

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

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### MINUTES

Regular Meeting  
October 12, 2017

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**CALL TO ORDER** Bruce Smart, President, called the meeting to order at 7:15 PM

**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  
Gina Espeland, Accounting Clerk  
Robert Stump, Bureau of Reclamation  
Doug Pickering, Colorado Division of Water Resources  
Barry Spear, Attorney

### INTRODUCTION OF GUESTS

Brandon Johnson, MVIC General Manager; Jim Mimiaga, Cortez Journal

### MINUTES

#### APPROVAL OF THE MINUTES

**MOTION: TO APPROVE THE MINUTES AS SUBMITTED FOR THE  
SEPTEMBER 14, 2017 ENTERPRISE MEETING.**

**MOTION: WES WILSON  
SECOND: GODWIN OLIVER  
MOTION CARRIED WITH SIMON ABSTAINING.**

### FINANCIAL STATEMENTS

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

**O&M: AP/CHECK #35304-35404 & PR/CHECK #122175-122228  
\$395,455.66**

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

**O&M REPORT** – Lloyd reported the following:

### **Pump Plants**

All plants are being winterized and post season work orders are getting started. At Cahone Pump Plant, all three variable speed pumps are scheduled for removal and rebuild this off season. The VFD's (variable frequency drives) are also scheduled for upgrades.

The remaining three 1000 H.P. pumps at Great Cut Pump Plant will have the exciter upgrades installed this offseason.

### **Laterals**

The laterals and delivery boxes are being winterized. Several upstream and downstream B/F valves will be replaced this off season.

### **South Canal**

The two miles of road base haul was completed. WAPA is continuing with the underground power upgrade. Lloyd stated that they are doing what they said they would do.

### **Dove Creek Canal**

Sediment cleaning and canal repairs will be getting started as the canal bottom dries. Tire mats are scheduled to be placed just upstream of Fairview Pump Plant.

### **Power Plants**

Towaoc Power Plant was shut off Sept. 25<sup>th</sup> due to low water flows. A new exciter system will be installed this offseason. McPhee Power Plant will be operating at 25 cfs throughout the winter.

Lloyd had a handout on how much power. In 2016 between the Towaoc Power Plant and McPhee Power Plant, DWCD produced enough green power to supply 25,394 a US household year round. Gives an idea of what the two powerplants put out.

## **ENGINEERING AND WATER MANAGEMENT REPORT**

**Water Accounting Information – 1)** Ken started with the September high lights from the Inflow/Outflow sheet. September McPhee elevation started at 6910.48 and ended just over 6904, down about 6 feet or about 24,000 AF. The Utes water use dropped off the last 7-8 days and went down to zero diversions. The board authorized an additional 2,000 AF last month and Ken said he didn't think they would use the original 4000 AF lease quantity. MVIC diversions in column Y show that they were strong most of September and tapered off near the end of the month. MVIC has used most of their project water. The Dove Creek canal followed the same pattern running strong for the first half of the month, getting diversions back up to budgeted quantity, but then dropped off heavily. Releases below McPhee dropped to 40 CFS and will stay at that level through the winter. Column BH shows the MVIC Groundhog releases had been making much of the river and Groundhog storage was used heavily this year. McPhee has gone down less than 1 foot in the first 11 days of October. With Groundhog releases down the Dolores is back near natural flows. Ute diversions are picking up a little, but we don't expect significant increases. MVIC diversions did even out at a lower rate, but will be winding down this weekend. Dove Creek Canal diversions remain low and FSA appears to be dealing with final hay cutting. Groundhog releases are just covering the upstream exchange releases. Temperatures remain steady but not too high driving irrigation. MVIC will start storing Narraguinnep water soon. There will be a little bit of municipal use from McPhee storage, but will back off during the winter. So McPhee will end up in good shape and anywhere around 6900 and above is good. **2)** Ken stated that the FSA Block Summary information is included. **3)** The FSA users chart by inches per acre shows that most of the higher users are small properties and the 32" seems to be appreciated. We are reading new meter numbers this week, but the use is next to nothing. We expect some ownership changes based on the delinquency hearing, but we still have some people not using water, two for RRA reasons. We had the supply of water, but DCC diversions did not need the Class B. Although many FSA farmers made good use of the water not everyone is using their allocations. We have a Farmer Advisory Committee meeting on Monday and will be asking questions on the water usage to get a better feel of how the season went for them. There may be other drivers to the water use story and we want to keep a sense of what is going on for budgeting and other reasons.

**Set Inclusion Hearing, November Board Meeting** – Ken stated that there are two properties that need to be included within the District boundaries to participate in the upstream augmentation plan. There is a draft public notice for the properties in your packet. One is on the upper Dolores above the West Fork and the other is up around Groundhog. The District needs to have an inclusion hearing to bring these properties into the District. Within Montezuma County we have plenty of de minimis volume for new properties, but Dolores

County from Fill Gulch at the County Line to up above Rico has used up the de minimis amount. This means we can't augment any more properties in this area of the Dolores main stem. It was explained that properties are included in the District based on the Hearing and then they are part of the District and on the tax rolls and are provided the augmentation water to develop.

**MOTION: SET INCLUSION HEARING FOR NOVEMBER 9, 2017 BOARD MEETING AT 7:15 PM.**

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

**ANS Update** – Ken stated that there is a webinar on fighting for and advocating sustainable funding for the Colorado ANS Inspection Program. Registration for the webinar is at the following link or you can attend the webinar at the DWCD office. <https://www.yourwatercolorado.org/cfwe-education/conferences-and-webinars/939-webinar-aquatic-nuisance-species-the-treat-and-solutions>. We can bring a draft bill to the Board next month. WRRC staff produced the draft bill recently for the program to go forward. CPW still wants contributions for inspection stations and we may want formal Board support for the bill. The WRRC will vote on October 31<sup>st</sup> and if 7 agree it will go into the next legislative session from the committee as opposed by an individual legislator. It is a statewide issue that should be relative easy to lobby for as it will affect both sides of the divide and affect all water interests. We are not planning to do any formal support by the 31<sup>st</sup>. We will try to support the bill in the 2018 legislative session starting in January. The webinar is a general education on ANS and then promotional to support the bill. Any shaping of the bill from here forward will be through a committee process. Staff of interim water resources review committee wrote the bill. Ken stated that he will bring more info back because we will be scheduling a public meeting in November.

**Projects Update** – Lloyd covered most of it and Robert may cover some more. Cahone represents last pumping plant upgrade. Clearly the WAPA South Canal line is something we would like to get through this fall and get done after 10 plus years. The SCADA project and some pump re-builds to keep us busy. Relative to our budgets when you read the past notes we have largely tackled the big projects. There are other big items still out there, such as 20 year old fixed speed pumps. We are continuing to try to upgrade and keep up with the project. The consumables are in the budget and just get us through a water season. We try to promote the replacement on a reasonable rotation schedule. You will see it in the notes of the budget and if it is routine repeatable operating costs it will not be noted in the budget. We asked if we capitalize those items. Ken stated that we don't and you will see that in the annual District audit because we don't own the facilities. Ken stated that he will highlight items in the budget. Mike stated that tracking on the District owned equipment and vehicles is a better fit.

**Resource Books** – Ken stated that it is a work in progress and hope that it is led by the Board's ideas and questions. We are keeping it electronically and have a distribution list. We will also add tabs and adjust the Table of Contents as we go. Ken stated that he will try to add some material each month. Clearly we will eventually bring in Exhibit A and relating back to some of the contracts. Ken stated that the first tab is generic info including maps of the County and the District. Schematic map gets at how things work and an allocation sheet that is fairly straight forward. Don asked about the allocation sheet and if the MVIC 131 KAF annual use is actual or contract. Ken stated that the 130.6 on the left column is directly from the DPR and using it as an anchor point. The 131 is an average of DWCD records and Don stated that would include the project and non-project should be included.

We started back to the beginning and put in the first District decree and some subsequent decree. Citizens filed the original decree in 1961 with original petitions and the Judge wrote the order that it speaks to the improvements in item 7 and goal to acquire water. At that point we became a political subdivision of the state and those are the large blue shaded area on the map. Under Item 5 on last page the District had five geographic areas to pick the directors plus towns. The other decree increased the directors to 8 in 1976 and in doing that it wiped out the director boundaries. Then in 1986 a decree put the District back to 7 directors. Next we included the bylaws current as of 1991. The conservancy law has some similar guidance and a reason meant to establish these local governments. Barry stated that the state statute controls over the District bylaws. Barry stated that you need to follow the statutes by law and the bylaws are a guideline and not mandatory.

Wes stated in the original contract on page 32 between US and DWCD line 13 the contractor may contract with a different power source. Ken stated that is correct and Barry referred to it as an adhesion. Ken stated that we could at 3 times the WAPA rates. WAPA power is also funding the Basin Fund replacement contracts. Ken stated that we have had conversations

with Empire and there are other issues of ownership in some of the power lines and the line capacity.

Tab 3 in the Resource books is the Appendix B Hydrology of Definite Plan Report (DPR) – Ken said there are the first sheets included in all DPR volumes that give some project facility and water supply description. He only put in chapters 1 – 4 so it remains an ongoing conversation and we can put together additional items that you might want. Appendix B gets referenced a lot, the numbers get repeated in contracts and Exhibit A.

We put in the first 2 contracts, signed the same day The Dolores Project had been in discussion for years. The first one is between the U.S. and DWCD, the Repayment Contract, and then the second where MVIC contracted with the District for their interest of the Dolores Project. There was an addendum to the Repayment Contract in February of 1986 and to incorporate the 1982 RRA laws. Ken stated that he would go through and highlight some important items for discussion in the future.

**ADJOURNMENT** Dolores Water Conservancy District Water Activity Enterprise Board meeting adjourned at 8:41 PM

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Don Schwindt, Secretary-Treasurer

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Bruce Smart, President

# DOLORES WATER CONSERVANCY DISTRICT

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## MINUTES Regular Meeting October 12, 2017

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**CALL TO ORDER** Bruce Smart, President, called the meeting to order at 8:41 PM

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  
Gina Espeland, Accounting Clerk  
Robert Stump, Bureau of Reclamation  
Doug Pickering, Colorado Division of Water Resources  
Barry Spear, Attorney

### INTRODUCTION OF GUESTS

Brandon Johnson, MVIC General Manager; Jim Mimiaga, Cortez Journal

### APPROVAL OF THE MINUTES

#### MINUTES

**MOTION: TO APPROVE THE MINUTES AS SUBMITTED FOR THE SEPTEMBER 14, 2017 MEETING.**

**MOTION: WES WILSON  
SECOND: GODWIN OLIVER  
MOTION CARRIED WITH SIMON ABSTAINING.**

### FINANCIAL STATEMENTS

Wes asked if we were at a net positive of \$35,000 at the end of August. Mike stated that is correct. Ken stated that we do have some cash flow back and forth that will be discussed in the Budget.

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

**ADMIN: AP/CHECK #11024-11038**

**\$6,457.27**

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

### AGENCY REPORTS

#### BOR Report

Robert stated that the variable speed pumps letter was sent to the contractor by the contracting officer and they are working on setting up a conference call, but do not have

scheduled as yet. The SCADA is all set to be awarded this week sometime. Ken stated that there will be a fixed drive contract is coming down the road. Robert stated that it is out there for next year.

Mike stated that Robert was permanently appointed to the Bureau position here at the Cortez Office and Vern will be back to assist. Congratulations to Robert.

### **Division of Water Resources Report**

DWR did not have a report.

### **T/H Committee Report**

Godwin reported that the THC Committee had a meeting on September 27, 2017. The Committee discussed that not much is going on and the Committee did adopt a Budget. Two bills were paid to MVIC and DWCD for billings.

**Next T/H Meeting** – The Committee will meet at the DWCD, Cortez Office October 25, 2017 at 2:00 p.m. at the Cortez Office.

### **MVIC Report**

Brandon reported that MVIC is still running water and will shut off on midnight on Sunday. Completed riprap on spillway at Groundhog. Stopped work and will pick up on it next year and did get to a completion process. Getting ready for maintenance and winterization.

## **GENERAL MANAGERS REPORT/DECISION ITEMS**

**Draft Drought Contingency Plan** – The DWCD and MVIC Boards received all written comments on the drought plan in August. The staff team has been working on proposed changes in the drought plan to address comments that fall into two major areas: 1) Drought Vulnerability impacts of proposed efficiency projects on McElmo Creek return flows and 2) Drought Vulnerability impacts on the fishery below McPhee. DWCD Board met at 5:00 PM prior to this meeting.

The Boards should determine how the plan is modified to incorporate these comments. The focus of the staff team has been to organize information and options for Board consideration.

The process going forward is as follows:

October Board Meetings – Plan revisions based on public and September Board input will be taken up with each Board. The Boards have agreed to work sessions of one to two hours at an MVIC special meeting and before the October DWCD meeting.

Board to Board Discussion – Board to Board discussion of the Drought Plan is set for October 17, 7:00PM DWCD.

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 November** – There was discussion about how to work a November Board to Board around Thanksgiving. The topic will be how the Towaoc Highline Committee operates. MVIC wanted fundamentals of the budget, governance rights and refusal and coordination of O&M. the topic and date will be discussed at the October 17<sup>th</sup> meeting with both Boards. Note: The November Board to Board meeting was set for November 28<sup>th</sup>, 6:00 PM.

The intent is for the Boards to meeting monthly until farming season begins in the Spring. A topic or topics for each meeting will be proposed by the Board Presidents and Managers.

**Budget Workshop** – Mike stated that the Budget Workshop will be October 26<sup>th</sup> at 7:15 PM

**Schedule a Farmer Advisory Committee Meeting** – Ken stated that it is not mandatory that the

Board participate in the Farmer Advisory Committee (FAC) Meeting, Board participation is helpful. Ken stated that we have used the FAC as a sounding board for water season and budgetary items. We would like to get one scheduled prior to the Budget Hearing in November.

Ken stated that there is a proposed 2% increase on the base charge and 1% on delivery in the budget and it can be changed. If the board would like the FAC input, it would need to be prior to the November 9<sup>th</sup> Board Meeting. After discussion October 30<sup>th</sup> was decided for the Farmer Advisory Committee Meeting with Chili at 5:30 pm.

**Totten Reservoir** – There was some expression of interest by MVIC in Totten Reservoir at the September Board to Board meeting. Bruce stated that at the last Board to Board with MVIC one of the questions was consideration by DWCD Board of re-acquiring Totten Reservoir as a part of a potential McElmo Creek water serving plan by MVIC. Currently, they are trying to determine if DWCD had hard plans that preclude Totten Reservoir acquisition or use.

Brandon confirmed that they are interested in buying it back or using it and wanted to know if we had plans for it. Bruce asked the Board for input. Don stated that we don't want to respond back without evaluating the original purchase contract. If it is something that might help supply the McElmo users.

The Class B and Totten were part of a purchase contract. The original contract was drawn in 1998 and finalized in 2002.

Bruce said one issue is the dam elevation restrictions and the estimated \$1 million required to fix it.

The Board agreed that DWCD is open for discussion with MVIC, but Totten will require careful consideration. Mike asked that MVIC come forward with a proposal so the DWCD Board has something to evaluate and discussions and possible negotiations to respond to. Knowing what the boards want to do will help focus.

**MOTION: CONTINUE DISUCSSIONS WITH MVIC ON TOTTEN RESERVOIR WITH ALL OPTIONS OPEN.**

**MOTION: WES WILSON  
SECOND: DON SCHWINDT  
MOTION CARRIED UNANIMOUSLY**

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

- September 19: MVIC-DWCD Board to Board Meeting, MVIC – Board only
- September 21: Water Information Program, SWCD - GM
- September 26: ANS Technical Team Meeting, Dolores Public Lands Office – Ken, GM
- September 27: Towaoc Highline Committee
- October 4: DWaRF Field Trip, 1:30PM
- October 9: San Juan Headwaters Storage Project Meeting, 5:00PM – GM on panel with Water Congress Executive Director Doug Kemper and John Stulp, Water Advisor to the Governor
- October 10: MVIC Board Meeting – Godwin, Bruce, Ken, Eric
- October 11: Southwest Basin Roundtable, Durango Public Library, 3:00PM (2:30 Social Time)

### **Upcoming Meetings and Activities:**

- October 16: Dolores Project Information Exchange, Dolores County Commission, 10:00AM – GM, Ken
- October 17: MVIC-DWCD Board to Board Meeting, 7:00PM, DWCD
- October 24: ANS – Webinar on fighting for and advocating sustainable funding for the Colorado ANS Inspection Program – Ken, GM  
<https://www.yourwatercolorado.org/cfwe-education/conferences-and-webinars/939-webinar-aquatic-nuisance-species-the-treat-and-solutions>
- October 25: Towaoc-Highline Committee, DWCD, 2:00PM
- October 27: Preliminary Report to M&R Team by Scientists who conducted monitoring of the 2017 Managed Release, 2:30, DWCD.
- November 1: DWaRF, 1:30PM, DWCD
- November 14: MVIC Board Meeting, 2:00PM
- November TBD: MVIC-DWCD Board to Board Meeting, 7:00PM, DWCD

### **LEGAL REPORT**

Barry stated that he would discuss a few of the cases in open session then go into Executive Session for the remainder of cases.

Plateau Creek Reservoir 15CW3036. DWCD holds a conditional water right 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 has uses for pump back storage, irrigation, stock, domestic, municipal, industrial, recreation, fish and wildlife, flood control and other beneficial uses with a 14,900 AF fill and refill right. 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.

STATUS: A decree for a conditional water right was entered June 23, 2017, recognizing DWCD's diligence toward making this water right absolute. A deadline of June 30, 2023, has been set for DWCD to show that in the next six years it has diligently pursued making the water right absolute by engaging in activities toward the end of constructing the reservoir.

Koenig Pits, 12CW36. Application 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.

STATUS – DWCD filed a statement of opposition to ensure changed uses and amounts are not expanded from historical uses. DWCD's concerns were addressed in the decree that was entered in July 21, 2017.

At the last Board meeting Adam mentioned that the Board President would be attending a meeting regarding MVIC cases and that meeting did take place and Adam was represented there as well as John Justus and the meeting was very positive and tentatively agreed to principles for advancing the 3 cases. Barry stated that it is in open session and it is good to report that the lines of communication are open and cooperation is also there.

Barry requested an Executive Session to discuss MVIC Cases, Federal Reserve Water Case and 3 diligence matters with the Board, and to discuss the Water Quality Control Commission Hearing set for December.

**MOTION: TO MOVE INTO EXECUTIVE SESSION PURSUANT TO CRS 24-6-402-4(b) TO RECEIVE LEGAL ADVICE FROM THE ATTORNEY AND CRS 24-6-402-4(e) TO GIVE DIRECTION TO NEGOTIATORS.**

**MOTION: WES WILSON**

**SECOND: GLEN FISH**

**MOTION CARRIED UNANIMOUSLY**

**RECESSED MEETING FOR A BREAK at 9:22 PM.**

**RECONVENED MEETING AT 9:30 PM.**

**RECESSED FOR EXECUTIVE SESSION at 9:30 PM.**

**RECONVENED REGULAR MEETING At 10:15 PM.**

There will be a Monitoring and Recommendation meeting on October 27<sup>th</sup> at 2:30 PM at DWCD. The will be about 2 ½ hours on the spill last spring.

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

**ADJOURNMENT** Meeting adjourned at 10:18 P.M.

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Don Schwindt, Secretary-Treasurer

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Bruce Smart, President