

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
October 12, 2023

CALL TO ORDER Godwin Oliver, President, called the meeting to order at 2:00 pm

ROLL CALL Godwin Oliver, President
Glen Fish, Vice President
Don Schwindt, Secretary-Treasurer
Landan Wilson, Director
Jeremy Redshaw, Director
Ryan Gray, Director
Ken Curtis, General Manager
Eric Sprague, Interim Water Manager
Jed Martinez, Maintenance Supervisor
Gina Espeland, Admin Assistant Accounting
Adam Reeves, Attorney MBSS
Lindsey Ratcliff, Attorney MBSS

INTRODUCTION OF GUESTS

In-Person

Brandon Johnson, MVIC

Via Telephone/Teleconference

MINUTES

APPROVAL OF THE MINUTES

MOTION: TO APPROVE THE MINUTES AS SUBMITTED FOR THE SEPTEMBER 14, 2023, ENTERPRISE MEETING.

**MOTION: JEREMY REDSHAW
SECOND: LANDAN WILSON
MOTION CARRIED UNANIMOUSLY.**

FINANCIAL STATEMENTS

MOTION: TO APPROVE THE AUGUST '23 FINANCIAL STATEMENT AND APPROVE THE STATEMENT OF PAYABLES AS PRESENTED.

**O&M: AP/CHECK #41740-41840 & PR/CHECK #126085-126136
\$272,870.95**

**MOTION: JEREMY REDSHAW
SECOND: GLEN FISH
MOTION CARRIED UNANIMOUSLY.**

O&M REPORT – Jed reported the following:

Personnel Committee - Jed stated that he wanted to thank Godwin, Jeremy, Wes and Landan on the input at Personnel Committee meeting.

Pumping Plants and Field Work - Pushed the FSA end date to October 16-17 when the pumping plants will be shut off and canals will be drained. Jed stated that he was informed last week of a leak on T/H Canal about 3 miles down from 491 where the second road crossing hits 522 and it is upstream of that. Reached out to Simon and they have eyes on it. Simon wanted to wait and we are. Water is surfacing at two points 15 ft apart. Simon's goal is to hold off as long as we can. We are currently working on the drainage behind the fairgrounds. Will be starting on the liner at 508 and it should take 3-4 weeks. Ken said that we already put a band near that section of siphon and the last leak was the result of roots and rolled gaskets. Guessing we are going to go tunneling and figure out how to dewater with our schedule and will figure it out with THCC. Also have a leak repaired between 323 and 324 in Dove Creek. It was patched on the fly, but still needs some work. We are checking it daily and when the canal is dry, will be sealing it right.

Getting ready to schedule water screens. DWCD crew is responsible for the removal and installation of the water screens with our crane, while Evoqua is responsible for the shipping. We will be installing the water screens next spring before the irrigation season starts.

We've been working with the Town of Dove Creek and Dolores County to make sure their ponds have stayed full. The Field Techs are going to start winterizing the system and the plants will be winterized after we have the water screens shipped or as the schedule allows.

Power Plants - McPhee Power Plant is scheduled to run through November 14th at 25 CFS. Towaoc Power Plant has been running 39 cfs for the start of winterizing the canals.

Winter Maintenance - Starting out to be a busy off-season. Jed's goal is to take a more proactive approach to maintenance as things settle down,

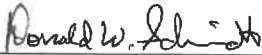
Other - Jed stated that he just put 2 job postings on line for a mechanic and an operator. In the last week we have lost a mechanic and an operator.

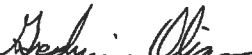
WATER MANAGEMENT REPORT

Water Supply & Water Accounting – Eric presented the highlighted **Inflow/Outflow for September and October**: FSA is still pulling 50 cfs and will see use until the plants shut off. It will get cold tonight. Great Cut pumps will shut off on Sunday and then over the next 72 hours the pumping plants will shutoff as the canal dewaterers. In the accounting, MVIC has been using project water but at the end of the season when the full upstream exchange volume has been accumulated it will be retroactively swapped with some project water since MVIC doesn't pay O&M on the upstream water. It's the same as if they'd diverted the upstream water first, but running it this way is easier for accounting. Total precip in in September was 1.6 inches. 2) October we see that the river has died out with Groundhog being shut off. McPhee elevation is 6,905 FT and will be close to 6900 and that is basically as high as we can realistically expect this time of year – we have a good carryover for next year. Gives us a better chance next year for a full supply and even a spill for 2024. Utes have used about 2,400 AF in OCT, MVIC has a total use of 102,000 AF. They will leave approximately 7,000 AF of unused project water. MVIC released approximately 9,700 AF from Groundhog this season. Groundhog has 9,000 AF of active capacity remaining in carryover. MVIC has been slowing down all week and plan on shutting down tomorrow. Brandon will talk more about MVIC end of season after they shut off. FS has used about 42,000 AF and maybe another 1,000, not close to the 52,000 AF allocation. The weather is getting cold and then getting warm again for next week. Ute Farm and Ranch will shut down about the 29th-30th. To date they have used 20,500 AF, 84% of allocated.

2023 FS Cap Review & Irrigator Pools: Eric provided the pool sheet summary. Lloyd Shumway and Ron Buehring have requested more, so we directed 30 AF more to Lloyd Shumway's pool and 4 AF more to Ron Buehring's pool. There were no other requests. We don't have anyone that is over. Sent out a text yesterday and haven't sent out postcards. Will continue to spread the word about texts.

ADJOURNMENT Dolores Water Conservancy District Water Activity Enterprise Board meeting adjourned at 2:14 pm


Donald W. Schwindt, Secretary-Treasurer


Godwin Oliver, President

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DOLORES WATER CONSERVANCY DISTRICT

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ROLL CALL
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INTRODUCTION OF GUESTS

In-Person

Brandon Johnson, MVIC;

Via Telephone/Teleconference

MINUTES

APPROVAL OF THE MINUTES

MOTION: TO APPROVE THE MINUTES AS SUBMITTED FOR THE SEPTEMBER 14, 2023 REGULAR MEETING.

**MOTION: JEREMY REDSHAW
SECOND: GLEN FISH
MOTION CARRIED UNANIMOUSLY.**

MOTION: TO APPROVE THE MINUTES AS SUBMITTED FOR THE SEPTEMBER 14, 2023 EXECUTIVE SESSION.

**MOTION: JEREMY REDSHAW
SECOND: GLEN FISH
MOTION CARRIED UNANIMOUSLY.**

MOTION: TO APPROVE THE MINUTES AS SUBMITTED FOR THE SEPTEMBER 27, 2023 PERSONNEL COMMITTEE MEETING.

**MOTION: JEREMY REDSHAW
SECOND: LANDAN WILSON
MOTION CARRIED UNANIMOUSLY.**

FINANCIAL STATEMENTS

MOTION: TO APPROVE THE AUGUST '23 FINANCIAL STATEMENTS AND APPROVE THE STATEMENT OF PAYABLES AS PRESENTED.

ADMIN: AP/CHECK #12411-12428

\$26,687.58

**MOTION: JEREMY REDSHAW
SECOND: LANDAN WILSON
MOTION CARRIED UNANIMOUSLY.**

AGENCY REPORTS

BOR Report – Robert was not present at the meeting. Ken stated that Robert is out in the field working on the inclinometer monitoring equipment and protocols with Denver Tech BOR personnel and didn't expect to be back.

Division of Water Resources Report – Not present at meeting.

T/H Committee Report – Godwin stated that the Committee met. Next meeting is October 18th there will be a tour and meeting from 8:00 – 3:00. Brandon reported that the plan is to start the tour up north. The THCC wants to look at the drainage and the liner area and will also look at the leak that Jed talked about. UMF&R will be providing transportation. Do need head count for transportation purposes. We can do trucks also if needed. Wes stated that he is planning on attending. Adam said that he and Lindsey will not be attending, they are doing a tour with the UMF&R. Don said he was a maybe. Jeremy is planning on going. Landan said he is unsure. Ryan said he would if he could get off work. Eric S is planning on attending. Brandon stated that the committee talked about projects. The liner material is in, but heck 508 borrow is waiting on a final NEPA clearance. We still plan on installing liner this year as it is a priority.

MVIC Report – Brandon stated that they are shutting down tomorrow and the finishing the rest on Saturday. At Beaver ditch both liners are installed on both breaches. Weminuche is doing dirt work and installing fences thru next week. Then they will start seeding the week of the 23rd and should be done. MVIC crews have been short staffed and Brandon is trying to keep the projects going that he has.

GENERAL MANAGER REPORT

Miscellaneous Updates

CRD to purchase Shoshone Hydropower plant: River District is attempting to purchase Shoshone Hydropower plant to be able to place a call with the water right, and it may be dedicated to instream flows. The hydropower plant is old. CRD controlling the call will be good for Grand Valley irrigators & possibly UC Recovery Program. CRD has approached CWCB for a loan approval at next meeting. Ken said he can provide more details if anyone is interested. Cost is in the \$99 million range to purchase. The Shoshone call pulls water down to the Grand Valley. Don wanted to emphasize how big deal it is to the west slope. Don said that there have been huge battles over east & west slope issues with Shoshone right in the middle so CRD putting this together is good for the west slope. Jeremy asked who they are purchasing it from? Ken thought Excel. Don said that it is big deal that has interesting water law and involves the political will to be a template that gives him optimism. Adam pointed out that Shoshone is the primary restriction on east slope trans basin diversions.

Personnel Committee: Jeremy expressed a desire to join and we had 4 members and have minutes. Believe it is an ad hoc committee and they are going to try and meet regularly. Per the notes taken we had four Board members meet. The full Board may want to concur going forward. Adam said that ad hoc is fine as long as it is noticed and minutes are kept. Godwin said with what is going on we thought they should have a set meeting once a month and wanted the rest of the Board to agree. Don said he was in favor of the Personnel Committee as a way to make DWCD Board work better and appreciate the ones participating. After discussion, it was suggested on the 4th Tuesday of the month at 8:00 am. The next meeting will be at Great Cut and can start doing tours or alternating meeting sites later. The next meeting is more administrative and getting topics organized. Barring November because of Thanksgiving, the intent is to meet 8 AM the 4th Tuesday.

Miscellaneous: Ken reported that there were more zebra mussels found at Highline Lake.

Don has set up a meeting between Family Farm, Ken and the Ute Mountain Tribe on Monday. Ken still plans to meet with the UMUT Water Resource Committee separately. Don said that Pat O'Toole, FFA President is the one who wanted to set up the meeting to explore common issues. Don said if we can dove tail some common goals, it would be good to be on the same page. Don reached out to Manuel Hart to set up. Ken said it was primarily between Family Farm and Utes with Ken tagging along as a FFA Advisory Committee member. Ken said Manuel is still talking about coming to meet with the Board.

Becky Mitchell has taken over the IBCC Committee. It will be good long term and think we will become her ad hoc advisory feedback group. She was at SWCD Board meeting yesterday and at the Drought Task Force today in Ignacio. Interior is losing US Deputy Secretary of Interior, Tommy Beudreau, who has been an important figure at Interior on western water. He was also involved in energy, oil and gas, other important western natural resource issues.

Ken said he is going to set the State Engineer Division 7 Draft Measurement Rules out for the Board to grab if interested. It is a draft Order of the State Engineer on the rules and regulations governing the measurement of surface water, groundwater diversions, storage, release and delivery of water located in Water Division 7. We had McElmo Users attend when the State Engineer presented at DWCD. It is a draft for comment purposes only, which are due by October 20th.

Set Upstream Users Inclusion Hearing 2:30 PM November 9, 2023: Required public hearing with legal notice to bring new upstream users into District boundaries, by individual parcels for county assessments. DWCD has traditionally held this hearing at the regular November Board meeting.

MOTION: TO SET THE UPSTREAM USERS INCLUSION HEARING FOR 2:30 PM ON NOVEMBER 9, 2023.

**MOTION: JEREMY REDSHAW
SECOND: WES WILSON
MOTION CARRIED UNANIMOUSLY.**

Set Budget Hearing 3:00 PM November 9, 2023: Required public hearing with legal notice for the 2024 DWCD budget that must happen prior to December adoption. This is traditionally held at the regular November Board meeting.

MOTION: TO SET A BUDGET HEARING FOR 3:00 PM ON NOVEMBER 9, 2023.

**MOTION: LANDAN WILSON
SECOND: JEREMY REDSHAW
MOTION CARRIED UNANIMOUSLY.**

DWCD Board Workshops – 3rd Wednesday, October 18, 2023 for Budget Workshop: Last year, the Board held regular workshops for in depth topics on the third Wednesday of each month, which would start Wednesday next week, October 18. If a meeting next Wednesday would be too much after an all-day T/H tour, can shift the first meeting. The first workshop should be the budget workshop unless you want additional meetings. Start time would be 5:30 PM and DWCD would provide dinner. Board can alter date and/or time at their discretion. Future workshops dates are Wednesday November 15, December 20, January 17, February 21 and March 20. Godwin said he would like to move this first one due to the THC tour. Don said he like the idea of the third Wednesdays, even if we choose to due this first one differently. The Board agreed on Tuesday October 17th for the first budget workshop. Ryan asked when these special meetings expire? Ken said usually through March or maybe April, driven by irrigation startup. The Board agreed to the third Wednesdays for Board Workshops at 5:30 with dinner.

Set FSA Farmer Advisory Committee Meeting Date: The Pleasant View Fire Station has been working well and we have usually started at 5:30 PM. Potential dates I see are Tuesday 10/24, Wednesday 10/25, Monday 10/30, Wednesday 11/1. We could push to the week of November 6th or November 13th. Godwin reminded the Board of avoiding conflicts with hunting season per farmer input. The Board agreed to November 6th at 5:30 to avoid hunting season as long as the Pleasant View Fire Station is available. Staff will send out a post Card and Text for the full service Farmer Advisory Committee meeting.

Prop HH: Ken stated that there is one new article in the handouts. The blue book has a lot of Prop HH information. Prop HH is a bait & switch, where for some minor temporary tax relief the state will be allowed to keep more of future Tabor refunds. It would have been more transparent to adjust the assessment rates. The Colorado Special District Association is against Prop HH along with CCI, the state county association. Gerald said that he was surprised that certain conservative counties are

getting caught up wanting to lower property taxes, a good thing, while allowing the state to keep more tax revenue. The state is going after TABOR. This ballot item will significantly affect tax revenue received by all special districts if it passes along with some changed budget deadline dates for the 2024 budget. Prop HH would revert Tabor refunds back to state control while providing some temporary property tax relief. The better answer would have been to address property tax relief directly, by assessment rate or some other direct relief. We have some valuation estimates from the Montezuma County Assessor that could have a \$10-20K deduction to DWCD. Without Prop HH, SB 22-238, would still be in effect and help control property taxes for one more year. DWCD Board originally set a 1 mill levy in 1961. It has subsequently decreased to 0.483 mills. Prop HH primarily affects single family, multifamily and commercial property. DWCD may require a special hearing should Prop HH pass.

Lindsey is prepared to talk about the new deadlines if Prop HH passes and the special hearing notice requirements. In the packet handout there is a budget calendar put together from DOLA that lists the deadline changes. If it passes there are certain deadlines that will change only for this year and then revert back to the normal schedule. If it passes, the assessor has until December 29 to give us the assessed valuations and we will then have to certify the mill levy to the counties by January 5th. This will require a special meeting between December 29th and January 5th that would require published notice for the hearing 10 days prior Publish notice in Dolores and Montezuma counties and website. The notice includes proposed mill levy, tax credits, date time and location. Hearing must have time for public comment without unreasonable time limits and then can adopt a resolution after the hearing.

Wes asked that since DWCD has debruced why is our .483 mill not exempt. Adam said that no one has gone to court yet and because it has not passed yet either. So, it is unclear, but may be the case. They have provided a hearing process to address. Wes asked if there was a limit, 10% or 20%? Ken said he would try to bring it to the workshop. Wes asked if Ken thinks it will make a difference for DWCD?. Ken thinks it will because of rising house prices. SB 22-238 was passed for this reason, real estate prices going through the roof, and it cut the assessment to 7% of the valuation for 2 years to allow time for a longer term solution.

Draft 2024 Budget Presentation: Ken said you have one packet which includes Admin and O&M. T/H is approved and will be in the final packet. The Powerplant is done by Robert Stump and Gary later. Ken didn't put in the Dove Creek Lawn and Garden budget, but it will be similar to last year with a new pond liner installation like last year. Ken said he came up with a theme for 2024, it is Repeat. Everything that was going to happen in 2023, didn't happen. We are going to put similar projects in again and try to execute better. We budgeted funds last year for items and projects that we didn't purchase materials, install and complete. We don't have time for the liner at Dove Creek this year. Notes will similar to last year on projects. We have a signed grant on the new water meters and need to get it off the ground. Ken said he would have a copy of the Dove Creek Lawn and Garden Budget for next Tuesday's workshop. Ken asked the Board to look through the Admin and O&M and highlight what you have questions or concerns on. We will have in depth discussions at the Budget Workshop on Tuesday, October 17th.

2024 Reconciliation Review: Ken stated that Eric will review the final reconciliation of 2022 audited costs. We added the 10 rolling average water years and will start generating bills. These will be standard practices going forward for all Dolores Project users. Any changes for the 2024 budget going forward will mostly relate to the full-service expenses and users as opposed to shared facilities. If more in depth discussion is needed, we'll take questions now and cover in more detail at the budget workshop. As Eric reviews the sheets, Ken would like to get questions lined out to better explain at the workshop.

Eric said that he didn't get the header updated, should be 2022. This sheet is the face of the workbook where we perform reconciliation, a backup section that takes all the expenses for the year and distributes them to the appropriate infrastructure listed in the top headers. There are 3 kinds of expenses, 1-labor, 2-overhead and 3-cash expenditures which are organized by infrastructure. Top of sheet shows different items and all these are treated similar except for T/H, SCADA and Powerplants, which are reimbursed while SCADA split to canals. The top few lines are adjustments made before costs are distributed to users, like the light blue for MVIC preexisting infrastructure. It is similar to a carriage contract, but written into the permanent project contract because it was negotiated for historical non project water going thru the new tunnel and Great Cut dike. There is an adjustment for Montezuma Water, yellow for Great Cut WAPA power that is not distributed by location. We pull out U-pumps first, then a line for T/H that gets pulled out as well as SCADA and Bureau reimbursement for Fish and Wildlife, flat water fishery as opposed to downstream fishery. \$1.3 million adjusted total gets distributed over the facilities. Next are the different users, Full Service, 1st line is 10 year average AF used from McPhee storage. Ken used the same in the 2024 Budget user's sheet. After 2023 the numbers are going to shift given the full supply, MVIC dropping versus UF&R & FS going up. Looking at FS that the 38,213 use number shows up 4 times, once under McPhee Dam and Reservoir as everyone uses the reservoir. FS is also shows up under Great Cut Pumping Plant, Dove Creek & South Canals and Pumping Plants & Laterals. Those three facilities will show up for any water going north including for Dove Creek and DWCD M&Is, just the percentages change. MVIC has a smaller number for McPhee, 31,269 AF then Great Cut PP (U Lateral) and tunnel which are smaller based on how water is diverted. Great Cut Dike is included under McPhee Reservoir. Ute Farm and

Ranch, have the reservoir and the Dolores tunnel and canal. Wetlands is reservoir and tunnel. Cortez is reservoir and tunnel same as Montezuma Water. Dove Creek is same as FS with different percentages. Green line at bottom is total cost for shared facilities after the top adjustments. It is distributed per party and then per acre foot. Jeremy asked about number on line that is above \$1,524,182 which Eric said had other non-spread costs included, only the \$1,360,968 cost is distributed across shared facilities. Eric and Ken said they would check. Landan asked about water supply for T/H. Eric said it has its own budget as well as powerplants reimbursed by the BOR.

Ken indicated that we'd review annually and can go into more detail on Tuesday. Don asked if totals could be added to the rows on the 10-year rolling average and Eric will add. Don said if it was it would be nice to see what we had and used. It would also compare total McPhee water to the DPR numbers based on actual use.

Colorado River Basin Issues – DCP / DROA / Drought Resiliency/ CRDTF: Ken stated that he sent a few articles with some comments. Becky Mitchell, Colorado's Commissioner, was at SWCD yesterday and at drought task force today, continues to refine her negotiating boundaries. JR asked a good question on support from above and Becky was clear that she has great support from Attorney General Weiser and Governor Polis. Ultimately the seven basin states are going to negotiate to avoid litigation. She made a couple of points, one being that everyone is watching everyone else and she answers accordingly. She may be able to be more open with you in person. Colorado is setting boundaries that they won't negotiate and Becky is forth right about Colorado's principles.

In other news the CRDTF is assembling ideas to consider for possible legislation for their report due to the legislature by December 15th. They have talked about intrastate issues, but haven't started writing the report or taking any real votes on possible recommendations. It was said at Southwestern that they think some of the legislators want something to act on. Elections are coming up next year and some legislators are term limited out. Gerald has been representing this area well, pushing aging infrastructure agriculture projects like MVIC is doing. He has support from the ag, like Mike Camblin and Kevin Rein. Most of the public comments come from the environmental side. The Farm Bureau has attended to make public comments in support of Ag. One thing coming out of the task force, they want to do things to help the State of Colorado and not intended to feed the beast in lower basin.

SCPP is going forward in 2024 after the UCRC voted to continue with more focus on water saving projects and to inform potential demand management. Documents were posted and in the packet. There is a webinar on October 27th and Colorado will have their own webinar after the UCRC. Ken will probably have Greg come in November to talk about how local 2023 SCPP turned out.

LEGAL REPORT

Plateau Creek – There were no Statements of Opposition filed on the Plateau Creek case. Draft ruling has been filed with the Judge.

MVIC 87.3 CFS Water Rights Filing – Adam stated that MVIC settled with the State of Colorado and should be able to get that decreed. Don asked when we could see detail on the settlements. Adam said he had them and could make them available.

MBSS Memo on RRA and Related Reclamation Law – Adam said this might be a good topic for one of the Workshops.

Adam requested an Executive Session to discuss the following: water supply planning and Colorado River issues.

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 WATER RIGHTS PROTECTION, WATER SUPPLY AND PROJECT LAND USE DISCUSSION AND COLORADO RIVER ISSUES.

**MOTION: JEREMY REDSHAW
SECOND: GLEN FISH
MOTION CARRIED UNANIMOUSLY.**

RECESSED FOR EXECUTIVE SESSION AT 3:54 P.M.

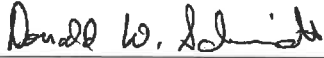
RECONVENED REGULAR MEETING AT 5:27 P.M.

REPORT OUT OF EXECUTIVE SESSION

Adam reported that in Executive Session the Board discussed Colorado River issues and future water supply planning issues subject to negotiation, no decisions were made.

NEXT DWCD BOARD MEETING – Thursday, November 9, 2023 – 2:00 P.M.

ADJOURNMENT Meeting adjourned at 5:27 P.M.



Donald W. Schwindt, Secretary-Treasurer



Godwin Oliver, President