

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 September 13, 2018

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**CALL TO ORDER** Simon Martinez, Vice-President, called the meeting to order at 7:06PM

**ROLL CALL** Simon Martinez, Vice-President  
Don Schwindt, Secretary-Treasurer  
Godwin Oliver, Director  
Glen Fish, Director  
Sheldonna Z. Ives, Director  
Mike Preston, General Manager  
Ken Curtis, Engineer  
Lloyd Johnson, Maintenance Supervisor  
Lisa Jordan, Office Administrator  
Robert Stump, Bureau of Reclamation  
Barry Spears, Attorney

#### INTRODUCTION OF GUESTS

Brandon Johnson, General Manager MVIC; Greg Black, Director MVIC; Brian Wilson, Landan Wilson, Full Service Irrigators

#### MINUTES

#### APPROVAL OF THE MINUTES

**MOTION: TO APPROVE THE MINUTES AS SUBMITTED FOR THE AUGUST 9, 2018 ENTERPRISE MEETING.**

**MOTION: GODWIN OLIVER**  
**SECOND: GLEN FISH**  
**MOTION CARRIED UNANIMOUSLY. SIMON MARTINEZ ABSTAINED.**

#### FINANCIAL STATEMENTS

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

**O&M: AP/CHECK #36322-36451 & PR/CHECK #122772-122853**  
**\$360,081.60**

**MOTION: GLEN FISH**  
**SECOND: GODWIN OLIVER**  
**MOTION CARRIED UNANIMOUSLY. SIMON MARTINEZ ABSTAINED.**

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

**Power Plants** – Towaoc Power Plant was shut down for the season on August 29th due to low flows. McPhee Power Plant has been running at 25 cfs. The penstock painting was completed this week. The penstock is a 30" by 700' long pipe suspended from the ceiling of the 20' dia. outlet works tunnel. Approximately 420' of the pipe was totally recoated and the

remainder was painted where needed. The sandblasting and painting was done by Hastings Inc. out of Farmington. DWCD crews were on the job for support equipment and safety standby. The plant was shut down for short periods to facilitate painting and sandblasting equipment being hoisted in and out of the outlet tunnel.

**Canals** – On Labor Day weekend an Actuator rod bolt broke on Check 401 which supplies water to all of South Canal. The bolt was replaced (with a stainless steel bolt). The check was inoperable for approximately six hours. All plants remained on. 1500 feet of tire mats and two short liners are scheduled for installation this off season. A new leak on the Dove Creek Canal near Road 16 is being investigated. Robert asked if there are more Actuator rods. Lloyd stated that there are and staff will be checking the others for rust and wear in the off season.

**Pump Plants** – All plants except Dove Creek are running with only one pump. By next week we anticipate several of these plants will be dropping back to operating with only the jockey pump.

**Laterals** – Leak repairs on an 8" line on the 300 lateral at Dove Creek is scheduled for next week. A sectionalizing valve was closed on the line. All farmers on that line are finished for the season.

## **ENGINEERING AND WATER MANAGEMENT REPORT**

**Water Accounting, End of Irrigation Season** – Ken presented the **1) August Inflow/Outflow** spreadsheet. Ken stated that the reservoir elevation on August 1<sup>st</sup> was 6,872.14 feet and dropped 9 feet to 6,863.08 feet. **Dolores River** flow was mostly the Groundhog release. As MVIC shut down Groundhog for the fish pool they reopened the gates for maintenance. **UF&RE** shut down at the end of the month for Labor Day. **MVIC's** irrigation season was complete on August 29<sup>th</sup> and MVIC project water goes negative on August 19<sup>th</sup> and they begin paying it back by the Dolores river inflow. Ken stated that MVIC and DWCD will settle accounts in a few weeks. Ken will bring back more information in October. **Dove Creek Canal** remained fairly steady with flows getting lower towards the end of the month. There were a few scattered rainstorms in August. **2) September Inflow/Outflow** – Ken stated that the reservoir barley dropped. **MVIC** is off and draining Groundhog. **UF&RE** comes back on and off, they are going along at low flows probably for corn and possibly other projects but the bulk of the irrigating is complete. Fronted MVIC project water is counting down being paid back by river. Ken has written a letter to Rob Genualdi to address storing Narraguinnep & Groundhog water in McPhee until some necessary maintenance is complete and/or MVIC is ready to move down. Remember the pool at Groundhog that is not in exhibit A, so just moving a pool of MVIC storage from one reservoir to another. At this time, it looks like MVIC is "paying down a water debt" but will be settled out at the end of year. This is normally a reservoir to reservoir transfer but it is temporarily hanging out in McPhee. There are still a couple of thousand acre-feet left for FSA irrigators and Great Cut Dike pumping plant will run until September 24<sup>th</sup>. The release below McPhee remains at 25 cfs. The City of Cortez and Montezuma Water Co. continue to be supplied and the Town of Dove Creek will take water on that end. Ken stated that he will talk to individuals on a case by case basis and work with anyone that may need to make an extra pass or two on a field. Ken stated that there could be some overages and there needs to be discussion on whether there should be a penalty. Ken stated that there will be FAC after the water season. Ken stated that the Board should get some feedback on the way water is delivered these last couple weeks. Don stated that he thinks Ken is on the right track. Ken will digest the end of the season numbers and will bring it back to the FAC.

## **PUBLIC HEARINGS ON DELINQUENCY/ASSESSMENTS PURSUANT TO C.R.S. § 37-45-127(1) AND (2)**

**RECESSED MEETING AT 7:30PM FOR THE PUBLIC HEARING.  
RECONVENED MEETING AT 7:55 PM.**

**Board Reference Book** – Ken stated that there is information regarding McPhee Reservoir Diversion Structure Elevations and asked that Board Members put the document in their Reference Book. Ken reviewed the structure elevations spreadsheet and the consequence of the low water season. Lloyd stated that staff inspected the Dolores Tunnel Intake and Great Cut Dike Intake in the boat. Lloyd has looked into small dredges to clean out the Great Cut Dike Intake. Lloyd stated that there were no sluffs of concern in the Great Cut channel.

**Totten Information** – Ken presented an Annual Summary of Totten Costs. Ken stated that Eric Sprague has determined this year that if you performed the minimal tasks then the amount of money spent in a season would be \$6K. If there is water leased in a given year the cost would be closer to \$11K. We are required to perform survey's every 5 years which is around \$2K. Ken stated that there are real expenses associated with Totten. Ken stated that DWCD

staff is at Totten two times per week when leasing water. Once a week with no lease and no call. Once a month in the winter months. There is an annual inspection of the Dam by the State. The EAP states that if the Dam breaks in 2 hours it would go over the top of Hwy 160 and take out most of the bridges on Hwy 491. It is a high liability and low probability which is why we are on restriction. Anything we make in leases will have to be deducted from our BOR salinity payments. This will make a difference in future salinity payments. Ken stated that the rip rap is the next large expense and could cost around \$100K.

**Pleasant View Drainage Problem CR CC to CR BB** – Ken stated that the drainage from CR 15 past CR BB remains a persistent problem causing difficulty farming for past and current farmers. Most of these lands were not originally part of the project, but were added after some other lands were turned back. The three obvious water sources are natural precipitation, South Canal seepage and irrigation runoff from the affected and adjacent properties. The area was known as a natural wet area pre-project. We installed a 1500' liner just upstream PVPP that dried up a specific adjacent area. Finally, we have monitored the rise & fall of drainage runoff directly correlated to the applied irrigation. At this time the area is dry and was recently cut as the drought continues and irrigation slows or ceases on some fields.

The most northern land owners north of CR CC do not appear to have significant wet areas. The next irrigator adjacent to south side of CR CC has a French drain that apparently received some DWCD assistance over a decade ago. This may be related to project close out when Reclamation's drainage responsibility was relieved as part of the financial settlement, though not a certainty. This specific case does not precisely fit the BOR planned Project drainage improvements. The old French drain was temporarily blocked last year and in the fall we opened it up and it seems to be working for that specific property. The next downstream owner excavated a trench several feet deep that kept the water moving with some success, but apparently still has some boggy areas. The final downstream property acts as a collection point with CR 14 acting as a barrier combined with generally flat slopes of 0.4%. The culverts eventually allow some higher water to cross where it gets stopped against the high ground over the KM pipeline just north of CR BB. Eventually some water gets across CR BB via both subsurface and big precipitation events. This drainage remains flat to the southwest also that might limit natural daylighting. This lower property generally remains wet during the irrigation season that limit access to farming. The new landowner at CR 14 is planning to install a pivot and may face additional problems that impede the effective irrigation of the field.

Other project areas have had some canal seepage affected areas. They are usually on irrigated areas and only impact one adjacent owner versus the extent of the Pleasant View problem which is much longer and has multiple contributing irrigators. In these areas we have installed a geomembrane liner that has helped dry areas up. One of us these areas remains waiting for a liner to fix a problem. Most dry land areas have not been damaged by minor seepage. We have one analogous area currently where we did install a liner, but some natural & irrigation water sources remain and the drainage continues with owner drains across a single lot.

DWCD could install a South Canal liner, but the \$800K+/- cost to get the full potentially contributing length would only solve the seepage portion of the problem. A French drain would be difficult due to flat grades and may not be able to move the water across CR BB or CR 14. Costs could vary from \$18,000 to \$50,000 depending on how many owners that will drive lengths and possible road crossing limitations or costs, but it does provides relief for all water sources. The current dry conditions would support installation of a French drain versus other times of the year and some other years.

Alternatives: Decline to assist solving this drainage problem. Continue to explore alternatives through refined field work, planning, alternatives analysis and estimates. Direct DWCD to some action towards a solution. Offer some assistance to landowners. Provide partial participation in a solution. Pursue work to mitigate irrigation impacts. This remains an open ended problem that can have a wide range of actions.

Staff Recommendation: Consider the multiple water sources versus responsibility. Consider the potential future impacts of the precedence. Give staff some direction.

**Discussion:** Brian Wilson stated that he contacted Jim Johnson, the original owner of the property. In the past there were problems with the canal drainage and the District provided the rock and Jim Johnson performed the work and rented the backhoe to place the French drain on what is now Greg Black's property. Ken stated that it was noted in the geology reports that we would see wet spots in low drainage areas amongst farm fields.

Landan Wilson stated that they are considering tiling (pipe) from Landan's property to Morgan Oliver's property. The cost is \$2 per foot then they could place the tile which can be placed in a more wetted area. It was noted that Decker's have the tiling equipment which would make installation easier, however at \$3 per foot this will cost around \$20K. Ken likes the idea of splitting the cost and stated that canal liner will not solve this problem. Ken would

also recommend that Wilson's perform the work. Ken stated that if there is any decision set by the Board, Ken will get with Morgan Oliver about the result. Barry stated that his recommendation is that the Board discuss this in Executive Session. Ken stated that if there is going to be action this year it should come by the October meeting. Brian Wilson stated that this is a growing problem and not getting better even in this dry year.

There will be an executive session discussion. Greg Black stated that he brought this problem up to John Porter years ago and sold his property because of it. Simon stated that being in a dry year, this is a good year to understand due to the drought factor. This issue needs to be addressed.

**MOTION: TO MOVE INTO EXECUTIVE SESSION PURSUANT TO CRS 24-6-402-4(b) CONFERENCE WITH THE ATTORNEY AND CRS 24-6-402-4(e) TO GIVE DIRECTION TO NEGOTIATORS THE TOPIC IS DRAINAGE BETWEEN ROAD BB & ROAD CC AT ROAD 14.**

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

**RECESSED FOR EXECUTIVE SESSION AT 8:47 PM.  
RECONVENED REGULAR MEETING At 9:22 PM.**

**Report out of Executive Session** – Barry stated the board discussed the PV drainage issues and that no action was taken tonight more information is necessary. The Board would like a more specific proposal, staff and attorney will review options with the landowners and the Board will review this topic at the October meeting.

## **Overview – 2019 Budget Process**

### **2019 Budget Schedule**

- First Budget draft is delivered at the October Board meeting. This drives charge notices that are later reconciled. (MVIC, UF&R, M&I's)
- Workshop is scheduled for late October where Board needs to give direction.
- Budget Hearing is set at the October Board meeting for the November Board Meeting. Requires 3+ weeks minimum for legal notices.
- December Board meeting Board adopts 2019 Budget with associated mill resolutions. State Law required deadline is December 15.
- Any significant adjustment would require special meetings.

### **2018 Budget Impacts from Drought**

- Lease revenue down \$49K (1,500AF x \$32.72/AF)
- Water Sales down about \$131K (10 KAF x \$13.10)
- Excess Delivery estimated at \$25K goes to 0.
- Total lost revenue of approximately \$205K total.

### **2018 Potential Actions**

- Spend less on budgeted O&M materials. This would lessen off season maintenance & replacement projects such as base course replacement (\$12K), new canal linings (\$30 - 40K), Cortez parking lot (\$70K), misc. pumping plant items (\$10K), delivery box PRV replacements (\$18K), SSPP spare pump (\$19.5K).
- Capital savings, used pick-ups & UTV (\$33K)
- Adjust payback to Replacement (\$75K) or Water Supply Reserve (\$60K) Reserves
- Access Water Supply Reserve Account

### **2019 Board Decisions & DWCD Actions**

- Set FSA Rates, historically growing +/-3% when conditions allow, slow & steady.
- Employee raises are generally proposed at the MSEC survey guidance (+/-3% last few years)
- Modify Capital replacement schedule for facilities, vehicles & equipment, use items longer
- O&M materials & replacements purchases can be lowered from normal levels
- Decide on Seasonal staff (2) hiring for weed control, rodent control & canal tire mats.
- Modify budgets for Discretionary Items such as CSU Research Farm, Cloud Seeding etc. generally kept at flat rates for long periods.
- Maybe some one time KM funds available after settling tax disputes to be placed more permanently.
- May want to review M&I rates (& policy) that have been the same for several years. Does not make significant changes, but should be recognized in the budget.

**Discussion:** Don stated that the Risk Assessment Study for the Roundtable is something that DWCD may be considering budgeting for in 2019. Ken stated that he will add this to his Budget for 2019. Mike stated that the Risk Assessment is something that needs to be invested in and the Board needs a strategy on how to deal with Colorado River issues and what might be ahead and how to approach them. Don stated that the Board needs to think about partners and friends on dealing with some of the issues in Colorado. The Board set a tentative Budget workshop date for October 25, 2018 at 5:30PM.

**OTHER** – Ken stated that there were 43 boats found to be infested with quagga mussels in Colorado this summer and 32 of them came from Lake Powell.

**ADJOURNMENT** Dolores Water Conservancy District Water Activity Enterprise Board meeting adjourned at 9:47 PM

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Donald W. Schwindt, Secretary-Treasurer

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Simon Martinez, Vice-President

# DOLORES WATER CONSERVANCY DISTRICT

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## MINUTES Regular Meeting September 13, 2018

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**CALL TO ORDER** Simon Martinez, Vice-President, called the meeting to order at 9:47 PM

Simon Martinez, Vice-President  
Don Schwindt, Secretary-Treasurer  
Godwin Oliver, Director  
Glen Fish, Director  
Sheldonna Z. Ives, Director  
Mike Preston, General Manager  
Ken Curtis, Engineer  
Lloyd Johnson, Maintenance Supervisor  
Lisa Jordan, Office Administrator  
Robert Stump, Bureau of Reclamation  
Barry Spears, Attorney

### INTRODUCTION OF GUESTS

Brandon Johnson, General Manager MVIC; Greg Black, Director MVIC

### APPROVAL OF THE MINUTES

#### MINUTES

**MOTION: TO APPROVE THE MINUTES AS SUBMITTED FOR THE AUGUST 9, 2018 REGULAR MEETING.**

**MOTION: GODWIN OLIVER  
SECOND: GLEN FISH  
MOTION CARRIED UNANIMOUSLY. SIMON MARTINEZ ABSTAINED.**

### FINANCIAL STATEMENTS

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

**ADMIN: AP/CHECK #11185-11198**

**\$9,642.59**

**MOTION: GODWIN OLIVER  
SECOND: GLEN FISH  
MOTION CARRIED UNANIMOUSLY. SIMON MARTINEZ ABSTAINED.**

### AGENCY REPORTS

#### BOR Report

Robert reported that **1)** regarding the Basin Fund MOA's; there are still 3 pumps remaining under the All American contracts. Fixed speed pumps have gone through the reviews and are waiting to be awarded. **2)** DWRF WaterSMART Forest Health Strategic Plan Grant – Robert is the grant officer technical representative for that grant.

#### Division of Water Resources Report

The CDWR was not in attendance at the meeting.

#### T/H Committee Report

Godwin reported that the THC Committee had a meeting August 29, 2018. **1)** The Committee paid DWCD, MVIC and UF&RE. **2)** The Committee approved the 2019 Budget. **3)** Simon stated that Vaughn wanted Simon to pass along his thanks with regard to the water season this year and if it wasn't for the weekly involvement with the District it would have been more difficult to farm this year. Simon thanked the District Staff.

**Next T/H Meeting** – The Committee will meet at the DWCD, Cortez Office September 26, 2018 at 2:00 p.m. at the Cortez Office.

### **MVIC Report**

Brandon reported that **1)** MVIC shut off irrigation on August 29, 2018. **2)** MVIC continues to working on the gates at Groundhog and they are working toward a solution to the guard gate. **3)** MVIC will be placing liner on the Lone Pine canal between Hwy 184 and CR 22. This is a replacement cost funded by BOR Salinity. **4)** MVIC is also working on regular maintenance items. **5)** MVIC Board would like to have a Board to Board meeting at MVIC October 16 at 7:00PM. Brandon stated that they would like to schedule out every third Tuesday for Board to Board meetings until February 2019.

Simon asked what was the cause of failure at Groundhog. Brandon stated that the cylinder packing blew out and there were a few other factors, but that was the main problem.

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

**Summer Water Congress** – Water Congress was attended by Bruce Smart, Don Schwindt, Ken Curtis and the Mike. Mike asked that those who were in attendance share any information and insights from the Congress with the Board.

Ken stated that the part of the seminar he would like to discuss was the Interim Water Resource Committee. The preset discussion was Becky Mitchell head of CWCB and Brett Newman, Branch Chief Compact section, CWCB. Ken stated that they presented the default action on a compact call. It could be a pure priority across the whole state. Every West Slope basin has their own ideas about how to prepare for and administer a call. Ken stated that he has been watching this topic and thinks the Board should think about a position regarding this.

Don stated that there was a session on Colorado River issues and we are in a more serious place with our water and what people are trying to do with it. There have been negotiations between some Front Range interests and West Slope interests. Brett Newman, representing CWCB, talked more openly than about this than ever before. There is more serious discussion regarding the issues that needs to take place. Don has been participating in Colorado River Bank Workgroup as a place to wrestle with these issues. There is still tension and Don is not in full agreement with some of the directions he is getting pulled. None of this work should proceed without direct dialogue with this Board and users.

Glen asked for clarification on Demand Management. Don stated that Demand Management is trying to define ways to define the program to take the conserved consumptive use to Lake Powell. It is drying up land. Demand Management up to now has been described as voluntary.

Mike stated that the memo that is going to be in front of CWCB will be copied for the Board. Mike discussed some of the ideas that Brett Newman put forth in a memo that he received today. Mike stated that this is a change in tone than from the sessions. Don stated that he has been to a number of Brett's public outreach presentations. Mike stated that the CWCB has a hearing on this on September 19. Mike will send out the link to this memo and information about the meeting to the Roundtable members and on Monday he will get in touch with fellow Roundtable chairs on the Western Slope.

Don stated that when you read the memo this is for an hour-long public comment session. Don stated that the CWCB is keeping their cards close to the vest. Mike stated that this goes hand in hand with the Risk Assessment that will begin to sort out potential impacts on West Slope basins.

**Forest Health Alliance Big Tent Meeting at Water Congress** – The Agenda for the August 22 Big Tent Meeting in Vail was mailed to the Board. The Forest Health Advisory Council issued "A Call to Action" at the meeting, which is also attached. The five proposed entities: Colorado Water Congress, TNC, Club 20, Colorado Ag Alliance and the Colorado Timber Industry Association all expressed interest in being part of the alliance. Most of the questions centered on governance, funding and avoiding overlap with multi-layered forest health efforts going on around Colorado. Point 7 on page 3 of the Call to Action describes the role of the Forest Health Alliance in relation to these other levels of activity addressed in Points 1-6 beginning on page 2.

The Big Tent discussion included suggestions for enlarging the core members of the Alliance. This issue was taken up by the Forest Health Advisory Council at their meeting on September 5 in Frisco. The FHAC is writing a letter of support for the Alliance. The FHAC letter will recommend Front Range representation to balance Club 20, a West Slope organization. The FHAC also considered recreation user representation since healthy forests are a big benefit to recreational users of the forest. The letter will be carried to Water Congress by Travis Smith, who serves both on the Water Congress Board and on the Forest Health Advisory Council.

**Himes Creek ISF** – Mike was notified at the end of August by Forest Supervisor Kara Chadwick that Himes Creek will proceed as a request for all unappropriated flows. The Notice of Intent has been moved to January, 2019 as we have been requesting, to get Himes into the standard ISF process and schedule. Mike confirmed these facts with Linda Bassi at Water Congress. Linda also committed to respond to DWCD's proposed sideboards to Himes Creek. By the October 11 Board meeting we should have an appraisal of how the sideboard discussion is going and have strategic options formulated with the legal team to present to the Board. While we have until January before the formal process begins, it is important to be prepared with a DWCD strategy, including a sense of how Southwestern WCD intends to proceed.

The Board has expressed interest in using other Forest Service designations to address situations such as Himes Creek where the standard Instream method known as R2Cross cannot be applied. Mike reached out to the Forest Supervisor, Area Manager of CPW and local TU representative to set a meeting to discuss this option with regard to protection of isolated native trout populations on streams tributary to the Dolores in a time and cost-effective manner that does not distort the Instream Flow Program. A week later on September 6, a study was released concerning genetic validation of native trout populations thought to be extinct. This has been the justification for taking all flows on Himes Creek. It is good that the meeting requested by Mike pre-dated the release of this study. DWCD needs to continue to stay ahead of these developments. The *Cortez Journal* article entitled "Trout Species thought to be extinct found alive in Southwest Colorado" was mailed to the Board.

Barry stated that our only protection from all the appropriated flows is to develop sideboards that limit this application to isolated first order trout streams. Sideboards were drafted and provided to CWCB and there has been no response from CWCB. A lot of what we are trying to decide will depend on CWCB's response. Barry thinks that the fact that CWCB delayed their approval is a good sign. This now gives attorneys time to determine if we want to be party participants. We need CWCB comments on our sideboard language.

Don stated that Mike described the approach that SWCD and DWCD have taken as complementary. Don stated there is a third component of our strategy and that is how to oppose the distortion of the instream flow program. This should be a significant part of our strategy as well. Barry stated that this is good input into what to develop. Getting sideboard response is really what we need to move forward. Mike stated that Rio Lado was on the list and has been postponed at the request of the Forest Service. Kara Chadwick realizes this is complicated and is willing to discuss alternatives. Mike explained the mechanics of the ISF. Don wants to know how "ALL" can be the "minimum amount necessary". Barry stated that attorneys haven't lost sight of Don's concern.

On Friday, September 7 Mike was contacted by Ann McCoy, Field Staff to Senator Cory Gardner offering a meeting with the Senator to discuss the Himes Creek ISF on Monday September 10 at DWCD. In addition to Senator Gardner, Ann McCoy and Mike, the meeting included Bruce Whitehead from SWCD; Larry Don Suckla and James Dietrich from Montezuma County; Steve Garcher and Floyd Cook of the Dolores County Commission; and Sonny Frazier, Dove Creek Town Manager.

Mike was asked to overview events and issues related to the Himes Creek ISF. Mike provided and reviewed: A Vicinity Map with all 5 Instream Flows proposed on National Forest Land; a Himes Creek Proposed ISF Map and Summary; the "Sideboards" DWCD proposed in relation to Himes Creek and other "non-standard" applications of the ISF Program; a description of Research Natural Areas (RNAs) offering a potential federal tool in lieu of distorting the ISF Program; the Forest Service Recommendation letter on Himes including the "all the unappropriated flow" language and the letter that Mike presented to the CWCB Board on March 19, 2017 outlining concerns about this non-standard approach to the Instream Flow Program. Also included were the maps and a power point summary of objectives for Rio Lado Creek, which sits on the ISF list as "postponed" by request of the Forest Service.

Bruce Whitehead rounded out the description of the negotiations to date and made the point that the Federal Reserved Water Claims, which started the process with Himes and the 5 "test streams," appeared to have been lost sight of.



In the discussion with Senator Gardner, it was emphasized that water users support the protection of native trout populations, but strongly oppose distortions of the Instream Flow Program that would cause a lot of conflict lower in the river system where absolute and conditional Colorado water rights are in play with ramifications for future water needs. Senator Gardner agreed that a way needs to be found to protect the native trout without putting water users at risk. He said he would look over the detailed notes he took during the discussion, review the handouts and think through ways that he and his staff could help shape an approach that is protective of water users as well as the native trout.

The meeting ended with wide-ranging discussion of: the proposed ISF on Disappointment Creek (raised by Steve Garcher); the System Conservation Program (raised by Bruce Whitehead); appreciation for Federal support on keeping the mussel inspection program robust in Colorado (Mike) - the Senator agreed to try to work toward authorizing the Army Corps. of Engineers to support mussel inspections on Front Range reservoirs built and owned by the Corps in the reauthorization of WRDA (Water Resources Development Act); the Forest Health Provisions in the Farm Bill being drafted (the House version has the strongest Forest Health provisions and Cory has joined fellow Senators in writing to the Senate Conferees to support the House provisions on Forest Health); the economic development that will be required for the wood products industry to be able to help address the forest health challenge (Mike); and compensation to livestock permittees who lost miles of fencing in this year's fires and backburns, including the Plateau Fire (Larry Don Suckla).

**EDS Hydropower Project** –The draft Letter of Intent outlining the terms that DWCD agreed to in past negotiations, proposing a governance structure involving an LLC owned 50/50 by DWCD and the Ute Mountain Ute Tribe and outlining the sequence of activities and schedule that will be required to undertake pre-construction, construction and operational phases of the EDS Project are under review by the Tribal legal team. DWCD staff and legal team drafted the LOI to reflect a structure and approach that draws on DWCDs strengths and maximizes the prospects of a successful and profitable project.

Mike spoke with Tribe's lead attorney Peter Ortego in the last week, and was told that Nicki Green would do a lot of the work on reviewing and negotiating the Letter of Intent because Leland Begay has a heavy workload. Peter indicated that the Tribe has a strong interest in pursuing this 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** – The Letter of Intent authorized by the DWCD Board has been signed by both parties. DWCDs primary responsibility is to evaluate how water will be supplied to the project, including consideration of using McPhee as the lower reservoir. In order to proceed with this analysis, DWCD will need more information on the proposed size of the hydro-unit including its production capacity and water needs. Mike conveyed this informational need to Absaroka Project Manager Kelcie Nice and suggested that when Kelcie comes to the area to meet with stakeholders, we should have a kick off meeting on the technical details embedded in the project and how they will be addressed.

**Hartman Draw 18CW 3016 DWCD Statement of Opposition** – A Statement of Opposition to this filing prepared by the DWCD legal team in consultation with Ken and the Mike. There have been a couple of claims and the legal team thinks some uses were removed long ago and Adam will look into this.

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

- August 10: Public Radio interview with Dave Huhn and the GM on the role of the "Water Sheriff" in Montezuma County
- August 13: Phone Call on Project to Quantify Benefits of Improved Forest Health that go beyond water quality and quantity to evaluate benefits to recreation, public health (air quality), local economies, etc. intended to broaden the base for financial support needed to restore Forest Health – GM invited by Ellen Roberts
- August 14: MVIC Board Meeting
- August 15: Hosted 30 CSU students and faculty on a Watershed Science Field Trip, providing orientation to the Dolores Project, an on-farm visit and a meeting with Dolores County and Dove Creek leaders to orient students on the importance and viability agriculture – GM, Ken
- August 16: Meeting to Discuss Priorities for the Lower Dolores Monitoring and Recommendation Team involving M&R Team Co-Chairs Bruce Smart and Celene Hawkins and the GM
- August 22: Forest Health Alliance Big Tent Meeting, Water Congress, Vail - GM
- August 22-24: Summer Water Congress, Vail – Bruce Smart, Don, GM, Ken
- August 28: Meeting with Derek Smith, Wood Products Investor Setting up to Process products other than logs less than 10" in diameter – GM, Ken
- August 28: Budget Meeting – Ken, Lloyd, Lisa, GM
- August 29: Towaoc-Highline Committee – Godwin, Lloyd, GM, Ken
- August 29: Meeting with Ed Warner to Discuss Basin Power MOA Projects and Process - GM, Ken, Robert, Vern

September 5: Forest Health Advisory Council Meeting, Frisco – GM  
September 7: Meeting with Rebecca Samulski to discuss funding for Fiber Utilization Feasibility Study, and the Leadership Structure of DWRF going forward.  
September 10: Meeting with US Senator Cory Gardner and Field Staff Ann McCoy to Discuss the Himes Creek ISF – GM, Bruce Whitehead, Steve Garcher, Larry Don Suckla, Floyd Cook, Sonny Frazier  
September 11: MVIC Board Meeting, 2:00PM  
September 13: DWRF Steering Committee, 10:00AM

**Upcoming Meetings and Activities:**

September 17: Phone Meeting with Carlee Brown and Alex Funk of CWCB to discuss advancement and renewal of Basin Fund MOA Projects – Ken, GM  
September 26: Towaoc-Highline Committee  
October 3: DWRF, 1:30PM  
October 9: MVIC Board Meeting, 2:00PM  
October 10: Southwest Basin Roundtable, Durango Public Library, 3:00PM (2:30 Social Time)  
October 11: DWRF Steering Committee, 10:00AM, DWCD

**Legal Report** – Barry stated he continues to working on the Change in Use 87.3 cfs conditional water right.

**NEXT DWCD BOARD MEETING** – Thursday, October 11, 2018 - 7:00 P.M.

**ADJOURNMENT** Meeting adjourned at 10:58 P.M.

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Donald W. Schwindt, Secretary-Treasurer

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Simon Martinez, President