

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 July 13, 2017

CALL TO ORDER Bruce Smart, President, called the meeting to order at 7:01PM

ROLL CALL Bruce Smart, President
Simon Martinez, Vice President
Don Schwindt, Director
Godwin Oliver, Director
Wes Wilson, Director
Glen Fish, Director
Mike Preston, General Manager
Ken Curtis, Engineer
Lloyd Johnson, Maintenance Supervisor
Lisa Jordan, Office Administrator
Robert Stump, Bureau of Reclamation
Tyler Artichoker, Bureau of Reclamation
Barry Spear, Attorney

INTRODUCTION OF GUESTS

Brandon Johnson, MVIC General Manager; Ed Millard, MVIC Shareholder; Greg Black, MVIC Director and Shareholder; Amorina Lee-Martinez, Master's Student from University of Colorado-Boulder

MINUTES

APPROVAL OF THE MINUTES

Godwin pointed out a typographical error in the ANS update. To change "Ultimately **w** must" to "Ultimately **we** must".

**MOTION: TO APPROVE THE MINUTES AS CORRECTED FOR THE
JUNE 8, 2017 ENTERPRISE MEETING.**

**MOTION: SIMON MARTINEZ
SECOND: GODWIN OLIVER
MOTION CARRIED. GLEN FISH WAS ABSENT AT THE TIME OF THE
MOTION.**

FINANCIAL STATEMENTS

Godwin asked if Check #35023 was for a vehicle. Lloyd stated that it is for a replacement vehicle. There were two vehicles purchase in this pay cycle. Glen asked if Dave Smith Motors was a local vendor. Lloyd stated that this was a vehicle being purchased out of Idaho due to costs.

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

**O&M: AP/CHECK #34976-35113 & PR/CHECK #121988-122067
\$520,324.67**

**MOTION: GODWIN OLIVER
SECOND: WES WILSON
MOTION CARRIED UNANIMOUSLY**

O&M REPORT – Lloyd reported the following:

Pump Plants – All pump plants except Ruin Canyon have been operating near maximum, with all pumps running. Ruin Canyon has been running with 6 of the 7 pumps online. Great Cut Pump Plant has been averaging around 280 cfs.

Roof hatches were installed at Cahone Pumping Plant in preparation for the variable speed pump rebuilds scheduled for this winter.

Canals – 1,000 feet of tire mats have been made for Dove Creek Canal and 300 feet of mats have been made for South Canal. These are scheduled for install this fall.

Power Plants – McPhee has been operating at 75 CFS, and Towaoc averaging 260 CFS.

McPhee Dam – The log and debris removal with the excavator was completed for this season.

ENGINEERING AND WATER MANAGEMENT REPORT

Water Accounting Information – Ken stated that **1) June Inflow/Outflow** numbers will be used in the next discussions. Ken stated that in June there were two items of significance one specific to MVIC one to DWCD. Ken stated that ramp-down from releases began May 21. Ken stated that DWCD filled the reservoir on June 8. There was a downstream release spike on June 19. Ken stated that on June 15 while ramping down, there was an email from the Forecast Center recognizing forecast for high temperatures up to the mid 90's. The email stated that if there was still sufficient snow in the mountains it would likely come down quickly raising inflows over the weekend. Ken noted that inflows were down to 1400 CFS. Ken stated that DWCD was holding downstream releases at 400 CFS per the criteria and then quickly had to ramp up on Monday, June 19. We discussed going up to, but stopped short of getting releases up to 1500 CFS Monday night and then began chasing the river with the ramp down. Ken stated that the average rate of decreasing releases below 800 ended up being 100 CFS per day. Ken noted that not knowing where the river was going caused a loss in reservoir elevation on the ramp down. Ken stated that there were six days of ramping down below 6924, which he is considering part of the release. During that time MVIC did not have a chance to collect call water. Ken stated that he did not put anything in MVIC's call water column during this ramp down. It has been brought to Ken's attention that MVIC feels they should have received call water during this time. Ken stated that he will look into this and get back with MVIC. Ken stated that MVIC can get the calculated water back as appropriate. Ken stated that this is about 1,000 to 1,500 AF "wet water" difference from the Project Water supplied. Ken stated that all project water users had extremely high use in June and so far in July. Dove Creek Canal is running at a high plateau. Ken stated that it was a long downstream release and historically DWCD tries not to lose elevation & storage on the ramp down. Ken will take a hard look at the past records and will propose to BOR that there be some adjustments made to the ramp down criteria. **Discussion: a)** Don stated that his interpretation on how the contracts are written and the allocations that DWCD makes to water users out of the reservoir are based on the reservoir being full when Mother Nature quits supplying the water. Don stated that he feels DWCD should be arguing not to spill any water to meet ramp down criteria. Ken stated that the ramp down is to keep rafters from being stranded on the river as a safety issue and has some ecological protections. Ken stated that he will do some homework and will discuss the ramp down criteria with Tyler. Ken noted that there will also be a boater meeting in the near future that may have relevance to this subject. **b)** Ken stated that he will also give more review & consideration to the call water discussion. Greg Black stated that as an MVIC shareholder he appreciates how difficult it is to manage the spill. Greg stated that as an MVIC director, when the elevation goes below 6924' then the call water should begin to be stored and would like that in the record. Greg stated that he is trying to protect MVIC's water right. Bruce S. stated that Ken will be looking into this and the Board will have further discussion at a later meeting. **2) July Inflow/Outflow** – Ken stated that he and Brandon are discussing the Narraguinnep extended fill and that will be the first place the increased inflow water will go. Ken stated there was little unmeasured inflow and there has been almost no rain. UF&RE has some of the highest use in years, which is an indicator of hot dry weather and crop mix. Ken stated that Dove Creek Canal has seen quite a few days around 300 CFS, noting they are really pushing the water in the FSA area. There is currently a 450 CFS downstream release coming out of the fish pool stating that the fish pool is the only entity being charged for this release. **3)** Ken directed the Board's attention to the summary sheet, he stated that the Utes have used 51% of supply, the Fishery is only at 4%, FSA is at 31% and MVIC is at 45% of the current estimate. Ken stated that MVIC diversions include the winter Narraguinnep fill, not all used, and that Class B water may be significant depending on how DWCD decides to use it. **4)** Ken stated that staff has started to work on irrigator projections. Ken stated that by the end of June the FSA have normally used approximately 36% of their water. Ken stated that if things stay at the same rate, at 28" there may be 17 people over the

cap. Ken stated that this would also mean there that there would be no need to use Class B water. Ken stated that this is a reference and right now he will likely raise the cap to 28" and send out a postcard by next week. Ken stated that all of this information is based off of the end of June meter readings. Staff also runs projections off the total diversions at Great Cut. Ken explained the mathematics used to determine if we may need the maximum amount of water. If the data and future use show that we are in the 60,000 AF range then we may need to use the Class B water. Ken stated that there are variables to consider such as the July & August monsoons that will change the forecast. Ken stated that he suspects there will be some FSA farmers wanting to use more than 28" of water. Ken used the same method to project use for UF&RE. He believes they may want to lease more water. He has talked to Simon and reminded him there is 2,000 AF more available for their use if needed and the City of Cortez offered 1,000 AF for lease if needed. Don stated that the Class B could be split between the two entities, Ken agrees and will likely asked for partial decision regarding this at the August Board meeting. MVIC would like to get a decision as soon as possible so they can decide how they want to manage their water out of Groundhog. **5)** Ken stated that DWCD started using Class B water in 2010, DWCD pays MVIC five times the class A account fee and 1/3 of the MVIC charges for McPhee Dam and Great Cut Dike. The cost goes up and down based on the allocation and reconciliation of cost to those two facilities. In 2016 DWCD did not take any water. Ken noted that DWCD can take what is needed but saves money on carriage cost if the water isn't used. Ken stated that this is becoming more of an active discussion for the Board and wanted them to have a brief history of Class B. Ken stated that in regard to the FSA water supply and proposed allocation of Class B water there is a requirement of 1.96AF/acre to FSA and 2.15AF/acre at Hovenweep to cover the contract numbers. There was a consumptive use study performed by Harris Water Engineering that helped with the 2011 Board decisions. Ken stated that he would recommend moving the 985 AF reallocation to the permanent supply and will recalculate the Class B allocation sheet for the current permanent allocations for Board review at a future meeting. **6)** Ken stated that with regard to the ANS update that he attended the Montezuma County Commissioners hearing regarding the closure of County Road X. The Commissioners agreed to temporarily limit access to County Road X and concrete barriers have been placed. DWCD staff is working on a gate. Ken stated that there is access for fishing, bikes, horseback, and ATV's. The goal is to keep uninspected watercraft out of the reservoir. Ken will continue working with the County on the details.

Discussion: Bruce asked what Ken projects as the final use in the FSA if the cap is raised to 28". Ken stated that if there are no monsoons then the use will be on the high side. Ken stated that he believes we will sell close to 50,000AF and divert 55,000AF. Ken stated that he will be interested in the July meter readings to see where the demand is headed. Bruce asked if the August meeting will be soon enough to make a decision. Ken thought so, but may be too early to go up to 32". Ken stated that he would not recommend going to 32" if the rains don't come and we don't have enough water for everyone to use 32". Wes asked what the charge was for use over 22". Ken stated that the rate is charged at \$18.98 in addition to the delivery charge of \$13.10 for any water delivered over 22".

ADJOURNMENT Dolores Water Conservancy District Water Activity Enterprise Board
meeting adjourned at 8:10 PM

Don Schwindt, Secretary-Treasurer

Bruce Smart, President

DOLORES WATER CONSERVANCY DISTRICT

MINUTES Regular Meeting July 13, 2017

CALL TO ORDER Bruce Smart, President, called the meeting to order at 8:10 PM

Bruce Smart, President
Simon Martinez, Vice President
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Godwin Oliver, Director
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APPROVAL OF THE MINUTES

MINUTES

Don requested that a sentence in the Draft Drought Contingency Plan topic be clarified by stating "Don suggested that we beef up the **plan lay out** the process... to be changed to "Don suggested that we beef up the **plan by laying out** the process..."

MOTION: TO APPROVE THE MINUTES FOR THE JUNE 8, 2017 MEETING AS CORRECTED.

MOTION: DON SCHWINDT
SECOND: SIMON MARTINEZ
MOTION CARRIED UNANIMOUSLY

FINANCIAL STATEMENTS

1) Godwin asked how extending the shut-off to 90 days was working out. Ken stated that the feedback to DWCD staff is that the extension has been helpful. Godwin stated that he has also heard positive feedback. 2) Wes asked if the Budget Analysis was an indication that District was "in the hole" financially. Mike stated that the Budget Analysis appears that the District is in deficit. Mike referred the Board to the Administrative Budget Analysis pointing out the payment to the Bureau of Reclamation in the amount of \$782,782. Mike explained that this payment is due in February and is made using money collected the previous year. The Budget Analysis will show increased revenues being collected for the next year's payment in the upcoming months. Mike explained that the O&M Budget Analysis also has large expenditures with funds being collected from User Fees all year long. The Powerplant fund is a contract with BOR, and DWCD makes requests to Reclamation for funding. Towaoc Highline Canal receives funds upfront and the Dove Creek Lawn & Garden fund is a very small, and easy to balance with up to \$5K moved to a reserve when there are excess revenues.

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

ADMIN: AP/CHECK #10982-10994

\$15,964.90

**MOTION: GODWIN OLIVER
SECOND: WES WILSON
MOTION CARRIED UNANIMOUSLY**

AGENCY REPORTS

BOR Report

Tyler stated that **1)** with the recent retirement of Vern Harrell, Reclamation's intent is to replace Vern with a full-time person in the Cortez Office. Tyler stated that currently any position at a senior level with Reclamation requires approval in Denver and Washington DC. Request for approval has been sent through the channels but there has been no word back thus far. Tyler stated that Vern will be back in a mentoring role (rehired annuitant) to work roughly 1,040 hours per year. In between his return and filling the position, Robert Stump, Tyler and Matt DeAmico will try to be in the Cortez Office 2-3 times per week. Robert Stump will be handling the construction contracts. **2)** Tyler stated that with regard to the SCADA equipment contract, the vendors did not quite understand the specialized equipment being requested so this contract has been sent out for other types of bid review. Tyler stated that he feels confident that this will be awarded by September. The pump rebuilds are in the contracting que, on schedule to be awarded this fall also. Mike stated that he appreciates the decisive way Tyler has gone about the transition. Mike stated that it is comforting to have Robert Stump involved, with the knowledge to feed the contracting process.

Division of Water Resources Report

DWR was not in attendance at the meeting.

T/H Committee Report

Godwin reported that the THC Committee cancelled the June meeting but approved the bills via email.

Next T/H Meeting – The Committee will meet at the DWCD, Cortez Office July 26, 2017 at 2:00 p.m. at the Cortez Office.

MVIC Report

Brandon reported that **1)** MVIC began the upstream user release from Groundhog on July 5th. **2)** On July 10th MVIC began releasing 116 cfs out of Groundhog for MVIC to make up the river difference. **3)** MVIC has been performing clean up on the upstream ditches Beaver Ditch and Fish Creek have been cleaned and they will begin work on the spillway at Groundhog soon. **4)** There has been a lot of moss in the THC and MVIC staff has been cleaning screens on the Rocky Ford, otherwise MVIC has been performing routine maintenance.

GENERAL MANAGERS REPORT/DECISION ITEMS

WAPA, Draft Letter of Commitment on South Canal Powerline – At the June 2 meeting in Salt Lake City at WAPA with DWCD and Reclamation, WAPA made a number of commitments aimed at making the South Canal Powerline reliable and putting in place protocols for routine maintenance and emergency response. DWCD requested that these commitments be put in written draft by June 19 to allow the opportunity for the DWCD team to evaluate the response and discuss it with the DWCD Board.

The Draft letter was received from WAPA by the requested date and was mailed in the Board packet. The letter directly addresses virtually all of the commitments made by WAPA on June 2.

The final WAPA letter and DWCD response will guide annual O&M work on the powerline, as will the pending construction contract that will resume in October of 2017.

Ken noted that DWCD's issues were technical this is the reason he will be working with WAPA's O&M staff. Ken stated that there is a correction that he would like to make regarding the testing dates.

Barry stated that the Board wants WAPA to adhere to the commitments they have put forth. Barry stated that it is his recommendation that the Board treat WAPA's letter as an offer and agree to what is in the letter. The attorneys will draft a response that will basically make the letter a type of contract and make the commitments mentioned in the letter more solid. Barry stated that we need to make it clear that we accept their offer and feels this puts us in the best position. Simon asked what WAPA paid for the thumper they purchased. It was stated the thumper was around \$30k and is being housed at the Shiprock substation. Ken noted that WAPA has also agreed to repair the road damage from work last winter in bad weather conditions.

Draft Drought Contingency Plan, Revised Public Meeting and Comment Schedule –
Based on written requests as well as requests made at the June 7 Public Meeting the comment schedule has been extended:

July 17, 2017, Monday – Public meeting devoted to receiving McElmo comments.

July 21, 2017 - Deadline for public comments

August Board Meetings – Comments received will be delivered to the DWCD and MVIC Boards at their Board meetings.

September Board Meetings – The Boards will determine how comments should be addressed both within and outside of the Plan.

October Board Meetings – Plan revisions based on public and Board comments will be presented to the Boards with changes from the original draft flagged for discussion.

November Board Meetings – Discuss any additional changes in the Drought Plan document before it is submitted to Reclamation for review.

January-February – Boards review comments provided by Reclamation

March 31 – Final Plan due to Reclamation

Some of the actions considered in the drought plan involve on farm and delivery system efficiencies aimed at increasing carry-over storage to mitigate the impacts of drought on Dolores Project irrigators and other water rights within the Conservancy District that rely on McPhee Reservoir. Efficiencies will also improve drought response as irrigators become more efficient and are able to produce more with less water in tight times.

Some McElmo water users and South Valley irrigators are opposing efficiency improvements because they are concerned that efficiencies will reduce return flows into McElmo. Numerous comment letters have been received regarding this issue. A meeting has been scheduled for Monday, July 17, 7:00PM, DWCD meeting room, to hear and discuss McElmo concerns. Board members are encouraged to attend. There will be a written record of the meeting that will go with the comment letters received.

Colorado Water Quality Control Division Rule Making Hearing, DWCD party status, June 12 hearing, Double Tree Hotel, Durango – DWCD attorney, Jeff Kane, and Mike testified in the temperature standard portion of the hearing. Jeff testified again in the afternoon on nutrient standards and was able to spark more discussion on temperature. At one point a WQCC member asked the CPW representative "If one temperature standard would help the native fish and another would be more helpful to trout for sports fishing, which standard would you choose? The question was dodged and another commission member said this was a vexing question in many settings. DWCD is in these Water Quality Commission temperature standard hearings for the long haul. Jeff Kane has developed a DRAFT Flowchart setting WQCC proceedings going back to 2004, and looking forward, to put these events into a strategic frame. The Flowchart will be discussed by the LEMing and refined for presentation to the Board at a future Board meeting or Brainstorm. Comments from the Board are welcome.

Barry stated that Mike included in the packet a flow chart showing previous proceedings and how the future proceedings are scheduled. The outline is a historical bullet point of where we have been. These are working documents that will be updated and brought back to the Board. The attorneys are currently monitoring the different comments that were expected on standards for Regulations 34 & 35 and Regulation 39. The next critical period is not until December. Barry stated that Jeff Kane is no longer working for MBSS and Adam Reeves will pick up his work on the WQCC process. MBSS will be hiring an attorney to take Jeff's place in the near future.

Legal Discussions MVIC-DWCD – Groundhog, 505cfs, Change in Use of MVIC 87.3 conditional water right. Barry stated that the one issue that has kept DWCD on hold has been the study that MVIC was performing to prove that there were 37,500 irrigable acres in MVIC's area. This information has now been received and will be reviewed by DWCD staff. Barry suggested a LEMing in the near future.

Activities and Meetings since Last Board Meeting:

June 12: Water Quality Control Commission Hearing, Durango – Bruce, GM, Jeff Kane
June 13-14: Colorado Foundation for Water Education (CFWE) San Miguel Tour GM, Ken, Don (Southwestern hat)
June 13: MVIC Board Meeting
June 14: 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 - Eric S., GM, Vern.
June 19: Hearing on Sage Hen mussel prevention/recreational access, Montezuma County Commission – Ken, GM
June 21: Weekly spill call – Ken, Eric S., GM, Vern
June 21: Salinity Pre-Funding Workshop, DWCD - Ken
June 28: Towaoc-Highline Committee
July 6: DWaRF Field Trip to Lake Canyon Logging Units, Pine Beetle die off and logging activity – 9:00AM to 2:00PM – Ken, David Sitton, Dwayne Findley
July 7: Dragon Line Trail, Brian Wilson Farm, Center Pivot North of CC between 13 and 14, 10:00AM-11:00AM
July 11: MVIC Board Meeting, 2:00PM
July 12: Pre-Roundtable Meeting on Weather Modification, 1:00PM, DWCD – Ken, Bruce Whitehead, Laura Spann and Joe Busto
July 12: Southwest Basin Roundtable, DWCD, 3:00PM (2:30 Social Time)
July 13: CPW Statewide Workgroup Meeting on Statewide ANS Funding, 9:00AM, Phone – Ken, GM

Upcoming Meetings and Activities:

July 17: Drought Plan Meeting Focused on McElmo Concerns, 7:00, DWCD
July 19-20: CWCB Meeting, Crested Butte
July 21: Public Comments Due on Drought Contingency Plan
July 26: Towaoc-Highline Committee, DWCD, 2:00PM
July 26: Forest Health Advisory Council, Buena Vista – GM on Council
August 2: DWaRF, 1:30, DWCD
August 8: MVIC Board Meeting
August 16: Meeting to Discuss 2017 Managed Release, Boating Focus, 6:00-8:00PM, Dolores Community Center

LEGAL REPORT

Plateau Creek Reservoir 15CW3036 This decree has come in. DWCD has 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.

Koenig Pits, 12CW36 Barry stated that an application was filed by Mountain Investments, Inc. to make absolute water rights for Koenig 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. This decree has also come in.

CWCB Dolores River ISF, Case 15CW3111 There was a status conference on the Dolores River ISF on July 13. This case will be deferred from the water referee to the water judge and is tied up to go to Court. There may be changes to it from six months ago. The issue at that time was whether or not CWCB could allow small carve-outs of water for future uses when reviewing the instream flow. SWCD and the River District are under the impression that the statute allows for future use and CWCB is adamant that it does not allow that.

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. DWCD wanted more time to discuss and provide more information to be prepared for discussions. Barry sent a letter, the information promised has not been received. Barry’s letter put the Forest Service on notice that if the information is not provided soon, DWCD will oppose the ISF if not based on standard ISF criteria for Rio Lado.

NEXT DWCD BOARD MEETING – Thursday, June 9, 2017 - 7:00 P.M.

ADJOURNMENT Meeting adjourned at 8:56 P.M.

Don Schwindt, Secretary-Treasurer

Bruce Smart, President