bureau and equipment leaving about \$146K in direct costs to spread over a longer period. There are about \$41,000of associated overhead tied to man hours that you probably would not spread it out over 10 years. Ken thinks that it is going to be around \$15,000 - \$18,000 a year. He's not sure you even charge interest. The man hours are still heavy in the Full Service in low years due to the system. We can get more detailed on a 5 or 10 year spread after nailing down a methodology. Adam asked when you talk about amortizing the dredging were you charging in the year it was approved. Ken said that the thought was it is a one- time cost, a long term maintenance issue. After creating a methodology then take the \$15,000+/- and reconcile over some years 2021, 2022, etc. over 5 – 10 years. However, the methodology works in a given year that is how the \$15K gets paid that year. Don said finding an appropriate overhead would be important.

LEGAL REPORT

MVIC 87.3cfs Water Rights Filing – Nothing new to report. Don asked about SWCD settling based on the MVIC meeting, but Adam has not seen that stipulation yet.

NCA Legislation Update – Adam stated that Ken and he met on the stakeholders on the NCA and would like to discuss it in executive session as it may be subject to negotiation.

Adam stated that he had no further water rights protection discussion tonight.

Godwin asked for an Executive Session to discuss the following: NCA Legislation and Reconciliation Process.

MOTION: MOVE INTO EXECUTIVE SESSION PER CRS 24.6.402(b) TO OBTAIN ADVICE FROM COUNSEL AND CRS 24.6.402(e) MATTERS OF NEGOTIATION FOR DISCUSSIONS ON NCA LEGISLATION.

**MOTION: SIMON MARTINEZ
SECOND: SHELDONNA IVES
MOTION CARRIED UNANIMOUSLY.**

**RECESSED FOR EXECUTIVE SESSION AT 10:55 P.M.
RECONVENED REGULAR MEETING AT 11:17 P.M.**

REPORT OUT OF EXECUTIVE SESSION

Adam reported that in Executive Session the Board discussed the proposed NCA legislation. Instructions were given to negotiators and no decisions were made.

NEXT DWCD BOARD MEETING – Thursday, May 12, 2022 - 7:00 P.M.

ADJOURNMENT Meeting adjourned at 11:17 P.M.