

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  
June 14, 2018

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**CALL TO ORDER** Bruce Smart, President, called the meeting to order at 7:10 PM

**ROLL CALL** 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  
Eric Sprague, Engineering Tech  
Gina Espeland, Accounting Clerk  
Adam Reeves, Attorney  
Vern Harrell, Bureau of Reclamation  
Marty Robbins, Colorado Division of Water Resources  
Doug Pickering, Colorado Division of Water Resources

### INTRODUCTION OF GUESTS

Brandon Johnson, General Manager MVIC; Brian Wilson, Full Service, Landan Wilson, Full Service

Godwin asked what the change was on the new agenda. Mike stated that an Item was added on the Pleasant View Drainage under Engineering.

### MINUTES

#### APPROVAL OF THE MINUTES

**MOTION: TO APPROVE THE MINUTES AS SUBMITTED FOR THE MAY 10, 2018 ENTERPRISE MEETING.**

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

**TO APPROVE THE MINUTES AS SUBMITTED FOR THE MAY 30, 2018 SPECIAL MEETING.**

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

## FINANCIAL STATEMENTS

David asked what triennial review stands for. Adam stated that it concerns Colorado water quality standards.

**MOTION: TO APPROVE THE APRIL '18 FINANCIAL STATEMENT AND APPROVE THE STATEMENT OF PAYABLES AS PRESENTED.**

**O&M: AP/CHECK #36062 – 36198 & PR/CHECK #122608-122688  
\$354,183.98**

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

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

### **Dove Creek and South Canals**

Weed problems in the canals have tapered off. A brush hog was purchased for the skid steer to chop up the weeds that are pulled from the canals. Bruce asked if it works on the big piles. Lloyd stated that it does and it works well.

### **Pump Plants**

A motor was replaced on a fixed speed pump at Dove Creek Pump Plant. All other plants have been running steady with no problems.

### **Laterals**

An M&I service was installed for the town of Dove Creek to service their new baseball field. Several more are in the planning stage.

### **Power Plants**

Towaoc Power Plant has been running steady. McPhee Power Plant is shut down due to low flows.

### **McPhee Reservoir**

The sluff area on the intake channel to Great Cut was excavated and approximately 300 yards of material was hauled out of the reservoir boundary. Lloyd provided some pictures on the removal. It has to be hauled out and not stockpiled.

### **Weed spraying/canal treatments**

All canals including THC have been sprayed one time and a second coverage is being started on THC. Reach 3 of THC was treated last week for pond weed. Reaches 1 and 2 of THC and all of the north system will be treated the first part of July.

## ENGINEERING AND WATER MANAGEMENT REPORT

**Water Accounting** – Ken presented the 1) May Inflow/Outflow spreadsheet stating that McPhee started the month at elevation 6897.57 (Col. B) and drops down about 5 feet. What little river came in went to MVIC totaling only about 17,000 CFS (+/- 34,000 AF) for the runoff season. Highest 24 hour average Dolores River daily inflow was only 709 cfs on May 11, topping 800 CFS for just a brief period. Then the Dolores dropped under 300 by May 20<sup>th</sup> that triggered the upstream exchange releases from GH Reservoir. The monthly McPhee inflow was 21,827 AF for May and to date for April & May just 34,933. Our previous estimates for April, May and June were 40,000 AF leaving us short about 5,000 AF at the end of June. Ute Farm and Ranch was using at the beginning of the month, shut off for a few days after the rain, ran strong for 2 weeks and then tapered off at the end of the month.

Column Y shows MVIC diverting 279 CFS by May 1<sup>st</sup> rising to just under 400 CFS and running steady for rest of May. MVIC has diverted about 29,000 AF for the season. Call Water hit a peak of 4252 CFS (8500 AF) on June 17. The 1,944 CFS at the bottom of the Call Water Column represents how bad the river inflow was for May. Totten exchange had to start in May which is earlier than normal. Dove Creek Canal started running early in April, but didn't take off running steady until May then grows until the end of the month. Releases below McPhee started out at 40 and at the end of the month are at 30. Column AR highlights in blue show when MVIC started diverting more than the river was making. Upstream users just matches the exchange because there was no water for Totten exchange. We received a nice rain May 2 and that is all for the whole month. Still it the best we've had had since late August.

June Inflow/Outflow shows McPhee active storage down to 90,000 AF. Column I shows recorded inflows down to 61.7 CFS. Column O shows the Ute Farm diversions starting at 26 CFS and growing to 65 by June 13 due to operational schedules. Column K shows the total inflow at 37,500 and doesn't look like we'll make it to 40,000 AF. Currently targeting McPhee inflow at 39,000 AF. MVIC continues diverting over 300 CFS. MVIC is also releasing Narraguinnep down the Hermosa for the THCC and their Call Water ran out. MVIC will get all the April, May and June river inflows totaling only about 35,000 AF as we estimated. MVIC project water is in column AD. Dove Creek Canal is running high and slowed just the last few days as they started cutting up north. Releases below McPhee went down to 20 on Monday turning off the MPP. We started taking Class B in Column A. Evaporation is not shown on Inflow/Outflow but with no rain in June is running high.

Ken stated that he was moving to the next sheet on Dolores River Inflow to McPhee 2002 to 2018 Comparison. The Comparison is comparing 2002 to this year and they are almost identical from May 20<sup>th</sup> until now. Ken stated that he is just trying to gather data and looking at future weather to get a handle on water supplies. Weather comparisons between 2002 and 2018 also show similarities. In 2002 the monsoons did show up, but did not show up in 2012. You also have the Dolores River gage flows for late season and have to adjust for Groundhog get the natural flows that correspond to monsoons from different years.

**Allocation** – Ken started reviewing the Project Water Allocations sheet and only a couple of variables are still moving. Box 1 – nothing is changing. Box 2 – Column N Row 12 shows 1,100 AF less inflow and then accounts for MVIC & other senior diversions leaving us with just active storage. Box 3 gets to MVIC non-Project supplies with reduced inflow, about 70,000 AF total versus the normal 110,000-120,000 range, so MVIC is way off. Then the summary at the bottom only has a few variables we can adjust. Column L Row 44, MVIC Project water right is higher than normal this year. The way we are going to create the water bank pool is from Kinder Morgan and Archeological Conservancy and the other accounts that are not going to take all or any of their water. Looking at the graph of FSA usage there are some irrigators that are not going to make it much past end of June and people are going to have to self-regulate to extend later while others will just shut off. Going to push out 16.7 inches now in a postcard, down 0.3" from the previous minimum.

Ken stated that he handed out the summary sheet and wrote up a draft postcard and it will control when the highest 10 irrigators are shut off. The bigger concern is the late season water users. We are going to try to get a handle on how much water we need for the late season users. It is a timing issue on how to run the canal.

**Discussion:** Brian Wilson said he would rather leave the ½ inch in now because it wouldn't help to turn back on after you had shut off. David asked if when they are cut off at 16.7 inches would they have the option to buy any more water at that time. Ken stated all extra water is put in the water bank and spread among all FSA irrigators. Any extra would come from increased Dolores inflows which we can't predict yet, anything higher at this point is speculation. Brian complimented Ken and staff on the estimations getting as close as they can and getting the communication out.

**Board Direction on Pleasant View Drainage Road CC to BB** – Ken stated that Brian Wilson had previously addressed the Board about the drainage issue on Road CC to BB.

Ken handed out a map on the Pleasant View Drainage. There is a French drain south of Road CC in Greg Black's field and the District had some participation in putting it in. It is draining today. We also put in a small canal liner upstream of CC. There are three water sources, natural precipitation, canal seepage and irrigation runoff. Every draw on the project is Class 6 land because of this reason. The Board gets to decide if they want to investigate this further and possibly help fix the problem. The French drain is working in the upper right hand corner of the map. David stated that one thing that is missing is the geology on the map.

**Discussion:**

Bruce asked if putting in some lining would help in saving water. Some small amount of water would be saved. Don asked if this is a cost share with landowner or just on us. That is for the Board to decide.

Landan Wilson stated that it is hard to get equipment across his property especially since Morgan Oliver did some dirt work on his property. It seems to have pushed it more on to Landan's property. It is a constant stream whether it is natural or from the canal and started flowing again when the season started. Ken stated that it is a big decision for the Board concerning the cost and whose responsibility. Don asked Ken about the potential ditch component, might be useful for the Board discussion for the shape of making a decision. Ken stated that he would keep working on estimates, but wouldn't plan any equipment work in it right now.

**Background Documents and Educational Information** – Ken referred the Board to the two CFWE Citizen’s Guides, “where Your Water Comes From & Colorado’s Interstate Compacts”. Ken reviewed specific items.

Where your Water Comes From – Ken focused on Page 9 – Discussed items to be aware of in negotiations and you need to know where the water numbers are coming from. Pointing out information that you will see published may represent a point of view and it is not necessarily clearly stated where numbers come from. Pages 14-15 discusses aquifer pumping and storage which are not commonly used here in the SW, but are critical to the front range and NE Colorado, which can affect us. Don stated that the aquifers and ground water with unforeseen effects play a big role. Ken stated that the numbers for flows and available water and aquifers are going to come from engineers and hydrologists. Don stated that it fits right in this area to find out what underground water sources are out there and available. Moving on to page 24 Ken talked about Northern Water Conservancy highlighted as a large Conservancy District. It was originally primarily for agriculture, but now is mostly owned by municipalities. They are the most flexible in transferring water between uses and users and are trans basin from the Colorado. Ken pointed out just a few sections on compacts in the Citizen’s Guide “Colorado’s Interstate Compacts”.

**ADJOURNMENT** Dolores Water Conservancy District Water Activity Enterprise Board meeting adjourned at 9:00 PM

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Donald W. Schwindt, Secretary-Treasurer

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Bruce Smart, President

# DOLORES WATER CONSERVANCY DISTRICT

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## MINUTES Regular Meeting June 14, 2018

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**CALL TO ORDER** Bruce Smart, President, called the meeting to order at 9:00 PM

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

### INTRODUCTION OF GUESTS

Brandon Johnson, General Manager MVIC

### APPROVAL OF THE MINUTES

#### MINUTES

Don stated that he had changes to Executive Session Minutes that would need to be taken up in Executive Session.

**MOTION: TO APPROVE THE MINUTES AS SUBMITTED FOR THE MAY 10, 2018 REGULAR MEETING.**

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

### FINANCIAL STATEMENTS

Wes asked about the overpayments column on the Financial Sheet. Mike stated that it is monies collected that haven't been billed for yet.

**MOTION: TO APPROVE THE APRIL '18 FINANCIAL STATEMENTS AND APPROVE THE STATEMENT OF PAYABLES AS PRESENTED.**

**ADMIN: AP/CHECK #11144-11157**

**\$20,569.27**

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

### AGENCY REPORTS

#### BOR Report

Robert is in Salt Lake for meetings. Vern reported that the replacement projects are winding down. The fixed speed pump site visit is coming up. Lloyd appreciated Vern's help on getting the Corp of Engineers assistance on the sluff at the intake channel at Great Cut.

## **Division of Water Resources Report**

Doug reported that Summit released for 14 days.

## **T/H Committee Report**

Godwin reported that the THC Committee had a meeting on May 30<sup>th</sup>. Godwin handed out of sheet to other Board members that come up with the O&M charge to Montezuma County. Don thanked Godwin for the information. Don stated that it is based on usage. Ken stated that they pulled 2.9 through May just for information. Godwin reported that the Committee paid DWCD, MVIC and UF&RE. Eric Whyte asked about pulling water out of the Rocky Ford turnout and diverting into the T/H.

**Next T/H Meeting** – The Committee will meet at the DWCD, Cortez Office June 27, 2018 at 2:00 p.m. at the Cortez Office.

## **MVIC Report**

Brandon reported that 1) MVIC will start the upstream users release on May 23<sup>rd</sup> and run through October 12. Brandon stated that MVIC is out of call water. Had an inspection at Narragiunnep and completed some of the work already. Lost the lateral at the U on the 8<sup>th</sup>. Have had lots of maintenance issues.

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

**Closed Loop Pumped Storage Hydro Battery** – In May the GM reported on a visit by Carl Borgquist, President of Absaroka Energy on April 26 and distributed a briefing document on the Gordon Butte Closed Loop Pumped Storage Facility under development by Absaroka. Carl said he would confer with his engineers to determine if the Plateau Creek Area is suitable for development of a Closed Loop System similar to that depicted in the Gordon Butte briefing.

On May 14, the GM took a conference call with Carl and his Senior Vice President Rhett Hurless and Virginia Howell, Tetra-Tech Permitting Expert. Carl introduced Kelcie Nice, his person assigned as Project Manager for the Plateau Project. Kelcie is an engineer by training, and the #2 person on the Gordon Butte Project.

One of Carl's primary questions to the GM was, can DWCD conduct a business negotiation without disclosing information related to confidential business negotiations? The GM explained that the DWCD Board, Management and Legal Team can meet confidentially in Executive Session for legal advice and direction to negotiators. Formal agreements and Board actions that come out of the negotiation would need to be disclosed to interested public.

Carl said the first step would be a "Confidentiality Agreement" also referred to as a "Non-Disclosure Agreement," so that DWCD and Absaroka can exchange confidential information in the course of negotiations without the information going public. On May 15, the GM received a draft of the Confidentiality Agreement which he referred to the legal team for evaluation. Barry red-lined the Confidentiality Agreement for discussion by the LEMing on May 23.

The legal team redlines were then submitted to Kelsie, who emailed the GM on May 25 with a clean agreement, with all DWCD legal team changes to the agreement accepted, which the GM signed and returned. Kelsie Nice responded with an email outlining future steps starting with an MOU defining relationships, responsibilities and expectations of DWCD and Absaroka. The MOU will be a substantive document which will be reviewed by the legal team for consideration by the Board. The Board received the Confidentiality Agreement and the email from Kelsie Nice outlining next steps, starting with the MOU.

David asked what made the decision to go with this firm versus the other. Mike stated that this firm is actually on track to complete a similar project. Mike stated that Absaroka would raise funds to go through the pre-construction process and then have to raise the money to build the project. Mike stated that we would like to O&M this project and receive a share of gross revenue from power sales. The front-end pump investment is large, but pump back facilities will last for a long time. Bruce stated that DWCD continuing engagement locks out anyone else from pursuing this. Mike stated that Absaroka has successfully gone through the permitting process and are raising investment money to build the Gordon Butte Project. They have the profile and the momentum to get a pump back permitted and are going to go out and raise the capital. The Plateau Project has been well publicized and no other qualified entity has stepped forward.

Don asked about the confidentiality memo. Adam stated that it protects both parties from the release of their confidential information. Mike stated that he felt that they are primarily protecting information from other business competitors.

**Instream Flow Pilots** – A video conference Manager’s Meeting was held on Friday, May 4 and included Kara Chadwick (SJNF) Linda Bassi (CWCB), Bruce Whitehead (SWWCD) and Mike Preston (DWCD). The purpose of the May 4 meeting was to review what happened at the Technical Meeting April 12 and see if the managers could find a path forward that can be brought back for consideration by all parties.

The managers agreed to work on quantification with sideboards and set up another Technical Committee meeting to discuss options, with Managers attending to confer on any next steps. At the conclusion of the Managers meeting, it was agreed that Notice of Intent for CWCB to appropriate an instream flow on Himes Creek would be moved from May to July. What is included in the packet is the quantification and sideboards. The quantification was prepared by Ken and Steve and the sideboards by Adam.

The Technical Meeting occurred on June 1, via video conference in Durango. In advance of the meeting, DWCD circulated a draft proposed method for quantification of the Himes Creek ISF including sideboards strictly limiting the proposed approach to public land, with no intervening diversions, where standard measurements are not possible, for the purpose of protecting rare or endangered fish. The Confidential Draft “Proposed Method” memo is in the Board packet.

The day before the June 1 meeting Bruce Whitehead circulated a write up entitled “Summary of Southwestern’s Preliminary Position” that he and the SWCD Attorney prepared. The Southwestern Draft questions the legality of not using R2Cross to determine a biological flow recommendation, and sites other step-pool environments where R2Cross had been used as a basis for flow recommendations. The SWCD Draft also reinforces the requirement for a Water Availability Analysis based on historical ditch diversion records stressing the legal requirement for a two-step process: biological need followed by water availability analysis to justify an instream flow. The SWCD Confidential Preliminary Position Summary is attached.

At the conclusion of the Technical discussion, DWCD and SWCD Managers indicated that the proposals discussed had yet to be reviewed by the DWCD and SWCD Boards, which will begin during the June round of Board meetings. It was agreed that the NOI to appropriate an ISF on Himes Creek would be moved from July to September to allow quantification and sideboard discussions to continue at the staff and Board level to see if agreement can be reached. A process and schedule are being laid out to explore proposed options further and see if an agreed upon option can be found. The discussion and review of DWCD and SWCD memos will be taken up in Executive Session.

Mike stated that if we can’t reach a satisfactory result, these arguments can be brought forward at the notice of intent to appropriate an instream flow on Himes Creek.

Wes asked what R2cross is. Adam stated that they can determine the minimum amount to protect. They came up with a riffle measurement allowing trout to move in the stream to meet biological needs. The method to measure this is called R2cross. Adam stated that it is a hydrological measure. It is kind of like a parshall flume.

**Special Meeting on the Totten Purchase Request** – The Board decided it needed more information in ways that Totten may be used and sold, the moving parts and who was involved. Neither Board is ready to set a price and stakeholders in McElmo are not organized to negotiate an alternative water source.

#### **Activities and Meetings since Last Board Meeting:**

May 15: Meeting with Reclamation to set Work Plan Going Forward – GM, Ken, Robert, Vern

May 16: Forest Health Tour to Boggy Draw Sponsored by DWRF - GM

May 17: Interview on Public Education Concerning SWSI (Statewide Water Supply Initiative) - GM

May 21: Totten Committee – Bruce, Simon, GM, Gerald, Brandon, Les

May 23: LEMing – Bruce, GM, Ken, Barry, Adam

May 25: Water Information Program Advisory – GM

May 25: Bio-Mass Power Meeting – GM, Ken, Ellen Roberts, JR Ford

May 25: Meeting with Bruce Whitehead to Discuss Himes Creek Proposal – Ken, GM

May 30: Special Meeting Payment Policy – Full Board in person or by phone

May 30: Towaoc-Highline Committee – Godwin, GM, Ken, Robert, Vern

May 30: Meeting with Ed Warner to discuss future DWCD-Reclamation Work Items and prepare for McPhee Inspection Program Managers Meeting

May 30: Meeting with Ed Warner to discuss DWCD/Reclamation Work Items, and prepare for May 31 Mussel Inspection Program Managers Meeting

May 31: Managers Meeting, Mussel Inspection Program – Ken, GM, Ed Warner, Patt Dorsey, Kara Chadwick

June 1: Himes Creek Video Conference Quantification Meeting – Ken, GM, Bruce Whitehead, Ed Warner, Patt Dorsey, Kara Chadwick and Staff

June 4: Call with Linda Bassi and Brandy Logan to set Himes Creek Quantification Schedule – GM

June 5: Forests to Facets Teacher Training at McPhee – GM, Ken

June 6: LEMing Call – GM, Ken

June 12: MVIC Board Meeting, 2:00PM

**Upcoming Meetings and Activities:**

June 27: Forest Health Advisory Council, I-70 Corridor – GM

June 27: Towaoc-Highline Committee, 2:00PM, DWCD

July 10: MVIC Board Meeting, 2:00PM

July 11: Southwest Basin Roundtable, DWCD, 3:00PM (2:30 Social Time)

July 12: DWRF Steering Committee Meeting, 10:00AM, DWCD

**Legal Discussions MVIC-DWCD** – Adam stated that we have not received Statements of Opposition on Beaver and Bear Diligence Applications.

David asked why the discussion from the special meeting on the Full Service Payment Policy was not on the Agenda to extend it permanently. Ken stated that the extension is justified due to the shorten water supply and is only for one year. Godwin stated that he suggested to wait before considering a permanent change in the policy and Don agreed. Don stated that he felt they needed more information.

Adam requested Executive Session to discuss aspects of the sale of Totten reservoir and various negotiating positions for ISF application on Himes Creek and to make corrections to the May 10, 2018 Executive Session minutes.

**RECESSED MEETING FOR BREAK AT 9:50 PM**

**RECONVENED MEETING AT 9:55 PM**

**MOTION: TO MOVE INTO EXECUTIVE SESSION FOR REVISION OF MINUTES FOR MAY 10, 2018 EXECUTIVE SESSION MEETING, DISCUSSIONS ON THE 87.3 MVIC APPLICATION AND HIMES CREEK ISF 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 AND CRS 24-6-402-4(a) FOR DISCUSSIONS INVOLVING REAL PROPERTY DISPOSITION.**

**MOTION: WES WILSON**

**SECOND: SIMON MARTINEZ**

**MOTION CARRIED UNANIMOUSLY**

**RECESSED FOR EXECUTIVE SESSION AT 9:55 PM.**

**RECONVENED REGULAR MEETING AT 10:50 PM.**

**REPORT OUT OF EXECUTIVE SESSION** – The Board discussed corrections to the minutes and gave direction to negotiators regarding Himes Creek ISF and MVIC 87.3 and discussed Totten Reservoir. No action taken in executive session.

The Board will have a work session on Totten on June 28<sup>th</sup> 7:00 PM

**NEXT DWCD BOARD MEETING** – Thursday, July 12, 2018 - 7:00 P.M.

**ADJOURNMENT** Meeting adjourned at 10:55 P.M.

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Donald W. Schwindt, Secretary-Treasurer

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Bruce Smart, President