

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

MINUTES Regular Meeting November 14, 2019

CALL TO ORDER Bruce Smart, President, called the meeting to order at 7:30 PM

Bruce Smart, President
Don Schwindt, Secretary-Treasurer
Godwin Oliver, Director
Wes Wilson, Director
Glen Fish, Director
Sheldonna Z. Ives, Director
Ken Curtis, General Manager
Lloyd Johnson, Maintenance Supervisor
Lisa Jordan, Office Administrator
Adam Reeves, Attorney
Dan McCarl, Attorney

INTRODUCTION OF GUESTS

Brandon Johnson, General Manager MVIC; Greg Black, Director MVIC and FS Irrigator; Danny Wilkin, Director, MVIC; Ed Millard, Montezuma County/IBCC/SWBRT

APPROVAL OF THE MINUTES

MINUTES

MOTION: TO APPROVE THE MINUTES AS SUBMITTED FOR THE OCTOBER 10, 2019 REGULAR MEETING AND OCTOBER 10, 2019 EXECUTIVE SESSION MEETING.

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

FINANCIAL STATEMENTS

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

ADMIN: AP/CHECK #11392-11409

\$8,681.56

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

AGENCY REPORTS

BOR Report

Robert was not in attendance.

Division of Water Resources Report

CDWR was not in attendance.

T/H Committee Report

Godwin reported that the THC Committee had a meeting October 23, 2019. **1)** The Committee paid DWCD and MVIC. **2)** The Committee has decided to hold the THCC Meetings on the Third Wednesday of each month at 2:00 p.m. for the foreseeable future due to scheduling conflicts with other obligations for the Committee Members.

Next T/H Meeting – The Committee will meet at the DWCD, Cortez Office November 20, 2019 at 2:00 p.m. at the Cortez Office.

MVIC Report

Brandon reported that **1)** MVIC ran water to Narraguinnep and is holding water below the West gates. **2)** The spillway at Narraguinnep is complete. **3)** MVIC completed rip rap placement on the THC and are working on the drainage at County Road B and County Road 21.

RECESSED FOR PUBLIC HEARING FOR LAND INCLUSION AT 7:36 PM
RECONVENED REGULAR MEETING AT 7:40 PM

RECESSED FOR 2020 DWCD BUDGET HEARING AT 7:40 PM
RECONVENED REGULAR MEETING AT 7:56 PM

Budget Discussion – Ken stated that the Board should make decisions and give direction regarding any changes to the budget at this time so the Budget can be adopted at the December meeting. Wes asked Lloyd the condition of the trackhoe. Lloyd stated that it would run another year, however it is getting old and in need of more repairs as time goes on. Ken stated that we have a replacement schedule and the two trackhoes are among the biggest equipment costs. Lloyd pointed out then next large purchase would be the spray truck due for replacement in a few years. Ken stated that we are trying to level the cost to some extent but there is flexibility in the schedule. Glen stated that since it fits in the budget, he doesn't see a problem with it. Godwin agreed that with 7,000 hours it is getting old. Lloyd noted that the trade in value will continue to go down the longer we have it and the hydraulics will be getting worse. Bruce asked for additional comments. Ken stated that the Power Plant and THC budgets feed into the DWCD budget but are subject to other entities review and approval.

DCL&G – Ken stated that there are 182 wet taps, 19 paper taps that are owned by private individuals and 9 paper taps owned by DWCD. Ken explained the annual costs. Ken stated that there needs to be a decision made to payback the \$22K borrowed from future Projects Reserve. Ken noted that there is need for a pond liner at a cost of approximately \$25K. The decision for the Board is do they want to payback the \$22K and if so on what time frame? Ken would propose making a down payment of about \$10K then paying back the remaining \$12K in \$1K - \$2K increments over at least 6 years. Don asked how many paper taps have been landed. Ken stated that there have been a few paper taps landed per year, possibly 1 per year. Don asked if this rate was still realistic. Don stated that it sounds like Ken is on the right track since there is slow and steady growth in Dove Creek. Bruce was thinking \$4K-\$5K over the next 4-5 years. Ken would rather be cautious with the lower payback since there have been years when cash flow has been tight. Bruce stated that Ken should do what he feels is the most reasonable. Ken stated that there could be a raise in the delivery price to accelerate the payback. Don stated that the paper tap sales are what made the project viable since there needed to be a certain number of taps sold to have a project. Ken will make a proposal for December.

GENERAL MANAGERS REPORT/DECISION ITEMS

Parking Lot Repairs – Ken stated that the repairs to the parking lot at the Cortez Office have been deferred to 2020.

Adopt Resolution 19-03 Approving the IGA joining the Special Districts Pool – Ken presented the IGA for approval. Adopting Resolution 19-03 would initiate the process to join the SDA Insurance Pool. The DWCD Attorney has reviewed the IGA. The major change is joining a pool of approximately 1,800 other entities to self-insure the group's entities backed up by re-insurance. Lauren Hix of Gallagher, our previous insurer has raised issues that the Board should consider before joining the SDA Insurance Pool. Ken mailed Lauren's comments and materials to the Board.

Ken stated that the main issue is whether we are better protected by staying with a large private financial corporate insurer versus joining a pool of Colorado Special Districts to jointly self-insure up to prescribed limits, after which re-insurance takes over. Ken stated that the savings are real to the District. DWCD will be saving \$5,204 on the Property and Liability quote. The Workers Compensation quote saves \$6,605 which matches the previous Pinnacol rebates. Both coverages together get additional discounts of \$6,602 for a total savings of \$18,411. Ken stated that he also called references that are in the SDA pool including Ute Water Conservancy, SWCD and Colorado River District. Ken stated that past DWCD claims include an auto liability in 2010, a couple of car vs. deer incidents and a problem with some motors a few years ago, but otherwise we have had

historically low claims on both property/liability and worker's compensation. Ken recommends taking the savings for the District. Don asked if Ken called Northern Water Conservancy District. Ken stated that he had, and they are with Glatfelter and had not looked into different insurance for a number of years but did not have any good or bad feeling towards SDA as they didn't know much about the pool. Don stated that he is in favor of the change.

MOTION: TO CHANGE FROM GLATFELTER INSURANCE TO COLORADO SPECIAL DISTRICT'S PROPERTY AND LIABILITY AND WORKMAN'S COMPENSATION INSURANCE. ALSO, TO ADOPT RESOLUTION 19-03 APPROVING THE INTERGOVERNMENTAL AGREEMENT FOR JOINING THE COLORADO THE SPECIAL DISTRICTS PROPERTY AND LIABILITY POOL.

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

Approve Designation of Representatives to the Special Districts Pool – Ken stated that in the packet is a form designating Member Representative and an Alternate Member Representative for the Colorado Special Districts Property and Liability Pool. It is proposed that Kenneth W. Curtis III will be named Member Representative and Lisa Jordan be the Alternate Member Representative to the Pool.

MOTION: TO APPROVE KENNETH W. CURTIS III AS THE MEMBER REPRESENTATIVE AND LISA JORDAN AS THE ATLERNATE MEMBER REPRESENTATIVE TO THE COLORADO THE SPECIAL DISTRICTS PROPERTY AND LIABILITY POOL AND

**MOTION: SHELDONNA Z. IVES
SECOND: WES WILSON
MOTION CARRIED UNANIMOUSLY**

Colorado River Compact Issues, Drought Contingency Planning, Demand Management – Ken noted continuing discussion on current meetings & issues around the Colorado River and possible ramifications for Dolores Project and potential Board actions for mitigation and protection. Don stated that he hopes that the next SWCD meeting that Board will be ready to actively engage with the process and develop a policy. Ed Millard stated that he talked to Dan Burch with WAG (West Slope Ag Group) initiated by Grand Valley Water Users said they would initiate this discussion but would not fund it long term. Don stated that keeping conversations going on the West Slope is important. Ken stated that there was a second meeting of the CWCB Ag Impacts workgroup, and he was a little disappointed that there was not a lot of talking between participants versus just listening to presentations. The group was interested in the Lake Powell operations relative to risk of curtailment. Ken stated that with Brent leaving the leadership for the DM study is transitioning. On these big river policy issues, historically the leadership has been through the west slope conservation districts, Southwestern WCD and Colorado River WCD. Ed stated that he and Don want a group focused on water rights holders, not environmentalists or ski resort groups. Don stated that he sees it as a more public discussion than was done for the interim guidelines. Don stated that Ed had strong messaging and did a good job on his presentation at the CMU seminar in Grand Junction. Don stated that we don't have the partnership in SW Colorado that was there in the Sam Maynes/Leonard Burch years. Don stated that our project is tied tight to the tribes and that is still a place where it is important for DWCD to know what is going on with them. Adam stated that the Tribes are trying to rebuild those relationships and would like to help be a solution to problems. Don stated there were different views out of the State panels at the CMU seminar. Ed stated that he has a status report, Ken stated that he will distribute the status report to any interested parties.

Water Quality Control Commission Dolores Temperature Standard Hearing – Adam stated that they filed the notice of party status and response of prehearing statement, which are the Districts comments. Dan stated that two years ago there was an attempt by the WQCC to declare parts of the lower Dolores River as impaired based on temperature standards which was challenged by DWCD based a lack of adequate monitoring data. In the response of prehearing statement attorneys argued that since the cause has not been identified then it shouldn't have been listed as impaired. There will be a Rulemaking Hearing on this December 9, 2019 that Dan plans to attend. The WQCC will decide shortly thereafter on whether they will list the river as impaired for temperature. CPW filed a response of prehearing statement as part of this rulemaking and specifically asked that two segments between Slickrock and the Confluence of the San Miguel be listed as impaired for temperature non-attainment noting that these segments are habitat for three native fish species that are threatened they are the flannelmouth sucker, bluehead sucker and the roundtail chub. The claim is that the warm temperatures in the segments are injuring the local fish population. CPW also says that extreme flow alterations including out of basin water diversions have severely modified the physical habitat for these species. Also, managed release patterns out of McPhee causes warming followed by a quick temperature suppression. On that basis the CPW recommended that the WQCC list those segments as impaired. Dan stated that CPW stated that they helped develop the Lower Dolores Implementation Monitoring for Native Fish in 2014 and stated that 2019 was the first time this temperature suppression management opportunity was

implementation on the Dolores since the construction of McPhee. Ken noted that this is not an accurate statement by CPW. Dan stated that there is an opportunity to file comments at the hearing and DWCD can have an additional filing. Bruce stated that DWCD does not want to leave the obviously inaccurate comments left unanswered. Bruce stated that the BOR is in charge of operations regarding streamflow in cooperation with the CPW. Ed Millard noted that David Graf was stating that this year was operated successfully. Ken stated that he would like to review the CPW comments and have the attorney's challenge comments made by CPW in their prehearing statement. Dan stated that the temperature model is very crude with a lot of variability. We have objected to the standards that they use in the past as well. Don feels like we should object strongly to these comments. Adam stated that under the Clean Water Act the hydrologic regulation from the dam can't be a point source discharge. It is clear that there is not a concern with pollution on the Dolores and clear that CPW wants McPhee to be viewed in a bad light and the temperature has nothing to do with point source discharge or pollution. Adam stated that as we all know that prior to the Dam it was dry in those segments or much lower and the fish survived.

MVIC 87.3cfs Water Rights Filing – Adam stated that regarding the MVIC 87.3 cfs Water Rights Filing is complete. The stipulation has been filed with the Court.

Adam requested an Executive Session to discuss the sale of Totten Reservoir.

Discussion: Don stated that the role he has been playing regarding the sale of Totten Reservoir was initiated by MVIC to perform education outreach to try to help the McElmo users understand water law, state law and community. Don stated that there are five Board members on the MR&DC they are Gary or Ming Adams, Bob Schuster, Jimmy Porter, Steve Wallace and Bernard Karwick. Don stated that the decision makers are DWCD, MVIC and McElmo Users. Bruce stated that some of his concerns are getting more water to McElmo without injury to DWCD or MVIC. He is not sure how this is going to affect DWCD and MVIC. Don stated that the way he explained this was the settlement of Class B stock as a template. The thought process that allowed the Class B stock process to occur could also be applied to the sale of Totten. Bruce asked Brandon if the engineers performing the studies for MVIC are looking at the usage patterns. Brandon stated that they are looking at certain areas and MVIC could possibly dry up McElmo once they gain control of usage and losses. Bruce feels that with more efficiency there would be more savings. The water rights for Totten are technically off the Dolores but are junior and Totten only fills in spill years.

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 SALE OF TOTTEN RESERVOIR TO MCELMO USERS.

**MOTION: WES WILSON
SECOND: SHELDONNA Z. IVES
MOTION CARRIED UNANIMOUSLY.**

**RECESSED FOR EXECUTIVE SESSION AT 9:42 P.M.
RECONVENED REGULAR MEETING AT 10:12 P.M.**

REPORT OUT OF EXECUTIVE SESSION

Adam reported that in Executive Session the Board discussed the potential sale of Totten Reservoir. Direction was given to negotiators. No decisions were made.

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

ADJOURNMENT Meeting adjourned at 10:13 P.M.

Donald W. Schwindt, Secretary-Treasurer

Bruce Smart, President

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DOLORES WATER CONSERVANCY DISTRICT WATER ACTIVITY ENTERPRISE

MINUTES

Regular Meeting
November 14, 2019

CALL TO ORDER Bruce Smart, President, called the meeting to order at 7:04 PM

ROLL CALL Bruce Smart, President
Don Schwindt, Secretary-Treasurer
Godwin Oliver, Director
Wes Wilson, Director
Glen Fish, Director
Sheldonna Z. Ives, Director
Ken Curtis, General Manager
Lloyd Johnson, Maintenance Supervisor
Lisa Jordan, Office Administrator
Adam Reeves, Attorney
Dan McCarl, Attorney

INTRODUCTION OF GUESTS

Brandon Johnson, General Manager MVIC; Greg Black, Director MVIC and FS Irrigator; Danny Wilkin, Director, MVIC; Robert and Dianna Schuster, Jimmy and Dorothy Porter, Steve Wallace, McElmo Users; Ed Millard, Montezuma County/IBCC/SWBRT

MINUTES

APPROVAL OF THE MINUTES

MOTION: TO APPROVE THE MINUTES AS SUBMITTED FOR THE OCTOBER 10, 2019 ENTERPRISE MEETING.

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

FINANCIAL STATEMENTS

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

O&M: AP/CHECK #37696-37786 & PR/CHECK #123579-123628
\$325,396.99

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

O&M REPORT – Lloyd reported the following:

Pump Plants – All sumps have been pumped and inspected at all five pump plants. All pump plants have been winterized. Several days of silt removal was required in the sump at Ruin Canyon Pump

Plant. Fiber optic relocating and conveyor pit construction was completed at Ruin Canyon intake. The two fixed speed pumps at Cahone Pump Plant and three fixed speed pumps at Pleasant View Pump Plant were removed and shipped to Brimhall Industries for complete rebuild. These are part of the Basin Fund Contract.

South Canal – WAPA’s contractor completed the splice replacements and testing on the underground power line on November 6th. Six hundred feet of canal was widened by 10 feet from the Ruin Canyon intake upstream. Silt removal on the lower end of the canal should be completed next week.

Dove Creek Canal – Silt removal is in progress downstream of Fairview Pump Plant. The Hydro-Vac unit is being used to clean out all probe wells on the canal.

Laterals – All delivery boxes and M&I’s have been winterized. Water meters are being removed at Dove Creek and Fairview fields for rebuild this winter. Dove Creek Lawn and Garden System has also been winterized.

Lone Pine – Work on the outlet chute is scheduled to start this next Monday. This will consist of rock removal from within the chute and addition of ACB’s (Articulated Concrete Blocks) on the outlet chute.

Power Plants – All the coupling bolts on the McPhee Power Plant penstock were replaced due to corrosion. McPhee Power Plant is now operating at 25 cfs for the winter. Towaoc Power Plant is now locked out for winter maintenance.

WATER MANAGEMENT REPORT

Update on Totten Interest from MVIC & McElmo Users – It was stated that the McElmo users have formed a group call the McElmo Reservoir and Ditch Company (MR&DC). MVIC and McElmo users have been working together and would like to begin discussing a purchase price for Totten Reservoir. Jimmy Porter stated that they would like to purchase Totten and perform work on the dam. Bruce asked if MVIC would be the entity in charge of operating Totten. Jimmy stated that this is what was currently being discussed with MVIC. Bruce stated that knowing who will operate the reservoir is important to DWCD. Since MVIC is qualified to operate reservoirs and already has several dams and structures under their umbrella they would seem to be the likely operator. Bruce asked if they would like to share thoughts of how operations would work. Jimmy explained that the individuals who have been leasing the water would continue to lease the water as they have been in the past. Brandon asked if the price given was a firm price or if there was room for negotiation. Bruce stated that the DWCD Board hasn’t discussed this topic since the price was communicated several months ago. Bruce stated that the DWCD Board would have to meet to discuss this topic again. Ken asked who would own the reservoir. Brandon stated that ownership would depend on the price if it was a firm price or a negotiable price and having this information would allow time to decide who would own the reservoir. Bruce stated that he would suggest giving this to Ken to bring back to the Board who could have a discussion on how they would like to proceed to make it a more formal process. Danny Wilkin stated that they would like to get the ball rolling and MVIC and MR&DC can continue to work out the details in the near future. Steve Wallace stated that they are serious about this, but they would like to know what the price is. Bruce stated that a new owner will also have operating costs. Jimmy stated that they have received a list from MVIC of past expenses for operating Totten. Bruce asked if this entity could own a reservoir. Jimmy stated that the MR&DC is formed and ready to go. Sheldonna stated that she thought the price was based on cost recovery. Bruce stated that the price given was what the Board thought was reasonable to make it a viable project. Ken stated that if direction is related to negotiation the remaining discussion should be in Executive Session.

Water Accounting – Ken stated the **1)** Reservoir elevation is 6901.4. McPhee is releasing 40 CFS, higher than usual due to the large spill and McPhee Powerplant is running at 25 CFS. MVIC delivered water to Lone Pine and they are storing a little water in McPhee. **2)** Ken stated that all the excess FSA deliveries have been charged at the 2 Tiers approved in the spring.

ADJOURNMENT Dolores Water Conservancy District Water Activity Enterprise Board meeting adjourned at 7:30 PM

Donald W. Schwindt, Secretary-Treasurer

Bruce Smart, President