

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
February 9, 2023

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

ROLL CALL Godwin Oliver, President
Simon Martinez, Vice-President
Don Schwindt, Secretary-Treasurer
Wes Wilson, Director
Glen Fish, Director
Landan Wilson, Director
Jeremy Redshaw, Director, Via Teleconference
Ken Curtis, General Manager
Rob Walker, Maintenance Supervisor
Eric Sprague, Water Resources Specialist
Gina Espeland, Admin Assistant Accounting
Adam Reeves, Attorney
Robert Stump, Bureau of Reclamation

INTRODUCTION OF GUESTS

In-Person

Brandon Johnson, MVIC General Manager; Greg Vlaming, Rocking V Soil Conservaton; Greg Peterson, Colorado Water Ag Alliance; and Rusty Cringle, CDWR,

Via Telephone/Teleconference

Rich Landreth and Ed Millard

MINUTES

APPROVAL OF THE MINUTES

MOTION: TO APPROVE THE MINUTES AS SUBMITTED FOR THE JANUARY 12, 2023, ENTERPRISE MEETING.

MOTION: LANDAN WILSON

SECOND: GLEN FISH

MOTION CARRIED UNANIMOUSLY, SIMON AND WES WERE ABSENT AT VOTE.

FINANCIAL STATEMENTS

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

**O&M: AP/CHECK #41105-41167 & PR/CHECK #125663-125704
\$312,114.62**

MOTION: LANDAN WILSON

SECOND: GLEN FISH

MOTION CARRIED UNANIMOUSLY, SIMON AND WES WERE ABSENT AT VOTE.

WATER MANAGEMENT REPORT

Water Accounting – Eric stated that the USGS DOLDOLCO and LOSCANCO gages are still frozen and that inflow to McPhee are still being estimated based on reservoir elevation. Eric presented the Inflow/Outflow 1) **January:** Dolores River Inflow is at 3,415 AF (estimated) with total inflow in McPhee at 3,995 AF (estimated). Narraguinnep stored in McPhee is 6,290 AF, MVIC began filling Narraguinnep at 50 cfs then went to 100 cfs. Release below McPhee is 10 cfs. Precipitation for January was 2.83". The monthly precipitation in our basin was between 150%-200%. 2) **February:** Dolores River Inflow is at 631 AF (estimated). Narraguinnep stored in McPhee is 981 AF for the month. Narraguinnep stored in McPhee to date is 4,620 AF, down by 1,670 AF. MVIC is releasing at 150 cfs. Release below McPhee is 10 cfs, 1,184 AF left till April 1st. Precipitation for the month is 0.01", 0%-5% for our area, but still half a month to go. 3) **Future Weather:** A storm is expected to pass over the basin Tuesday night, depositing less than an inch of precipitation. NOAA's 7-14 day outlook is for low temperatures, but with no indicators either way on precipitation. Looking a little more reliable. 4) **Current Snotels:** First is the weekly SNOTEL comparison. As of the beginning of February, we have more at the SNOTELs than in the last five years, we just need storms to keep it up. Current SNOTEL average is at 13.3 inches and 142% of the 6-FEB median. Next is the CBRFC's SNOTEL accumulation chart. The green line is 2022 as a reference. The light blue is the median. We are significantly better as of February at 140% of the current median, but at only 95% of the seasonal median peak SWE. Eric stated that you will be seeing this graphic a lot. Adam asked if it was including the "really good" years from the '80s. Eric stated that the median was 1991-2020. Eric stated the graphic referenced only the high four SNOTEL sites and doesn't have Sharktooth and Black Mesa. Next is the low snow and it is measured once a month. The sites are Groundhog, Belmear, Bald Hill, Willow Springs and Salter-Y. It gives us an idea of the basin below 9,000 ft. Seeming even better than the 2017 and 2019, it is looking really good so far. It shows the variability that we can have. It is still too early to talk forecasting. Currently 315,000 AF is the forecast that CBRFC put out there. We will look closer in March.

The pie charts are looking at McPhee inflows. The 30 yr average is in the top left and shows inflows from Dolores River 87%, Lost Canyon 3%, and calculated inflows 10%. There is 13% that is not the Dolores River. That pattern has changed over time. Other contributions used to be larger. Did a high year and low year on the bottom, demonstrating that higher flow years show more contributions from Lost Canyon and other inflows. Lost Canyon shows in the green.

The next sheet is another way to look at the same info as the pie charts, but for multiple years. How much is the Dolores and how much is other inflows? There is a pattern here where we can see a threshold below which we see almost no inflows from other sources, meaning functionally everything is coming from the Dolores River. We can also see a correlation where the very high years have substantially larger portions sourced from other inflows. It is associated with more low snow in high years, which means we see a higher portion of runoff that isn't passing the Dolores River gage. Calculated inflow, when it comes in, goes directly to project water supply, compared to all gaged inflows which are subject to MVIC's direct flow right.

Ken stated that these are part of the year-end files, and are part of an effort to incite discussions on hydrology. I've asked Eric to keep bringing these to board meetings to help everyone get familiar with them. We can compare these to Dolores River gage figures you've seen before. We'll go forward from here to highlight patterns and correlations we've discussed in these data. Year-end files will be wrapped up soon, and Ken stated that we will bring a select few and can share all of them.

One more piece of History here, a summary of MVIC's numbers going back to 1986 with emphasis of water being used out of McPhee. First column is MVIC's total use of irrigation water from McPhee and it includes the direct flow and deliveries from McPhee storage, including call water. Other columns come in pairs, showing allocated vs delivered for the years where that data was readily available. Don stated that once we started doing the call water in our accounting, it has done away with the DPR intended practice and projected water numbers and it has been one of the confusing factors in the development of project practices. Ken stated that the big white gap in the middle of the table is there because in most of John's records, MVIC was the only user and that was all that was tracked. This sheet was started after Ken started. Call water was a new animal and was not recognized as important before that time. We didn't even track these records early in the project. E.A. started this record keeping, and retro-actively tracked these numbers back to 2003. So we have real records. Ken started refining it in 2008 and developed a history of record keeping. Don stated that that is where we started tracking these things, driven by Towaoc Highline. Call water can be spilled and is the first out. So you pull the call water first naturally. You have to dove tail the history to the record keeping. Adam asked in 2020 call water diverted exceeded call water collected. Eric stated that he would look into it, and it was probably a manifestation of accounting. Eric just completed this a few hours ago today. Ken stated that it could be an accounting issue related to

how Call water is accounted for in th June Inflow/Outflow. Will probably bring it back next month and address any questions, including Adam's. Eric stated that it might be an artifact of the process of operations being based on provisional numbers and year-end accounting being based on approved numbers. Don asked Brandon, when previous manager, Don Magnuson, was tracking MVIC accounting, has MVIC changed tracking methods prior to what Brandon is doing today. There could be a little skewing of records. Brandon stated that last year they moved some numbers around and Don stated those things are very useful to know. Don stated that this is good to bring to the Board.

Glen asked about the project water and how it is determined. Eric stated that we will be going over it when we go over Exhibit A next week. Adam stated that call water stretches 30% futher than project water in terms of acreage.

O&M REPORT – Rob reported the following:

Canal Maintenance

The Crew is still working on the THC Reach 3 list. Josh is mucking at the end. Will be working with Brandon on issues on Reah 2.

Pumping Plants

We've been plowing snow at GCPP, GC Yard, Tunnel and the Dam. Robert's been working with Evoqua on the water screen progress and setting a date for a site visit to their facility in Mississippi. Might have a phone conference on Monday. Fuels Reduction still too much snow and Robert is working on that as well. We will be overseeing it and as soon as we can get in there we will start.

Power Plants

Cross Canyon Engineering is working with Gary on the SCADA upgrade at TPP.

Control Room

We've hired one new operator and they're all in full training mode and still looking to hire another operator. TKE will be coming for elevator inspections at the Tunnel and the Dam. Did loose communications with the Dam yesterday and Gary got it figured out. Talking with WAPA on replacement on South Canal. Asking about shut down date. Hasting Sand Blasting will be doing the painting for the powerplants, which was from the Bureau inspection write up.

Personnel Committee

We had a Personnel Committee Meeting on Tuesday and toured some of the Project. Landan was on tour to see Towaoc Powerplant. Rob asked about the next meeting or if there was a Personnel Committee Meeting schedule. Godwin asked if there was anything that Rob needed to touch on. Rob stated that he thought he would grab Landan for more on site project tour and anyone else who was interested. Godwin stated that he wanted to keep having scheduled meetings.

Rob stated that he plans on auctioning off 2 pieces of equipment and a field truck. He did get a blue book on them. Planning on advertising in the paper. Rob stated he wanted to get with Glen on the equipment if possible. The equipment includes a 1988 130-G CAT Road Grader, 1993 446 CAT Backhoe and 2004 F350 4wd Field Truck with compressor and crane. Will be advertising next week. In past it was sealed bid, but are planning to have an open auction. Rob asked if the Board wanted any special restrictions applied. Adam stated that you need to be cautious in restrictions. Godwin asked if Frank would charge for the auctioneer service. Rob stated that no.

Simon asked Godwin if the salary and bonuses were completed. Godwin stated that yes it was completed and bonuses were given. Rob stated that the employees were very appreciative.

CAWA Full Service Projects Greg Peterson and Greg Vlaming were present.

Greg Peterson is a Board member representing Colorado Ag Water Alliance. He usually spends time on outreach and finding money to give out. This year he received money. He is funding about 30 projects all over the state in the Drought Resilience. Don asked where the DRES money came from. Greg stated from CWCB, Walton Foundation and some from The Nature Conservancy. Greg stated there is \$350,000 in funding. Greg stated that they were able to do a lot of projects with the money. They are working with a consultant, Erin Wilson, with Wilson Water Group. There is good information and want to be able to scale it up. Have a couple of participants in the SW, one on the Farm and Ranch and Dan Hobbs in McElmo with legumes. The other is a project in the FS area; three farmers are trying a switch from growing alfalfa to a forage mix. The switch goes from 30" to 15" of water required. It is half the water and a little less profit. Looking to see if it works financially and if it helps the soil. There were more people interested. We went looking for more money, then thought of System Conservation Pilot Porgram (SCPP). CAWA doesn't like it either, but ther's

money there. We want to find a way to use the program in a way that is beneficial to the farmers. Talked with the State and River Commission – what if we submit projects that improve water use efficiency, but without fallowing? They said submit them and we'll see. We already have 5 farmers in the FS area, 500 acres, and sure that there are more. They have done some consumptive use. Would be asking UCRC for \$200/AF to take the risk, for those farmers who are trying to make the switch. The program is still developing, so we have an opportunity to influence what the program looks like and present our own solutions. Biggest question is, "What happens with the conserved water?" For now, FS farmers can move it to another field, whatever they decide. In apps, we'll explain it's remaining in McPhee. Right now still accepting applications through the end of this month and beginning of March. It is simple project of crop switching, even if it's under the SCPP. Asked how the Board feels. Landan asked if they are proposing the SCPP or something else. Greg stated that it would be within the SCPP.

Greg Vlaming stated that he is the point of verification with the CAWA board and growers don't need to go through DWCD for the CAWA pot. Glen stated that there could be interest from MVIC shareholders. Ken stated that we have been hesitant because we have an interest in farming to keep the community going and don't want water sent outside the basin. We don't tell the farmer what to do, but do control the water distribution. DWCD can put forth "non-supportive to SCPP" but still advertise the grant at the Farmer Advisory meetings. Greg Vlaming made Ken aware that there was some interest. We control the water and not what the farmer does and we manage McPhee and no other system than McPhee. When it is back in the system it is McPhee. Don't know where the program or the state is going to go.

Don stated that he spent time talking with Greg Peterson. The concern is that the saved water numbers may not be accurate over the long haul. It is a critical component and he has talked with Greg Vlaming about it. We need to expand carry over in McPhee for our water supply. Really afraid of writing a "guard rail" and that this may be only a detour to buy and dry to get to Powell. See a need to make the point to keep it on this side of the state line. How do we do that? Much more open to think about it, but get in writing our guardrails and guidelines. We don't want DM and need to keep McPhee satisfied for our users. See where it goes over time. Focused on our community first. More than just a sketch, need to do it right, before we do it wrong.

Landan asked just for clarification, if someone grows pinto beans vs alfalfa and ends up saving 30 acre feet and get paid \$200/AF for this 30 AF savings, if then they can use it somewhere else. Greg Peterson said it's open-ended. The old pilot program once said that saved water needs to be left in the stream, but for this one they have not said that. For now we abide this answer and hopefully this makes things more financially sound for the farmer. There is almost zero interest in the rest of the state.

Don stated that if it is a farmer taking out something for something else, savings are unclear. So much of the DM is a smoke and mirrors and it is still unknown. It is the SCPP. Adam stated that what the DPR got wrong is the hydrology and the other is the crop mix. The reason they got it wrong because alfalfa was more profitable. Right sizing the project and keeping the agriculture economy going is good. If the demand side of the equation gets fixed, you still end up with more water in McPhee and the water bank and more in spill years. In the past, we'd be talking about bringing new lands in production, but not anymore. So long as there's no anticipation that any saved water gets to Powell in the year that it is saved, it gets saved into farmers' pocket books or in McPhee.

Don stated that it may forever be that you can't measure that gets past McPhee to Powell. A farmer mainly needs financial incentive to move from alfalfa. To make it work and make the economy and everything that feeds off of it. More than the saved water piece. Greg said that it's just the way to make these projects work. Wes asked if Greg would have a yearly project. Greg stated that yes in the end, that's the plan. Landan stated that they came up with the SCPP at the end of December and have application deadline of February 1st and extended to March 1st. Ken stated that it was an advertisement from UCRC was handed out in the packet in January 2023.

Don stated that don't forget the SCPP is the precursor to a DM program. Don stated that he is still fearful. Adam stated that potentially you end up with a decision that it won't work on the Dolores Project because of the plumbing. Greg Peterson said that now is our opportunity. Godwin said that he feels like it is a pretty good project and we are doing that already and the only thing is that you are getting paid for it. Glen asked about the solar and if it has come up. Ken stated that DWCD is not involved at the moment. There may be a call to DWCD. Questions like Landan's, we could follow up. It is informative and we don't know if the state will accept these. Don asked if we can stop it from happening. We need to be thinking real hard that is a possibility.


Adam said he doesn't think you can have a policy on what the farmer grows. Can have a policy on fallowing and how you treat it. This district has zero water to pass through downstream and have zero authority to do that. Ken stated that we would like to follow up on this when there's some data. Also the Farmer Advisory Committee would want to hear. Greg Peterson stated it would be good, in

a couple of months, to get information out at FAC. Don stated that his last comments are putting out there what was discussed in a proactive way. Ken stated that he thinks the State is a little overwhelmed and it was not talked about at CWC and that we're in a gray area as to details. The Board thanked Greg for coming.

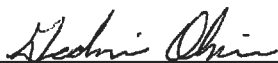
WY 2021 Penalties for OverUse – Godwin stated that we kicked the can down the road and did we want to push it down the road again.

Ken stated that he can leave it on the Agenda. Thinks we need to act by the April 1st. Glen stated that the discussion would be easier. Ken stated that these are the 2021 charges assessed and did the Board want to visit and discuss on 2021. You are going to set 2023 numbers by April. Ken stated that if we don't do anything he would suggest that it not be discussed further. Glen stated that there were 2 that were penalized. Jeremy will be here in person and have a full Board at the March 2023 Meeting. Ken stated that we can bring back recent info. Ken stated that he will mention next month that this is the last chance. Ken stated he would mail out information for the Board to review.

ADJOURNMENT Dolores Water Conservancy District Water Activity Enterprise Board meeting adjourned at 3:25 pm



Donald W. Schwindt, Secretary-Treasurer



Godwin Oliver, President

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DOLORES WATER CONSERVANCY DISTRICT

MINUTES

Regular Meeting
February 9, 2023

CALL TO ORDER Godwin Oliver, President, called the meeting to order at 3:25 pm

ROLL CALL Godwin Oliver, President
Simon Martinez, Vice-President
Don Schwandt, Secretary-Treasurer
Wes Wilson, Director
Glen Fish, Director
Landan Wilson, Director
Jeremy Redshaw, Director – Via Teleconference
Ken Curtis, General Manager
Rob Walker, Maintenance Supervisor
Eric Sprague, Engineering Technician
Gina Espeland, Admin Assistant Accounting
Adam Reeves, Attorney
Robert Stump, Bureau of Reclamation

INTRODUCTION OF GUESTS

In-Person

Brandon Johnson, MVIC General Manager; and Rusty Cringle, CDWR

Via Telephone/Teleconference

Rich Landreth, Ed Millard

MINUTES

APPROVAL OF THE MINUTES

MOTION: TO APPROVE THE MINUTES AS SUBMITTED FOR THE JANUARY 12, 2023, REGULAR MEETING.

MOTION: JEREMY REDSHAW
SECOND: GLEN FISH
MOTION CARRIED UNANIMOUSLY

MOTION: TO APPROVE THE MINUTES AS SUBMITTED FOR THE JANUARY 12, 2023 EXECUTIVE SESSION.

MOTION: GLEN FISH
SECOND: WES WILSON
MOTION CARRIED UNANIMOUSLY

FINANCIAL STATEMENTS

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

ADMIN: AP/CHECK #12288-12301

\$15,540.77

**MOTION: WES WILSON
SECOND: LANDAN WILSON
MOTION CARRIED UNANIMOUSLY**

AGENCY REPORTS

BOR Report – Robert Stump reported that water screens are in Mississippi to be rebuilt by Evoqua. The required inspection report identified additional repairs and was approved. Call on Monday for the return schedule. He reported that the BOR solicitor said the authority on the grant was not appropriate for the tunnel fuels reduction work. It is a Fish and Wildlife authority and has to be tied to endangered species. He has looked at other authorities, but has not come up with anything yet. If we can't find the authority we can't do it.

Division of Water Resources Report – Rusty stated that he didn't have anything to report.

T/H Committee Report – Godwin stated that the Committee met January 18, 2023 1) The Committee paid DWCD and MVIC.

Next T/H Meeting – The Committee will meet at the DWCD, Cortez Office February 15, 2023 at 2:00 p.m.

MVIC Report – Brandon reported that 1) MVIC is servicing PRVs on the lower half of the system. Staff is fixing valves and mucking mud.

GENERAL MANAGERS REPORT

SET BUDGET HEARING – Ken reported that Cortez wants to pay off their 50 year Block notice repayments early at approximately between \$2.6 and \$2.7 million. Reclamation is working on the precise payoff number to be transferred electronically. This was not covered in our adopted 2023 Budget so we have to amend our Budget to transfer the money in and out. This will require a budget adjustment to the DWCD 200 budget and will require a hearing with legal advertising. Ken recommended the Board set a hearing for March 9, 2023 at 3:00 PM.

MOTION: TO SET A 2023 SUPPLEMENTAL BUDGET AND APPROPRIATION BUDGET HEARING FOR MARCH 9, 2023 AT 3:00 P.M.

MOTION: LANDAN WILSON

SECOND: WES WILSON

MOTION CARRIED UNANIMOUSLY

Legislation Update – Federal, State & DWR Rule Making: Ken stated that a lot of participation from the Legislators in these meetings. Monday's attendance was high and that has been going all year. On the legislative side the modernization of the process to change groundwater well owners was support by the State Affairs Committee. More knowledgeable people talked about it being administrative and with lands being sold and the ownership getting changed over. CWC State Affairs has not taken a position on the ethics committee bill. The stream/channel restoration bill might be the big one this year and there is a subcommittee reviewing led by John McClow. Ken will watch the ethics bill, but not sure it applies to conservancy districts. Adam stated that he hasn't looked at it. If it does apply to Conservancy Districts we would want to know that.

Adam stated that one thing we should think about rolling into it, the CWCB wants fish passage and in all its diversion structures and then have Colorado water law wants an efficiency means of diversion. Nobody seems to know what that means, but if you put a concrete stem wall across a river that catches everything that is a reasonably efficient means of diversion. Adam thinks defining this would be helpful. This has not been discussed, only beaver dam analogs and similar natural restoration types. The proposal has been light on what would work administratively. Don asked if they talked about water supply and hydrograph over time. Ken answered about one study that shows that if you create wetlands up in higher elevations, they extend the hydrograph.

We heard at CWC about DWR measurement rules coming to Division 7 this year, the State Engineer will be promulgating measurement rules for Division 7. Adam stated that we have to make sure that he only does measurement rules. Don stated that the information from the Yampa BRT may link to his concerns on past precedence. He wants Adam's help framing up for a work session to be ready for DWR measurement rule making.

Adapting Colorado's Water Systems for a 21st Century Economy and Water Supply summary was included in the Board packet. It was introduced at CWC and likely sets up some future Colorado conversations and legislation. There is a lengthy report attached and talking about structural barriers and that there will have to be adjustments in Colorado's use of water.

Minor Updates

ANS

Ken stated that he attended the State wide CPW ANS meeting remotely yesterday and learned that 2021 boating sky rocketed with COVID and then went down in 2022. The decline in boating led to fewer inspections and decontaminations for the first time. McPhee had the highest number in the state tied with a temporary I-70 station over 3 weekends last summer catching 24 infested boats.

The other big news was a zebra mussel infestation in Highline lake near Loma Colorado between Fruita and Grand Junction that is at the end of the Grand Valley system and dumps into the Colorado. Powell is infested with quaggas and the closest known zebra mussels are in Texas. They have found no traces in the Grand Valley system and only about a dozen adult mussels, no veligers. CPW will start eradication efforts later this spring and decontaminate all boats leaving Highline for 5 years, a costly expense to this infestation. Jeremy asked who pays for costs on McPhee currently. Ken stated that it is Forest Service, Bureau of Reclamation and DWCD. DWCD portion paid under dam expenses and BOR under powerplants.

Friday March 31 SWCD Seminar: A flyer was included in the mail out, let us know if you want to attend. The venue has been moved to Ignacio to accommodate larger crowds. It is a good meeting to see your local counterparts across the SW.

CWC Conference Participant Comments: Don, Adam, Eric and Ken.

Ken stated that it was a good conference and enjoyed the State Demography and the Jennifer Gimbel and Eric Kuhn presentation. Becky Mitchell gave a good status on CR issues. Past Aspinall award winners spoke on who makes policy for Colorado.

Don commented that Rob Genualdi was worth showing the Board, particularly LaPlata trends and the indicator of the Division's direction from west and east. From the Aspinall Award Winners, David Robbins that we have massaged our states prior appropriation and it continues to work over time. Don stated that is a telling and interesting place and how it might hit the difference between a massage and a rock.

Glen asked if he meant someone was striking his rock of prior appropriation with a big hammer? No, it's a description of where we've been that we can't ignore. Ken outlined the CWC Stewardship program that exists to protect Glen's rock. A future ballot initiative could be a big hammer. 2024 will be the big year for ballot initiatives.

Glen asked if it would require more than a simple majority vote? It depends what kind of initiative is put forth. There are prescribed processes for each specific initiative.

Don stated that he appreciated the two Yampa Roundtable pieces included in the Board Packet. This is a way to directly choose to make our voice heard by developing policy that DWCD can relate to these from the Yampa. The compact comes from the federal side of the area and we may want to massage the federal compact while fighting for our water rights in this community. In the state, the Roundtable was a massaging of prior appropriation and how it is doing its job. You have to do your best to stand up for the rock in the arenas to get our voice out there. That is why the Brainstorm sessions are a place to discuss, so we are not just feeling angry, but can be proactive. Glen stated that he actually feels helpless and uncomfortable at the roundtable. Don stated that he understands completely.

Adam stated that the water buffalos, our institutional memory, are getting old and won't be working much longer. He is not sure the torch has been passed particularly well.

Division 7 Exemption: This will likely return next year and DWCD will have to review and address again at that time.

Leasing MVIC Class A Shares: Ken stated that the Board had traditionally made decisions to lease DWCD Class A shares at the February Board meeting. The shares were generally leased to other shareholders. Last year due to drought we leased to UF&R. Ken will provide more detailed information prior to the March meeting. Ken believes the last time they were leased at \$80/share in 2021.

Don's thought that this ought to be a Brainstorm session item to explore leasing it to the Tribe as we have done. He sees value in continuing the more recent path for the long term. Landan asked if the \$80/share is normal. Ken stated that there has been a gradual growth over the years, but the Board has set the price to cover more than just the cost. Landan asked about the Ute F & R pricing and Ken explained it was on a per AF price that was similar. The Board had kept the UF&R rate flat and adjusted historically in line with full service rates. Wes stated that a big driver last year was that we could ship the shares to the UF&R instead of other leased M&I water which would be available to go north to FS.

DWCD Board Meeting starting at 2PM beyond March 2023 – As of now Board meetings go back to 7 PM in April unless the Board acts to continue at 2 PM. Godwin stated that he asked Ken to put it back on the agenda. He changes water morning and night and when he is not home due a late meeting, he has to find someone to change water. The middle of the day is easier for him personally. He wanted to try 2 Pm over the winter and see how it went. Simon stated that he is with Godwin and 2 PM is better. Simon said his position allows him to do either, but would prefer at 2PM. Ken will place on the agenda for a March decision.

DWCD Board Workshops – February 15, 2023 (3rd Wed): The Board agreed to have a Board Workshop for February 15, 2023 at 5:30 with dinner.

Discuss Topics for Brainstorm – Tentatively set for Wednesday March 1, 2023 9:00 AM: The Board set last month as March 1, 2023 for the Brainstorm, 9-4 with Lunch provided.

Colorado River Issues – Included in the mailout were the 6 State letter, now the consensus letter, and the Colorado River Board of CA letter. They are in similar themes and different actions. The consensus letter is asking the upper basin to contribute water per the five-point plan, while CA wants 500 KAF UB measured contributions. The Yampa- White- Green Basin Roundtable draft position statement on CR issues was included as appropriate topic material along with several articles and ken's comments to the Colorado Conservation Board. The big fight between CA and AZ is not our business, not a place for us to take sides, so he focused on UB versus LB loss accounting. Don complimented Ken on the comments and might feel more comfortable if DWCD had a position statement. We should focus in the near term at workshops to strengthen and get the Board to come together and agree if they can to be strong for what we need. Powell is ours (UB) and Mead is theirs (LB). Don stated that then we would know what to advocate for intrastate. Glen appreciated ken's comments also.

CAP Water Supply Report – Ken reviewed the report. Ken called out on the teacup graphic that showed Powell at 3524' with power elevation at 3490'. Spring runoff won't hit Powell until late June, so Powell will continue to drop. The DCP agreement on DM allows the Upper Basin (UB) to put a stored pool in Powell that is protected from the 07 Interim Guidelines. What UB farmer wants to feed an overuse habit in the LB? The idea beyond DROA is to release enough and at the right time to prop up Powell without releasing more to Mead per the Interim Guidelines. This means releasing while dropping during the winter. There is some UB pushback to keep from sending it down to Mead. The next graph shows the 24 month study with the potential max probable and minimum. Powell is still at risk of hitting power pool in the near future, but looking less likely for 2023. They have a detailed release for 2023 that is without Supplemental EIS scheduled for release in late March followed by NEPA comment period with potential adoption in June 2023. This is the plan under the current rules and why the argument for changing under the SEIS. Mead is similar, and doesn't get a lot of runoff that doesn't go through Powell first so follows a similar pattern. As Don stated earlier, Powell needs to protect the UB and Mead the LB. The trends for both continue downward. Wes confirmed that when Ken says rules, he means 2007 interim guidelines.

CAP – Colorado River Discussions – The front-page graphic compares the 07 interim guidelines versus the two state proposals. It is clearer than the bullets on the next couple of pages where they call out the differences. The materials show a series of cuts for NV, CA, AZ and Mexico. The graphic shows the new pool, Infrastructure Protection Volume, IPV, which are new cuts. The larger cuts by

CA are showing up. The CA alternative on the next page as CAP interprets, the cuts are more on AZ and NV versus CA which has only agreed to 400,000 AF in new cuts, with payment. The third handout covers Mexico Treaty details and had some good summary points on how Mexico plays into these shortages.

Ken has been clarifying historical details with Ed Millard this week. Clearly CA was talking about priorities in the compact. There is no seniority between basins, but the LB never adopted a compact. Congress through the legislation that authorized Hoover dam created numbers that we see today, 4,4 MAF to CA, 2.8 MAF to AZ & 0.3 MAF to NV. They were conditioned on a LB compact that never happened and the Supreme Court divided up only the mainstem. The seniority is the federal contracts from Mead and are the numbers delivered to the headgates. CAP, Central AZ is much later. AZ gets 2.8 MAF from the mainstem and additional from Salt, Gila & Verde, which remains an unresolved compact issue.

Yampa White Green Paper – Don thought some DM Statement phrases we might be something we want include. First was #2 – Equity of Responsibility and Opportunity. He stated that the last sentence on ensuring equity, with some form of inter-basin apportionment would be required. He sees this as important for the southwest basin. Then on #6 – Compensation for Value of Water conserved. It should be based on all economic impacts, not solely from the crop or products not produced. It needs to cover the participants impact on the community. On #7 – Trans-Mountain Diversions (TMDs) he focused on the last sentence which states, any DM program must prohibit trans-mountain diverters from purchasing Western Slope water to meet a DM responsibility. And from the line above subject to equitable apportionment. Those are the things to explore for a DWCD position in a workshop.

Don flagged on Draft YWG Position Statement on the CR Crisis, items DWCD should review and consider. He started on page 1 with drought relief and short-term positions then to post 2026 to Operate CO River systems over the long term. Drought relief – middle the end of the first sentence places the risk for drought or climate change on the UB states. Do we want to say we want the law changed? Page 2 – Paragraph starting with “Consequently...” with Numbered bullets underneath. “...LB overuse and operating rules have created a nearly empty reservoir system.” “Leadership is required to get something done.” Don pointed at 1, 2, 3, 4, 5 & 6 and flagged value in each. We want to avoid buy and dry in 3. DM water remains in Powell if they go there in 4. Operate per number 5 and expand on their included soil moisture measurement. In 6 – LB has to address the structural deficit accounting. Last page Don flagged Post 2026 Operating Principles 2. – Allocate risk from drought and climate change fairly between UB and LB. It might be a massaging of the rock, compact, that we need to consider. Don appreciated the unified position for Colorado and the whole basin.

Ken stated that he will leave other comments for Executive Session.

LEGAL REPORT

Adam stated that MBSS hired an associate attorney, Lindsey Ratcliff starting the end of March.

MVIC 87.3 CFS Water Rights Filing – Adam reported that there was no new real updates and MVIC is still working with CDWR and the State.

Mediation – Adam stated that they had the initial discussions with mediators. The mediators have asked Ken for large copies of the schematic and the project map.

AZ v. Navajo Nation, DOI v. Navajo Nation – Adam stated that all amici briefs were filed yesterday. Petitions get a rebuttal and oral arguments are schedule for March 20, 2023.

Adam asked for an Executive Session to discuss the following: Mediation, Colorado River Issues and Water Rights Protection.

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 MVIC 87.3 CFS, MEDIATION, COLORADO RIVER ISSUES AND WATER RIGHTS PROTECTION.

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


**RECESSED FOR EXECUTIVE SESSION AT 5:12 P.M.
RECONVENED REGULAR MEETING AT 6:45 P.M.**

REPORT OUT OF EXECUTIVE SESSION

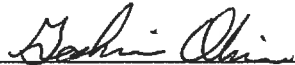
Adam reported that in Executive Session the Board discussed matters related to Colorado River issues, Mediation with MVIC and no decisions were made.

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

ADJOURNMENT Meeting adjourned at 6:45 P.M.



Donald W. Schwindt, Secretary-Treasurer



Godwin Oliver, President