

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
August 10, 2017

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

ROLL CALL Bruce Smart, President
Don Schwindt, 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
Robert Stump, Bureau of Reclamation
Adam Reeves, Attorney
Doug Pickering, Colorado Division of Water Resources

INTRODUCTION OF GUESTS

Brandon Johnson, MVIC General Manager, and Tyler Artichoker, Bureau of Reclamation

MINUTES

APPROVAL OF THE MINUTES

**MOTION: TO APPROVE THE MINUTES AS PRESENTED FOR THE
JULY 13, 2017 ENTERPRISE MEETING.**

**MOTION: DAVID FREDERICK
SECOND: DON SCHWINDT
MOTION CARRIED UNANIMOUSLY.**

FINANCIAL STATEMENTS

David asked about the payment to Rignet. Ken stated it was the monthly fee on cloud seeder satellite communication.

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

**O&M: AP/CHECK #35114-35214 & PR/CHECK #122068-122120
\$216,877.46**

**MOTION: DAVID FREDERICK
SECOND: GLEN FISH
MOTION CARRIED UNANIMOUSLY**

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

Power Plants

McPhee Power Plant has been running steady at 75 cfs.

Towaoc Power Plant has been running between 40 and 100 cfs.

The Bureau of Reclamation power office will be here next August 22, 23 & 24th to complete a TFR (Transferred Facility Review) of both power plants. Don asked Lloyd about the transferred part of the review. Lloyd stated that it used to be a periodic review and since we operate for the Bureau of Reclamation and we fall into the criteria and have a little more leeway in operations, it is a transfer of operations not facilities. Most of the power facilities are operated by the Bureau and Ken stated that there are only 3-4 in this region that the Bureau does not operate.

Pump Plants

We have had several pump plants go down this month due to lightening, but have had no damage to the plants.

Laterals

A major line break on the 400 lateral of Fairview happened on the night of Wednesday, July 26th. The sectionalizing valve was closed and equipment was mobilized to the leak site. Excavation and pumping was started. On the morning of July 27th the Fairview pump plant had to be shut off due to excessive leakage of the sectionalizing valve upstream of the leak. The pipe was exposed and remaining water pumped down, the soil cement was chiseled away. The pipe diameter was determined and repair parts were checked on. No repair bands that size were in our stock. The repair bands were ordered on the 27th. They would have to be manufactured and rush shipped. The bands arrived on Friday, Aug. 4th and were installed. Fairview plant was restarted at 3:00 pm and filling operations began. The field was pressured up Sunday at 11:00 am. Lloyd stated that he included some pictures of the leak in the packet. They are working on getting difference size flanges to have in stock. The pressure rating on the collar is 300 psi. They are classified now by the spikes that it will take. Have sectionalizing valves ranging from 4" to 36".

A small leak on the 700 lateral of Cahone was noticed on Thursday, July 27th. The leak was monitored until the Fairview leak could be repaired. This leak was excavated and repaired on Tuesday, August 8th. Robert brought the Bureau's crawler camera and looked through the pipe.

ENGINEERING AND WATER MANAGEMENT REPORT

Water Accounting Information – Ken stated that on the inflow outflow in July he highlighted the lake elevation dropped just under 7 feet slowing way down at the end of the month when the rains had set in for the last two weeks of July. About 4,500 AF of the April –July runoff came out of Groundhog and the total runoff was around 345 KAF with a little monsoon help. Ute Farm and Ranch was pulling hard early in the year and then backed off, but running steady. MVI was diverting high all through July and the Totten upstream exchange ran out around the 11th. Dove Creek Canal running high until about the 20th and dropped off in the last ten days of July and hasn't come back up yet. Fish pool dropped to 78 CFS and then released a planned 450 CFS for the bass disruption trial. The total outflow is highlighted and ran over 1,000 CFS for many days coming off a hot dry June, not seen in years. The mountains are getting more moisture than down in the valleys where we diverted at high rates until the end of July when use tapered off. The Dolores inflow has dropped and Ute Farm diversions dropped down to the low 30s. Likewise MVIC tapered back, but did take the excess river for the extended Narraguinnep fill shown in Column AP including one day at 152 cfs in August. DCC has not broken 100 CFS since end of July and still in a holding pattern since the farmers couldn't get the hay cut and out because of the rains. Hopefully water diversions will pick up again. Realistically there are only another 5-6 weeks of growing season to divert water. The total outflow has stayed low and we don't expect significant changes to patterns when we start projections next month.

Ken stated that next we will look at the August 1st projections. There is the first page which is a summary of three irrigators' supply & use to date followed by each individual irrigator projection. The green numbers are actual Ute Farm monthly diversions. Underneath are the historical percentages that you normally expect. These are laid out to help project uses through the end of the season and in the Ute's case they did a firm 2000 lease and trying to see if they will need the additional 2,000 AF. This year has enough water should that be needed. Ken stated that he thinks that they will take between 1000 and 2000AF additional above the firm 2000 AF leased. Simon stated that they are ready to go with a 1000 more for sure right now.

Ken stated that he is looking at the Full Service for the same look ahead based on the actual diversions at Great Cut highlighted in green. We do expect Dove Creek diversions to pick up after the 2nd cut is complete, but don't expect to be pushing any historical maximums.

Ken stated that MVIC is set up the same, but have decisions on Groundhog releases and have to pull a minimum for U/S users agreement and then after that it is by choice. GH is still sitting fairly full and project water looks to be down a little. Part of the big swing is what we do with the Class B. The high years are 2000 and 2001. Chances are they are going to divert in the 125 – 130 KAF range by the end of the year.

Next is an individual meter sheet on the Full Service area where we take the individual pools and project based on percent used to date shown below. The yellow highlighted area shows those that will go over cap based on 62% used to date. Everybody in the highlighted blue should be OK although some of those irrigators could still go over the cap. If you go to the individuals we think that the top 4-7 need more water. If you raise the cap to 32" those 4-7 top diverters will hit the cap before next month. We do expect some people to go over 28" and bottom line is we have plenty of water. And if they use above the base they will be paying the higher conservation price. Our projections show about 28 people going over the 28" and 4-6 may hit the 32". The Board has gone back and forth on what the top cap limit should be and there are reasons they stuck with the 28" in the past. This year we see more than 2-3 that will go over the 28" compared to last year. We don't have a firm policy on the use of Class B, but we don't plan using all the Class B to save carriage costs. Ken would like to notify MVIC of expected diversions for their planning. Ken would also make sure we can supply all 4,000 to the Ute Farm if needed. Ken recommends raising the FSA cap to 32" and to use as little Class B as necessary. He recommends that we declare intent to only use 3,000 AF of Class B tonight and our intent to have an additional 2,000 AF available for the UF&R lease. Mike explained that Class B can be used on the Fairview block and then we take the water from what would have been delivered there from the regular irrigator pool to serve other blocks. Ken was looking for a motion if the Board was in agreement to raising the FSA cap to 32 inches per acre. Adam stated that the Class B is an internal management or the authority of staff for direction of the Board. The Ute lease was already authorized and doesn't need a motion to firm up the lease commitment and Ken just wants the Board to be aware of it. The previously approved lease agreement stated a firm 2000 and allowed an additional 2000 AF if available and needed.

Ken stated that he recommends that we only use half of the available Class B and let MVIC plan on using the rest.

Bruce stated that he is the proponent of capping, but he's willing to support increasing the cap in times like this when we are water rich, we need the money and if the farmers can make the water benefit operations. Bruce just wanted it known that he has not always been in agreement of raising the caps, but this year he sees benefits without so much risk.

Don asked Brandon if MVIC discussed supply and if he had an opinion on the Class B. Brandon said if they need it they will take it on the end. If we get 3000 it will stay in Groundhog and if less then they won't put in Groundhog. Don asked Brandon if he would be okay with the decision DWCD makes. Brandon stated he would be.

Don stated that it is not a contractual exercise and would prefer to have as a Board to Board discussion topic. He stated that we came out of the lawsuit with an agreement to use the Class B even if not needed. He wondered if it needed more formal guidance and record if we jockey at all from the contracts. Don stated that he thought the lawsuit was driven by misinterpretation of contracts and changing of players. Bruce stated that we have the right to take it every year and not to if we don't need it, but understands if Don would like that to be more formalized. Don stated that he feels it is really important to have a written record of how things were done so then there is an explanation of the past.

Adam stated that there is no agreement about flexible use. Don agreed that was his point. Adam said to some extent it is hard to memorialize flexibility in a document. Adam stated that can be very difficult. Adam stated that a better practice might be to recognize the need for flexibility in certain circumstances. Exercising the flexibility would be staff coming back to the Board for direction then it is memorialized in a motion by the Board. Don stated that his question back to that is a document such as a Memorandum of Understanding (MOU) a tool that would be useful and would be something that is less official than a contract that would help with the difficulty.

Don stated that he did not want to decide this tonight and would like to head off the pitfall down the road and discuss it in a Brainstorm session and jointly discuss with the MVIC Board. Don stated that he felt that the Board should spend some time on this. Mike stated that there are really only 3 outcomes 1) DWCD uses it, 2) MVIC puts it in their supply and uses it or 3) it stays in carry over. The flexibility is there and may need a bit of clarity on the options. The 2016 water year was the first flexible year that DWCD did not use it and saved carriage costs. Ken stated that he did not have a problem with bringing it to the Board to get a Board decision if DWCD is not going to use it in a water year. Ken agreed that the Board could have this item as a Brainstorm agenda item. Mike stated that the only wrinkle is that in a water short year the Class B is shorted, so in years where we really could have used it all, it would have been shorted. Ken stated that he had given out some historical information on Class B last month.

There is 6,000 AF of Class B that we can use in the full service area and not use project water there and then use that water in other blocks. Ken explained that when we do use it there is a Reclamation carriage charge, so if we don't need the water then it saves money to not divert. Don stated that he was ready to make a motion.

MOTION: WORK OUT FLEXIBILITY WITH MVIC FOR 3000 ACRE FEET OF CLASS B STOCK BACK TO MVIC IF THEY SHOULD NEED IT.

**MOTION: DON SCHWINDT
SECOND: GLEN FISH
MOTION CARRIED UNANIMOUSLY**

MOTION: TO RAISE THE FULL SERVICE IRRIGATOR CAP TO 32" PER ACRE.

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

Mike explained that the cap makes a difference in the years when there is plenty of water and we know that we are going to carry over good storage.

Wes asked if the difference between MVIC's 55,000-72,000 that is what is spilled. Mike stated that the simple answer is yes. Ken stated that we will be bringing info on all the questions for future education and review of history and ins and outs of the water over the few next months. Don stated that the inflow/outflow is a great tool to study and learn from.

Ken stated that MVIC did ask about an interpretation on 2017 call water accounting and it will end up in front of this Board. Ken stated that he consulted with the legal team and suggested that we take it up next month so they can prepare. It is likely to be an executive session item.

ANS Update – Not much this month. He is going to CWC to do a workshop on future ANS funding by the State. Lloyd's crew worked on a gate for Road X. We also expanded 2 areas closer to the shore and haven't blocked ATV access. We've made these few steps on improving access and slowly starting to work with the County on Sage Hen planning and need to do more over the winter.

INFRASTRUCTURE PLANNING, CORTEZ OFFICE PARKING LOT – Ken stated that he was hired to start looking at infrastructure and the power plants were added by the Bureau of Reclamation right at the start. The Bureau wanted additional testing and there was a lot of pressure on power plant maintenance record keeping. It took a lot of time the first couple of years. Ken then he focused on the canals. The T/H committee has done a lot of riprap for erosion protection in the past and last few years to protect their canal. We have actively improved some canals starting with reported leaks by installing liners up north on the DCC. We have also steadily purchased riprap every year and could spend over a million dollars over the next 20 years. The tire mats are a cheaper alternative to riprap that we are still testing. If they work we'll continue installing. We are trying to lay out the budgeting for the next 20 years though it can change as conditions evolve. The question I always ask is if we are keeping up on necessary infrastructure maintenance or are we falling behind. Ken stated that he would like to lay out certain amount of dollars for certain projects and how are we going to afford it in the longer term. The current lateral piping system is something that we need to work on and requires a lot of research. Ken stated that if we can afford it we are going to model our lines. These efforts guide future budgets. We have balance the moving parts like pumps to more static systems like the canals & laterals. Additionally we have at least 5 different types of pipe throughout the project. This is a broad picture and will be talking about every month going through the budget.

Ken stated that he was originally going to have numbers to bring to the Board on repairing the parking lot. It was originally constructed in the 1980s and then was chip sealed in 2010. D&L is doing to work on Cactus beside us and Ken asked for a quote, since they are working in the neighborhood. We can chip seal every 5 - 10 years or install new asphalt to last 20 – 30 years. Ken stated that he didn't get all the prices in from contractors. Old Castle does not recommend placing a chip seal in the parking lot and wants to do a thin overlay. Ken stated that we will look at this next year.

On a broader scheme we are going to talk about the infrastructure planning. The BOR is assisting us on a fixed drive pump rebuild project. The drives are upgraded and the variable speed pumps are in the process of being re-built. We prioritize water delivery, focused on Great Cut to fill DCC and then the canals delivering to pumping plants, followed by pumps pressurizing the laterals that delivery to the individual fields. Our staff has knowledge on the

plants and we have been able work through canal and pipe repairs. Wes asked if we have diagrams/layout of the pipe system. Ken stated that we do have design drawings and some as-builts. Wes asked about how many miles of underground pipe that we have. Ken stated approximately 100 miles up north. Wes stated that potentially we need to replace 5 miles every year. It is not going to be a quick process. Wes stated that he would think that you could standardize the majority of the pipe.

Ken stated that we are re-building our reserves, but we prioritized the Reclamation Basin MOU money on the plants that were the weakest link at present.

OTHER

Ken stated that he and Brandon are trying to plan a POD party with MVIC and DWCD for Saturday, September 23rd. We are targeting a small group, two boards, Bureau of Reclamation and Ute Farm and Ranch and wanted to make it for the two Boards. It is very specific to MVIC, but includes the 505 CFS too. It is also the 40th year, Sept 23, 1977 since the parties signed the original contracts between the parties. Adam stated that he is under the assumption that this is a social event that no business will be discussed.

ADJOURNMENT Dolores Water Conservancy District Water Activity Enterprise Board meeting adjourned at 8:55 PM

Don Schwindt, Secretary-Treasurer

Bruce Smart, President

DOLORES WATER CONSERVANCY DISTRICT

MINUTES Regular Meeting August 10, 2017

CALL TO ORDER Bruce Smart, President, called the meeting to order at 8:55 PM

Bruce Smart, President
Don Schwindt, Secretary-Treasurer
David Frederick, Director
Wes Wilson, Director
Glen Fish, Director
Mike Preston, General Manager
Ken Curtis, Engineer
Lloyd Johnson, Maintenance Supervisor
Gina Espeland, Accounting Clerk
Robert Stump, Bureau of Reclamation
Adam Reeves, Attorney
Doug Pickering, Colorado Division of Water Resources

INTRODUCTION OF GUESTS

Brandon Johnson, MVIC General Manager and Tyler Artichoker, Bureau of Reclamation

APPROVAL OF THE MINUTES

MINUTES

MOTION: TO APPROVE THE MINUTES FOR THE JULY 13, 2017 MEETING AS PRESENTED.

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

FINANCIAL STATEMENTS

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

ADMIN: AP/CHECK #10995-11010

\$16,792.45

**MOTION: DAVID FREDERICK
SECOND: GLEN FISH
MOTION CARRIED UNANIMOUSLY**

AGENCY REPORTS

BOR Report

Robert reported that he had received information from the contractor, All American, on the rebuilt pumps. One pump failed and we are pursuing a claim with the contractor to see what they respond with. There are three pumps remaining and some other performance issues. We want to tighten up the performance on the last three and there is some discussion to be had with them. Might want to get an extended warranty which must be requested by the contracting officer. Bruce asked where the contractor was from. Lloyd stated that it is All American out of Farmington. Robert stated that it is a serious concern that they want to get it resolved. SCADA migration is in process for solicitation by next week and then in review and hopefully it will be out the next week. It will be advertised for 2 weeks and looking to close at the end of August. Fixed speed vertical turbine is in review and will be a couple weeks behind the SCADA Migration. Water Screen replacement should be next in line and Robert will update as he gets more familiar with it. Don asked Robert to back up for some clarification. We want these pumps to last another 20 years. Robert stated that there were some issues with the rebuilt pump that failed and there are 3 others that were rebuilt that we don't know at this point how they are going to hold up. Robert repeated that it is a serious concern that needs to be addressed now and possibly through the contracting officer.

Power Plant and O&M (Transferred Facility) Review will be the week of Monday the 21st. Ken provided the update on the Sagehen area.

Tyler reported that Vern's position is advertised and closes on the 16th. Reclamation will be interviewing and by the next meeting hope to have a permanent person. In the interim Robert has been coming over and Matt on a few days as well.

Mike stated that we appreciate that there is going to be a replacement for Vern's position.

Tyler stated that Kathleen Ozga, who worked out of the Grand Junction Office retired. Tyler stated that he did get the reports on the spillway and he handed out the reports. It is the report from Reclamation's inspection to assess spillway damage. He stated that he has the report electronically and Ken and Lloyd do as well.

Tyler commented on the money received by DWCD from the MOU and that the success of the District had been understated. He stated that the District has been above the bar in their successful use of the MOU program.

Division of Water Resources Report

Doug stated that Division has had a personnel change, Dick Wolfe retired at the end of June. Kevin Rein has been appointed as State Engineer.

T/H Committee Report

Brandon reported that at the meeting they are working on getting ready for the budget.

Next T/H Meeting – The Committee will meet at the DWCD, Cortez Office June 23, 2017 at 2:00 p.m. at the Cortez Office.

MVIC Report

Brandon reported Cortez pipeline blew apart today. Working at Groundhog includes finishing ditch cleaning and doubling back to the subdivision/neighbor issues and working on measuring devices. Treated canals for weeds and it worked causing headgates to plug up with moss. He reported that there was vandalism on Towaoc, someone went through and rammed all the gates. Will be working on getting them fixed.

GENERAL MANAGERS REPORT/DECISION ITEMS

Draft Drought Contingency Plan – Mike stated that the black notebook contains the summary of the McElmo meeting of July 17th. There is a spreadsheet summarizing the stakeholder comments and all nearly 50 comments are included and have been numbered to correspond to the spreadsheet. It is everything that we have received and same information has been distributed to MVIC as well. It is for review prior to initial Board consideration at the September Board meeting of how to integrate comments into the Plan.

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

Schedule Board to Board Meeting for September 19, 7:00PM, DWCD – This may be an opportunity for the Boards to discuss the Drought Plan. MVIC has agreed to this date. Meeting will be held at DWCD at 7:00 PM.

Response to Conservation Colorado Report Card – Mike stated that he is going to defer this item to next month when Simon and Godwin are here as well and have a really good discussion of protecting and advancing DWCD's reputation as a top notch water managing organization, doing our part to take care of the lower Dolores River. Mike will put the information back in the September meeting.

Legal Discussions MVIC-DWCD – Groundhog, 505cfs, Change in Use of MVIC 87.3 conditional water right – Legal team 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:

- July 17: McElmo Drought Plan Meeting Focused on McElmo Concerns
- July 26: Forest Health Advisory Committee, Buena Vista - GM
- July 26: Towaoc-Highline Committee
- July 27: Reception for new Rocky Mountain Regional Forester, Brian Ferebee in Durango to discuss collaborative efforts including ANS and DWaRF Forest Health efforts – GM, Ken, with David Sitton, Norm Bircher and J.R. Ford representing local wood products industry.
- July 28: Planning session – Sage Hen ANS protection/access – Ken, GM, James Dietrich
- July 31: Drought Plan Team Work Session – GM, Ken, Simon, Brandon, Steve Harris, Carrie Lile
- August 2: Meeting with Lower Wilson Ditch Group, in McElmo, and within DWCD Taxing District - GM
- August 3: Work session to Plan August 16 Boater Meeting – GM, Ken, Eric Sprague
- August 3: LEMing Call to discuss Spill-Call Water issues
- August 8: MVIC Board Meeting

Upcoming Meetings and Activities:

- August 16: Meeting to Discuss 2017 Managed Release, Boating Focus, 6:00-8:00PM, Dolores Community Center
- August 17: Drought Plan Meeting, 7:00, DWCD
- August 22-24: Colorado Water Congress Summer Meeting, Steamboat Springs
- August 28: Drought Plan Meeting, 2:00PM DWCD
- September 6: DWaRF Collaborative Meeting, 2:00PM
- September 12: Towaoc-Highline Committee, DWCD, 2:00PM
- September 19: MVIC-DWCD Board to Board Meeting, 7:00PM, DWCD

LEGAL REPORT

Did get the GIS file on the irrigated acreage from MVIC and will take a look at it and evaluate. Need to get perspective on the DWCD 505 cfs and the 87.3 cfs MVIC rights. It would be useful to have discussion with MVIC.

Adam stated that he did not have anything further, unless there are matters that need to be discussed in executive session.

Glen asked why DWCD is requesting the acreage verification and how it is affecting the relationship between the two Boards. He added how is it “philosophically” affecting the relationship between the two Boards.

Adam responded that MVIC is claiming use on a certain amount of water on a certain amount of acreage and there is a duty of water standard in water court. The duty of water is being evaluated on this case, which includes the number of acres. MVIC included an acreage amount in their draft Groundhog decree. MVIC does not need to include an acreage number in the Groundhog decree, but if they insist the acreage should be verified because acreage relates to the 505 and 87.3 filings that are coming next.

There are mechanisms to calculate and this is a water court request. DWR has also requested this information. This is a new departure and MVIC is interested in converting direct flow to storage and this involves a lot of new issues that could impact the Dolores Project.

The philosophical discussion could happen at a Board to Board meeting.

MVIC and their attorney haven't objected to showing the acreage, but are providing it confidentially to DWCD, which is allowed. MVIC is interested in establishing this acreage in the Groundhog decree.

Don stated that he weighs in on how it applies to the contract. Adam stated that it is the new junior water right. For this new junior water right it is appropriate to specify acreage and it is appropriate to justify by a map. Adam stated that requesting the acreage is part of his job of protecting DWCD water rights.

NEXT DWCD BOARD MEETING – Thursday, September 14, 2017 - 7:00 P.M.

ADJOURNMENT Meeting adjourned at 9:33 P.M.

Don Schwindt, Secretary-Treasurer

Bruce Smart, President