

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 audiotape.

DOLORES WATER CONSERVANCY DISTRICT WATER ACTIVITY ENTERPRISE

MINUTES Regular Meeting April 11, 2024

CALL TO ORDER Godwin Oliver, President, called the meeting to order at 3:00 pm

ROLL CALL Godwin Oliver, President
Glen Fish, Vice President
Don Schwindt, Secretary-Treasurer
Wes Wilson, Director
Jeremy Redshaw, Director
Landan Wilson, Director
Ryan Gray, Director
Ken Curtis, General Manager
Eric Sprague, Interim Water Manager
Jed Martinez, Maintenance Supervisor
Gina Espeland, Admin Assistant Accounting
Robert Stump, Bureau of Reclamation
Adam Reeves, Attorney MBSS
Lindsey Ratcliff, Attorney MBSS

INTRODUCTION OF GUESTS

In-Person

Brandon Johnson, MVIC; Rusty Cringle, CDWR; Wes Coleman, Jackson Gulch Reservoir Superintendent, Benn Vemadakis, Amy Lewis, and Jeremy Matsen, Sundial Property Owners

Via Telephone/Teleconference

MINUTES

APPROVAL OF THE MINUTES

MOTION: TO APPROVE THE MINUTES AS SUBMITTED FOR THE MARCH 14, 2024, ENTERPRISE MEETING.

**MOTION: JEREMY REDSHAW
SECOND: GLEN FISH
MOTION CARRIED UNANIMOUSLY.**

FINANCIAL STATEMENTS

MOTION: TO APPROVE THE FEBRUARY '24 FINANCIAL STATEMENT AND APPROVE THE STATEMENT OF PAYABLES AS PRESENTED.

**O&M: AP/CHECK #42322 -42400 & PR/CHECK #126394-126438
\$205,559.46**

**MOTION: JEREMY REDSHAW
SECOND: GLEN FISH
MOTION CARRIED UNANIMOUSLY.**

O&M REPORT – Jed reported the following:

Pumping Plants & Canals

Jed reported that we just received the traveling water screens. Have one in place and two to button up. We've removed some sediment from the canals this year but spent a lot of our time working on the THC. We still have a leak at siphon 11 on Reach 3 of THC. Siphon 9 repair held up tight and is not leaking. Coordinating with UF&R to address this issue. We are currently monitoring it. We do have two internal bands ordered. We are getting all pumping plants ready for the season. Starting to move water up north today.

Power Plants

Mechanical inspection was conducted with BOR at McPhee Dam and Great Cut went well with no serious recommendations.

Control Room

The Control Room operators started their 24 hr. shifts on April 1st. UF&R will start irrigating on April 3rd. New operators will be trained at the beginning of the season by filling the empty canals and operating the gates under different dynamic scenarios. New operators will be supervised by an experienced operator under a probation period until they are fully trained.

Personnel Committee

Jed thanked the committee. The Personnel Committee Meeting was on March 21st. We discussed the season start dates, current and future projects and the farmer's outlook on the 2024 Irrigation Season. No comments from the Personnel Committee.

WATER MANAGEMENT REPORT

Water Accounting – 1) Eric stated that there is a handout on the supply summary. It contains the the April 3, 2024 Project Allocations Summary based on CBRFC's runoff forecast. Eric and Ken went up to look at the snow on Friday, April 5th after the ASO Flight on Thursday, when they took density measurements to support ASO's calculations. The snowpack presented lower than forecasted with trace amounts visible below Rico and Burro Bridge. ASO flight sees about 208,000 AF of snow water up there, witch is close to CBRFC's 200,000 AF most probable runoff forecast. The problem is, considering runoff losses, 208 KAF of snow water cannot generate 200 KAF of runoff at McPhee. This probably means the forecast is erring high, which was supported by the visual inspection. In response, Eric calculated allocations based on an 86 KAF runoff forecast – the bare minimum necessary to satify MVIC's non-project water such that project water in the calcs were exclusively from carry-over – the "bird-in-hand" scenario. It is a conservative estimate and it puts us at an 80% supply. Being conservative leaves room to grow if we're erring too low. Eric communicated the supply at 19"/ac at the FAC last night. Landan asked about the ASO flight. Eric said that they measured 208,000 AF of snow-water. Landan asked if the ASO tracks with what they measure. Ken said that this year it has mainly just proven that we are on the right track being conservative. There is some correlation, though, and we will get a special product from CBRFC for each ASO flight that uses ASO's snow data in CBRFC's model. Don noted that we could deplete the reservoir to get a full supply this season. He asked about MVIC's call water. Eric stated that the river is making about 100 cfs currently and MVIC is collecting that as call water. On low snow, Eric stated that Tad Willbanks was not able to get a reading on the low snow because there was not enough snow at the lower elevations to snowmobile in on. This hasn't happened in bad low snow year, and suggests that there is minimal low snow. Adam said that he is surprised. CBRFC's model estimates soil moisture to be approximately 50% of median. Total precip is close to 80% of median and the snow is 100% of median. Ryan said that he thought he read that the soil moisture was off the fall reading. Brandon said that there is about 2' of snow at Groundhog. Landan asked if it is going to look like 2023. Eric stated that there is not a way to tell until we are there. **2)** Operationally, DWCD has started running water north today and the river is making about 100 CFS showing that the runoff hasn't taken off, yet.

Ken asked if we wanted to go ahead with the Sundial Upstream/Exchange/Augmentation Moratorium discussion. Adam said that you will have to close the Enterprise Meeting and open the Regular Meeting. It was decided to wait until the Regular Meeting.

2024 FSA Cap & Pricing – Ken stated that we were looking at the supply and allocations and need to consider the cap and pricing. The Board sets a cap and the staff manage it. There is not reason to set a cap right now and it can be put it off until May. If we see a full supply by May we can discuss at the May meeting.

Unless the Board wants to set a cap given the conditions. Godwin asked if everyone is in agreement to discussion at the May Board Meeting.

MOTION: TO TABLE THE DISCUSSION ON SETTING THE 2024 FSA CAP AND PRICING UNTIL THE MAY 9, 2024 BOARD MEETING.

**MOTION: WES WILSON
SECOND: LANDAN WILSON
MOTION CARRIED UNANIMOUSLY.**

2024 FSA Penalty for Overuse – Ken stated that this picks up last year’s discussion. Ken stated that we did set double the normal rate for 2023, but allowed all farmers who needed the water to increase their allocation as needed, including one individual late in the season. So there was no over use and no penalties assessed. Sticking with the same double the regular full rate would be \$92.34/AF. Ken provided an outlined updated draft policy. Past simple policies have been written as a resolution adopted by the board. More complicated ones are long documents adopted by a separate resolution. Per the draft, there are details to be nailed down. He said that for the future there needs to be a policy. Ken asked if the Board would like to go on to set a policy and ask the legal staff to flesh out the outline into a policy. The Board let 2023 go without penalties. Need to talk about specific penalties this year. Adam said that it would need to be framed within the year.

Godwin said that he had heard from FS irrigators that some are too afraid of going over that they will not use what they could because the penalties are too steep. Ken asked if the Board was in agreement that this would be a start to work on getting into a policy. Ryan asked if we would adopt a framework and it is tied to the supply. Adam said that is correct, and Ken said he just needs direction. Will get with the legal staff and have something written up for the May meeting. Keep going on the policy and formalize it and setting penalties by May. Adam has direction to clean up the policy and bring it back to the Board next month.

Lease DWCD’s MVIC Class A Shares to Ute Farm and Ranch:

Ken said that he did talk to Simon and Ute Farm & Ranch Enterprise does want to lease DWCD’s 170 shares of MVIC Class A water. At this time, the Board would be approving the minimum quantity for the lease (170 shares x 3 AF/share) and rate for a 2024 UF&R lease. Staff proposes a lease of all 170 DWCD Class A shares at \$34.00/AF charged on a minimum of 510 AF (3 AF/share) for \$17,340 and per AF actually diverted for use above the minimum up to the 680 AF (4 x 170) \$23,120 maximum. Ken said he needs to turn it into an actual lease and get signatures.

This is very similar to 2022 with a slight increase. MVIC has set their allotment at 3 AF as of today. Ute Farm and Ranch would be paying for a 3 AF minimum. The Board must approve DWCD leases.

MOTION: TO APPROVE LEASING DWCD’S MVIC CLASS A SHARES TO UTE FARM AND RANCH BASED ON STAFF RECOMMENDATION OF LEASING 170 DWCD CLASS A SHARES AT \$34.00/AF CHARGED ON A MINIMUM OF 510 AF FOR \$17,340 AND PER AF ACTUALLY DIVERTED FOR USE ABOVE THE MINIMUM UP TO THE 680 AF OF \$23,120 MAXIMUM.

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

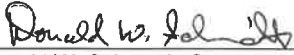
2025 ASO Flights (Grant Support):

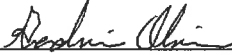
Ken stated that the BOR came out with another grant similar to last year. He provided in the mailout a Resolution No. 24-01 authorizing a grant application to the Bureau of Reclamation snow water supply forecasting program for FY 2024. It could be for 2-3 years and would be budgeting \$15,000 per year and would like to get working on it. The Grant application requires a Board Resolution to accept the Grant with the match.

MOTION: TO ADOPT RESOLUTION NO. 24-01 A RESOLUTION AUTHORIZING A GRANT APPLICATION TO THE BUREAU OF RECLAMATION SNOW WATER SUPPLY FORECASTING PROGRAM FY 2024.

**MOTION: JEREMY REDSHAW
SECOND: WES WILSON
MOTION CARRIED UNANIMOUSLY.**

ADJOURNMENT Dolores Water Conservancy District Water Activity Enterprise Board meeting
adjourned at 3:35 pm


Donald W. Schwindt, Secretary-Treasurer


Godwin Oliver, President

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Ryan Gray, Director
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Eric Sprague, Interim Water Manager
Jed Martinez, Maintenance Supervisor
Phil Kennedy, SCADA System Supervisor
Gina Espeland, Admin Assistant Accounting
Robert Stump, Bureau of Reclamation
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INTRODUCTION OF GUESTS

In-Person

Brandon Johnson, MVIC; Rusty Cringle, CDWR; Wes Coleman, Jackson Gulch Reservoir Superintendent, Benn Vernadakis, Amy Lewis, and Jeremy Matsen, Sundial Property Owners

Via Telephone/Teleconference

MINUTES

APPROVAL OF THE MINUTES

MOTION: TO APPROVE THE MINUTES AS SUBMITTED FOR THE MARCH 14, 2024 REGULAR MEETING.

**MOTION: JEREMY REDSHAW
SECOND: RYAN GRAY
MOTION CARRIED UNANIMOUSLY.**

MOTION: TO APPROVE THE MINUTES AS SUBMITTED FOR THE MARCH 14, 2024 EXECUTIVE SESSION.

**MOTION: JEREMY REDSHAW
SECOND: LANDAN WILSON
MOTION CARRIED UNANIMOUSLY.**

FINANCIAL STATEMENTS

MOTION: TO APPROVE THE FEBRUARY '24 FINANCIÁL STATEMENTS AND APPROVE THE STATEMENT OF PAYABLES AS PRESENTED.

ADMIN: AP/CHECK #12497-12515

\$32,672.88

**MOTION: JEREMY REDSHAW
SECOND: LANDAN WILSON
MOTION CARRIED UNANIMOUSLY.**

U/S Exchange/Augmentation Moratorium Snow Spur to Fill Gulch (Rico and Sundial)

Eric provided 2 maps; 1) map of the parcels in Rico including Sundial Parcels and 2) Sundial Subdivision Lots. We can augment and protect members of our program from the instream flow by remaining within our "de minimis" set at 1% of the Instream Flow (ISF). On the Summary Table, Snow Spur to Fill Gulch the ISF is 20 CFS, so de minimis would be 0.20 CFS. Adding new augmentations may create some challenges.

Ken provided background history. In 2006 Rico starting talking to DWCD and then DWCD entered an agreement with the Town of Rico in 2009 to put the whole Town of Rico in the District. We did some observation wells together and by 2009 Rico had a Town Plan that led to the 2009 agreement. The DWCD Board passed a Resolution granting Rico 15 AF of the remaining de minimis to use with their historic rights on Silver Creek. Given some siltation problems on Silver Creek, Rico wanted a back-up supply and chose to drill a well north of town now covered by the 15 AF, the bulk of our de minimis. They have some leaks, but have not come close to using the full 15 AF that we committed to them. This was an accounting issue and the 2009 resolution acknowledged that DWCD wanted to cover Sundial an existing subdivision. We now have clarification on the accounting to continue issuing contracts. Ken thinks that the DWCD Board could consider more detailed guidance next winter to address potentially changing development in and around the Town of Rico.

Eric said that Rico holds about 90% of the de minimis which leaves about 0.02 CFS to cover the rest, including some existing Sundial contracts. Working through estimates, we ended up with 90% for Rico and about 5% for Bolson and existing 6 Sundial contracts. There is enough left to satisfy all 19 subdivided Sundial lots including the newer 18A lot.

Adam said that all the Board needs to do is lift the moratorium. The resolution says that we are going to take care of Sundial as has always been the intent. Down the road DWCD Board may consider for how long, 20 years or longer. If the Board lifts the moratorium, staff can handle Sundial lots routinely and then bring in special cases to the Board as needed.

Adam said that what Janice, Steve and prior Board did was a genius idea. At some point the de minimis is gone. Ryan asked if future development can go ahead and get water with a new augmentation plan? Adam is not sure if water will be available. The current plan relies on Groundhog releases, so above the West Fork, there is only de minimis accounting.

Jeremy confirmed that the staff recommendation is to lift the moratorium and deal with new applicants as they come in. Ryan asked if we are lifting just for Sundial? Ken answered that it would be for the whole stretch of Snow Spur to Fill Gulch. Others, outside of Sundial, could come in and our tracking is sufficient to protect Sundial. Don asked where the Bolson lots are. Eric referred to those lots on the map provided. Eric said that they are now part of our Augmentation Program. The Town of Rico want development to stay within their town limits. The Town has land use and development control and DWCD has the water control. DWCD could put other limitations up there, such as no lawns. Jeremy asked if the Sundial properties are metered. Eric said that there are some that have meters, 6 contracts, and will be working with Rusty on any not current in the program. Don confirmed that staff will work with Adam on getting a policy later. Godwin clarified the stretch for the motion. Ken confirmed this will apply for residential with others like commercial or different going to the Board.

MOTION: TO LIFT THE MORATORIUM ON THE UPSTREAM EXCHANGE/AUGMENTATION FOR SNOW SPUR TO FILL GULCH (INCLUDING RICO AND SUNDIAL)

**MOTION: JEREMY REDSHAW
SECOND: RYAN GRAY
MOTION CARRIED UNANIMOUSLY**

AGENCY REPORTS

BOR Report – Robert reported that the last of the 3 MOA water screens came today and was set. DWCD staff will get them hooked up and he will schedule the supplier out to complete commissioning, testing and adjusting so they are ready to operate that will complete the contract. On the MOA Valves & Actuators he still working on the submittal documents and will get them ordered. They have a long lead time and hopefully available for DWCD installation after irrigation season.

Division of Water Resources Report – Rusty reported that it was announced March 21, 2024 that Jason Ullmann is the new Colorado State Engineer and Division of Water Resources Director.

T/H Committee Report – Wes stated that the Committee met March 20, 2024 1) The Committee paid DWCD and MVIC. The Committee meeting minutes were included in the Board mailout.

Next T/H Meeting – The Committee will meet at the DWCD, Cortez Office April 17, 2024 at 2:00 p.m.

MVIC Report – Brandon stated that 1) MVIC has started up a little, not system wide with more going on Monday. The Board raised the allocation to 36" for now, will see what happens. Don asked if MVIC has any sense of timing of bumping the 36" up? Brandon said that they will discuss allocation again in May and could probably bump up to 42", but will see what happens. Since the Utes are going to lease DWCD's shares MVIC, DWCD will need the leasing sheet completed for MVIC records. Wes asked if Narraguinnep is at max right now? Brandon said yes as of Monday.

Jackson Gulch Reservoir Project

Wes Coleman, new MWCD Superintendent, stated he thought it would be a good time to visit and meet DWCD. They have started to close off the gate for the east river March 1st and Jackson is coming up slowly. Their watershed has the snow up high, but the low snow is not there. Things are otherwise about normal. Ken asked how they set allocations or numbers? Wes said he has only been at the project for 2 months, but the Board has a really good feel for past years and they only need 25% to fill Jackson.

GENERAL MANAGER REPORT

M&R Team Meeting on April 8, 2024: Ken stated that he provided the agenda for the M&R Team Retreat and he attended only the afternoon portion. Wes spoke about 5 sites below McPhee that they monitor all the time including just above & below Disappointment Creek, Slickrock, Salt Creek and one other. It is all part of the DRAMS (Dolores River Adaptive Monitoring Support) initiated by the M&R team. They appreciated the high releases last year that cleaned sediment out of the pools and riffles. Robert reported that they did a lot of good reporting on monitoring downstream physical conditions and there is one more year left on the current grant. The M&R Team wants to continue monitoring work after the grant expires in 2025, but there is talk of potentially shifting the monitoring focus. The current DRAMS is monitoring what is the new normal for the lower Dolores. Trying to different flows and water management for releases. Next they may shift the focus to physical efforts to accomplish downstream, such as vegetation removal and adding wood into the river to help the fish habitat. If another grant continues, it probably would include test sites downstream that would be monitored stream wide for the next years. Beyond that they have increased the pit tag monitoring to get more info on the native fish movement. It is interesting information and will take a few more years to draw good analysis from the data. There are probably more native fish moving than they would have guessed without having the pit tag arrays. Wes said that was a lot of talk of the willows encroaching on the main stream and discussion on trying to eliminate the willow stands along the river. Robert explained that even with the high sustained flow rates last year, which did some geomorphological work in the channel and side pools, the flows had no real impact on the vegetation and bank armoring. That lack of impact is probably why the shift of thinking towards mechanical manipulations to the stream. Jeremy asked what is wrong with willows? Robert said nothing specific to the plants, but they armor the bank so well that even at high flow rates you don't get channel modification and erosion that creates the good fish habitat for spawning. That is the problem to creating better fish habitat, the bank armoring narrows and simplifies the channel and speeds up the flow rate.

Don asked for a refresh on some of the names listed on the Agenda. Stacey Beaugh professionally facilitated the meeting that was co-chaired by Steve Garchar and Rica Fulton, DRBA. DRBA has replaced DWCD as the fiscal agent for CWCB funds to administer the M&R Team. Don said that that Wes is there for a different perspective and to interject this Board's thoughts to do our job. Ken brought up the historical view of David Graf, formerly CPW, that we need to manage the stream that we have, not the stream that was. Ten years later the M&R Team is coming back to that realization

with a lot more science behind them. This participation goes with the Federal project and the "native species of concern." They are putting forth good efforts on science and could get linked to the NCA so we need to continue to participate. If Wes is not able to make it, we do need someone in attendance. Don reinforced that we have to keep our interests represented. The scheduling was unfortunate as we didn't have many of the local interests in attendance. Hopefully that can be corrected for the next meeting.

CO Legislation Update: Two bills moving along with CWC support are the CWCB Water Projects Bill and the Species Conservation Trust Fund that covers the Upper River Recovery and San Juan Recovery programs have passed. There is going to be a state ballot issue on allowing the state to keep more revenue from sports gambling. DWCD Board may want to take a position if it makes it to the ballot. The other two bills of interest 1) The Drought Task Force bill came forward from State Senator Dillon Roberts. He took the Drought Task Force recommendations and added on Yampa River Powerplant Water Rights Protection. Adam said that he calls it the Magic Water Right Provision. Ken said yesterday at SWCD they called it the special water and took a stance against that provision. The State Affairs has not voted on it, but think it will get support if amended similar to SWCD did they want to amend out the magic water. The Dredge and Fill is going down to the wire and will be controversial. The lawsuits may begin after that. The program will remain under CDPHE.

FAC Follow UP: The Farmer Advisory met last night. Monday was the day Ken and Eric decided to knock down the starting cap to 19 inches (20.8" HOV) below a full supply, mostly based on good carry over. Penalty discussion at FAC was already mentioned. Wes said that conservation was the big concern and carry over. Jeremy said carry over to the 3 who dominated the meeting. Jeremy, Landan, Wes and Godwin were in attendance. We had 3 vocally supportive of conservation, Bob Neely, Brian Wilson and Walt Henes. Adam asked what was meant by conservation. Eric and Ken said carry over and leaving water bank water in the lake by not raising the cap. Wes picked up that use over the 22" should get charged \$90/AF. Ken thought that would only apply if Board set as the penalty. Historically we have charged full rate beyond normal supply of 22 inches. Some farmers seem to think that we want to sell water to make money while Ken expressed that it is about the FS farmers making money when the water is available. Rod Daves made the comment that we are just wanting to sell water. Godwin said that he spoke with Brian Wilson about the Board's fiduciary duties. Brian said he told Godwin that we exist because of the farmers. Landan said that he will say that there are Board members that want to sell more water. We shouldn't capitalize on the extra water. Don said that we have to do a better job on vocalizing to the farmers on the Board's reasons. Don said that the project has to be viable, which is a complicated problem to make work. The whole ag community needs water in a manner that is affordable. Godwin suggested at the fall FAC meeting showing where the water is split up the following year and why water managed that way. Don said that we have a real complicated solution to solve. Don asked about the turnout. Eric said about 25 not counting Board members. Address was incorrect on post card and will be corrected in future mailouts. Last year the Board let everyone have all the water that they wanted and we still sold less than normal due to weather and previously fallowed fields. There is no perfect right answer or magic numbers.

DC L&G O&M Charges Review: Ken stated that he provided the Board with information on the rates for the Dove Creek Lawn and Garden O&M Charges. He doesn't think it is worth going into right now as we just adjusted rates in 2022. It is maybe a little on the high side compared to the other M&Is. If the Board wants to take action it would be for next year. Wes asked if there is money still owed on the loan that was secured to build the system? Ken stated that there is about \$18,000 to repay to the O&M reserve.

2024 Capital Purchase (Vehicles): Ken stated that an opportunity came that we were able to purchase 3 new trucks at just over \$40,000 each to replace some 2008/2009 models with 200K miles. They came in under budget and are the only scheduled capital purchases for this year.

Landan asked about the grant that Ben started on the water box meters. Ken said that he has it and some day we are going to get it off the ground. We still have a couple of years. The grant purchases the materials. We have to get some quotes, need to meet with Jed, Eric and field staff then follow through and get those prices. Landan asked if the plan was to update all the boxes or just a certain amount. Ken said it is a grant for \$200,000 total with our match of \$100,000 to replace about 20% of our meters. We would then pursue additional grants. The longer term intent is to replace all meters to read remotely.

Colorado River Basin Issues: Ken reviewed several articles noting that Brian Richter has been a recurring critic of growing alfalfa on CR water, noting particularly one article with informative graphic on water use. Tonight's articles are mostly about CO river negotiations highlighting the environmental proposal for the post 2026 new operations for Mead and Powell. The tribal letter is covered in the 3rd article. Arizona has lost all its small farmers and faces diminishing in state farming. The pupfish has

stopped Reclamation conservation efforts around IID due environmental concerns. The last article is similar to Richter's work with a slightly different graphic on water use sectors. The new information is about environment consumptive use. We've long known agricultural is the biggest user of water across the country. In the Colorado River, ag has always been a big user. Farmers in general get upset about folks talking about their water. The graphics call out, looking at the water use you are going to have to cut along the Colorado River and asserts some is going to come out of ag based on the volume of total use. The enviros have their lobby working to secure environmental water. Buy and dry still goes on in the front range, because it is the cheapest (only) water cities can buy. Agriculture is always going to have a target on its back. In post 2026 negotiations, the LB is counting all the reservoirs in the system while the UB wants to focus on only Powell and Mead. The LB wants cuts in all 7 states after covering system losses. The UB wants to focus on releases out of Powell based on actual reservoir levels and forecasts. No public negotiation news. Don's point of potentially getting common numbers from the BOR modeling going on now may bring all sides back to the table. The SWBRT will be talking about the SWCD risk study phase 4 at the next meeting.

Ryan reviewed the recent article on the Lake Powell's outlet works. The BOR went in and found erosion and cavitation caused by running through low flow outlets without the power releases. The BOR has concerns about running the high flows at low elevations through low level outlet pipes without the power. Without the turbines you get eddies that can build up sediment/gravel that can block or damage the turbine outlets. The BOR will put out a new guideline on acceptable flow & reservoir levels to protect Powell. Ken doesn't think BOR will let the power pool get lost. There is no sense in releasing below the power level because ultimately you can't let enough out to meet the compact. Running without the turbines does damage as well. Jeremy summarized as Powell has to stay. Adam said that others would argue the other side.

RESERVES INFORMATION

Ken provided information the Reserve Funds to answer questions from Wes. The first is December 2023, which highlighted is the Water Supply Management Reserve with a balance of \$688,481.24 from deposits of \$116,416.90 from the \$1.60/AF that we received plus some interest for the month. January 2024 shows an interest payment of \$14,334.66 bringing the balance to \$702,815.90. The Summary from our Brainstorm workshop shows the \$702,816 at COLO Trust and investments worth \$1,200,000 so we are at \$1.9 million. So then open the 2 tracking sheets show 2007-2017 and 2017-2028. The red number \$550,000, was the first time we drew from the reserve. We used \$550,000 in 2013 and then in 2014 another \$37,000. Those both went into the budget to make it work. In 2015 Board made decision on \$1.05 for Water Supply Management Reserve repayment. In 2015 the \$19,000 in contribution was based on \$0.35/AF growing to \$1.05/AF over 3 years. The 2015 withdrawal of \$695,000 started our CD investments not to the budget like the first two. No budget withdrawals in 2016 & 2017 and interest coming back from CDs and COLO Trust plus the \$1.05/AF payments made that year. 2018 is another investment. You can see the interest growing as rates come up. In 2021 we took out \$300,000 to cover flipping rates. In 2021 and 2022, we paid \$100,000 back and 2022 did not collect the reserve replacement of \$1.05, so the \$100,000 came out of the checkbook, extra cash flow. There is a detailed note for 2023, the \$113,000 deposit is a combination of the \$1.60 and extra cash of about \$37,000. The 2013 value of \$2,039,000 compares to \$1,904,816 today, so we are not quite back where we were. It was intended to be repaid over 10 years so we are not there yet. It gives a relative stance to when we started using the supply in 2013.

LEGAL REPORT

MVIC 87.3 Change Case – Adam noted for the record that we are an hour ahead on the agenda time. The 87.3 has not yet been resolved and there is a status conference tomorrow which Lindsey will cover. He has had further communication with John Justus that he will relay in Executive Session.

Main Canal 1&2 Due Diligence – Adam stated that on the Main Canal 1 & 2 Diligence we have received Statements of Opposition from Montezuma Water, DWR and SW Conservation District. Looking forward to resolving all their issues and would like to discuss that further in Executive Session.

2000 Operating Agreement Contract No. 99-WC-40R-6100 – Adam had nothing new to report.

DWCD/BOR Carriage Contract – Adam had nothing new to report.

Adam stated that he recommended going into Executive Session to discuss the MVIC 87.3 Case, Main Canal Diligence and Water Rights Supply and Protection.

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 FOR MVIC 87.3 CHANGE CASE, MAIN CANAL 1 & 2 DUE DILIGENCE AND WATER RIGHTS SUPPLY AND PROTECTION.

**MOTION: JEREMY REDSHAW
SECOND: LANDAN WILSON
MOTION CARRIED UNANIMOUSLY.**

**RECESSED FOR EXECUTIVE SESSION AT 5:02 P.M.
RECONVENED REGULAR MEETING AT 5:34 P.M.**

REPORT OUT OF EXECUTIVE SESSION

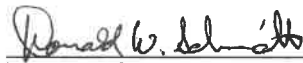
Adam reported that in Executive Session the Board discussed matters related to water rights supply and protection matters, MVIC 87.3 Change Case and nature of opposition on Main Canal diligence case and no decisions made.

OTHER

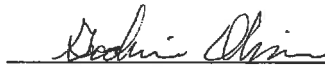
Ken said he had that we are going to go over our labor budget. We told the Personnel Committee that it is a moving target. We need an electrician, as we have one retiring soon, that was not in the budget. Looking to shift our tire mat laborer to field tech duties and looking for a third mechanic. Ken estimated for the Personnel Committee we could go over budget around \$100,000, \$140,000 with benefits. These are positions that we think we need this year. We will be talking more about wage comparison studies later. We do have a seasonal weed position that we will be starting Monday and discussing making it permanent. Personnel Committee is not going to meet until we have more on the comp study. We don't want to be caught short again. Will keep the Board updated throughout the year.

NEXT DWCD BOARD MEETING – Thursday, May 9, 2024 – 3:00 P.M.

ADJOURNMENT Meeting adjourned at 5:38 P.M.



Donald W. Schwandt, Secretary-Treasurer



Godwin Oliver, President