

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 August 9, 2018

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

**ROLL CALL** Bruce Smart, President  
Don Schwindt, Secretary-Treasurer  
Godwin Oliver, Director  
Wes Wilson, Director  
Glen Fish, Director  
Sheldonna Z Ives, 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, CDWR

### INTRODUCTION OF GUESTS

Mike welcomed Sheldonna, who was recently appointed to the Board.

Eric Sprague, Engineering Technician DWCD; Brandon Johnson, General Manager MVIC;

### MINUTES

#### APPROVAL OF THE MINUTES

**MOTION: TO APPROVE THE MINUTES AS SUBMITTED FOR THE JULY 12, 2018 ENTERPRISE MEETING.**

**MOTION: WES WILSON**  
**SECOND: GOLDWIN OLIVER**  
**MOTION CARRIED UNANIMOUSLY. SHELDONNA ABSTAINED.**

### FINANCIAL STATEMENTS

Wes asked who was vendor, Blue Tarp Financial. Lloyd stated that it was the financial institution that handles accounts for Northern Tool. Glen asked about the Waste Management billing and if the cost was that much every month. Ken and Lloyd stated that was for 2 big dumpsters at the field station and that is an average monthly charge.

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

**O&M: AP/CHECK #36237-36321 & PR/CHECK #122716-122771**  
**\$277,081.82**

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

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

**Power Plants**

Towaoc Power Plant was off for a couple of days due to an intermittent alarm showing the turbine bearing was overheating. The problem was traced to one of the temperature probes malfunctioning. The probe was replaced. All probes were recalibrated and the plant was put back on line.

McPhee Power Plant was put back on line August 3<sup>rd</sup>, running at 25 cfs.

**McPhee Dam**

A new service road was built along the north side of the spillway intake to facilitate maintenance in and around the spillway intake and radial gates. All other road and drainage maintenance was also completed. Lloyd included pictures of the road drainage maintenance.

**Canals**

All canals have been treated for pondweed this last month and the right of way has been sprayed several times. THC had a leak this week which was temporarily repaired, until a more permanent fix can be completed this off season.

**Pump Plants**

Lightning caused several plant outages during the middle of July. A truck accident knocked off power to Pleasant View, Ruin Canyon, and Sandstone Pump Plants. The power was also out to all of the gates along South Canal. Empire Electric replaced the pole and had power back on in about seven hours. One week later WAPA's underground line on South Canal had one phase fail. All pump plants and canal checks were down for a day and a half. WAPA's crew out of Shiprock responded with their new fault detector/thumper machine. The fault was found late the next morning and a new splice was installed. Lloyd provided some pictures of the truck that knocked off power to several of the plants. The last pictures were of the fault and the splice. We are gaining on the repairs.

Don asked where the leak was on the T/H Canal. Lloyd stated that the leak is at Check 518 just as you cross the road to go down to Ute Farm and Ranch. A liner will have to be put in the leakage area. It is closer to Towaoc. Ken stated that the last one that we did was 517.

**ENGINEERING AND WATER MANAGEMENT REPORT**

**Water Accounting** – Ken went through the July and August Inflow/Outflow spreadsheets. July started at elevation 6882.89 and dropped down over 10 feet. Recorded inflow started very low and then rose as Groundhog releases were raised and became the bulk of the flow. Early July had some early rains that stopped and so far August has remained dry. Ute Farm diversions had more than normal ups & downs, but still overall stayed between 50 to 80 CFS. They have used almost 14,000 acre feet to date by the end of July and will have to lower use next month. Column Y shows the total diversions for MVIC, which have varied from 311 to 401 CFS over the first 28 days, but then jumped to about 448 CFS as Narraguinnep ran out at the end of July. MVIC Project water was more than normal because the river didn't make what they needed. Dove Creek canal never hit the 300 CFS diversion days and ran 200 – 250 CFS for the first half of July and then dropped to 100 CFS by the end of the month. August inflow/outflow shows MCPhee dropping another 2+ feet so far this month. River inflow remains consistent due to GH releases. Ute Farm and Ranch diversions have settled to about 50 CFS running very consistent so far. MVIC is lowering their allocation and started shutting people off at their limit. Diversions down to 350 CFS and Groundhog supplying the bulk of their water. Brandon can provide more details on the details. A lot of FSA farmers turned off for hay cutting and the number should come back up soon for the ones that have water left in their pools. Below MCPhee shows the fish pool releases. DWCD calculated the supply numbers and CPW determines the release plan. In the first round we found some problems, then found later offsetting problems. The DWCD pool never changed in our accounting, but the release schedule changed on their end. The problems never affected the total allocation and ended up with the fish pool having more water left that allowed MPP to start again until releases drop back into the 20s in the winter.

Ken stated that 6855 is the bottom of the active pool and it is the spring line in the middle that feeds Great Cut diversion per the contracts which start the inactive pool at 6855. If we draw MCPhee down towards the bottom we anticipate pump cavitation could start near elevation 6858. Ken stated that by shutting off the irrigation at 6855 the contracts protect M&I diversions from being shorted and can continue to a lower elevation.

Ken provided an allocation summary sheet and stated that evaporation and 8% FSA conveyance losses remain the same. What has changed is at the bottom, accounting for late season river inflows. Several adjustments over July have accounted for the small

amount of extra inflow. Full Service was adjusted for DWCD's extra unused M&I. Eric stated that he has looked at the evaporation regularly and they are really close and staying within the 10 KAF. The implications are that the Utes and MVIC are making final scheduling decisions on these estimates as we don't foresee additional supply adjustments before most of the supplies run out by the end of August. Ute Farm and Ranch will have a small amount to finish out and FSA will have a few late season users. MVIC Board decided that that were going to pull all of active Groundhog and Narraguinne, plus use all their project water and then shut off. Godwin asked why the DWCD FSA and Ute Farm and Ranch were close in percentages. Ken stated that the Class B is shorted like project water and M&I was distributed proportionately. MVIC is going to have a stock run for T/H only and then MVIC users on T/H will be shut down for the year. The Utes are going to try and go to the September 15<sup>th</sup> through their calculations. Brandon said that all other ditches except for T/H will have a stock run is possibly going to be in October and a date will be determined at their Board meeting. Ken stated that stock water is to be based off the historical and if the river is not making it we will front it. The water accounts will be adjusted to make it clean. FS has been adjusted to 17.4 inches per acre and we have told users where their cut off is going to be. Those that can use the little extra can. We are down to 10-12 farmers that want to go late season. Ken stated that we are good to September 6 and can probably go until the end of September if need to. We will work with Dove Creek and Kinder Morgan to reach later towards the end of September.

Don asked if Brandon could give his report at this point.

### **MVIC Report**

Brandon reported for MVIC stock water plan they are going to run through the T/H so that the remainder can go down to Ute Farm and Ranch and then they would avoid filling the complete T/H Canal on their stock water. With the project water, Groundhog and late season we are at 14,000 acre feet starting on August 6<sup>th</sup>. We will let it play out and the MVIC Board went through a couple of scenarios to estimate out the water. If we are running at 450 it would put MVIC running out August 16<sup>th</sup> so the Board decided to go to  $\frac{3}{4}$  of a head and gained 100 CFS and with that they are at 350 and puts water out until August 26<sup>th</sup>. As they shut off or if it rains that it would stretch it out some more. Ken stated that we will coordinate the shut off. Brandon stated that the MVIC Board has met every week and Brandon has been in communication with Ken and Eric regularly. They hope to make the stock run on the north system by October and prior to freezing.

Wes asked if all of MVIC system is all gravity or if there is a pump. Brandon stated that just the U-lateral uses a pump and only when McPhee is below elevation 6873.

**Trucking Diversions/ Water Accounting** - Ken presented a spreadsheet on the Trucking Diversions and stated that we track all the trucked water. The big users are the two Counties, Montezuma and Dolores, and then RW is the next big one. This is followed by a list of small users. Ken stated that we updated our M&I policy in 2008 and the Board made the trucking contracts length for 5 years. If DWCD installs a tap new users have to pay up front, but truckers don't need infrastructure. Having contracts are used to manage protecting the canal facilities and comply with accounting.

**Ute Farm and Ranch Lease Quantity** – Ute Farm and Ranch is still running to finish out some corn. As things wind down there might be a little extra FSA water that they could possibly use. Ken asked if the Board wanted to give Ken any discretion to lease water to the Utes if the rains come to boost allocations and the UF&R can use it? It is a real variable, but could happen before the next Board Meeting. Ken stated that it should not be much. If there is extra water it will be from the FSA pool. Bruce asked what extra water UF&R will get. We wrote the lease up to 4,000 with Board Approval. They have taken the minimum 1500 AF from the M&I lease. Bruce asked what amount like 500 AF would be enough more or less. Brandon's stock water could give them some. Bruce stated that if it would boost their financial position he would be okay with it. Don stated that he is with Bruce, but contingent with the FS users. Godwin stated that he would rather give the FS user first chance to use it up north if they can use it even if it is just a small addition. Ken stated that how a little extra can be used may vary on the different FSA user's pools. Ken stated that technically you will make more going south to the Ute Farm and Ranch, but that shouldn't determine where it should go. Ken stated if the Board wants staff to deliver it up north to FS that will be done. Wes started a motion and asked if we needed a motion.

Adam stated that it was a decision item for Ute Farm and Ranch and he is hearing that the Board wants to do something different. Adam stated that a motion would be better than a Board consensus.

### **Discussion:**

Ken stated that he is not going to call irrigators that are already shut off. It will just be the ones who are still running or if they hear that there is extra and they want to turn back on it would

be up to the FS irrigator. Ken stated that it would go out thru the grapevine and Vince and Justin would be letting irrigators know, but we are not going to be calling all the FS users. Can have communications thru email, today it is 17.4 and it could go up to 17.5 or 17.6. Ken stated he will check it every Monday and determine if there is extra water for the pool. It will likely be last second pool water not being used other irrigators. Mike stated that Ken had already put out a postcard for late season users and has had a good response.

**MOTION: TO VEST THE MANAGERS WITH THE DISCRETION TO CONTINUE TO ALLOW FULL SERVICE IRRIGATORS, STILL RUNNING, TO USE WATER IN EXCESS OF THEIR ALLOCATION WITH ANY BALANCE GOING TO UTE FARM.**

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

**Set FSA Irrigator Assessment Hearing for September Board Meeting** - Ken stated that CRS 37-45-127 requires a Board hearing before sending delinquent assessments to the County for collection by October 1st. There are three FSA irrigators that have assessments more than 12 months past due, Jeremy Lloyd, Arnold G. Hampson Trust and Jacob Lloyd.

Per DWCD policy, since the early portions of the amounts are more than 12 months in arrears, the Board needs to hold a hearing and determine if any past due amounts will be sent to the County Treasurer for collection. The District must set the assessments hearing by October 1 with proper legal notice to the affected parties. We had conservatively interpreted this to mean to also hold the hearing and notify counties by October 1.

**Staff Recommendation:** Set the hearing date for the next regular Board meeting to be held on Thursday September 13, 2018 at 7:30 PM at the DWCD Cortez office.

**MOTION: TO SET FSA IRRIGATOR ASSESSMENTS HEARING PER STAFF RECOMMENDATION FOR SEPTEMBER 13, 2018 AT 7:30 PM**

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

**Request for Support to Modernize RRA** – Ken stated that he provided a letter from Yellowstone Strategies and then an information sheet about the principals. Ken stated that he followed up with Joe Dooling and he is a rancher and a Project Manager versus a lobbyist. Twin Loups Irrigation District, NE has tasked Yellowstone Strategies (YS) with exploring the possibility of organizing a coalition to modernize this overly burdensome regulation, RRA. The Nebraska Twin Loups would like money to start organizing this effort. Talking with Nebraska's manager they would like to eliminate RRA all together and if not able to accomplish elimination to at least update the acreage limitation. Ken stated there are some Districts that want the cover so large corporations don't come in. We have asked Christine Arbogast look into it. Joe would like some money to organize the effort. Currently we are watching it play out and will see what the talk about it is at Colorado Water Congress. If there is some momentum we could then get on the band wagon down the road. Don stated that Family Farm Alliance may not be interested because it is probably undoable. Family Farm Alliance (FFA) would be the one that would know and that it was best to wait in and see where it will go. Ken stated that he will communicate back and let Christine reach out to FFA and others.

**Totten Information Update** - Ken presented several items because they were instructed to find the yield of Totten, costs associated with Totten and charging for leases. The flow sheet is trying to predict what will happen in the future. Modeling actual yields would depend on assumptions made at different points of the flowchart. Comments are on the back page. DWCD has considered water supply expansion that led to purchasing Totten to possibly lift water into T/H where it could go to the Utes or in supply and benefit other users. The next sheet Eric put together covers associated water rights. All together the information is indicating that Totten's yield is not a simple answer. We have been tracking the more coast and flow details for Totten since 2013 when leased water and have continued leasing every year since. The history of the lease revenue shows how we charged for it and how much was used. Currently on a restricted level we generally lease about ½ of what we have stored. It is a short record of use and high evaporation rates can cut yield dramatically. If we come off the restricted level we would have another 1150 acre feet to use. We have not talked a lot about salinity and the lease record has to be offset with the salinity payment. Sheldonna asked about Totten's salinity payments. Ken stated that the Dolores project was going to make a canal to service Ute Farm and Ranch on the west side of the valley. Instead they combined into the

T/H with MVIC which goes in 3 reaches. The Mancos shale adds to the salinity and the US, through Reclamation and NRCS, started projects back in the 70s to limit salt being carried to the Colorado River. NRCS helps with on farm irrigation efficiencies to lower dissolved salt via less seepage. Totten got cut off and became part of several salinity payments to MVIC. When they sold Totten to us, we started receiving those payments. Ken provided another sheet of detailed costs for Totten since 2007. To come off restriction we will have to spend some significant money. Ken suggested that the Board digest the information and discuss it at a later meeting. The information was provided from a request from a special meeting of the Board. Adam stated that he thought this is very helpful and the information provided gives yield and costs to get useful rough numbers to make determinations if it is worth keeping or not.

**Investments** – Ken updated the Board on the investments. The Board decided that we should take half the reserves and invest them. We are still sitting on \$3.8 million which is shown on the left of the chart. We have just been investing in CDs. The green highlights those maturing in 2018, including June & July. We just bought a 4 year JP Morgan CD. We had rolling CDs out to 2021 and now have the 3 into 2022 & 2023 on the end with another coming due in October and one in December. Ken and Don will get rates and advice from the advisor before investing the others. Have 5 maturing in 2019, 4 in 2020 and 4 in 2021. The back page are the ones that have already expired.

**ADJOURNMENT**      Dolores Water Conservancy District Water Activity Enterprise Board meeting adjourned at 9:25 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 August 9, 2018

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**CALL TO ORDER** Bruce Smart, President, called the meeting to order at 9:25 PM

Bruce Smart, President  
Don Schwindt, Secretary-Treasurer  
Godwin Oliver, Director  
Glen Fish, Director  
Wes Wilson, Director  
Sheldonna Z Ives, Director  
Mike Preston, General Manager  
Ken Curtis, Engineer  
Lloyd Johnson, Maintenance Supervisor  
Gina Espeland, Accounting Clerk  
Robert Stump, Bureau of Reclamation  
Adam Reeves, Attorney

### INTRODUCTION OF GUESTS

Eric Sprague, Engineering Technician DWCD and Brandon Johnson, General Manager  
MVIC

**RECESSED FOR BREAK AT 9:25 PM**  
**RECONVENED REGULAR MEETING AT 9:30 PM**

### APPROVAL OF THE MINUTES

#### MINUTES

**MOTION: TO APPROVE THE MINUTES AS SUBMITTED FOR THE JULY 12, 2018  
REGULAR MEETING. TO APPROVE MINUTES AS SUBMITTED FOR THE  
JULY 12, 2018 EXECUTIVE SESSION.**

**MOTION: GLEN FISH**  
**SECOND: WES WILSON**  
**MOTION CARRIED UNANIMOUSLY, SHELDONNA IVES ABSTAINED.**

Glen stated that he had a question regarding the minutes and he did want to talk about the regular meeting minutes on Himes Creek. In the Discussion it states that Glen asked if DWCD is in support of Bruce Whitehead's position regarding R2Cross. Glen stated that his question was are we working together with SW on the legal engagement with the FS on Himes Creek. The only reason he is concerned is that it says that the Boards are going to work on it. Glen stated looking at the minutes it doesn't really seem like Barry answered the question. Glen stated to him it seems that DWCD and SW are on not on the same track. Mike stated that we are on complimentary parallel tracks. At the June 1 meeting DWCD put forth: 1) a proposed method for quantification and 2) sideboards to limit the use of non-standard methods to rare circumstances. Bruce Whitehead put forth a legal argument in a memo and it had to do with a 2-step process of determination. Mike stated CWCB, FS and CPW claim that R2cross won't work in the Himes Creek setting. Ken stated that they would like to make it work, but doesn't know if it will work. FS and CPW said R2cross could be measured in a couple areas in the stream and Bruce stated that you should use R2cross or consider it.

Adam stated that he thinks that the minutes are accurate and the positions are complimentary and one side is not advocating against the other and there are two routes to the same spot. Glen stated that he did remember that discussion. The sideboards should limit the application to the specific circumstances that Adam had gone over in the previous meetings. Linda Bassi agreed to address the sideboards proposed by DWCD and send comments to Mike. No response from Linda has been received so far. Adam stated that he thought the CWCB would have a hard time with the sideboards, but we could be in total agreement. Ken stated that he and Mike have talked to Bruce Whitehead and that both Boards have not authorized any final document, because we have not received responses from CWCB. We have no formal agreement with SW but Bruce worked on Southwestern's position with his attorney and his Board had not reviewed it and Bruce put forth his statement to advance discussion on June 1.

The response to these negotiations would have to go back to both Boards. It is a negotiation that has not been brought into a structured proposal. Adam stated that CWCB and FS wanted all unappropriated flows and the quantification discussion went that water users need quantification with a number. However, quantifying all unappropriated flows has not progressed. There are 2 steps to the ISF process. Step One is to find out what the species needs and step 2 looks at what the hydrology provides. This is a 2-step process. The other thing we recognized is that there are a number of unappropriated ISF flows around the state. In what circumstances might this be tolerable to stray away from the 2-step process. DWCD sideboards limit the Himes Creek application to a rare species, first order stream, all on Federal Land and impossible to develop, and nothing is going to be appropriated anyway because of federal regulations that would preclude it. We wanted it to be containment language with those as the only circumstances that all unappropriated flows might be tolerable.

## **FINANCIAL STATEMENTS**

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

**ADMIN: AP/CHECK #11171-11184**

**\$7,711.16**

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

## **AGENCY REPORTS**

### **BOR Report**

Robert reported on the Basin Fund MOA's update, we have the 3 pumps to rebuild this winter with All American. Working on evaluating the proposals for the 3-year contract for the five plants and 16 pumps. Hope to have it awarded to start to work this winter and extends to 2021.

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

Doug reported that Mancos is on number 2 priority and will not be fulfilled. Jackson will be down next week. McElmo still off call and expecting to go on call.

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

Godwin reported that the THC Committee had a meeting July 25, 2018. **1)** The Committee paid DWCD, MVIC and Ute Farm and Ranch. **2)** Check 501 has had prairie dog holes and Lloyd has been checking into doing some test holes for depth.

**Next T/H Meeting** – The Committee will meet at the DWCD, Cortez Office August 29, 2018 at 2:00 p.m. at the Cortez Office.

### **MVIC Report**

Brandon reported that MVIC has been working on fence maintenance at Groundhog. Also working on a proposed liner for the Lone Pine Lateral. It is for salinity and covers the Lone Pine, Rocky Ford and Upper Hermana.

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

**Plateau Fire** - Mike presented information on the Plateau Fire and looking at how much the fire has grown. The fire is around 9,000 acres and looking at the drought monitor you can see how bad we are in this area. The Plateau fire was at 4-5,000 acres on Monday and hoping that it would turn up Beaver and as the week went on it has grown into a crown fire that could get into House Creek. There have been closures at the House Creek Boat Ramp and closing of Dolores Norwood Road and House Creek Road. Pre-evacuation in those areas also has occurred. It was a ground fire and it has turned into a crown fire which leaves a worse burn scare. The fire has been moving up Beaver and headed east. It will more than likely generate some sediment in McPhee. We are trying to stay informed on this.

Mike stated that we have been working on Forest Health and there is an advocacy group being formed led by Water Congress and an open tent session is scheduled at the summer Colorado Water Congress. Water Congress is a very effective advocate and will be joined by CAWA, Club 20, Timber Industry Assoc. and TNC.

The Colorado Water Congress conference information is also included in the packet.

**EDS Hydropower Project** – The GM and Barry began work on a Draft Letter of Intent (LOI) between the DWCD and the Ute Mountain Ute Tribe to jointly develop, own and operate a hydropower plant at the beginning of Reach 3 of the Towaoc-Highline Canal on fee land owned by the Tribe. The draft Letter of Intent outlines the terms that DWCD agreed to in past negotiations and proposes a governance structure involving an LLC owned 50/50 by DWCD and the Ute Mountain Ute Tribe. Once proposed terms were drafted into the LOI, Ken Curtis and Steve Harris outlined the sequence of activities and schedule that will be required to undertake pre-construction, construction and operational phases of the EDS Project. A draft LOI combining these elements was forwarded to Renewable Resource Director, Scott Clow and Tribal Attorneys Leland Begay and Nicki Green on July 26.

Leland Begay replied that they had received the Draft Letter of Intent. Once the Tribe has a chance to review the LOI internally, a meeting will be set to agree upon a final draft that can be brought to the DWCD Board and the Tribal Council. DWCD staff drafted the LOI to reflect a structure and approach that draws on DWCDs strengths and maximizes the prospects of a successful and profitable project. Once we identify and address input from the Tribe on the LOI, the draft agreed to by staff will be brought to the DWCD Board for consideration.

**Plateau Pump Back Storage Hydro-Battery** – On July 19 the GM received a draft MOU (Memorandum of Understanding) from Kelcie Nice, Project Manager for Absaroka Energy. After conferring with Barry, it was agreed that the Draft MOU is non-binding and would better be framed as a Letter of Intent. The intent is to use the MOU, in the future, to begin to address binding commitments between the parties. If DWCD is going to put support and effort into the licensing of this project we need to develop a more defined sense of the obligations of both parties going forward, and revenue prospects for DWCD.

On July 25 Barry sent the GM comments on the proposed MOU to share with Absaroka, which the GM did on July 26. The email from Barry and its transmittal by the GM to Absaroka is attached. Absaroka has not replied as yet. When a reply is received and language negotiated, the Board will be engaged. As Barry states in his email, the proposed MOU, re-framed into a Letter of Intent is non-binding and with a few changes could be recommended for approval by DWCD. It is an 18 month agreement and on page 2 are the phases – stakeholder outreach to get those issues addressed. Item E is DWCD and it is real preliminary and would provide water. It could mean potential long-term revenue stream. Absaroka wants to off sell prior to construction. It is a nonbinding agreement and trying to set up the roles of both parties. Adam stated the legal staff has looked at it and there is not much obligation on the part of the district and not much downside.

Mike asked for approval to go ahead and sign the LOI without any monetary obligation other than staff and legal time.

Don said that when we first talked to them it sounded like that they didn't want to commit to DWCD doing the O&M. They are going to off sell the project to an off taker and once they find an off taker they will decide on O&M. Carl suggested we need to get the value out of the water. As we talked about it before it was getting the water from the Plateau Creek. Don stated that we do have some wish lists and they are not included in this LOI. Spelling out specifics or more language in 2.1.e paragraph. Is there value in this document to at least flag our wishes from getting from here to there or waiting for an MOU. Adam stated that it is information that could be provided about water availability and where the water could come from. At that point we could include available options if they build the unit.

Sheldonna asked what FERC is. FERC is the Federal Energy Regulatory Commission and is an regulatory agency which outside of Reclamation facilities permits hydro projects.

**MOTION: FOR STAFF TO SIGN THE LETTER OF INTENT WITH ABSAROKA ENERGY.**

**MOTION: GLEN FISH**

**SECOND: WES WILSON**

**MOTION CARRIED UNANIMOUSLY**

Mike stated that the other contact DWCD received on the Pump-Back Project was from Matthew Shapiro, Gridflex Energy. The GM, Ken Curtis and Steve Harris set up a phone

meeting with Shapiro on July 19. Gridflex is set up to advance permitting of Pump-Back Storage projects, and they have their own pump-back design concept. What Gridflex is not prepared to do is raise the millions of dollars for pre-construction design and permitting and the billion plus dollars it would take to build a project. Matthew ended the call by saying he was not proposing to compete with Absaroka but feels that Gridflex has something to offer the Project in the way of power market knowledge and would like to be considered as part of the Absaroka team. The GM forwarded this expression of interest to Absaroka management.

With regard to the “Green Power Battery” pump-back concept, this idea is being considered on a grand scale including the use of Hoover Dam as the battery to store solar generated energy to fill green power gaps in the rapidly evolving grid. An article entitled: “Regulatory Hurdles Await Los Angeles Utility Proposal to Store Nevada Solar with Hoover Dam” is attached.

The regulatory hurdles involving Hoover Dam may be prohibitive, but what is interesting in this article is the discussion, beginning on page 2 about gaps in the green power grid being filled with a “water battery”, and why LA Water and Power would be willing to spend \$3 Billion on a pump-back project if they are able to get it permitted. This is one more indicator of the growing interest in pump-back hydro batteries and a willingness to consider the large investments necessary.

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

- July 14: Stakeholder Meeting NRCS and High Desert Conservations District, DWCD – GM on Resource Panel
- July 16: Meeting with Ashley Greco and Darlene Marcus, Staff to Congressman Tipton to Brief Ashley on Federal issues pertinent to DWCD
- July 17: Phone Meeting Barry Spear and GM – Coordinate Drafting of Letter of Intent with Tribe on the EDS Hydro Project
- July 17: Meeting with Corey Beough, DWR Dam Inventory Program, Shadowing GM for Water Leadership Program
- July 18: Meeting Sophia Cinnamon, Summer Intern TNC - GM
- July 19: Phone Meeting Matt Shapiro, Gridflex Energy – GM, Ken, Steve
- July 19: DWRF Collaborative – GM, Ken
- July 23: Forest Health Advisory Council Narrative Group Call – GM
- July 25: Call to Finalize Draft Letter of Intent on EDS Hydro Project for Consideration by Tribe – GM, Ken, Barry, Adam, Steve
- July 25: Tour of MOU Funded Pumping Plant Replacements for Alexander Funk of CWCB who is evaluating completion of currently funded Basin Fund MOU Projects and renewal of the MOU – GM, Ken
- July 31: Water Supply Meeting – Brandon, Ken, Eric, Robert, Vern, GM
- August 2: Forest Health and Watershed Health Advocacy, Planning Call for Big Tent Meeting, Summer Water Congress Vail, August 22 – GM, (Announcement and Agenda Attached)
- August 6: Dolores County Water Supply Meeting, 11:00AM Dolores County Commission Room – Ken, GM
- August 7: Forest Health Advisory Council, Narrative Group Phone Call, 9:00AM - GM
- August 9: DWRF Steering Committee Meeting, 10:00AM - GM

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

- August 14: MVIC Board Meeting, 2:00PM
- August 15: Field Trip CSU Watershed Science Practicum Students – GM, Ken
- August 22: Forest Health and Watershed Health Advocacy, Big Tent Meeting at Summer Water Congress, Vail, No Water Congress Registration Required
- August 22-24: Summer Water Congress, Hotel Talisa, Vail
- August 29: Towaoc-Highline Committee, 2:00PM, DWCD
- September 5: Forest Health Advisory Council, Summit County - GM
- September 5: DWRF, DWCD, 1:30PM
- September 11: MVIC Board Meeting, 2:00PM

**LEGAL** – Adam stated that legal staff is waiting on Ken and Eric to provide some information on the change in use of MVIC 87.3 conditional water right and other issues have taken priority. Adam stated that Ken and Eric have provided useful information on Totten Reservoir purchase request and it will be very helpful in evaluation of the sale of Totten. Adam stated that we did get a final decree on Beaver and Dawson. It is important going forward to develop the remaining water in the basin.

**Other** – Ken stated that he has some budget information that needs discussion, but can wait until next meeting. He stated that he will bring a calendar next month to go over dates that need to be set.

**NEXT DWCD BOARD MEETING** – Thursday, September 13, 2018 - 7:00 P.M.

**ADJOURNMENT** Meeting adjourned at 10:38 P.M.

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Donald W. Schwindt, Secretary-Treasurer

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Bruce Smart, President