

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 WATER ACTIVITY ENTERPRISE

MINUTES Regular Meeting June 8, 2017

CALL TO ORDER Bruce Smart, President, called the meeting to order at 7:00 PM

ROLL CALL Bruce Smart, President
Simon Martinez, Vice President
Don Schwindt, Director
Godwin Oliver, Director
David Frederick, Director
Wes Wilson, Director
Glen Fish, Director
Mike Preston, General Manager
Ken Curtis, Engineer
Lloyd Johnson, Maintenance Supervisor
Gina Espeland, Accounting Clerk
Vern Harrell, Bureau of Reclamation
Barry Spear, Attorney
Doug Pickering, Colorado Division of Water Resources

INTRODUCTION OF GUESTS

Brandon Johnson, MVIC General Manager; Tyler Artichoker, Bureau of Reclamation; Ed Millard, MVIC Shareholder

MINUTES

APPROVAL OF THE MINUTES

Don stated that he had a question on the motion on setting the cap in reference to Godwin's discussion on looking at it monthly and if we were to go over the 28 inches the Board would review it and thought that it was to be a part of the motion. Don wanted to ask Godwin if that was his intent for that language that was in the discussion to be in the motion. The motion language will be changed to add that the Board will monitor the FSA Cap monthly and revisit if there is any consideration of raising it above 28 inches.

**MOTION: TO APPROVE THE MINUTES AS CORRECTED FOR THE
MAY 11, 2017 ENTERPRISE MEETING.**

**MOTION: DON SCHWINDT
SECOND: GODWIN OLIVER
MOTION CARRIED UNANIMOUSLY.**

FINANCIAL STATEMENTS

**MOTION: TO APPROVE THE APRIL '17 FINANCIAL STATEMENT AND APPROVE
THE STATEMENT OF PAYABLES AS PRESENTED.**

**O&M: AP/CHECK #34899-34975 & PR/CHECK #121936-121987
\$196,910.20**

**MOTION: DAVID FREDERICK
SECOND: SIMON MARTINEZ
MOTION CARRIED UNANIMOUSLY**

O&M REPORT – Lloyd reported the following on current project and maintenance work:

Pump Plants

Number two pump at Pleasant View Plant was replaced with the spare pump. The motor readings were indicating pump problems. The spare pump is running normal and motor readings are back to normal. All other plants have been running with no problems. Most plants have been operating near maximum.

South Canal

Electrical power from Pleasant View Plant to Ruin Canyon has been holding steady.

Dove Creek Canal

Three new M&I delivery boxes have been installed.

Laterals

Several downstream valves at delivery boxes have been replaced.

Power Plants

Both power plants have been running steady. McPhee at 75 cfs and Towaoc at 200 to 250 cfs.

McPhee Dam

The Bureau of Reclamation sent down a team to evaluate the concrete on the spillway. They will send a preliminary report in a few weeks. Core samples on the spillway apron will be taken in the near future to assist in a more comprehensive evaluation.

Dolores Tunnel

We received the Bureau of Reclamation inspection report on the Dolores Tunnel which was inspected in March.

Lloyd attached a brief findings and recommendations on that inspection.

Bruce asked if the pump from Pleasant View had been sent out for repairs. It was showing low water and higher amperage and wiring and felt that it was the pump problem and not

ENGINEERING AND WATER MANAGEMENT REPORT

Water Accounting Information – Ken stated that he would start with the LH bar chart. The question is how much runoff comes down after the LH SNOTEL goes to zero? We probably should drop out the low years and look at similar sized snowpack years. That might include dropping the non-spill years, but maybe not since inflow is the target. Last month the LH SNOTEL went to 0, “Snow All Gone” (SAG) around the 26th of May. The next graph is Sharkstooth which was put up in 2005 and is a late runoff and holds the snow a little longer. It zeros out towards June 1, but besides the dry years, we might have 90,000 more to go. Sharkstooth held on to the snow past normal and Lizard Head did not.

Inflow-Outflow for May is the historic high inflow month and highest month again for this year. Inflow was highest around May 14th a little earlier than normal. UF&R use remained steady in May. MVIC was up and down and still responding to early season cool weather. Dove Creek Canal is still running below normal. We ramped down on May 21st and did a long ramp down, which goes back to the elevation of McPhee at that time. We made a plan for elevation targets and at the end May and also did not receive much precipitation. During June we really watched the River Forecast Center projected inflows as the warm weather brought the remaining snow down really fast. The UF&R use remains steady and MVIC has steadied out at about 400 CFS daily. Up north on Dove Creek Canal it is in the 220 CFS range and should increase with warmer dryer weather. We opened back up the downstream releases and are just maintaining reservoir elevation right now. Total outflow is almost balanced with inflow and just a little bit of filling going on with steady high temperatures. McPhee has spilled about 175,000 AF and will have a meeting with the rafters around August. The DRD has lots of monitoring data to talk about.

Wes asked if Ken was saying that Sharkstooth still had 104,000 AF to come. Ken stated that it is possible and that's would be a correlation to the snow level, but don't bank on that, based on disagreement with LH. We may want to set it up on the peak SWE or based on a date such as April 1. Currently we use it as a rough check. Forecasters estimated 84,000 to still come down. Ken stated that it will be close to that number, but mostly matters on how fast the runoff will come down.

Don asked do you expect to forecast anymore boating more than a day ahead. We probably will only offer for a day ahead until it is completely done. David asked how much we would be releasing through the weekend. Ken stated approximately 6,000 AF total.

Full Service Irrigation Diversion – The chart shows 2017 at 391 AF for April and 6853 AF for May low when compared to the median. We could end up only using 49,500 AF based on future average use maybe up to 55,000 AF if it is drier with maximum around 62,000 AF based on the past. It is hard to predict where it would go at this point. On an average year only about 6% delivery losses and on drier years we have seen around 12+% system losses. If it stays dry and we divert towards the maximum we would use all the Class B based on current GC numbers. The next reports are on actual metered use after June because it's too early to use the current YTD 5,300 through the meters. This preliminary projection is a start to cover the amended motion to have monthly updates.

ANS Update – The packet includes the June 19 Hearing Notice in front of the Montezuma County Commissioners and two maps for orientation. We blocked Road X at the corrals and put two blocks on both sides of Great Cut Dike, just like the map shows. We had to decide how to control vehicular/trailer access for the 2017 water season. We decided to ask to block vehicular access this year based on boat type risk and input from the ANS Inspectors and the Sherriff's office. Originally the USFS had recommended that we put boulders down by the water line, but we didn't think it would keep people from launching. We also didn't like the cost to haul the boulders up from Ormiston Point pit. We started working with the Montezuma County Commissioners and County Road X based on Vern's recommendation. The Commissioners gave a temporary access restriction for Road X earlier, but now must hold an advertised hearing, which is scheduled for Monday, June 19th. The current location is safer, but the Commissioners don't want this location permanently and want to see movement towards more open access. Ultimately we must remain focused on our goal to have 100% inspection of applicable boats launching onto McPhee. When you get down to the proposal details we are asking to restrict access for vehicles that might tow a trailer until November 30. Afterwards hopefully the cold will stop launches and we want to could come up with a better solution by 2018. For 2017 I would like to commit that DWCD puts up a double gate. The Commissioners want to know what the long term plans for Sage Hen will be. We are supportive of increased access & recreation, but not active manager of those uses. The stakeholders remain the same as the ANS funding partners plus now Montezuma County. We need to offer at least \$5,000 for a gate and come back to the County next spring with a better plan. This short term solution buys us some time.

Bruce asked if we have staff time available to deal with some of this. Ken stated that at the end of the day you are in or not and we just come up with resources. We need feedback from the Board. Bruce stated that he doesn't see any problem with it and it is something we need to do.

Don stated that we were forced into this and starting us down a long path. Don stated that we need to focus on Federal and State dollars. DWCD alone doesn't have the dollars and if we use all the tax dollars we don't have any extra for normal operations. We need to be laying the groundwork and maybe need to go after other tax dollars. Don stated that he doesn't have a problem with the need and the concept of scoping the issues with the County of possibly then going to the tax payers.

Mike stated that just a thought is maybe the County should pony some resources in. Bennett tried to get some traction in the federal WIIN Act. We have also been in contact with Tipton and also talked to State Senator Coram and State representative Caitlin. Ken stated that we should say something about helping to pursue grants for these mussel issues. We have to keep pushing on all stakeholder parties. Don suggested asking about the Lake Nighthorse and see how it is handled there. According to the USFS, to restrict access on their roads would require NEPA and take them a year or longer. The county was the one to give us firm protection for the short duration. It is not a long term solution and we need to bring up the questions so everyone understands that it is everyone's problem.

Mike stated that on the funding picture, there was a federal attempt to fund through the 2016 WRDA bill. Next we have to get the state long term funding fixed in 2018. We have a cost share based by 4 entities at 25% each, DWCD, USBR, CPW and FS. We want to protect the reservoir from mussels and they want to provide the recreation. DWCD must stay focused on its mission to protect the reservoir.

MOTION: SUPPORT THE DRAFT PROPOSAL TO TAKE TO THE MONTEZUMA COUNTY COMMISSIONERS HEARING JUNE 19, 2017 WHICH INCLUDES \$5,000 FOR PURCHASING A GATE.

**MOTION: DAVID FREDERICK
SECOND: WES WILSON
MOTION PASSED UNANIMOUSLY**

Ken stated that there is a chart showing the monthly ANS mussel inspections at McPhee. This is a slow start for May presumably because of the cold. Several were high risk boats with unverifiable water demonstrating the real risk to McPhee. David asked about green tag. Ken

explained that if you get the inspection upon exiting McPhee then the next McPhee inspection when you return should be faster getting in next time. Based on other published information Lake Powell sees launches around 4 million a year and remains a real threat to McPhee based on 4 hours travel time to these infested water.

MEETING WITH WAPA JUNE 2 - Mike stated that the Board reviewed the letter before it went to Lynn Jeka via email. We received an immediate response from Lynn. We set up a meeting with WAPA and included USBR Regional Director & power office. In preparation we put together an agenda based on the attached background piece from Exponential. We made a series of specific recommendations. Bruce Smart, Christine Arbogast, Ken, Mike and Vern attended. Lynn in the O&M managers from Montrose and the construction managers from Loveland attend via a video call. We discussed where we are ultimately headed to respond to emergencies, fix the current problems and long term replace the power line. Our objective is to bring something in writing in July and set the stage for the upcoming fall construction.

Ken stated walking through the agenda based on the letter and Exponential memo. The proposed goals were to get the permanent fix complete, which was the construction project that they attempted last winter. We made a reach by suggesting that they should replace the entire cable with new material. We also had the discussion of overhead or underground installation. We also said that they should consider transferring the line to Reclamation. The issue is about control of repairs and our own destiny to avoid the long outages. Vern did some checking and got some indication that they would not transfer the line. Then we talked about transferring the operation and maintenance responsibility, but not the line ownership. The last emergency repair had an endless list of performance problems. We asked how to escalate our concerns and we were directed to Lynn, Salt Lake Power Manager. They have assured us that the contractor will mobilize the first week of October. They are now on the record for that. Next we started to talk about the replacement of the whole cable. We asked for all new cable and at least to be put in the long term replacement plan. We have a verbal commitment that they would put it in the 10 year replacement program. We have a series of cables that it could be broken up into smaller staff level projects we and hoping that they put it in the long term replacement plan also. The construction manager stated that they have bought the new thumper and it is sitting in Shiprock. We tried to get them to tell us who will come down and check it every year. They still say that they will be the emergency responder and are not willing to give up control of repairs to Empire Electric.

In some ways we did not get what we thought we would. They are on the record that they know where we are and about the project and that they would do certain things. It will either work out in October or not. Mike stated that if they will really follow through on what they said then it is less operating costs out of their own budget and could turn out to have fewer emergencies. We have quite a paper trail now. Ken stated that they did take it serious enough, by attending the meeting and reading the information. Ken stated that he and Lloyd would like to get the Montrose maintenance managers down here on site to work with the likely first responders.

Bruce stated that the meeting brought the whole WAPA from the maintenance level to the top Salt Lake executive. They recognize that it is serious and critical to DP operations and need to put the necessary effort forth to finally fix it. We emphasized that their maintenance crews need to communicate with our maintenance staff.

We asked for a draft response by June 19th to show good faith efforts towards the next step.

Projects Update

Vern will mention that he is still processing the basin fund projects and a couple in the queue. Both the Great Cut excitation supply has another phase to complete as do the variable speed pump rebuilds. Lloyd will keep the Board updated on those open projects.

ADJOURNMENT Dolores Water Conservancy District Water Activity Enterprise Board meeting adjourned at 8:57 PM

DOLORES WATER CONSERVANCY DISTRICT

MINUTES Regular Meeting June 8, 2017

CALL TO ORDER Bruce Smart, President, called the meeting to order at 8:57 PM

Bruce Smart, President
Simon Martinez, Vice President
Don Schwindt, Secretary-Treasurer
Godwin Oliver, Director
David Frederick, Director
Wes Wilson, Director
Glen Fish, Director
Mike Preston, General Manager
Ken Curtis, Engineer
Lloyd Johnson, Maintenance Supervisor
Gina Espeland, Accounting Clerk
Vern Harrell, Bureau of Reclamation
Barry Spear, Attorney
Doug Pickering, Colorado Division of Water Resources

INTRODUCTION OF GUESTS

Brandon Johnson, MVIC General Manager; Tyler Artichoker, Bureau of Reclamation; Ed Millard, MVIC Shareholder

APPROVAL OF THE MINUTES

MINUTES

Brandon stated that in his report there was a reference to a 24 horse power motor and it should be 20 horse power.

Vern stated that he made reference to two excitation systems at Great Cut in the first of his report and that was not the case and that should be deleted from his section.

MOTION: TO APPROVE THE MINUTES FOR THE MAY 11, 2017 MEETING AS CORRECTED.

**MOTION: SIMON MARTINEZ
SECOND: GODWIN OLIVER
MOTION CARRIED UNANIMOUSLY**

FINANCIAL STATEMENTS

MOTION: TO APPROVE THE APRIL '17 FINANCIAL STATEMENTS AND APPROVE THE STATEMENT OF PAYABLES AS PRESENTED.

ADMIN: AP/CHECK #10969-10981

\$19,887.92

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

AGENCY REPORTS

BOR Report

Vern stated that we have been having a lot of operations meetings and ANS meetings.

SCADA migration should have all the supplies and parts we need this fall. Solicitation award should happen before September. Pump rebuild preliminary purchase request is in for the 16 vertical pumps. Excitation commission is scheduled for Monday at Great Cut Dike and there are 3 excitation units that will need to be commissioned next spring.

Vern went on mussel tours at Hoover, Roosevelt and Parker. Mussels are in their cooling water operations and they have been having significant problems. They are working through the mussels and redesigning the systems which is a lot of work and a lot of money.

Division of Water Resources Report

Doug stated that he didn't have anything to report.

T/H Committee Report

Godwin reported that the Committee met on May 24, 2017.

The Committee discussed that they are still monitoring the leak at the Ute Fairgrounds/Siphon. The Committee paid 3 bills (DWCD, MVIC and Ute Farm and Ranch) and really not a lot going on otherwise.

Next T/H Meeting – The Committee will meet at the DWCD, Cortez Office June 28, 2017 at 2:00 p.m. at the Cortez Office.

MVIC Report

Brandon reported that they are having a hard time keeping Groundhog at full. Maintenance starting on weed spraying and mowing. On the U-Lateral they have been behind and are trying to get going.

GENERAL MANAGERS REPORT/DECISION ITEMS

Draft Drought Contingency Plan, Public Meeting and Comment Schedule – Attached is a public meeting announcement for interested parties to discuss and provide input on the Drought Plan, scheduled for June 7, 7:00PM at DWCD. Board members were encouraged to attend. Also attached is a memo to the Boards with a comment schedule. Board comments were to be due by June 23 with acceptance of the Plan by the Board scheduled for July 13. Mike stated that Ken carried the meeting last night and will further discuss.

Ken stated that McElmo had representatives present at the Public meeting who had comments and there are others who want to comment on behalf of McElmo usage. CPW, TNC and San Miguel County have requested more time for comments. There was evidence of needing more comment time. The USBR was contacted and have a revised schedule. Harris Engineering is getting the comments together and a process will be developed for the Boards to see the comments and consider plan revisions. A second public comment period could be fit in if needed. We are going with the extension and expect a fair number of comments to come in. Ken stated that he will get with Bernard Karwick and connect him with Harris Engineering directly. Ken stated that we would bring the comments to the Board in August.

Bruce stated that a lot of discussion was on how the McElmo users might fit in. The reason for having this study is to set the stage for getting funding items in the plan. Bruce stated that he would like to see comments on specific items that can be considered by DWCD and MVIC. Bruce asked for comments from the Board. Don stated that he has gone through it thoroughly and not finalized his comments. Bruce stated that if this Board wants a work session it can be scheduled in. Ken stated that tonight is about process.

Wes told Ed Millard if you don't put forth the effort to make comments then no one is ever going to see them. Ed stated that if items are in the plan, BOR will expect action on them. Bruce responded it is a compilation of things that we have thought about and might follow through and pursue some while others we might find out that they won't go anywhere. Ed stated that they are termed as actions. Ken stated that Ed can submit his comments and we will try to get it addressed. Ed stated that he wants to hear from Reclamation otherwise he felt that the process was useless.

Don stated that he appreciated the public comment period and appreciates Ed's comment. Seeing the place to incorporate it could expand in the plan and get more specific and address the concerns that were heard last night. Don stated that he would try and put more thinking in. Don submitted comments to Ken and Brandon and some of that was not addressed as fully as he would have like. The work that was done by the task force within the frame work Don feels is still workable. Some actions may be more specific to DWCD and he is trying to find a way to work within the direction and thinks we can come up with a plan. Don stated that he would be interested in seeing comments from Celene Hawkins with the Nature Conservancy and Jim White.

Ken stated that this is important for all. He thinks we are going to get some serious comments that are several pages and will take a while to process. Ken stated that he has heard some of Ed's comments and that we appear to be taking his concern too casually that the Bureau will make plan items enforceable. This Board is solely in control of what items are implemented that affect us. Ed can always go to MVIC. We can put stronger clarity about specific authorities on certain items. Ken stated that he hoped that Ed continued to stay engaged and not get frustrated. The planning task force is the one who got together and established what is in the document, but it is now open for comment.

Mike stated that generally what we want out of Reclamation is approval, help or resources for items the Board decides to implement. It is an aspirational plan and it is not like someone is going to impose something in the plan that the affected entities are not ready to implement.

Vern stated that it is a planning document and there is no NEPA because there is not any federal action and that is where it is at. Ed stated that it is more specifically based on Class B and Groundhog. Ed stated that he has to feel that these are at risk to be imposed if they are put out there.

Don suggested that we beef up the plan by laying out the process and what has to be gone through for plan items to be implemented.

David stated that he would like Ed to submit his comments with enough specifics to be addressed. Ken stated comments will be extended to July 21 and bringing comments back in August and in September spend some time reviewing the comments. Ken stated that the public asked for more time to comment and that is why we extended.

This is a plan for DWCD, MVIC and Ute Farm and Ranch which was stated at the public comment meeting last night. CPW, because of the fish pool felt left out. Involving other parties was required for DWCD to receive the Bureau grant.

Glen asked what the procedure would be to take something out of the plan. Ken stated that we go through the Board and they can agree to keep something in or take it out. DWCD gives the final approval of the plan and DWCD wants MVIC to agree since they are a partner, and retain control on items that affect them.

Barry stated that you are approving a plan to do with action in the future. To follow through with it you would have to come up with a contract or some action to formalize the ideas that are in the plan.

Mike stated that this originated in order to get ahead of drought or to minimize damage to project water users of drought. It is under the authority of DWCD and MVIC what gets implemented.

Water Rights Protection Act, Letter of Support – The letter to Congressman Scott Tipton is attached along with the email conveying additional points for consideration in the legislative process, and sharing DWCD comments with the Family Farm Alliance as requested at the May Board meeting. Don suggested our comments to Dan Keppen at Family Farm Alliance have good suggestions from our legal team on some specific items that could enhance the bill. Darlene Marcus met with Mike and was glad for our clean endorsement. Dan Keppen was asking for ways to support.

Industrial Hemp Production – Senate Bill 17-117 sponsored by Don Coram and Mark Catlin was passed in House and Senate. The Bill was signed into law by Governor Hickenlooper on Sunday, May 21 in Cortez. The Bill text and letter of support from the GM were included in previous Board packets. What is attached are two related articles from the Durango Herald which do an excellent job of explaining the intent of the legislation, and why this is a major step forward for farmers that want to explore hemp as a commercial crop with the protection under State law that hemp is a valid use of state decreed water rights. The signing event was short notice, but it drew a nice group of interested people including Simon, Glen and Wes from the DWCD Board along with the GM and Ken. Hope to see the Federal piece.

Mike stated included in the packet is an informational summary on monitoring the 2017 spill produced by the Nature Conservancy that will be handed out at the Dolores River Festival this weekend.

Colorado Water Quality Control Division Rule Making Hearing, DWCD party status for June 12 Hearing, Double Tree Hotel, Durango – Meeting starts at 10:00 and time on the agenda for DWCD would be approximately at 11:00. Jeff will be making the testimony. Attached is the summary overview memo and written testimony that Adam circulated last month along with the Rebuttal Testimony submitted since the May Board meeting. This is excellent background for anyone who is able to attend the hearing. Realizing this is a very busy time of the year Board members are invited to see how the WQCC conducts their business and what progress is made on ambient temperature standards. Jeff has made very good technical arguments. Jeff is being diligent and staying in touch with the staff at the Water Quality Control. Barry stated that direction to read the documents in the packet and there are 17 different parties to testify of the 21 parties. DWCD has 5 minutes and will have a power point presentation, which will be provided to the Board. Jeff testifies again in the afternoon. Mike stated that Jeff is well prepared and will give a good presentation. Mike stated that the one thing that comes out is the EPA asks the WQC to evaluate the impact of water diversions on temperatures. The other issue involves EPA imposing positions on the State WQCC.

Legal Discussions MVIC-DWCD – Groundhog, 505cfs, Change in Use of MVIC 87.3 conditional water right – Mike stated that Barry will update the Board, as appropriate in open Session, and identify any points of discussion that need to be taken up in Executive Session.

Activities and Meetings since Last Board Meeting:

- May 12: Water Education for 60 Dolores 5th graders at Loschart Farm sponsored by the “Inspire Coalition” to promote outdoor and agricultural experience and awareness - GM
- May 17: Weekly spill call to evaluate forecast update, plan releases, coordinate ecological work with boating experience and frame consistent messaging to the interested public via DWCD, AW and DRBA websites.
- May 17-18: CWCB Board meeting, Pagosa Springs – GM
- May 18: Mancos Library Series: Colorado Water Plan and Basin Implementation Plan - GM
- May 19: Meeting with Montezuma County Sheriff, to discuss law enforcement in conjunction with McPhee ANS inspection program – Ken, GM
- May 23: Preparation for June 2 WAPA meeting – Ken, Lloyd, GM, Vern, Exponential Engineering (Dave and Sean)
- May 24: Weekly spill call – Ken, Eric S., GM, Vern
- May 24: Towaoc-Highline Committee
- May 25: Forest Health Advisory Council, Frisco – GM on Council
- May 31: Weekly spill call – Ken, Eric S., GM
- June 7: Weekly spill call – Ken, Eric S., GM, Vern
- June 7: DWaRF Collaborative, 1:30, DWCD
- June 7: Drought Plan Public Meeting, 7:00PM DWCD

Upcoming Meetings and Activities:

- June 13: MVIC Board Meeting, 2:00PM
- June 13-14: CFWE San Miguel Tour
- June 19: Montezuma County Commission Hearing on Sage Hen, 1:30 – Temporary access restrictions to develop permanent ANS protection measures that will restore an acceptable level of access without unacceptable risks
- June 28: Towaoc Highline Committee, 2:00PM
- July 6: DWaRF Collaborative Field Trip Lake Canyon Beetle Kill , 9:00AM – 2:00PM
- July 11: MVIC Board Meeting, 2:00PM
- July 12: Southwest Basin Roundtable, DWCD, 3:00PM (2:30 Social Time)

LEGAL REPORT

Plateau Creek Reservoir 15CW3036 Barry reported as of today we have the decree giving DWCD another six years to continue its efforts to make absolute the conditional water right that DWCD holds for Plateau Creek Reservoir for storage up to 21,000 acre feet with one refill, for recreation, domestic, municipal, industrial and piscatorial. This right is separate from the Plateau Creek Dam-Afterbay which is related to pump back storage. As required for this conditional water right, DWCD filed in December 2016 an application to show that it has made diligent effort over the last six years to proceed with making the water right absolute, i.e. progress in building the reservoir.

505 CFS – Main Canal #1 and #2, 15 CW 3035 DWCD holds a conditional water right for 505 cfs arising from water rights originally owned by MVIC. DWCD received 505 cfs of 592.3 cfs conditional water rights by virtue of the 1977 DWCD/MVIC contract as implemented by the 1989 Towaoc Highline Canal contract. In 1994, MVIC deeded the 505 cfs to DWCD and retained 87.3 of the conditional water right. Points of diversion for these water rights were decreed for relocation under case number 15 CW 3016. The last diligence period for the 505 cfs water right expired on December 31, 2015.

Barry stated that we are waiting for answers for the other three cases and until we get a report from MVIC on a specific issue that this Board looked at 6 months ago. There is not any movement.

MVIC Change in Use At the time DWCD and MVIC were pursuing a change in the points of diversion for the Main Canal #1 and #2 as indicated above, MVIC expressed the desire to seek a change of use to storage for its 87.3 cfs direct flow water right. While DWCD has expressed support of the efforts of MVIC, DWCD has also maintained that the change cannot affect operations of McPhee Reservoir, cannot expand MVIC's rights as set forth in contracts with DWCD and the United States, or in any way injure DWCD. MVIC's 2015 explanation letter raised a number of questions regarding the proposed scope of the change in use.

MVIC – New Groundhog Water Right, 12CW20 In 2012, MVIC's original application sought a new water right for an increase in the capacity of Groundhog Reservoir by up to 4,000 AF, following a survey prepared by the USGS showing the reservoir's capacity at 25,700 AF rather than the decreed 21,710 AF. MVIC filed three amendments to its original application.

The third amendment seeks an absolute right for a collection ditch on Beaver Creek, has specific reference to a spillway height of 72.3 feet, an appropriation date of June 30, 1983, a use to irrigate up to 43,344 acres (rather than 37,500 acres) and an additional 4,410 AF of storage. Justus stated the study would be shared with DWCD. The study has not yet been presented to DWCD. To accommodate MVIC, the court set a status conference for September 15, 2017.

Koenig Pits, 12CW36 Barry stated that an application was filed by Mountain Investments, Inc. to make absolute water rights for Keonig Pit No. 3 and Koenig Pit No. 4, a right to fill and continuously refill the Koenig Pits to maintain water levels for recreational and piscatorial uses, wildlife watering and fire control from the Burch and Longwill Ditch, and approval of an augmentation plan. Mountain Investments has submitted a proposed decree. Ken reviewed and sent comments and we have not heard from them.

Forest Service Reserved Water Rights Case, Case No. 1605-76B In early 2016 MBSS provided the Board a comprehensive background memo regarding the federal reserved water right cases filed in the 1970s. The U.S. Forest Service filed claims in the Division 7 Water Court to confirm reserved water rights for instream flows in addition to water rights for consumptive uses on the San Juan National Forest with a priority date of 1905. Those applications did not include specific claims for amounts, locations, and uses, but rather applied generally for all "surface, ground and underground waters, both tributary and non-tributary" located on the Forest for nearly every conceivable use within the Forest. We wanted more time to discuss and provide more information to be prepared for discussions but have not received requested information to date. Barry and Mike discussed it and Barry will write another letter to see if we can get it moving. If we don't have an agreement by the

end of the year they won't be able to go in front of CWCB and we don't want to get pressured late in the year with no time to analyze and negotiate.

CWCB Dolores River ISF, Case 15CW3111 In 2015, the Colorado Water Conservation Board passed an intent to appropriate up to 900 cfs of water in the Dolores River for an ISF water right in a reach from the confluence of the Dolores and San Miguel River 34 miles downstream to above Gateway. The CWCB and DWCD reached a stipulation in August 2015 that included terms to protect the Dolores Project from impacts of the ISF. At its September 2015 hearing on the matter, the CWCB rejected requests from the Southwestern Water Conservation District and the Colorado River Water Conservation District to include a carve out for future uses. The CWCB unanimously approved the intent to appropriate the proposed ISF water right and instructed CWCB staff to proceed with filing an application in Water Division 4 seeking to have the Dolores ISF water right adjudicated. The CWCB filed the application in December 2015.

DWCD filed a Statement of Opposition to monitor the case and ensure that its stipulation is recognized in the decree. DWCD and CWCB entered into a stipulation in this case that was approved by the court on May 11, 2017, incorporating the August 2015 stipulation recognizing certain protections for DWCD. CWCB has reached the point where it does not want to discuss the main item that is hanging up the case. The question of does CWCB have the right to do a carve out a small set aside for community use in an instream flow? Southwestern and the River District have argued that it does. The purpose of seeking a status conference is to see if the decree would be put on a trail track.

NEXT DWCD BOARD MEETING – Thursday, July 13, 2017 - 7:00 P.M.

ADJOURNMENT Meeting adjourned at 10:23 P.M.

Don Schwindt, Secretary-Treasurer

Bruce Smart, President