

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 8, 2019

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**CALL TO ORDER** Bruce Smart, President, called the meeting to order at 7:05 PM

**ROLL CALL** Bruce Smart, President  
Simon Martinez, Vice-President  
Don Schwindt, Secretary-Treasurer  
Godwin Oliver, 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

Brandon Johnson, General Manager MVIC; Ed Millard, Montezuma County/IBCC/SWBRT,

#### MINUTES

#### APPROVAL OF THE MINUTES

**MOTION: TO APPROVE THE MINUTES AS SUBMITTED FOR THE JULY 11, 2019 ENTERPRISE MEETING.**

**MOTION: DON SCHWINDT  
SECOND: GODWIN OLIVER  
MOTION CARRIED UNANIMOUSLY.**

#### FINANCIAL STATEMENTS

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

**O&M: AP/CHECK #37381-37526 & PR/CHECK #123397-123474  
\$386,291.89**

**MOTION: SIMON MARTINEZ  
SECOND: GODWIN OLIVER  
MOTION CARRIED UNANIMOUSLY.**

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

#### **Pump Plants**

All pump plants have been running steady with flows dropping down with the second cutting. We have had no plants down recently. Lack of lightning has helped.

### **Power Plants**

Both power plants have also been running steady with no outages. McPhee continues to run at 75 c.f.s. and Towoac has been running around 200 cfs.(6.8 mega watts).

### **Laterals**

Several downstream valves at delivery boxes have been replaced.

### **McPhee Dam**

The debris removal was completed for this year. Our B.O.R. annual inspection of McPhee Dam and Great Cut Dike was completed. The report came back with no new recommendations.

### **Tunnel**

The access road to the tunnel, well house one and two were re-graveled with road base. Don asked if it was on the inlet side. Lloyd stated on both sides.

### **South Canal**

No power outages. A 62-acre forebay near Ruin Canyon Pump Plant is in the design stages.

Lloyd stated that staff is still studying it. We might make it a little bigger. Simon asked why. Lloyd said to get more water in the lower end. It is dirt lined. Ken stated that Cahone and Dove Creek were already widened before he came on board. It is a fairly flat section.

Lloyd stated that he would be glad to coordinate a tour for the north system. Godwin stated that he thinks that all Board members need to see the project and get a better understanding. Don stated that he would like to see it set up on a recurring schedule on a regular basis even if doing a little bit on a periodic and regular basis. Godwin stated that he thought it should be opened up to the MVIC Board members. Ken stated that we need to pick a date in October. Fall is a good time just after shutdown at the end of the water season. T/H has a set tour and suggest for Board members to get scheduled on it when it occurs. Don suggested to see part of the MVIC system that ties into the T/H canal would be helpful as well. Don stated that SW had their meeting on Tuesday and focused on their tour of the project on Wednesday. Don thanked Simon for his assistance in the tour.

## **ENGINEERING AND WATER MANAGEMENT REPORT**

**Water Accounting**– Ken presented the **1)** Inflow/Outflow for July started with McPhee full and the spill winding down. Elevation came down to 6920.68 by end of the month. The river is highlighted starting July still over 2000 CFS tapering off to 300 CFS. Calculated inflow tapered off by the 4<sup>th</sup> and it is negligible now. McPhee power plant downstream releases steady at 80 CFS all month. MVIC diversions growing to 500 CFS by the middle of the month and the river was still making sufficient water to meet their needs, then they backed off down to 328 by using Narraguinnep as river dropped. Totten exchange from McPhee started late in month to supplement direct flow, but Project water was not needed in the month of July. By the end of the month DCC was below 200 again for shut offs due to cutting. Upstream exchange from GH opened up is reflected in column AZ at 13 CFS. A few numbers in Narraguinnep inflows from River. Did see a little rain in the month of July. August shows McPhee going down in elevation, but only about 5 feet below full. The river is still producing close to 300 CFS with a few rain bumps. Ute Farm diversions are back up after hay cutting. Total MVIC has been up and down depending on the river, cutting & Narraguinnep releases. Totten Exchange still slightly supplementing the river. Dove Creek diversions still down below 200 CFS with a lot of cutting going on. Just a little bit of rain at GC, more in the mountains. Ed asked if 80cfs is the max for the fish pool. Ken stated no, we can release higher, but it is not protected above 78cfs. MVIC was not able to use all the River flows due to variable flow, but adjusted short term via reconciled calculations. Project Water Projections included for water users, but plenty of supply so nothing specific for discussion. Everyone under used in June. A lot of catch up going in July. Expect high use going forward unless monsoons show up. FSA should be within a few thousand acre feet of the budget numbers. MVIC still looks like they have plenty of supply and will use from 110,000-115,000 acre feet. Ken stated that the block summaries are included. There are 3 users that are getting quite high. Ken stated that we started at 25” for the Full Service Area. We allowed them to go up to 28” and a potential new decision is to allow farmers to go up to 32”. These are based off the readings towards the end of July. Wanted to let the Board know that we are not going to use the Class B and are going to offer it to MVIC and seeing 50,000 as a max number for FSA and below the 55,282 AF allocation. I think that we have plenty of water and would like the two decisions. First would be a motion allowing the Full Service Area up to 32 inches/acre. Godwin stated that he doesn’t have a problem as long if there are just a few that are hitting the current cap. At the Farmer Advisory the farmers didn’t want to take the lake down farther than needed. Bruce stated that we should hold it down for carry over savings, but this would be a good year to sell extra. Ken stated that it wouldn’t change the income a lot and would help a few irrigators. Don stated that he thinks that carry

over storage in the ground is something that he believes in. Simon asked Ken how much water we are talking about in the 10,000 AF range? Ken stated not at all, more like 1,000-1,500 AF. Ken stated that we could wait for another month, but they might run out. Because of the unusual wet & late runoff circumstances we are able to put out more water to a few FSA irrigators. He would like to be able to tell the farmers as quickly as he can so they can plan ahead. Simon said it is unusual for this year because of the small impact. Godwin asked if we needed to send out a postcard or can we just contact the three. Ken stated that there is no need for a postcard. Don stated that he thought we needed Board direction with a motion. This cap is for all, but everyone should be aware of the shut off number and that they have had the availability of up to 28" previously this year.

**MOTION: TO ALLOW THE FULL SERVICE CAP TO RAISE UP TO 32" FOR THE 2019 WATER YEAR.**

**MOTION: DON SCHWINDT  
SECOND: GODWIN OLIVER  
MOTION CARRIED WITH BRUCE SMART OPPOSING.**

Ken asked for a motion approving that we are not using Class B making it available to MVIC so MVIC can plan operations around it.

**MOTION: ALLOWING THE AVAILABILITY OF CLASS B WATER TO MVIC FOR THEIR WATER PLANNING.**

**MOTION: SIMON MARTINEZ  
SECOND: SHELDONNA IVES  
MOTION CARRIED UNANIMOUSLY.**

**Investment Update** – Ken stated that we have a CD investment coming due and we are keeping the ladder going with the reinvestment. The feds may cut rates again in September/October. The yield curve is inverted. The 3 month is paying 2% and the 10 year is paying 1.5%. There is pressure on rates falling and we are going to have to make some decisions. Bruce asked how much we have to reinvest?

Ken stated that he would go through the investment sheets. The old investments are on the back of the sheet. We started in late 2015/October and December and staggered them out. We put in 4.5 Million in CDs and looking back at the rates most have been in the 2-3% range. There are two more to mature in 2019. We will have to do something with the money. Ken stated that he highlighted the top of the sheet with the ones that were reinvested this year. Column L passed a call date and it was not called. Column R was allowed to stay open and the rate is low and not doing as well on that one. Column T might get called, but doesn't go to the 2.5% until 2021. Column V will get called and is yielding 3.2% and we will get the notice and give direction to the advisor. Ken stated that he highlighted the ones that come due (Column W) in October of 2019. When we started investing we were limited to where we can invest. Interest rates rose significantly peaking early in 2019 and hit about 2.6 and back down to 2.3-2.5 currently. They have been paying a lot better earlier this year. Ken stated that we need to have the discussion now if we want to change any direction. Don stated that for the Board's information that he defaults that the laddering of the CDs has seemed to be the best investments for the time. Ed asked how much we are getting approximately. Ken stated that on the average 2%.

**Budget Discussion** – Ken stated he had put this item on the agenda at the last second. The big decisions are the budget in October. We will have a workshop and then an official hearing at the November meeting. Then the Board should give final direction and by the December meeting have final numbers for the Budget for submittal to DOLA as required by law. Within the budget are three big items, which are the FS rates, capital items and employee wages. The salary increase are a big one and there are lots of influences. The last salary survey was done in 2010. We have talked about doing it again, but with the drought and other conditions just kept pushing it back. A salary survey checks all the job descriptions and how the salary structure is placed. There are usually a couple of Board members on the committee for the salary survey. Ken stated that he would use Jim Brooks who is from Central Utah Conservancy District and has an HR background. Ken stated that he has talked with him and he is available. We can have employer's council do it and it is double the cost or more and may not yield anything better. It gives the Board a process of how wages are derived and laid out. Ken handed out the current salary guidelines, which were approved by the Board in 2003. Ken stated that the Board needs to think of methodology and a process. Ken stated that we would like to bring Jim Brooks back down for a salary survey, then what the Board does with the information is up to them. Ken stated that he felt the Board should think about it and can discuss it at the next Board meeting in September. Bruce stated that he thinks setting up with Jim Brooks is a good thing. Simon

asked about section 2 and the job evaluations and how the board plays into that. Ken stated in the process supervisors are completing evaluations in October/November and it ties in with the budget process and what the Board sets as funding for any raises. Ken said he would bring it back next month for more discussion after the Board has been able to look through the guidelines.

**Set FSA Irrigator Delinquent Account Hearing** – Ken stated that we need to set a hearing for next month for FSA delinquencies beyond 12 months. We have two individuals who have delinquent accounts. The information was written prior to the August Billing cycle. One individual that was on here previously has been paid in full and won't hit the twelve month delinquency again until next year. There is one new irrigator on the listing. Godwin said he had spoken with the one individual and he was going to get a payment in. It is up to the Board's discretion after the hearing on the action that is taken.

**MOTION: SET FSA IRRIGATOR DELINQUENT ACCOUNT HEARING FOR THE SEPTEMBER 12, 2019 BOARD MEETING AT 7:30 PM.**

**MOTION: SIMON MARTINEZ  
SECOND: SHELDONNA IVES  
MOTION CARRIED UNANIMOUSLY.**

**Other** – Ken stated he made a copy of the Colorado River District Annual Meeting. It is September 18<sup>th</sup> at CO Mesa University, the Wednesday after our Board meeting and is good to attend if you can. Let Gina know if you are interested in attending. Ken stated that he would bring up information on his CWCB workshop in Delta in the regular meeting.

**ADJOURNMENT** Dolores Water Conservancy District Water Activity Enterprise Board meeting adjourned at 8:53 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 8, 2019

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**CALL TO ORDER** Bruce Smart, President, called the meeting to order at 8:53 PM

Bruce Smart, President  
Simon Martinez, Vice-President  
Don Schwindt, Secretary-Treasurer  
Godwin Oliver, 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

Brandon Johnson, General Manager MVIC; and Ed Millard, Montezuma County/SWBRT

### APPROVAL OF THE MINUTES

#### MINUTES

**MOTION: TO APPROVE THE MINUTES AS SUBMITTED FOR THE JULY 11, 2019 REGULAR MEETING, JULY 11, 2019 EXECUTIVE SESSION MEETING.**

**MOTION: DON SCHWINDT  
SECOND: SIMON MARTINEZ  
MOTION CARRIED UNANIMOUSLY.**

### FINANCIAL STATEMENTS

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

**ADMIN: AP/CHECK #11345-11359**

**\$10,847.42**

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

### AGENCY REPORTS

#### BOR Report

Robert reported that **1)** the spill team will get back together at the end of August to summarize the post season action report that will go out to the M&R and public this fall. **2)** MOA projects are the same as last month. **3)** The work on the pumps will start this fall and he is working on specs for the screens and actuator valves. Nothing big since last month. Bruce asked if we consider the spill and ramp down a success. Robert stated that he thinks yes and that the approach seemed to work really well. At the time of the ramp down they followed the inflow less diversions and it was easier to manage and there were likely benefits for the fish. Eric Sprague and Eric Tanner made a flow chart and had guidelines to follow. Mike stated that we received a lot of positive press. Mike received a call from Cody Perry and he said that he had complimented us on the spill this year. Cody said the lower flows right after Memorial Day provided a good opportunity for small boats. Jeff Christiansen with BLM had provided good feed back as well.

**Division of Water Resources Report** – Not present at the meeting.

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

Godwin reported that the THC Committee had a meeting July 24, 2019. **1)** Committee is working on the Budget. **2)** The Committee paid DWCD and MVIC and Ute Farm and Ranch. **3)** There was a tour with the meeting.

**Next T/H Meeting** – The Committee will meet at the DWCD, Cortez Office August 28, 2019 2:00 PM

### **MVIC Report**

Brandon reported that **1)** MVIC had an inspection at Groundhog with a few minor things. **2)** The May pipeline screen has been plugging up with moss and they had to be there frequently. **3)** Finished up the liner on the Pine and starting phase 2. **4)** Getting ready to start new spillway at Narraquinne.

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

Mike stated that the following information was enclosed in the packet:

The letter from Michael Bennett and Cory Gardner signed off on proposing getting Farm Bill provisions promptly implemented. Mike stated that we asked for 2-3 items in the farm bill and got what we asked for. Mike stated that he would like to digest this letter and bring it back next month in connection with the letter and petition that Jim Farrier brought to the Board. The Senators are acknowledging that drought provisions are important and critical.

Executive Summary Rocky Mountain Restoration Initiative, Golden, July 10, 2019. - Mike serves on the RMRI as West Slope Roundtable Chair Representative and for the recognized progress being made by DWRF and San Juan Forest on planning large scale treatments and timber industry business recruitment. They are trying to get started on one or two areas targeted. Southwest Colorado is being looked at favorably as a place to start due to our readiness.

Invitation Research Station Field Day and Expo, August 14. They have a good crew at the Research Station.

### **General Managers Report:**

**Plateau Pump Back Hydro Battery – Draft Term Sheet.** On August 3, 2018 DWCD and Absaroka Energy signed a Letter of Intent (LOI) (Attached). Rhett Hurless, assigned as Absaroka's Project Manager, is ready to move to Phase 2 on Page 2 of the Letter of Agreement. The GM informed Rhett that DWCD would not be ready for Absaroka to "File a preliminary permit with the District's written and filed support" until DWCD and Absaroka come to terms on compensation to DWCD once the project is constructed and operational. Rhett invited DWCD to develop a Term Sheet in order to negotiate compensation and other DWCD requirements.

One of the things happening in the green power market is you can only produce when the sun is shining and the wind is blowing. The pump back is dispatchable power stored to fill these gaps. We may be hitting a point where the pump back prospect might be good. We don't want to make a binding agreement until we come to terms. Adam created a Terms sheet and it was mailed to the Board and it needs some discussion within the LEMing and feedback from the board. We will bring it back next month. It needs to be discussed in Executive Session.

**MVIC 87.3cfs Water Rights Filing** – DWCD issues with the MVIC 87.3 filing are close to being wrapped up. Details will be discussed in Executive Session.

### **Colorado River Compact Issues, Drought Contingency Planning, Demand**

**Management** – Two relevant events are scheduled in conjunction with Water Congress. Mark Harris will meet with water management entities on DCP/DM strategies at 3:00 to 5:00 on Tuesday August 20. Ken Curtis and Bruce Smart will represent DWCD and Don Schwindt will represent various entities. Simon is invited but may not be able to work a meeting in Steamboat Springs into his schedule. After Water Congress adjourns on noon of

August 22, there will be a meeting conducted by Brent Newman to overview the Demand Management Working Group process.

There will be a DCP/DM Subcommittee in advance of the Southwest Basin Roundtable meeting in Durango on October 9 at the Southwestern WCD Office. There will be a DCP/DM Subcommittee followed by a Roundtable meeting on January 15 in Cortez. Russell George, who has been appointed Chair of the IBCC (Interbasin Compact Committee) will be at the January 15 meetings. Russ will talk about the role of the IBCC including discussions of Statewide equitability.

Once we get to the end of the irrigation season the Board can discuss options for continuing the DCP/DM strategy development at the winter brainstorm and a meeting with Dolores Project irrigators to provide them with information, answer questions and provide options for getting more involved in DCP/DM issues.

The IBCC came to an agreement on mountain trans diversions. DM is the issue of equitability. Russell hopes that the IBCC can tackle this. We can continue to have discussions and update issues at the Brainstorm.

Ken stated that he attended the first DM Agriculture workgroup today. It is a good group and he knew all but two attendees. Nothing technical jumped out. He stated that they will talk about process will have 6 of 8 workgroups meeting prior to Water Congress. When those notes are received by Ken he will pass on the information to the Board. They are looking to hire a master contractor and subcontractors to help with the workgroups. There will be different feed backs into the different groups in order to frame up and get common documents for the CWCB Board and public. As a workgroup they don't have decision making authority. Trying to see what the top issues which didn't all come out of this first meeting. The workgroups will continue meeting into 2020. Becky Mitchell was named the new Upper Colorado River Commissioner. Ken stated that the nondisclosure agreement is abandoned.

Don stated that he has stayed actively engaged. There is another meeting Tuesday, Waterbank Workgroup and Brent has been at the meetings in person. He thinks we have a really good plan but will remain skeptical until he sees the product. The workgroup has tried to have feedback from the public on the west slope. The study serves the broader purpose of a baseline of what there is today economically what the impacts would be with a reduction in water use. Don stated it does establish a really good baseline. We want to have this study acknowledged.

Don stated that SWCD will have a new director hired on September 3<sup>rd</sup>. Frank Kugel is the new director. Mark Harris and Don's personal views are different. Don said part of his thoughts about the environmental community being the real leaders in the impact study. Don hasn't decided how to deal with Mark because he is not sure if they are on the same page.

**Himes Creek Instream Flow** – The CWCB Board approved the Himes Creek Stipulation negotiated by Adam and Southwestern Attorney, Beth Van Vurst with the Colorado Attorney General's Office and CWCB. Adam stated it is done and he and Beth agreed to file jointly. They need to file the motion to withdraw, which will be filed tomorrow.

Ken stated that the ISF may come up at CWC and hopefully SW will take it up. Don stated that CWC has a sub-committee that has been working on concerns on a broader format.

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

- July 12: Meeting with Colorado Ag Commissioner Kate Greenburg and Joel Lee of NRCS to discuss Colorado Department of Ag priorities and for Joel to take input on priorities for NRCS funding, including new programs funded in the 2019 Farm Bill. - GM, Don
- July 12: Lone Pine EA – Meeting to Iron out Differences on Implementation of Forest Health Treatments 30K+ Acres out of 60K+ acres evaluated – GM
- July 15: Lone Pine EA – GM Submits Comments on Revised EA that Reflect Consensus Reached at July 12 Meeting
- July 17: DWRF Water Smart Grant Planning, Coordinating Committee
- July 17: Meeting of full DWRF Collaborative
- July 24: Towaoc-Highline Committee Tour and Meeting – Godwin, Simon
- July 26: Lunch GM with Tribal Councilman Selwyn Whiteskunk to discuss the EDS Hydro project and other opportunities for Tribal-DWCD-Community Cooperation
- July 31: Planning Meeting for tree thinning project to reduce wildfire hazard in the vicinity of the tunnel – Ken, Mike, Robert

- July 31: Phone Call with Christine Arbogast, in advance of Water Congress to Review Pending Legislative and Policy Issues where her connections and knowledge are useful – GM
- July 31: Meeting with Josh Dillinger, Manager Empire Electric to discuss grid protection and biomass power in conjunction with Forest Health efforts.
- August 6: Southwestern Water Conservation District Board Meeting, Dolores Community Center, 8:30-3:00PM
- August 7: DWRF Coordinating Committee, 10:00AM – GM
- August 7: DWRF Collaborative, DWCD, 1:30PM – All are welcome
- August 8: Meeting Fort Lewis College – Capacity for Faculty-Student Field Work and Archiving of Data for the Lower Dolores M&R Team Guided Field Work

**Upcoming Meetings and Activities:**

- August 14: Research Center Field Day and Expo, 9:00AM-1:00PM, Lunch provided, RSVP for lunch count at 970-562-4255
- August 20 – 22: Summer Water Congress, Steamboat Springs
- August 22: Discussion of DCP/DM Working Group Process after Water Congress Adjournment at Approximately 1:00PM
- August 27: Spill Management Group, Post Spill Assessment – Robert, Ken, Eric, GM
- August 28: Towaoc-Highline Committee, 2:00PM
- August 29: Forest Health Advisory Council, Glenwood Springs – GM
- August 29: Program at Sunflower Theater: “From Drought to Plenty” 2018-2019 Details to be Announced
- September 4: DWRF Steering Committee, DWCD, 10:00AM
- September 4: DWRF Collaborative, DWCD 1:30-3:30
- September 10: MVIC Board Meeting, 2:00PM

**LEGAL REPORT** – Adam stated that everything in open has been discussed and the Board will need to take up further discussions on the MVIC 87.3 Filing and Absaroka Term Sheet 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 THE MVIC 87.3 FILING AND THE ABSAROKA TERM SHEET**

**MOTION: SIMON MARTINEZ  
SECOND: GODWIN OLIVER  
MOTION CARRIED UNANIMOUSLY.**

**RECESSED FOR BREAK AT 9:55 P.M.  
RECESSED FOR EXECUTIVE SESSION AT 10:10 P.M.  
RECONVENED REGULAR MEETING AT 10:25 P.M.**

**REPORT OUT OF EXECUTIVE SESSION**

Adam reported that in Executive Session the Board discussed the status of the MVIC 87.3 change case and Absaroka Term Sheet on the Plateau Creek Pumped Storage Project and no decisions were made.

**NEXT DWCD BOARD MEETING** – Thursday, September 12, 2019 - 7:00 P.M.

**ADJOURNMENT** Meeting adjourned at 10:26 P.M.