

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 13, 2020

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**CALL TO ORDER** Bruce Smart, President, called the meeting to order at 7:06 PM

**ROLL CALL** Bruce Smart, President  
Simon Martinez, Vice President  
Don Schwindt, Secretary-Treasurer-Via Teleconference  
Godwin Oliver, Director  
Wes Wilson, Director- Via Teleconference  
Sheldonna Z. Ives, Director-Via Teleconference  
Glen Fish, Director  
Ken Curtis, General Manager  
Patrick McKeever, Chief of Engineering and Construction  
Rob Walker, Engineering Technician-Via Teleconference  
Gina Espeland, Accounting Clerk  
Adam Reeves, Attorney- Via Teleconference  
Dan McCarl, Attorney- Via Teleconference  
Robert Stump, Bureau of Reclamation

### **INTRODUCTION OF GUESTS Via Telephone/Teleconference**

Eric Sprague, DWCD Engineering Tech, Brandon Johnson, General Manager, MVIC; Ed Millard, Montezuma County/IBCC/SWBRT, Doug Pickering, Marty Robbins, DWR; Laura Spann, SW Water Conservation District, Greg Vlaming, High Desert Conservation District, Rich Landreth, City of Cortez

### **MINUTES**

### **APPROVAL OF THE MINUTES**

**MOTION: TO APPROVE THE MINUTES AS SUBMITTED FOR THE JULY 9, 2020 ENTERPRISE MEETING.**

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

### **FINANCIAL STATEMENTS**

**MOTION: TO APPROVE THE JUNE '20 FINANCIAL STATEMENT AND APPROVE THE STATEMENT OF PAYABLES AS PRESENTED.**

**O&M: AP/CHECK #38551-38636 & PR/CHECK #124084-124136  
\$422,280.54**

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

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

### **Pump Plants**

At Great Cut, we received the U-4 pump from Brimhall on July 8th. It will be installed during this off-season. Photos attached in the packet. The other five U pumps have been racked-in and are ready for use when the lake elevation drops below gravity feed, which will happen around August 6<sup>th</sup>. Currently running two pumps.

### **Laterals**

We had a leak in Fairview along CR 16 on August 2nd and we had it repaired by August 5th. The leaking lateral was a 30" Bar-Wrapped CCP (Concrete Cylinder Pipe). Photos in the packet. We shut down the southern portion of Fairview to repair the leak while the east and west systems were still in operation. The leak was repaired by welding a metal plate over the 30" x 17" hole in the pipe. Our local vendor that we purchase metal through, was 7 days out on delivery but we found a supplier in Montrose that could have the rolled metal patch ready for us the next day. Instead of leaving 32 farmers off for 7 days, we drove to Montrose, picked up the metal patch and had the leak fixed the same day. Not all of the leaks are the same so we don't have everything in stock to repair every leak. We had one farmer stop by the leak and thank everyone for their efforts. He also called Ken and offered to pay for part of the repair materials. (Another farmer stopped by to thank everyone and asked if he could bring us all some beer.) We all said thanks but no. This is the second repair in 15 years at this location so we are looking at better alternatives to repairing CCP.

We finished installing one M&I in Ruin Canyon and we're getting ready to start another one in Fairview. We also have a 4" full-service box to install in Fairview.

### **Canals**

We treated South Canal for aquatic weeds and algae with Magnacide on July 28<sup>th</sup>. Frank also treated the Dove Creek Canal and Towaoc Highline Canal for pond weed with Cascade. Today we had a leak up at Dove Creek that we were able to stop with sacks of quickcrete.

### **Dove Creek Lawn & Garden**

We're still waiting for the liner bids from Simbeck on the DC Lawn and Garden pond. A plugged Lawn and Garden tap was repaired on Main St.

### **PMSC (Programmable Master Supervisory Control)**

Ongoing maintenance & training. We had a Tri State power outage on July 28th that took down four plants but they were back up within an hour. Control has been doing really well controlling the leaks. **Eric Tanner**, SCADA system administrator

### **Power Plants**

McPhee Power Plant is running steady at 50 CFS. Towaoc Power Plant has been running from 70-200 CFS.

Godwin said he would like to thank the crews for getting on it so quickly and getting it fixed, it was greatly appreciated. We are still looking for better options on repairs.

## **WATER MANAGEMENT REPORT**

**Water Accounting** – Patrick presented the following information from the July Inflow/Outflow – The reservoir elevation started July at 6893.38 and finished the month at 6883.81 for a change of 9.6 ft. McPhee's active capacity turned positive on July 26<sup>th</sup> to 255 AF but was short lived and returned negative the next day. McPhee's active capacity lost 33,185 AF for the month of July. The Dolores River started July at 102 cfs, went up with the rains to 553 cfs on July 26<sup>th</sup> and ended the month at 203 cfs. The total Dolores Tunnel diversions for the month of July were 16,721 AF. UF&R used 4,660 AF for July and 18,049 AF for the season by the end of July. MVIC's total water used for the month of July was 21,164 AF. MVIC's call water began the month at 10,571 cfs and ended the month at 3,993 cfs, a total use of 13,536 AF for July. MVIC's project water remains at 9,978 cfs. The Narraguinnep fill was due to the rains received at the end of July and amounted to 489 cfs or 970 af. The July rain accumulation amounted to 1.44 inches.

The August Inflow/Outflow - The reservoir elevation began August at 6,883.60 and is currently at 6,880.31, an elevation change of 3.3 ft. McPhee active capacity had a steady decline since the start of August with no rain so far this month. The total active capacity as of August 12<sup>th</sup> is 65,102 AF. McPhee's active capacity lost 10,805 AF so far for the month of August. The Dolores River started August at 182.0 cfs and as of August 12<sup>th</sup> was flowing at 103 cfs. The total Dolores Tunnel diversions as of August 12<sup>th</sup> were 4,909 AF. UF&R used 2,231 AF for the first part of August and 20,280 AF for the season as of August 12<sup>th</sup>. MVIC's total water used so far in August is 7,289 AF. MVIC's call water began the month at 3,871 cfs and ended August 12<sup>th</sup> at 1,848 cfs for a total use of 4,254 AF so far in August. MVIC's revised project water is 9,148 cfs. The August rain accumulation amounted to 0.0 inches.

Godwin asked if the inflow at Dolores includes Groundhog. Patrick stated that yes it does and there is a column for that on the inflow/outflow sheet. Glen asked about losses on GH releases and Ken stated that they are calculated at 5%.

Patrick reported on the project summaries: The project supply is 85% as of August 12, 2020. UF&R is at 23,867 AF/97%. The fishery supply is at 27,357 AF/86%. MVIC total supply is up to 133,041 af/106%. The full-service supply is at 54,996 af/98% and the full service is now at 22.0 in/ac (24.1 in/ac at Hovenweep).

Totten Summary – There are currently 5 lessees on Totten. The yearly delivered volume is 568.6 af. The yearly released volume from Totten is 748.7 af. The to-date lessee use of 306.0 af.

**Projects Update** – Patrick gave the update.

TPP Penstock Inspection: A new project was added in July/August. THC, Dolores Water and the Bureau of Reclamation are attempting to perform a visual inspection of the Towaoc Powerplant penstock. On August 5<sup>th</sup> DWCD located the penstock and approximate locations of the 4 manholes. In the next couple weeks, staff will attempt to locate the manholes by means of potholing and excavating.

Cathodic Protection: The cathodic protection bid solicitation below well house #2 is not generating the interest we had hoped for with 2 of the potential contractors stating they are not going to bid on the project due to their inability to fit it into their schedules for the year. Towaoc Highline Committee is hopeful that the remaining 3 contractors will bid on the project.

ANS Station: There is no update for the ANS project.

Cortez Office: The completion of the new flag pole installation at the Cortez Office on August 5<sup>th</sup> was the last of a series of projects scheduled for this year. Minor irrigation and landscaping items will be ongoing but the Cortez Office will be removed from the project list.

There will be a postcard going out next week for the 22 in/ac (24.1 in/ac Hovenweep).

Don asked Patrick to go back to the project summaries from his report. Don asked if the project supply is 85% of the total supply? Patrick responded yes. Don then asked if the MVIC was a portion of the total supply? Patrick responded that he believed that it was. Ken interjected and said it was not a portion of the total supply. Ken then went on to explain that the increase to full service came from the remaining M&I, a little from the river and putting unused allocation into the water bank pool.

Don commented that the MVIC Board landed on the 3 af /per share versus the normal 4 af/share. Don said it is helpful to understand from a shareholder in the MVIC system. Don stated that he can expect to run out of water soon and that shareholders can still lease back and forth. Don stated that MVIC is getting shorted this year, 75%, compared to the full service area who is getting almost a full supply. Don stated that he would have less crops because of a shortage in water supply that MVIC is dealing with. Given tonight's numbers MVIC's Board might be able to bump up the share up to 4 af/per share in hearing these numbers.

Brandon stated that MVIC did not raise the allocation this month. Brandon went on to say that Narraguinnep will run out in September and then MVIC will be pulling solely out of McPhee without any rain in the forecast. Ken asked what the expectation was for leaving water in Groundhog. Brandon stated that he wasn't sure yet. They had 10,000 af active in Groundhog, but the river has really died off. He may have to increase GH releases.

Don stated that it is valuable for all the team players to know each other's business as we are wrestling with the shortage.

**HDCD update on Nozzle Project** – Greg Vlaming was having technical difficulties. We will move on and when he is available will get his update.

## **OTHER**

Sheldonna stated that she knew of an interested party that had dropped off a packet to acquire irrigation water and wanted to know if it would be discussed tonight. Ken stated that we received a packet and we are looking at the acreage and the infrastructure. The staff would need to look at the technical aspects of the proposal before bringing it to the Board. The Board would then have to set a hearing for approval. The water would not be available until next water season in 2021.

**ADJOURNMENT** Dolores Water Conservancy District Water Activity Enterprise Board meeting adjourned at 7:35 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 13, 2020

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**CALL TO ORDER** Bruce Smart, President, called the meeting to order at 7:35 PM

**ROLL CALL**

- Bruce Smart, President
- Simon Martinez, Vice President
- Don Schwindt, Secretary-Treasurer-Via Teleconference
- Godwin Oliver, Director
- Wes Wilson, Director- Via Teleconference
- Sheldonna Z. Ives, Director-Via Teleconference
- Glen Fish, Director
- Ken Curtis, General Manager
- Patrick McKeever, Chief of Engineering and Construction
- Rob Walker, Engineering Technician-Via Teleconference
- Gina Espeland, Accounting Clerk
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### **MINUTES**

#### **APPROVAL OF THE MINUTES**

**MOTION: TO APPROVE THE MINUTES AS SUBMITTED FOR THE JULY 6, 2020, BOARD WORKSHOP.**

**MOTION: GODWIN OLIVER**  
**SECOND: GLEN FISH**  
**MOTION CARRIED UNANIMOUSLY**

**MOTION: TO APPROVE THE MINUTES AS SUBMITTED FOR THE JULY 6, 2020 EXECUTIVE SESSION MEETING.**

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

**MOTION: TO APPROVE THE MINUTES AS SUBMITTED FOR THE JULY 9, 2020, REGULAR BOARD MEETING.**

**MOTION: GLEN FISH**  
**SECOND: GODWIN OLIVER**  
**MOTION CARRIED UNANIMOUSLY**

**MOTION: TO APPROVE THE MINUTES AS SUBMITTED FOR THE JULY 9, 2020, EXECUTIVE SESSION MEETING.**

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

**MOTION: TO APPROVE THE MINUTES AS SUBMITTED FOR THE AUGUST 5, 2020 SPECIAL BOARD MEETING.**

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

## **FINANCIAL STATEMENTS**

**MOTION: TO APPROVE THE JUNE '20 FINANCIAL STATEMENTS AND APPROVE THE STATEMENT OF PAYABLES AS PRESENTED.**

**ADMIN: AP/CHECK #11527-11538**

**\$12,512.36**

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

**HDCD Update on Nozzle Project** - Greg Vlaming reported on the HDCD Nozzle exchange program. Greg is making it through the list of irrigators and coordinating with some around hay cuttings and depending on how long the irrigation remains running he plans to go back for measurements and possibly to a few other irrigators. He visited with Brandon and is working with MVIC irrigators this year. For 2021 he has put in for another \$5,000 funding for next year's program. The goal is to continue moving forward and keep chipping away. In the fall, he plans to complete a written report for the Board on what has happened this year and for budget funding. The soil health study is ongoing with compost spread and mapped on 6 different plots. Godwin told Greg to wait on him and go forward with others on the nozzles. Greg said he will follow up in the fall with a written report after the water is off.

## **AGENCY REPORTS**

**BOR Report** – Robert he has been working on the MOA projects with Ken and crew and transferring funding from the screens to the fix speed pumps and getting the contracts ready to go for this fall. He will get Brimhall ready for the last pumps. Then he'll work on getting a modification for the project description on the screens, water screen replacement for the 5 pumping plants. Now it is more a purchase of replacement parts, instead of the full screens. In line with repairing the screens, some of the work will be inhouse labor and focus on getting parts.

He has several reviews this year one being the Associated Facility Reviews. He is currently working on playing catchup. The pumping plants will be done after they are shut down for the season around November/December. There is some normal wear and tear on the canals and the normal erosion, not anything new and looking good so far. There will be two reviews in September for the powerplants. There was a periodic and more comprehensive on scheduled, but have pushed it to next year because of Covid. The periodic review for McPhee Dam is scheduled in September. It will be a busy month. The report will follow the next month after the review.

## **Division of Water Resources Report**

Marty stated it is looking like we will be using Totten some more. Looks like we will probably go on call within the next couple of days and will be utilizing more Totten leases. Doug stated that he didn't have anything to report.

## **T/H Committee Report**

Godwin reported that the THC Committee met on July 15, 2020. **1)** The Committee paid DWCD & MVIC. **2)** Committee is working on the budget for 2021. **Next T/H Meeting** – The Committee will meet at the DWCD, Cortez Office August 19, 2020 at 2:00 p.m.

### **MVIC Report**

Brandon reported that **1)** MVIC mostly keeping up with supply and demand as the farmers stretch out. Looks like will finish up around the first of October.

### **SWCD Report**

Laura reported that SWCD has noticed the position for a general manager, applications are due September 25. SWCD decided to cancel the annual water seminar and replace it with a virtual evening event. They will do a joint event with Fort Lewis College Four Corners Water Center and have a local focus on hydrology and fiscal update. It will be October 14, 4-5:30 and she will be sending out emails to sign up. Awaiting the Water Bank Work Group Secondary Impacts study and the final should be coming out soon, SWCD Board will be digging into it.

Ken stated that the State is running dry in relation to the state funded programs, which supports the Roundtable grants and other areas. Laura pointed out that CWCB is providing updates on their website on the affected programs at CWCB.

Celene Hawkins, member of the CWCB Board joined and added the Lauren Ris CWCB table and memo is instructive and lets you know what is expected in each funding pot that we are going to stretch over the next 3 years. Ken mentioned one protected DNR item is the ANS mussel inspections and we remain supportive of that. There are other IPP projects that we are involved in and even though they might not receive near term funding we hope to keep them going.

Ken asked on the second round MOA at this time. Celene said she thought that the 2<sup>nd</sup> had been finalized and may be released, but would have to check on it.

## **GENERAL MANAGERS REPORT**

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

Ken asked for a schedule update from Celene and asked if Don or Ed had any updates after which we will move forward to the finalize the draft policy.

Celene updated DWCD on the CWCB schedule and stated they are moving into the public comment phase in advance of the Board workshop and has public comment open with instructions on the website. Next scheduled update is August 26 at 1-2:30 p.m. on DM Work Group reports and possibly take public input. Then the CWCB Board has an all-day workshop session scheduled for September 2<sup>nd</sup>. Plan to have some coverage by some staff and AG office and intended to collect questions for the workshop on September 2<sup>nd</sup> as well as written comment period.

Ed has been attending the Roundtable meetings and updates on forest health. DM has been quiet and he has read through the legal work group report that went to CWCB that he flagged and sent to Ken and several others. They say there is some potential for it to be litigated. He was surprised to see it in the document. He is not sure if it is legal to be buying upper basin water for the lower basin under DM.

Don had a couple of things to weigh in on. He thanked Celene for being on the meeting. He stated that it was very important to share his comments with the Water Conservation Board concerning the feasibility of DM at their workshops. His second component concerned the water bank workgroup as they focus on developing the secondary impacts study from water conservation (economic study), which is virtually ready to be released in final form. He and other work group members have working with the contractor before he finalizes and releases it. CWCB has been very involved in the water bank work group as the entity to handle funding and logistical program support. He has been appreciative of first Brent then Amy being very receptive to public comment in her report. A big concern of his is how difficult it is to design a DM program and what it will be in its final form. The focus on the secondary economic impacts will deal with many average numbers that don't fully capture the whole value story. It is hard to put a dollar value associated with all the related (non-compensated) values, such as environmental benefits, hunting, groundwater storage items. It is virtually impossible to capture the side values and that is why a contractor was hired who was receptive to listening about these impacts. The report gives black and white numbers, something that you can take to the bank and build a DM program on. Even with the economist's caveats, there is a mixed bag of how a DM program can work without damaging these other values. Maybe DM needs to not be framed in a positive way as appeared from some of the CWCB DM work groups. Don strongly feels that it is far from feasible in today's world. Don is going to generate his own comments as a producer, not as a Board member. He pointed out that Amy wanted public comments particularly from producers. Likewise, the State Engineer had planned listening sessions with producers this summer that were unable to go forward. So even as we review the economic study, he doesn't think we should be jumping this far ahead as a state on Demand Management.

Ken stated that he would go into the policy itself. It is tough time of the year to give producers the time they need to fully participate and the ideas would come from other water organizations, that hopefully capture producer sentiments. There needs to be caution as we proceed and there are not any magical studies providing solutions and we are going to have to work it out carefully. As agriculture producers we keep Crowley County in mind as what can happen to the agriculture based rural communities. Ken has reached out to several DP users for input. We might consider making these principles versus a policy. This document represents the Board's view at this time. We understand that this is a long process. We intend to go forward with our partners and we tried to capture that action and we should open up the discussion to Board comments and then to public comments.

Board Comments on the draft: Sheldonna seconded what Don was saying on the secondary beneficial use and that we need to find out more before jumping into something. She said if the hydrology dries out, which this year looks like, then demand will be cutoff so we need to keep planning with best available data we have to know what we can do.

Public Comments: Celene appreciate being able to hear from the Board on this issue and clearly the CWCB has their work cut out in its feasibility determination. She is interested in the policy, but more the continued discussion with the District and think it will be an ongoing discussion that will include more items than just DM. We may be discussing drought resilience and how do we deal with the drying problem that we are dealing with in the basin.

Don added as we went through the water reports prior to Celene joining the meeting he made the point that the MVIC didn't receive as much as he thought that they would receive given the great year in 2019. Many in the community and full service area might consider MVIC flush with water from the Project. Though MVIC did receive a good chunk, set the allocation at 3 feet only a 75% supply but total supply close to normal use. The water goes to other places in the community beyond consumptive use. MVIC has done better than full service in drought years, but the percentage received is similar between MVIC & full service. How do we go forward with DM given the current shortages? Don urged caution going forward with any potential DM backing up his previous comments.

Ken asked for the Board to consider make a motion to approve for DWCD moving forward We and adopting it by cleaning it up and run it by the attorneys unless there is another plan.

Glen asked if we received any comments from the county or other entities.

Ken stated that he did not receive any specific comments from either County. MVIC thought it was good. The UMUT attorneys thought it was good, but would like UMUT to be kept in consultation.

Ed stated that the one comment from Montezuma County was about voluntary versus disproportionate impact. Not addressing proportionality is the most problematic issue. No one else has answered either in the 205 page report to CWCB or by IBCC. Are we going to have to put some amount of water into DM or is purely voluntary? The State picked a fight they weren't prepared for that resulted in 4 million AF leaving Powell for the LB that leaves Powell in continual crisis. If any additional inflows build up the bank it is released to the LB. He has been going to Arizona to get more information on compact issues and the next round of negotiations. He has asked CWCB if they really have enough staff to work on the compact issues and Demand Management. Ed supported that it is a good policy, but leaves proportionality out. He also thinks it could be stronger on pointing to fixing the 2007 Interim Guidelines problems.

Ken stated that we have talked about a good deal and share the feelings on the points that he brought up. We are dealing with the lay of the land today. We cannot unilaterally direct all the unresolved issues. We did highlight the LB problems. We have side stepped proportionality because it's a tough issue, but we have said that it needs to be kept voluntary. How that boxes in CWCB may be a problem. A major push was to elevate the local issues and intertwined water user relationships. Celene knows a lot about our Project, but sits on a Board with others that may not. Your points are well made, but we cannot answer them. We hope slowing down the DM work and pacing it in order to answer your questions in the right time, before final steps are taken, is our message to CWCB. Ed stated that DWCD, staff and attorneys did a good job and he will pass it on, but the Board should be aware of these large unresolved CR issues. Ed may comment personally or through the County.

Glen stated that he supports Ken's response to Ed's concerns. Bruce acknowledged it would be an ongoing discussion. Don thought that he heard Brandon and Ken at MVIC get a Board motion for support of the product that we provided. Brandon that it was a letter of support if Ken so choses then the Board could provide it. Don wanted to bring that support out in tonight's meeting. Ken acknowledged that we are working with our other partners.

**MOTION: TO ALLOW THE GENERAL MANAGER TO CLEAN UP THE PROPOSED CHANGES WITH THE FINAL REVIEW BY THE ATTORNEY FOR THE CURRENT DRAFT OF DWCD PRINCIPLES ON DEMAND MANAGEMENT.**

**MOTION: GLEN FISH**

**SECOND: GODWIN OLIVER  
MOTION CARRIED UNANIMOUSLY**

**Current FSA Impacts: COVID 19 on Ag Markets, Drought, Weather, Trucking:** We will put in a postcard that we ended up with the 22 In/Ac and 24.1 In/Ac at Hovenweep for full service supply. It was because we used unused water pool through the water bank for the best we could do in a bad situation. Hay prices seem to have held up reasonably well.

Godwin said that prices are coming up, but there is going to be a huge demand for hay later this year. Prices are going to go up and the demand will rise. Simon said that they have had interest into Arizona that we have not seen before. Bruce asked about the alfalfa production in the FS area. Godwin said the first cut production was down, most reporting about 50% compared to normal, what should be one of the biggest yields. The second cut was really good, got the tonnage, but nothing made dairy quality. He's hearing that other places are wanting hay. Some farmers will get a 3<sup>rd</sup> cutting and it should be good. The bean market is very strong, but it was a rough year to grow beans. Godwin said he thought that we should consider doing something with the interest rate sooner than later. Ken asked Wes, Sheldonna and Godwin to get the comments from the other FS users and get to him as they can.

**Montezuma County Land Use Code Changes** – The MC P&Z proposed some broad land use changes. The planning and zoning meeting is tonight making it difficult for Ken to attend. They are proposing that lot sizes go to 1 acre minimum and that it should apply equally in the Dolores River valley. In the early 2000s the Dolores River Valley Plan was developed and kept the lot to 10-acre minimums. Later in 2009, we weighed in on keeping the 10-acre minimum lot size up river as the working group had spent a lot of time working through this. He provided some notes from our previous discussions. He did receive a call from Jim Candelaria today and appreciated him reaching out. Montezuma County is having a hearing next Tuesday. They are having some issues around holding part of it on line. We should have some water quality concerns on the potentially increased density. The County hasn't worked through the issues and they haven't put boundaries on the proposed changes, but they are taking it seriously. The whole project was based on the way the upstream irrigation was used historically. There is acreage up there being irrigated that provides late season river flows. There are some water quantity implications from land use changes and he thinks that the county will take it seriously. We remain concerned on the upper Dolores development for quality and possibly quantity, but understand they have good reasons to support economic development. Ken would like to write a letter reiterating our concerns outlined in the bulleted notes, cautioning them to take their time, looking at all the issues.

Bruce would relay that there is a water quality and supply issues should we see large upstream changes. Ken stated that he would write a letter that it would be cautionary. It is a Montezuma County Commissioner land use issue and we need to let them do their job. Bruce thought the upstream septic systems were all zero discharge systems with limited inspection. Ken thought the regulations and inspections have come a long way. Glen pointed out that the County has had inspections for 30 years. Glen said since the inspections have been turned over to engineers, they have been much more stringent during construction. Bruce thought the upstream was different from other areas of the county and follow up inspections after installation may be lacking.

Sheldonna asked if Ken was only talking about Montezuma County. Ken stated yes, Dolores County has dealt with development more individually and have less available private property outside of Rico with no exchange left outside of Sundial. Ken would put out a letter with the brief comments that were discussed. Sheldonna said she would definitely support the letter as unintended consequences are hard to unwind. Don agreed that he supported the letter as well. Glen concurred.

**ISF Rule Revisions** – CWCB is doing regulation cleanup and trying to implement the new law that was passed in the 2020 legislative session allowing for temporary loans to instream flows for 5 in 10 years for up to 30 years. Ken listened to the first public meeting, but didn't find much to comment on. He noted that they prioritized storage over direct flow rights and that makes sense from a water management perspective as it makes it easier to administer. That language came from the working groups that worked on it last year and was put in verbatim in the legislation. There were other public comments on public notice. Ken said he could share the draft regulations. As we move forward following state legislation, we might consider increased participation to join those work groups. In the future you want to be at the table, but it takes more time and effort.

Don asked if they talked about potential loss of water to return flows and what it might do to the stream if it is in the program too long. Ken said it is written into the regulations to follow CO law that any diminished return flows would be addressed in the proposals subject to DWR review. DWR should confirm appropriate mitigation to reduced return flows. They wrote a lot of process on notice and timing to bring your individual irrigator concerns forward should you be harmed that extend beyond the initial review and approval. They tried to address it and how it plays out remains to be seen. This probably relates to the prioritization of storage over direct flows. Larger rivers like the mainstem Colorado will probably see more concern and potential for compounding of impacts.

## **Modified Pumpback Project Absaroka –**

Ken provided a handout. He stated that we have looked at it for several years. Absaroka has a new 10 Mega Watt set up and they want to resurrect and file a preliminary permit. We've had some calls/virtual meetings with Steve Harris and Dave Rightly. We ask some questions of Absaroka and need someone who wants to pay a better than market power price for green purposes. If they don't have a market strategy it probably won't go anywhere. LaPlata is passing on peak power charges to customers. We have no assurance that the cost and price match yet. If we think that they match we will bring back the old agreement and seek Board approval. It could be an important financial part of our future and we will keep working on the details. We need to find out if it has any life in it.

Robert asked about the 4 options of location if any are preferred. Ken stated that they are downstream of the Dam and that would largely take the Bureau out of the approval. Next to that is the constructability. There is private versus Forest Land which might come into play. There is a solar plant coming into the area and it might connect to that same transmission line. The Dolores Canyon Project is a 100 MW solar plant coming on line by 2023/24. This is a preliminary discussion and are trying to see if there is a viable project in it.

Ken also mentioned that Peter Ortego relayed that the UMUT is still interested in the EDS hydropower plant. Ken said he would look at it this winter.

## **Authorization to purchase additional local CD's**

Ken and Don are still discussing the investments and we will continue to work on it. We still have 4 million in Colo Trust in Column C. Don and Ken are having the discussion of Colotrust Prime versus Plus. The August 5<sup>th</sup> interest rates are 0.12% and 0.32% for daily interest respectively. Both our advisor and Colo Trust are telling us to not expect any changes for next year. We have a lot of fixed rate CDs that are currently beating the market. It is fairly easy management though Peaks Management for me, Lisa has more complicated accounting tracking. More recent purchases have trended down in rates. The one in Column L we will make up to 3% on the back end. The last purchase was at 0.9% and trending down. Peaks suggested going to a local bank so we invested at Four Corners Community Bank. Ken is talking to Dolores State Bank and First Southwest and are considering a couple of local options and will talk it thru with Don and may come back next month if we decide to go that direction. Both are FDIC insured up to \$250,000.

## **WECO President's Reception 2020 Sponsorship**

Ken stated that we were asked by Water Education Colorado (WECO) to support the 2020 President's Reception in the amount of \$750.00. After checking we did support for the first time in 2019 for \$500.00. WECO fund their operations on classes like the one that Wes recently attended and Basin Outreach tours. A lot of that has fallen by the way side under the current restrictions. They also provide the Headwaters Magazine. Ken said we don't normally sponsor this event and it is going to be virtual though he is supportive of their educational mission. We have supported CWCB on multiple specific projects this year. This was a last minute item put on the agenda. SWCD does more of this support as a policy directed conservation district, getting their name out in the water community. We are a bit more operationally focused.

Simon said he agrees with Ken on just staying on the side lines for this and not contributing. Don said that considering that it was a higher priority to possibly be at the state affairs committee. He would advocate for more of what our project might need. Ken said it would be an idea to discuss during the Budget process and where we need to keep our focus and we don't have to do it the same as in the past. Don said that their tours are worth it and found that they were really good and that would be the place to give them money. Ken stated the tours are good or attending a class such as Wes attended. Wes stated that it was a really good class.

## **LEGAL REPORT**

Adam reported on the MVIC 87.3 change case that John is interested in coordinating a meeting and it got complicated by staff changes at SWCD. We have stipulated out. He and Dan have been working on DM issues. Dan also put together a memo for Dove Creek Lawn and Garden so the District can seek collection on accounts in arrears. Don stated that there are some issues that he would like to discuss in Executive Session on DP contractual matters. Don said it is a simple issue.

Adam requested an Executive Session to discuss and receive legal advice from counsel on matters of negotiation and to conference with attorney on a specific issue.

**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 TO CONFERENCE WITH ATTORNEY ON A SPECIFIC ISSUE.**

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

**RECESSED FOR EXECUTIVE SESSION AT 9:30 P.M.**

**RECONVENED REGULAR MEETING AT 9:45 P.M.**

**REPORT OUT OF EXECUTIVE SESSION**

Adam reported that in Executive Session the Board received legal interpretation on the Dolores Project governing contracts and no decisions were made.

**OTHER**

Simon said that there is some money with for Health and Welfare (Tabor Reserve) and that no raises were given to employees in 2020 and thought there was about \$42,000 or \$48,000 dollars. He asked if we could compensate with some sort of Moral, Health and Welfare funding. He heard tonight how good a job the employees did on a repair. He works on a 24 – 7 operation and sees the same thing happening with the District employees. Simon said that very little if any given to employees in 2019 and nothing in 2020. He thought the Board should consider the 40+ thousand to reconsider GM and management to have the ability to use the according to employees work efforts and he has waited to bring it up for 8 months.

Ken said that Adam & Dan did a memo on the Tabor reserve and there is something in the mid \$30,000 range. We are getting geared up for the next Budget season. Ken said that with the COVID and water year he had not gotten the personnel committee together again. He would work on getting the committee together.

Simon said he is asking for something now and it could also be reviewed in the 2021 budget. Simon said he knows it is a tough time and everyone is adjusting at the farm. They have people coming out at all hours of the night.

Bruce said it could be a onetime bonus or as an increase in the wages. Simon said it could be in a cost of living adjustment and good job. It could be a onetime gift card. It would also boost moral for staff.

Sheldonna thought that bonuses should be given to specific action, like thinking outside the box for a good job or special projects. Bruce asked about individual bonus or across the board.

Simon said it doesn't have to be addressed tonight and could be brought back next month with how much and what could be done. Bruce suggested giving it to Ken for next month. Ken said he would be happy to look at it and bring it back next month.

**NEXT DWCD BOARD MEETING – Thursday, September 10, 2020 - 7:00 P.M.**

**ADJOURNMENT** Meeting adjourned at 9:55 P.M.

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Donald W. Schwindt, Secretary-Treasurer

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Bruce Smart, President