

These written minutes represent the general discussion of the DWCD Board of Directors, DWCD staff, and participants at the DWCD board meeting, and they include a record of any and all board actions taken at the meeting. The written minutes are not intended to provide a word-for-word account of the board meetings. Nor are they a direct quote of any statements offered at board meetings. All DWCD board meetings are recorded on audio tape.

DOLORES WATER CONSERVANCY DISTRICT WATER ACTIVITY ENTERPRISE

MINUTES Regular Meeting March 14, 2019

CALL TO ORDER Bruce Smart, President, called the meeting to order at 7:03 PM

ROLL CALL Bruce Smart, President
Simon Martinez, Vice-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
Vern Harrell, Bureau of Reclamation
Doug Pickering, Colorado Division of Water Resources
Adam Reeves, Attorney
Dan McCarl, Attorney

INTRODUCTION OF GUESTS

Greg Black, Director, MVIC; Brandon Johnson, MVIC Manager, Ed Millard, Montezuma County/SWBRT, Greg Vlaming, High Desert Conservation District, Steve Trudeau, Basin Coop, Jimmy Porter, Dorothy Porter, Bernard Karwick, Nancy Karwick, Steve Wallace, McElmo Irrigators, Jim Richards and Eric White, Full Service Irrigator

MINUTES

APPROVAL OF THE MINUTES

MOTION: TO APPROVE THE MINUTES AS SUBMITTED FOR THE FEBRUARY 14, 2019 ENTERPRISE MEETING.

**MOTION: GODWIN OLIVER
SECOND: SHELDONNA IVES
MOTION CARRIED UNANIMOUSLY WES WILSON NOT PRESENT**

FINANCIAL STATEMENTS

MOTION: TO APPROVE THE JANUARY '19 FINANCIAL STATEMENT AND APPROVE THE STATEMENT OF PAYABLES AS PRESENTED.

**O&M: AP/CHECK #36915-36999 & PR/CHECK #123141-123190
\$179,700.77**

**MOTION: SIMON MARTINEZ
SECOND: GODWIN OLIVER
MOTION CARRIED UNANIMOUSLY, WES WILSON NOT PRESENT**

O&M REPORT – Lloyd reported the following:

Pump Plants – All American will be delivering the three rebuilt variable speed pumps for Cahone Pump Plant to Great Cut sometime the week of March 27th. Canal drainage problems due to ice and snow on South Canal caused flooding within Sandstone Pumping Plant. Lloyd presented a picture of the Sandstone Pumping Plant.

South Canal – The warranty work on the underground power cable splices was postponed due to weather and canal access. The contractor would like to come in next fall and complete the work.

Power Plants – Electrical and mechanical testing is ongoing at Towaoc Power Plant. The sleeve valve operator assembly is currently being replaced. McPhee Power Plant has been operating steady at 25 CFS. There is an outage scheduled for the last two weeks of March for generator maintenance. Both turbines will also be disassembled for inspection of the turbine runners, wicket gates and draft tube case.

Ken stated that this is a good time to see how the system works, but schedule it with Lloyd.

THC – Crews have been dewatering three siphons and two road crossing on reach one of the THC for an internal inspection. All inspections were completed Wednesday the 13th.

REVIEW WEED SUPPLY BID PROCESS – Ken handed out information on the 2019 invitation to bid for terrestrial weed supplies, aquatics are much more restricted and expensive. We had been bidding these supplies only locally until it was suggested by the Board last year to look at national suppliers. We did reach out to national suppliers last year and we did the same this year. The request letter shows the quantities for the requested herbicides. Ken stated that we received a letter from Basin Coop asking for local bid preference, which was included in the Board packet. Ken stated that after you look at the prices later, they will become official tomorrow as the bid closes on March 15th. Mike asked Steve Trudeau to address the Board.

Steve stated that he wanted clarification to giving any thought to local business preference. They pay taxes that they support this district and think that the local companies should receive local preferences. Steve stated that he didn't expect it to happen with this year's bids, but for the next years process.

Ken stated that we were looking at having some of the product delivered in a month. Bruce asked if there is a local bid preference in the current bid process and Ken stated no that we have not set a policy. If the Board wants to talk about it for next year or if you want to deal with it now it is up to the Board. Ken stated that he would prefer that we set a policy for next year's bidding process.

Mike stated that it appears that when we look to the national suppliers, we are going directly to the local businesses wholesale suppliers.

Steve just asked that in the future it be considered and be a part of the process.

Ken stated that it is within the budget and would need to set a policy prior to next year's bidding process. It is a valid issue. Don stated that he agreed and appreciated Steve's discussion. Don felt that it should be discussed later in the executive session to look at the current bid price numbers.

ENGINEERING AND WATER MANAGEMENT REPORT

Water Accounting– SNOTEL bar chart shows the winter progression through Monday the 11th. The second page is the year to year comparison. There are huge changes in early March that we have not seen in some years. The third sheet is the daily SNOTEL readings showing the Dolores Basin at 157% median snow for today's date. The next two sheets express how extreme the change has skyrocketed for last few weeks. The SNOTEL water year graph shows that we have surpassed normal peak snow and the last one is from the Colorado Basin River Forecast Center which will provide a mid-month update by Monday. We are in full DP supply and MVIC numbers will depend on unknown Groundhog fill until later. There should be plenty of project water. The next four sheets are leading into Tuesday's Board to Board where we plan to spend the first 30 minutes on Exhibit A. First one is just MVIC numbers to show where their percent diversions comes from and look at a recent history of diversions.

Purpose of Exhibit A is to define MVIC project water. This is meant to be run after June 30 on July 1st. It calculates the non-project supply and comes up with a project water projection. Ken used the 70% forecast as an example. Step 1 calculate MVIC diversions April 1 – June

30, which preseason includes MVI – Call water in that line. Next is Groundhog active capacity available, which will change later this spring. Then Narraguinnep storage, holds 18,960 less the fish pool and come up with 20,011 with extended fill. Then MVIC stored allotments remaining in McPhee and including Totten and Groundhog exchange. Then a guess on late season flows less Groundhog releases. The calculation yields a total of 124,236 AF which computes as 3.31 AF/Acre for classified acres, which leads to 18,350 AF of project water. This is setup for Tuesday review and to allow us to play some what if scenarios.

The Water supply summary sheet also shows that the 50% (MP) forecast had a full supply as did the 70%. The 90% only showed 70 -76% of supply, but that is surpassed with the last few weeks of snow. We will start the season with a postcard for a full water supply starting allocations at 22 inches and the Board will have to decide next month on conservation pricing above the 22 inches. We have posted a 10-20% chance of spill because of the moisture in the latest storms.

Ed asked if Ken had seen a forecast for Powell. Ken stated that he hadn't, but thinks that it has about 110% of its median peak snow amounts. Still need some moisture in April.

Ken stated that he wants everyone to frame outlook around a full DP supply. Wes asked what was crossing at the state line at McElmo. Ken stated that it was up to 700 CFS for a short time.

BUDGET UPDATE – The water is up there in the snow pack and the one revenue not secured is from the potential lease with the Ute Farm and Ranch. Had a little bit of excess water sales and it is all available. Most of the revenue is secure.

Ken stated that he is going to schedule work on the Cortez parking lot or it will have to be completely redone. Lloyd will start to look at the equipment and will get going on looking at equipment that was budgeted to be purchased. The liner projects were not completed this spring and won't be until fall. The other is the temp hires which we are going ahead with as planned for 2019. Based on the Brainstorm discussions we expect extra costs through engineering and legal because of the DCP process. Water supply is up there and we plan to spend what is in the budget and have a lot of deferred projects for the fall because of the weather this spring. The Cortez parking lot will be scheduled with the contractor and we will proceed on hiring of the seasonal weed control person.

Wes asked if we looked into ripping up the parking lot and grinding it up and then laying it back down. Ken stated no, that he thought it would then require a more expensive 3" asphalt placement. Last time we compared the chip/seal is cheaper, get about 4 – 5 chip seals for a complete re-build. Ken stated that he thought that chip seal is a better way to go here. There are two companies, Four Corners and Elam. We will spend \$40-50K for a double chip/seal. Ken stated that he will make commitments for summer work on it.

HDCD Request for Matching Funds FSA Nozzle Grant

The High Desert Conservation District, in partnership with Natural Resource Conservation Service (NRCS), Southwestern Water Conservation District (SWCD) and Colorado State Conservation Board (CSCB) is requesting additional funds to help support our effort to increase outreach to the Full Service Area (FSA) of SW CO during the 2019 irrigation season. This water conservation practice effort will be achieved through a nozzle exchange/side-roll assessment program that will assist area producers by swapping out older, worn nozzles with new, pressure compensating nozzles, as well as a written assessment of existing side-roll performance. Ken stated that we have worked with High Desert Conservation District for many years on FSA issues. High Desert did come and ask for verbal support of their grant request. High Desert Conservation District (HDCD) had sought DWCD cooperation in working with DWCD FSA irrigators on Irrigation Water Management (IWM) and water conservation. HDCD then applied to Southwest Water Conservation District (SWCD) for a \$12,000 match towards a total \$26,000 re-nozzling project for DWCD FSA irrigators. HDCD was combining \$7,000 of their funds with \$6,900 from the Colorado State Conservation Board and \$100 in kind from DWCD to fully fund the project. SWCD chose to only fund \$6,000 of the \$12,000 request and recommended they ask for the difference from local sources like DWCD and asked Don & Mike, both attending SWCD meeting, if they could take the request to DWCD Board and they agreed to present request to DWCD Board.

Don, with the SW hat, stated that SW has shifted priorities. CO River issues have been growing and SWCD had seen it coming. Before Don joined SWCD Board they had started shifting and pulling their reins in and there is still some divergent views, but this is not new policy this year and not a moving target. SW policy has changed to require a local match or they are not paying. This application fell into that policy. Bruce asked Don about some of

the areas that don't have a local match source? Adam asked for more explanation for a local match. Don stated that he would have to look at the policy language for more details.

Greg Vlaming presented that the producers will have some input. Bruce asked Greg to review the scope for the project. Greg plans to be at the FSA FAC meeting to find cooperators that have siderolls and hopefully older nozzles and do an existing system flow test. Then assess the siderolls, look at drain valves and efficiencies that aren't as good as they should be and provide a new pressure nozzle package and do improvements, then document the water savings. This should improve Water Management practices and prevent erosion and runoff.

Ken stated that it is best when we have someone go on site to audit and that an outside set of eyes can help see issues. HDCD would work with NRCS on this and future funding for projects that continue improving irrigation efficiencies.

Godwin stated that he signed up 2-3 years ago at a Farmer Advisory meeting and never heard back from the Conservation District.

Simon asked if they had a drone. Greg stated that they don't, but they have access to one. Greg tried, but the drone work has not been quantified by NRCS in order to be able to purchase and provide those services & information as of yet.

Ken stated that this item was not planned for the 2019 DWCD Budget, but could be accommodated if Board so directs.

Ken stated that he would like a motion on the dollar amount. This one if not told will go into an O&M fund.

Godwin stated that he would like to see some results reported back to DWCD Board.

Don stated that he thought Wes's motion fits with SW authorizing a match up to \$6,000.

Mike stated that he would check with Laura on it.

Sheldonna asked how many cooperators he could handle in a year. Greg stated that they thought 15 cooperators.

Don stated that if the \$2,000 came from the producers would fit in the discussion at the FAC. Making the point at the FAC Meeting.

MOTION: TO APPROVE A GRANT MATCH REQUEST FOR \$4,000 TO MATCH THE GRANT FOR FSA NOZZLE PROJECT FOR DWCD FSA IRRIGATORS, LOOKING AT ANOTHER \$2,000 IN JUNE WITH HIGH DESERT CONSERVATION DISTRICT TO PROVIDE DWCD WITH RESULTS.

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

2019 TOTTEN LEASES TO MCELMO –

Ken stated that If DWCD Board wants to continue the McElmo lease trials, they must set parameters for 2019 leases from Totten Reservoir to McElmo irrigators. These include cost per acre foot, minimum and maximum quantities and similar operational criteria for 2019.

Background: In 2018, DWCD operated a sixth year of McElmo leases from Totten under trial conditions with the specifics in the first table below. After 3 years without using, all five lessees used water in 2018 to offset the drought conditions.

Totten Lease Details

Year	# of Irrigators	Total Contract (AF)	Delivered (AF)	Unused Left in Totten (AF)	# Irrigators who Used
2013	14	719	479	253	11
2014	10	699	512	187	8
2015	10	719	0	719	0
2016	7	668	0	668	0
2017	4	604	0	604	0
2018	5	718	546	172	5

Revenues & Costs

Year	\$/AF	Revenue \$	Total District Cost \$	Operational Cost \$	Other Maintenance Cost \$
2013	\$20	\$14,380	\$16,340	\$6,000 - \$8,000	\$8K - \$10K
2014	\$21	\$14,679	\$16,263	\$6,800	\$9,500
2015	\$22	\$15,818	\$14,207	\$7,527	\$6,635
2016	\$22*	\$7,344*	\$10,850	\$2,760	\$8,090
2017	\$22*	\$6,641*	\$8,795	\$2,339	\$6,455
2018	\$22.66*	\$14,320*	\$12,086	\$6,735	\$5,351

*Half as Base Charge & half as Delivery Charge resulting in lower revenue

Current Totten operating elevations and quantities as follows:

Control	Elevation	AF	Desc.
Inlet	6140.0	45.4	Dead Pool
Fish Pool	6145.0	437.0	+5'
Restricted Level	6153.0	1,840	5' below spillway
Operational Area	6145.0 – 6153.0	1,403	Fish Pool to Restriction
Full / Spillway	6158.0	2990.0	

Based on the above information, we currently operate 8' between 6145' to 6153' with 1,403 AF. Reservoir evaporation is approximately 48" or 613 – 790 AF, about 700 AF. Leases are predicated on a call on McElmo, which means we won't gain reservoir storage during that period. Later in the season, we may be able to collect additional inflow and re-fill like 2013 & 2014 based on monsoons and return flows, but this is not guaranteed. 700 AF of lease could effectively drain Totten while restriction remains in place. From our 2018 experience, in consultation with DWR, operations and accounting will be controlled by reservoir elevations controlling inflows, gaged outflows & evaporation.

Due to the abundance of low snow and the runoff forecast indicating an improved irrigation supply compared to 2018, it is possible that there will be reduced interest in Totten leases for 2019. However, on March 6th, 2019, staff spoke with Jimmy Porter who claimed that those individuals who leased in 2018 would likely remain just as interested as last year, both to maintain the lease program as an insurance policy, and out of a sense of uncertainty whether the moisture this winter will overcome the initial dry conditions. Mr. Porter also continued to advocate the current payment method.

In 2018, the board chose to maintain the split pricing method similar to costs within the Full Service Area, with a base fee of \$11.33/Acre-Foot paid at the signing of the contract, and a delivery fee of \$11.33/AF based on actual quantities released from Totten. It was discussed that although this would take additional administrative time and would probably reduce total revenue, it may appear more equitable and encourages longer term interest in the program.

Ownership costs for Totten are approximately \$8,000 to \$15,000 per year for normal operations. Recent Totten lease revenues are listed above.

Future improvements will cost substantially more, \$500,000 - \$1,000,000, which at 3% interest over 20 years, would require annual re-payments of \$34,000 to \$68,000 per year. Much more engineering and exploration of financing would take place over multiple years to complete these improvements including rip rap, shrinkage crack repair & slope protection, measurement flumes and other minor issues. Adding annual operating costs to capital costs could yield annual costs ranging from \$50,000 to \$100,000 (\$12K + \$34K + \$4K reserve = \$50K to 100K). Based on 1,000 – 2,000 AF of water sales per year would yield costs from \$25/AF - \$100/AF. Refined engineering, grants, timing and staff labor & equipment will all help to control some of these costs.

The following table compares the total increases and percent increases in the cost for Totten Lease water to those of Full Service water from 2013 through 2019.

Cost Comparison to Full Service

Year	Totten \$/AF	Totten Δ \$/AF	Full Service \$/AF	Full Service Δ \$/AF
2013	\$20.00	---	\$39.91	---
2014	\$21.00	5.0%	\$39.91	0.0%
2015	\$22.00	4.8%	\$41.50	4.0%
2016	\$22.00	0.0%	\$43.05	3.7%
2017	\$22.00	0.0%	\$43.40	0.8%
2018	\$22.66	3.0%	\$44.24	1.9%
2019	_____	_____	\$44.24	0.0%
Total Change	\$2.66	12.8%	\$4.33	10.5%

It has been the practice in the past to match the changes to the cost of Totten Lease water to that of Full Service water, keeping the two proportional. Currently, the total increase in the cost of lease water from 2013 to present is greater than the total increase in the cost of FSA water for that period. Considering this, and that the FSA rate did not increase for 2019, maintaining the current price may be the best way to continue the past practice.

Staff Recommendation: Continue the trial leases on an annual basis for 2019 as has been run for last six years. Maintain the price for water at \$11.33/AF Base Fee due at the time of the contract, with an additional \$11.33/AF charge for releases from Totten. Total delivered cost would be \$22.66 per acre foot for total AF leased including required losses. Set a minimum lease volume of 100 AF to run the program. Allow a maximum of approximately 700 AF to be leased. Require Base Fee payment on firm amounts up front to the District. Only provide refunds for water that DWCD is unable to deliver. A potential Board motion covering staff recommendation is below.

Steve Wallace stated that as it stands it looks there will be plenty of water and it is like an insurance policy for the McElmo Users.

MOTION: TO APPROVE LEASING WATER OUT OF TOTTEN RESERVOIR TO MCELMO USERS WITH A 100 AF MINIMUM AND A 700 AF MAXIMUM. DWCD TO BEGIN ACCEPTING LEASE APPLICATIONS AT 9:00 AM ON TUESDAY MARCH 19, 2019. PRICING IS SET AT \$11.33 PER AF BASE FEE, PAID AT TIME OF CONTRACT. AN ADDITIONAL \$11.33/AF WILL BE CHARGED ON WATER ORDERED AND RELEASED FROM TOTTEN. DWCD WILL BILL FOR DELIVERY AMOUNTS AFTER WATER SEASON. ALL QUANTITIES INCLUDE THE MANDATORY DWR ESTIMATED LOSSES. IF DWCD IS UNABLE TO DELIVER ANY CONTRACTED WATER, COSTS WOULD BE REFUNDED TO LESSEE. IF THE WATER IS AVAILABLE AND UNUSED THERE WILL BE NO REFUNDS FOR THE BASE FEES. ALL LEASES WILL BE ON A FIRST COME FIRST SERVE BASIS.

**MOTION: GODWIN OLIVER
SECOND: SHELDONNA IVES
MOTION CARRIED UNANIMOUSLY**

SET PETITION HEARING DATE FOR ERIC WHITE -

Ken stated that all petitions for new Dolores Project irrigation water allocations require a petition hearing, which requires prior legal notice. If the Board would like to consider the petition, the Board should set a hearing date and time.

Ken stated that Eric White approached DWCD about receiving irrigation water on a 92 acre parcel at 10550 Road CC in Pleasant View. Per the attached map, there are 72.4 irrigable acres available for a DP irrigation allocation. The red areas are Class 6, ineligible for DP irrigation water.

This parcel never petitioned for irrigation water, but adjoins irrigated acres to the north, west and south. A tap would be needed on the lateral running north of Road CC, probably at an existing drain. Staff will confirm connection when access improves. A 4 inch diameter meter should be sufficient for delivery requirements. A road bore will be required to reach the parcel. The Ruin Canyon Block remains 490 acres below the original planned acres.

Applicants bear the costs for new delivery installation including delivery box, road bore and lateral connection currently estimated at \$14,000 to \$15,000. Other than verifying the connection location and verifying the road bore costs for a delivery no other technical problems are currently foreseen. The applicant would have to file a formal petition prior to the hearing.

Alternatives: Set a Petition Hearing date & time to continue the process that may accept additional FSA acres into the Ruin Canyon Block or cease process now.

Staff Recommendation: Set a public Petition Hearing for Eric White Petition for April 11, 2019 at 7:30 PM during the next Board meeting.

Ken stated that he would have to do a road bore and a box install. Ken stated that he would have to bring in the Class B commitments to-date. There is water set aside for Ruin Canyon expansion at approximately 1,700 AF. The rest just goes into the pool routinely. Ken stated that he would bring them in next month. It is in line with what we have been doing. It would require a signature on the petition and get a legal review and set a hearing and do legal advertisements and get a June install start.

Discussions:

Eric stated that he is starting to get more irrigated acres and get it as owned, and not leased land. This piece is close proximity to his place.

Godwin asked about the cost of the box because the one on Brett's was a lot more. Ken stated that this is a 4" according to Eric's specifications and it would be just right at or under \$10,000. This one does not have any connection required and we will have to confirm what we see in the plans. We would have the road bore and we will have a "not to exceed number" and Ken stated that he would check the cost of Brett's installation. Godwin stated that he would like to see a certain percentage charged to the new lands coming in. Godwin stated that he would like to wait and have some more discussion. Don stated that he would be in a camp of more discussion, but more appropriate in executive session. Don stated that as he remembers it was that they Board used to charge \$250 per acre and then an occurrence happened and it was changed.

Mike stated that it predated he and Ken and it was post Sandstone and the per acre charge for Sandstone.

Ken stated that we don't have an official policy, we had a case and the Board made that choice and it became a practice done in 2011 discussions. Ken asked if there was anything specific reason for charges above installation costs? Mike stated that when this came up it was the cost recovery. Thinking about any back charging that would need to be done and most is the O&M, but everyone was paying \$1.35 for repayment and if we were looking something to anchor and it would go back to the start of the block notice. Don stated that he is looking a home for the expansion of irrigated acres and the concept that the \$250/acre comes out to \$18,100 for Eric to pay and delivery. Don stated that basically he is buying a water right and that is what he is paying for.

Adam stated that the petition has a cost regime and investment. It would be really good to have a policy going forward rather than the context of the middle of a petition rather than while the petition is in process.

Godwin stated that he doesn't want to keep Eric from getting the water, we wants to try to help him getting the water. Don stated that the goal is still the development and if this would help that find a home that is his goal. The Board needs to weigh fairness to beginning users, the petitioner. It is important to be fair and have the policy for the petitioner is in front of you. Sheldonna stated that she agreed with Adam and felt that they needed to have a policy prior to the landholder coming in so they know what they are looking at prior to. Sheldonna stated that she would like to hear more discussion on the policy. Ken stated that he would try and recreate the Board discussion.

Eric stated that is workable for him.

ADJOURNMENT Dolores Water Conservancy District Water Activity Enterprise Board meeting adjourned at 9:04 PM

Donald W. Schwindt, Secretary-Treasurer

Bruce Smart, President

DOLORES WATER CONSERVANCY DISTRICT

MINUTES Regular Meeting March 14, 2019

CALL TO ORDER Bruce Smart, President, called the meeting to order at 9:04 PM

Bruce Smart, President
Simon Martinez, Vice-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
Vern Harrell, Bureau of Reclamation
Doug Pickering, Colorado Division of Water Resources
Adam Reeves, Attorney
Dan McCarl, Attorney

INTRODUCTION OF GUESTS

Greg Black, Director, MVIC; Brandon Johnson, MVIC Manager, Ed Millard, Montezuma County/SWBRT

APPROVAL OF THE MINUTES

MINUTES

MOTION: TO APPROVE THE MINUTES AS SUBMITTED FOR THE FEBRUARY 14, 2019 REGULAR MEETING AND FEBRUARY 14, 2019 EXECUTIVE SESSION.

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

FINANCIAL STATEMENTS

MOTION: TO APPROVE THE JANUARY '19 FINANCIAL STATEMENTS AND APPROVE THE STATEMENT OF PAYABLES AS PRESENTED.

ADMIN: AP/CHECK #11273-11288

\$23,172.05

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

AGENCY REPORTS

BOR Report

Vern reported that Robert is at Hoover Dam. He has arranged for some cathodic protection training for the District and someone from Denver will be coming down this summer. The training will probably be on the T/H, but it will pertain for both T/H Canal and the up north. Currently cathodic is on the pipelines and structures and we are looking to add it to the spillway gates. It would be an anoid on the back side to keep the gates from corroding. The coatings usually take care of it, but not always.

The pumps came back from All American that Lloyd talked about.

Completed the internal survey of the pipes on the Reach 1 T/H and DWCD crews spent nights out there pumping and Vern thanked staff for all their hard work. The pumping is at the road crossing and siphons. We hope to see a report, but could take up to 6 months. Vern stated that this is the first time we have done it. We are Checking the prestressing wires in the pipe. Don stated that the documentation of why Reclamation is paying for the costs of the testing of the pipe would be helpful if it was even documented that the testing was done in 2019 and Reclamation paid the costs for this and it cost a certain amount of dollars.

Mike stated the continuation of the Basin MOA project funds is something that needs to be preserved and extended. Mike stated that he was going to CWCB to support that effort.

Division of Water Resources Report

CDWR did not have a report.

T/H Committee Report

Godwin reported that the THC Committee had a meeting February 27, 2019. **1)** The Committee paid DWCD and Ute Farm and Ranch. **2)** Lloyd and Vern covered the inspection. MVIC changed all the keys on all the T/H to keep trespassers out.

Next T/H Meeting – The Committee will meet at the DWCD, Cortez Office March 27, 2019 at 2:00 p.m. at the Cortez Office.

MVIC Report

Brandon reported that they cancelled the stock run and set an allocation of 3 AF/Share. There is about 5 feet of standing snow at Groundhog. Ice is moving and they have had complaints from ice fishermen.

GENERAL MANAGERS REPORT/DECISION ITEMS

HEMP Events – March 24 Katie Russell with CSU SW CO Research Center and Montezuma County extension office will host an event at the County annex Building. There is another panel discussion March 16th at the ag expo.

Farmer Advisory Committee 5:30PM April 3, Chili Served – Board members are encouraged to attend.

Southwestern WCD Annual Seminar, April 5, Durango – The annual seminar has been postponed due to the retirement of Bruce Whitehead. Looking at the rescheduling it November 1st.

Board to Board, March 19, 7:00PM, DWCD – Mike stated that potential topics include: Dedicate at least half hour to Exhibit A. MVIC Response to draft terms for sale of Totten Reservoir; continued discussion of Colorado Basin Compact Administration, DCP/DM; and update on 87.3 filing by MVIC. Not a lot to be said on the 87.3 filing, but the Boards may want to talk about it.

If the Boards want to discuss Totten, it could simply be to ask MVIC if they have any response or questions about the pricing proposal floated at the February 26 Board to Board. If the Boards want to talk about the 87.3, discussion could focus on what comes out of the

President's Meeting on March 11, with a possible look at the Attorney General's Statement of Opposition which lists all of the other opposers.

If the Boards want to discuss DCP/DM Strategy, Mike has attached a Discussion Agenda built by modifying the Brainstorm Agenda. This could be a verbal discussion prompted by the outline, with DWCD Board members sharing insights from the Brainstorm. In Item #5 below we will discuss the updated Draft of the Policy Strategy Framework. We have taken out sensitive water rights details, so the Board can share the Strategy Framework with MVIC if you decide to do so.

Handouts to MVIC could also include: the one pager entitled "Enforceability of the Colorado River Compact", Carrie's Map and Drought Contingency Plan Documents and Agreements Graphic, the "Bending the Curve" Risk to Lake Powell/Risk to Lake Mead Graphic as well as the CAP Lower Basin DCP Fact Sheet. Whatever information the Board decides on, staff will provide copies for all.

Godwin addressed Don and Glen presenting proposed joint discussions to the MVIC Board without approval of the DWCD Board and he felt this action was not supported by the DWCD Board. Godwin stated that he was sitting in the audience and people were asking him what was going on and Godwin had no idea. Bruce stated that he was also at the meeting and had no idea what was taking place. Bruce stated that he has heard from other Board members and felt the same way that it was not good because you insulted the other DWCD Board members who should be a part of it, some of the ideas are fine, but needed discussion prior to just presenting it to others in a public setting. Bruce stated that he didn't think that there was such an urgency in the presentation that it couldn't have been discussed with the DWCD Board first.

Bernard and Nancy Karwick and Jimmy and Dorothy Porter came back in to the meeting.

Don responded that the Board to Board is a really good place for the discussion and he and Glen felt that is where the discussion should take place. Don stated that the intention was that it was going to be presented to MVIC and brought to DWCD tonight, because MVIC meeting was first. Don is an MVIC shareholder was bringing the view of the MVIC shareholder to this Board and have the opportunity and felt he has been shut out for many years. It is the neighbor role. Bruce, Simon and Godwin disagreed with Don's justification. Bruce stated that it is a direction and a plan that the DWCD Board would need to discuss. It is not good that the other members of the DWCD were insulted implying that they don't know enough. Bruce stated that he is not sure what DWCD would be doing for the MVIC user that should come back through Don. Don stated that for a number of years MVIC users don't have the right to bring concerns to the DWCD Board like the Full Service users can bring the voice to the DWCD Board. Don felt that he has been shut out and is trying to help shape the board to Board discussions. Don stated that he is willing to go through the background if this Board is willing to do this tonight. It is Don's feel for the community and that the DWCD Board chooses not to hear. Bruce stated that he disagrees, that he wants to hear individual concerns, but as far as helping an MVIC farmer with their system, we can not do that without stepping on the MVIC Board and shouldn't. Bruce stated that he is not sure what we should be doing for the MVIC users.

Don stated that it is the nature of the contracts and how they were put together. The contracts were done between the two boards to make this project work. MVIC has as much of a stake in this project as the Full Service users. DWCD has looked separate from the MVIC Community and how we bring items here. Bruce stated you are right to a point. Sometimes we can not help a MVIC user and MVIC would not want us to be interfering with the direct business. There is a wall that can not be crossed. Don disagreed with the wall and stated that this conversation helps reinforce that separation. Some of the earlier discussions brought the two Boards together in a manner that follow down a same path. Don stated that he sees that it is a role of this Board to operate with a concept of the community as a whole. The McElmo Users are a good example. They rely on the waste water of MVIC. There is significant responsibility to keep those water rights alive and well. There is more of a community wide perception that drives that concept.

Mike stated that he has to take exception with don for characterizing DWCD as an of the enemy of the community. The only time that Mike has heard these allegations is from Don and the a small circle of followers. Mike stated that he is around a lot of community people and has never heard that from the community members. In fact we are well respected and appreciated. The McElmo concerns about MVIC system improvements flared up and we dealt with it. Mike personally read 60 comment letters and published them in the record. We held a meeting that involved over 70 people. Once we saw what concerns were relevant we rewrote the plan and included their concerns.

Don went back to the 87.3 that was filed in water court. We are an opposer and MVIC expected that they would be ready to be hand in hand with DWCD and we are not there. Bruce stated that Adam was going to discuss the 87.3 in Executive Session. Bruce stated that the Board Presidents met with the Managers and Attorneys to discuss the 87.3. Sheldonna stated Gerald made his case in front of both Boards at the same time. She felt it should have come here first and then discussed at the Board to Board Sheldonna said a notification would have been appropriate prior to public discussion, which was counter productive. Glen stated that he had some issues with going rogue and had some

discussions about this. The only reason was because the MVIC board came first. Glen stated that he described it to Ken that the people in this community have a lot of interaction with the government entities.

Don stated that the place to have the discussion was with both Boards. Don stated that what he brought was some history.

Bruce stated that how we set up the discussion items for the Board to Board include items that are constructive with history as background. Bruce asked for more consideration to the DWCD Board and the need to work with the DWCD Board on actions that affect everyone on the Board.

Wes asked for enlightenment. If this forum was so important couldn't there have been a special meeting or a phone call or an email to get informed. Adam stated that the time frame would have required 24-hour notice for a special meeting. Wes agrees with Godwin and asked about slamming Mike for unannounced outreach when they have done the same thing. Sheldonna said it needs to be approached thru the front door first. Don stated that he had been doing this for a long time. Don stated that he has tried and his view was shut down.

Simon stated that the DWCD needs to work on the split, on unifying the Board.

Totten Reservoir – Pricing Concept for possible sale to MVIC. When the pricing concept was shared with MVIC they said they would like to review the proposal and respond. If MVIC is ready this could begin on March 19. Once the Boards have begun to agree on terms, DWCD staff can draw up a proposed term sheet. It will make a good Board to Board discussion.

Bernard Karwick stated that they came back into the meeting for the discussion of the Totten Reservoir and walked in on a discussion that they didn't understand. Bernard said that it seems like there is some level of contention. Bernard stated that an important piece is the McElmo Users. MVIC is not going to give McElmo users water for free and the users will have to pay for the upkeep of the lake. For it to even work and they hope that DWCD will work with MVIC in a way that can be of a benefit.

Bruce stated that MVIC has asked for a price for Totten if DWCD would sell it. DWCD came up with a number and MVIC has that in their possession and may not have disclosed it. MVIC has to come to discussions and they have to decide if they will or won't take our pricing. Bernard stated they have been concerned that if MVIC purchased Totten, the McElmo Users may not be able to afford the water.

Mike stated that the price of the reservoir is not going to make or break the deal. The real challenge is how they would have to organize and contract to receive water.

Colorado River Compact Issues, Drought Contingency Planning, Demand

Management. The Policy/Strategy Framework that has been revised based on discussion at the February 28 Brainstorm is attached. We plan to discuss this as much as possible in open session, so we have left specific water rights provisions out of the current Draft. If there are other issues that would better be discussed in Executive Session Adam can flag those items. There is a one-page discussion on compact enforceability that can be circulated, if the Board wants. The framework from the Brainstorm was revised based on Board input and is a living document that will continue to be worked on.

Ken stated that there is a lot of engineering numbers to be tracked down and we will be watching the risk study and see what we learn. There was an interest in hydrology analysis and the objectives are called out in the framework. Mike asked are we willing to start circulating the draft DWCD framework? CWCB is setting up work groups and we may want some of our people engaged in those workgroups. Mike stated that he is going to ask that they rotate the meeting places. The first outreach needs to be to MVIC Board and that is where we need to start. There is going to be a need for specifics to flesh out the broader questions. Ken stated going deeper will take Board direction. Ken went through the handout provided by Malcom. We could create a scope of work on what relevant studies are available and if we want to look at them. We could look at consumptive use studies and have the CSU farm do some experiments. In fleshing this out how deeply we are going to go. Mike stated that he felt we should start with our internal resources first, and then branch out to consider if other help is needed. We should do what are we able to achieve with the internal resources which will be easier to absorb cost-wise. We don't know what will come from the exercise in Demand Management. The real benefits are the cuts that the lower basin would take. We also need to stay connected with renewal of the interim in 2020-2026. Continuing to engage keeps us informed.

Bruce stated that he would suggest providing the information to MVIC at the Board to Board.

Ed asked if it was only being released to the MVIC only. Ed stated that we need to involve both Counties and they need to know and be involved. He asked when we would be planning to bring the Counties into the discussion. Bruce stated that DWCD would like to

discuss first with MVIC to see where both boards are and might know after the next Board to Board. Mike stated that we will produce copies for the Board to Board.

Himes Creek ISF – Mike presented a letter that he will present at the CWCB Board meeting at the March 21st meeting in Fort Collins. Mike stated that this is coming before the CWCB Board and testifying. We want a tool to protect the native trout because we have these trout species on the upper Dolores. We need to develop a tool or approach to protecting trout that can be replicated while avoiding unnecessary conflict and expense by all parties with regard to ISF methods. Address risks associated with “taking all unappropriated flows” as a departure from established ISF methods. Protect standard ISF methods based on median flows and constraining the use of “taking all unappropriated flows” so as not to unreasonably limit future off-Forest water development. Explore options that would be effective in protecting native trout while minimizing water user risks and conflicts. Consider the use of Forest Service land use designations to protect native trout. Sheldonna asked Mike about someone grazing in potential trout areas. She doesn’t want to see unintended consequences. Mike stated that is a risk and asked if she wanted directly engaged in these discussions. Adam stated that if the FS would decide that the grazing permit is a risk to the trout then they could restrict grazing in that area. Ken stated that we need to keep it in mind because it might crop up in other places. Consider innovations in the CWCB policy framework to address Forest Service needs without risk to water users.

MVIC 87.3cfs Water Rights Filing – There was a president’s meeting. Adam stated that he thought it was a productive meeting and are on track to better communications. In addition to the Statement of Opposition there were 6 other opposers in the case. Bruce added that it was good to show MVIC what communication had been done and where the issues were and that they need to keep on working on. DWCD is supportive of the President’s agreement to do this without injury and without expanded uses. There will be an initial status conference for legal considerations. A draft decree will be circulated and receive instruction on moving forward. The same holds true for all other opposers.

Activities and Meetings since Last Board Meeting:

- February 19: Phone Meeting Christine Arbogast – Review Status/Strategy on State and Federal Issues – GM, Ken
- February 25: Legal Team on Brainstorm DCP/DM Strategy, Durango, 2:00 - GM
- February 25: Steve Harris, Carrie Lile DCP/DM Framework Update, 3:00 - GM
- February 25: Reception for Regional Forester Brain Ferebee 5:00 - GM
- February 26: Greg Vlaming, High Desert, Nozzle Efficiency Project, Including Siderolls – Ken, GM
- February 26: Board to Board, 7:00PM, DWCD
- February 27: General Manager Succession Discussion – Board, Ken
- February 27: Towaoc-Highline Committee – 2:00PM, DWCD
- February 28: 2019 Brainstorm, DWCD
- March 6: DWRF Coordinating Committee, 10:00AM – Ken, GM
- March 6: Dolores County Commissioners Steve Garcher, Floyd Cook - Disappointment Creek ISF, DCP/DM – GM
- March 6: DWRF Collaborative, 1:30PM – GM
- March 6: Ashley Greco Scott Tipton Staff, Ann McCoy Cory Gardner Staff – Update on DCP/DM, Himes Creek, 4:00PM - GM
- March 7: Southwest, Arkansas, South Platte Roundtable Chairs Interviewed by Water Education Colorado on Basin Priorities, Education and Outreach - GM
- March 8: DWRF Timber Industry Work Group – GM, Ken
- March 11: Presidents Meeting to Discuss 87.3 – Bruce, Ken, Gerald Brandon, 10:00AM
- March 11: Review Legal Issues for Board Meeting - Bruce, GM, Adam
- March 11: Planning 2019 Meeting for Monitoring and Recommendation Team – Bruce, Celene Hawkins, GM
- March 11: Discussion with Celene Hawkins on Himes Creek, DCP/DM, MOA Grant Program in Preparation for March 20-21 CWCB Meeting - GM
- March 12: MVIC Board, 2:00PM

Upcoming Meetings and Activities:

- March 15: General Manager Succession Planning, 10:00AM, Board, Ken
- March 19 Board to Board Meeting, 7:00PM, DWCD
- March 20-21: CWCB Board Meeting, Fort Collins – GM
- March 22: Hemp Informational Meeting Organized by Katie Russell, March 22, Montezuma County Annex, 2:00-4:00PM
- March 27: Towaoc-Highline, 2:00PM, DWCD
- March 28: Farmer Advisory Committee, 5:30PM, DWCD, Chile Served
- April 3: DWRF Coordinating Committee, 9:00AM
- April 3: DWRF Retreat, 10:00AM – 3:30PM, Location TBD
- April 3: DWRF Retreat Dovetailed with Monthly Collaborative, Location TBD
- April 9: MVIC Board Meeting, 2:00PM
- April 10: DCP/DM Subcommittee, Southwest Basin Roundtable, Southwest WCD, 11:00-2:00, Pizza
- April 10: Southwest Basin Roundtable, 3:00PM (2:30 Social Time), Durango Public Library
- April 24: Towaoc-Highline Committee, 2:00PM, DWCD
- May 1: DWRF, DWCD, 1:30
- May 2: West Slope Roundtable Caucus, Ute Water, Grand Junction
- May 9: DWRF Coordinating Committee

Legal Report – Adam reported that an application for diligence on Plateau Creek was filed. MVIC also filed for reasonable diligence on the balance of their Pre 22 water rights. Adam stated that he does not recommend filing a Statement of Opposition.

Adam stated that the 87.3 MVIC Filing, Himes Creek and Herbicide Bids need further discussion in Executive Session.

MOTION: MOVE INTO EXECUTIVE SESSION PER CRS 24.6.402(b) TO OBTAIN ADVICE FROM COUNSEL AND CRS 24.6.402(e) MATTERS OF NEGOTIATION IN DISCUSSION ON HIMES CREEK, MVIC 87.3 FILING AND BIDS FOR HERBICIDE.

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

**RECESSED FOR BREAK AT 11:05 PM
RECONVENED MEETING AT 11:15 PM
RECESSED FOR EXECUTIVE SESSION AT 11:15 P.M.
RECONVENED REGULAR MEETING AT 12:13 P.M.**

REPORT OUT OF EXECUTIVE SESSION

Adam stated that the Board discussed bids for Herbicide, the MVIC 87.3 Filing and Himes Creek in Executive Session and no decision were made.

NEXT DWCD BOARD MEETING – Thursday, April 11, 2019 - 7:00 P.M.

ADJOURNMENT Meeting adjourned a 12:15 P.M.

Donald W. Schwindt, Secretary-Treasurer

Bruce Smart, President