

**DOLORES WATER CONSERVANCY
DISTRICT WATER ACTIVITY ENTERPRISE**

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.

MINUTES
Enterprise Meeting
December 12, 2024

CALL TO ORDER

Godwin Oliver, President, called the meeting to order at 3:03 pm

ROLL CALL

1. Godwin Oliver, President
2. Don Schwindt, Secretary-Treasurer
3. Wes Wilson, Director
4. Glen Fish, Director
5. Jeremy Redshaw, Director
6. Landan Wilson, Director
7. Ryan Gray, Director
8. Ken Curtis, General Manager
9. Eric Sprague, Water Manager
10. Gina Espeland, Admin Assistant Accounting
11. Adam Reeves, Attorney MBSS

INTRODUCTION OF GUESTS

In-Person

Brandon Johnson, MVIC, Rusty Crangle, CDWR

Via Telephone/Teleconference

Ed Millard

APPROVAL OF THE MINUTES

MOTION:

**TO APPROVE THE MINUTES AS SUBMITTED FOR THE NOVEMBER 14, 2024,
ENTERPRISE MEETING.**

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

FINANCIAL STATEMENTS

MOTION:

TO APPROVE THE OCTOBER '24 FINANCIAL STATEMENT AND APPROVE THE STATEMENT OF PAYABLES AS PRESENTED. O&M: AP/CHECK #43037-43114 & PR/CHECK #126844-126898, \$254,268.51.

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

O&M REPORT

Ken reported that electricians have been doing some plant maintenance and finally got Lane Electric to pull the generator out of McPhee Power Plant on Tuesday. The rotor is in Farmington, hopefully to return in March. Techs are trying to get the FIIX program up to speed, focusing on the powerplants. Mechanics are doing several jobs. They pulled the conveyor belt off the Ruin Canyon screen, replaced the Dove Creek SE system booster pump, and reset the motor for the 513 screen, which they started in November and finished connecting last week. They're currently replacing the inlet valve out at Clark Root's pumping plant. The operators placed tire mats at 321 last week, and they are mucking upstream and downstream of 321 now, seeing how close to get to Cahone and Dove Creek Pumping Plant before the frost hits.

Eric said the control room is making the annual rounds and have finished most of the checks on the north system, cleaning out conduit for stilling wells for the flow measuring. They have another week or two left to go on THC reach 1, then they will go around and calibrate meters, getting set for next year. It should be a smoother start since they are more practiced.

Darrel is spending a lot of time on the Fiix program for the power plants and is getting more practiced with that. Easton has been working on year-end files and supporting field techs.

Ken said all full-service irrigation flowmeters were pulled on Pleasant View and Ruin Canyon and Sandstone laterals for their normal rebuilds. Others are working on M&I's and locates.

Water Accounting

Eric stated that he didn't have an Inflow/Outflow to present as nothing noteworthy is going on in the water accounting. What is coming in on the river is being stored as Narraguinnep-in-McPhee and is going to MVI. Everything is sitting stable and the winter is not off to a bad start, though there's still a way to go. Eric showed a map of soil moisture modelled by the CBRFC, as well as CBRFC's cumulative SNOTEL graphic. The chart represents storms with sharp increases in average basin SWE. SWE is 113% of the 9-DEC median, though El Diente is not being included as the site is experiencing hardware issues. The 5-day weather forecast is clear. DWCD staff have begun Snowtopography visits to Lizardhead, and there will be two ASO flights in the spring.

ADJOURNMENT

Dolores Water Conservancy District Water Activity Enterprise Board meeting adjourned at 3:13 p.m.

DOLORES WATER CONSERVANCY DISTRICT

MINUTES
Regular Meeting
December 12, 2024

CALL TO ORDER

Godwin Oliver, President, called the meeting to order at 3:13 pm

ROLL CALL

1. Godwin Oliver, President
2. Don Schwindt, Secretary-Treasurer
3. Wes Wilson, Director
4. Glen Fish, Director
5. Jeremy Redshaw, Director
6. Landan Wilson, Director
7. Ryan Gray, Director
8. Ken Curtis, General Manager
9. Eric Sprague, Water Manager
10. Gina Espeland, Admin Assistant Accounting
11. Adam Reeves, Attorney MBSS

INTRODUCTION OF GUESTS

In-Person

Brandon Johnson, MVIC; Rusty Crangle, CWDR

Via Telephone/Teleconference

Ed Millard; Steve Wolff, SWCD

MINUTES

APPROVAL OF THE MINUTES

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

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

MOTION: TO APPROVE THE MINUTES AS SUBMITTED FOR THE NOVEMBER 14, 2024 UPSTREAM USERS INCLUSION HEARING.

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

MOTION: TO APPROVE THE MINUTES AS SUBMITTED FOR THE NOVEMBER 14, 2024 DWCD BUDGET HEARING.

**MOTION: GLEN FISH
SECOND: RYAN GRAY
MOTION CARRIED UNANIMOUSLY.**

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

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

FINANCIAL STATEMENTS

**MOTION: TO APPROVE THE OCTOBER '24 FINANCIAL STATEMENTS AND APPROVE THE STATEMENT OF PAYABLES AS PRESENTED.
ADMIN: AP/CHECK #12615-12629, \$14,129.05**

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

AGENCY REPORTS

BOR Report

Robert stated that we received a shipment on the valves and actuators all except for one valve and the spares. They all look good and appear to match the contract. The rest should come late January or early February. The District's power plant proposal was received and is being reviewed. He will have to answer some technical questions that Ken should be able to answer. Once completed, BOR will decide where to go on next steps and will keep Ken informed.

Division of Water Resources Report

Rusty reported the Division 7 Measurement Rules were submitted to the Water Court this month and now there are 2 months for opposition statements. From there they will work on agreement with opposers.

T/H Committee Report

Wes stated that the draft minutes were mailed to the Board. The Committee paid three bills to MVIC, Ute Farm and Ranch and DWCD. THCC received a report on the flash flood on Reach 2 of the T/H that breached the canal. The Committee toured on December 3rd. Brandon expanded on the flooding of September 16, 2024 with some pictures of the breached canal and large boulder debris. It was just downstream of Check 512 and D/S to 513 of the dirt (east) side of the THC. DWCD helped MVIC with emergency work. Several drainages had flooding, but only the one over chute breached into the canal with much debris. The drain in between 511 and 512 filled up filled up with woody debris and went over the access road.

Next T/H Meeting

The Committee will meet at the DWCD, Cortez Office December 18, 2024 at 2:00 p.m.

MVIC Report

Brandon reported that MVIC crews are doing maintenance with the good window of weather, working on headgates and measuring devices. They are also on T/H cleaning the canal sediment up to Check 512. On the BOR Watersmart grant to MVIC, plans are 50% done and they have some more surveying to do and can hopefully break ground next fall. Narraguinne repair plans are still waiting on State's approval. MVIC is working towards the Annual meeting in January.

GENERAL MANAGER REPORT

Miscellaneous Updates:

Work Shops January – March, 3rd Wednesday

For many years DWCD held a one-day work shop, for brainstorming on upcoming issues. In recent years, the Board has added additional workshops on the third Wednesday of each month. The Board needs to set the spring schedule by the January 9, 2025 Board meeting and what targeted topics are to be covered. Staff and attorney will present some topics at the January Board meeting along the lines of recent discussions on staffing, pooling/leasing flexibility, FSA pricing & caps, enhancing water supply, CR issues and other items. We'll need to keep in mind the legal work load on water rights that has been stacking up.

SWCD Updates on BOR B2E grants and future B2W:

B2E are BOR environmental grants from recent federal IRA funds. SWCD bundled up local projects into one application per the summary in the mail out. SWCD provided the extra capacity to local groups to make this large application and achieve some economies of scale. The BOR B2W funding opportunity has yet to be released and should apply to water conservation. SWCD sees filling a niche helping local entities apply for federal grants.

Legislative Updates:

The Colorado legislature starts next month and the initial news is about a \$1 billion revenue shortfall and likely changes to severance tax funding for water projects. The Governor has proposed a 3 year fix/adjustment that will take away some of the severance tax money for water projects. DWR is going to run some clarification on geothermal well permitting. Cleve Simpson's mining legislation will be back, but probably doesn't directly affect us. The legislature may put a severance tax review committee together for future recommendations that came out of the Ag & Water Review Committee. It could have ramifications for CWCB funding, but has to get through the legislature first. CDPHE continues working on Dredge & Fill permitting.

Adoption of 2025 Budget Resolutions:

Ken presented the final 2025 Budget and five resolutions needed to set the revenue, expenditures and mill levies for 2025 budget year. The Administration (100) property tax revenues are going to be down next year and were slightly down this year leaving enough for a \$60,000 transfer this year and next year. It is giving property tax relief as intended and we'll see where the revenue impacts go over the next few years. The 2024 legal bills are on track with the budget. Other changes discussed earlier include the addition of pass-through weather modification funding from CWCB and the BOR Watersmart grant for improved water meters funded by the Replacement reserve.

MOTION: ADOPT RESOLUTION NO. 24-06 2025 ADMINISTRATION FUND BUDGET.

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

MOTION: ADOPT RESOLUTION NO. 24-07 APPROPRIATION OF ADMINISTRATION FUND MONEY.

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

MOTION: ADOPT RESOLUTION NO. 24-08 SETTING THE MILL LEVIES.

MOTION: JEREMY REDSHAW

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

MOTION: ADOPT RESOLUTION NO. 24-04-E 2025 ENTERPRISE FUND BUDGET.

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

**MOTION: ADOPT RESOLUTION NO. 24-05-E APPROPRIATION OF ENTERPRISE
FUND MONEY.**

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

Emrgy Proposal:

A power point presentation is included in your packet. Ken gave some background on Emrgy that led to DWCD signing a letter of intent a few years ago. Emrgy has been reviewing possibilities since then. The Dolores Canal would work for their original models as they preferred lined canal sections. The last Emrgy update focused on several THC drops. DWCD had looked at the drops some time ago. Ken's concerns are the potential time and cost sink relative to limited financial return. Ken suspects that Emrgy wants to chase grants to fund the work. Given that they want to start on the THC section around Carver drop I am setting Emrgy to present to the THCC and the DWCD Board, likely in January. The Emrgy proposal includes signing a 26-page agreement which would require legal review that is normally not charged to THCC. He thinks we would be the agency contracting with Emrgy. I think these preliminary costs at a minimum need to be worked out and would add to the winter work load discussed above. This Board needs to help work out how our attorney can support this project for THCC. The floating solar is a potential maintenance issue and we'll see how THCC might want to handle. Ryan asked if they are wanting to line canals? Ken is not yet sure. Next he will involve the T/H Committee and see how much they want to dive into an agreement. Landan asked about the power and turbine costs? Ken referred back to the limited power point information and speculates that they would push us toward a grant to fund the work. Ken asked Emrgy about the Lease of Power Privilege with Reclamation and is not sure they understand how Reclamation works. Ken is surprised that they did not provide more information. We are in the early evaluation stages of a potential project. Landan asked if there is anyone that Ken knows that have worked with or for Emrgy on a project and Ken answered no. That will be some of the due diligence that T/H and DWCD will be asking of Emrgy. Don asked Robert about how THCC would be involved? Robert agreed with Ken that the T/H Committee would not be able to enter into any type of contract and instead a contract would be with the District. The Committee directs all the O&M and budget. Don thought the value would be finding how to fold in this hydropower revenue in order to benefit the project. Emrgy will probably present at the next Board meeting and the Board can ask some of these questions. Brandon brought up the Cathodic agreement that the District administers and that this would/should be similar.

Colorado River Issues and SWCD Updates:

Steve Wolff joined the meeting. Adam and Steve were able to go to CRWUA and can expand on all the news that came out Friday after CRWUA. Senators Hickenlooper and Bennett have sponsored federal legislation to continue SCPP in the UB and it could show up in January. The recovery program continuing legislation was attached to the National Defense Authorization Act (NDAA).

Steve stated that the 2025 negotiations will be short because things are still at a standstill and no real progress. Most of the principals are just staking positions, talking past each other and he's not sure what that means looking forward. Reclamation put out five frame work alternatives several weeks ago and will keep working on models and we should see some results after the first of the year. Ken asked about the NE Arizona Tribal settlement. Steve said the UB has concerns about leasing that moves water into the lower basin, problematic and a violation of the compact. The settlement requires some side boards. The UB & LB are continuing to talk and he's unsure if it will pass this lame duck session given the \$5B price tag. There is legislation regarding endangered fish program, good Samaritan legislation and salinity control program (McElmo) attached to NDAA headed to the President's desk.

IRA funding provided SCPP in 2023 & 2024 and may be reauthorized for 2025 and 2026. B2E funds came under the \$500 million, \$50M was used for SCPP leaving \$450M for Reclamation B2W and B2E. SWCD saw the request for the B2E last summer and they bundled local projects totaling \$29.3 M. We do know that there was \$589M in total B2E requests. There is a big push to get the money out the door before clawed back. The B2W program is one that may not see any funds. Steve has heard that Reclamation doesn't see getting any B2E funding announcements out until late March. Don't know about the funding after the new administration.

Ken asked if the study with Wright Water Engineers was still available for presentations to the DWCD Board? Steve answered that they could present this spring.

Adam said he concurs with what Steve said about CRWUA and CR negotiations. No progress and parties dug in on their positions. The Upper Basin is adamant on not taking cuts, but suspects the initial CRSP units will get rolled in. Our commissioner has held tough. In telling our stories, the Lower Basin is doing a better job. Our story has been harder to explain to the lay public about natural hydrology cutting our UB water. Steve backed up what Adam was saying the Upper Basin refers to hydrologic shortages which is harder to back up with numbers. The UCRC and Colorado have some good information that since 2000, the UB is 1.2-1.3 MAF short on average. They are trying to quantify and get that message out to the public. Arizona is also threatening litigation should deliveries fall short.

Reclamation O&M Power Plant Contract:

Ken stated that discussion will take place in executive session.

LEGAL REPORT

MVIC 87.3 Change Case

Adam said MVIC is trying to get CPW to wrap up the 87.3 and suspect that will happen and good for them it has been a hard fight.

Main Canal 1&2 Due Diligence

Adam stated Ken, Eric and Adam will be meeting in January to provide responses on diligence.

24 CW__ Beaver Reservoir, Bear Creek Reservoir & Dawson Reservoir Due Diligence

Adam stated received a favorable summary of consultation from Division Engineer.

2000 Operating Agreement Contract No. 99-WC-40R-6100

Adam has not heard anything.

DWCD/BOR Carriage Contract No. 02-WC-40-7060

Adam has not heard anything.

Hydropower Plant O&M Contract with Reclamation

Adam said he hadn't heard anything, but Ken suggested discussion in Executive Session along with water rights protection.

Adam requested an executive session to discuss the following:

**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 HYDROPOWER PLANT O&M CONTRACT WITH
RECLAMATION AND WATER RIGHTS SUPPLY PROTECTION AND
COLORADO RIVER ISSUES.**

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

***RECESSED FOR EXECUTIVE SESSION AT 4:12 P.M.
RECONVENED REGULAR MEETING AT 5:34 P.M.***

REPORT OUT OF EXECUTIVE SESSION

Adam reported that in Executive Session the Board discussed CR Issues, water supply protection and a response on hydropower plant O&M contract. No decisions were made. Instructions were given to negotiators.

Ken stated that the Board agreed to have Board Workshops on the third Wednesday of the month starting at 5:30 pm in January, February and March 2025.

MOTION: TO MOVE \$150,000 FROM RESERVES IN 2024 TO CONTINGENCY.

**MOTION: DONALD SCHWINDT
SECOND: LANDAN WILSON
MOTION CARRIED UNANIMOUSLY**

OTHER

Godwin stated that he wanted to thank all employees for their hard work over the last year. Eric stated he would pass it on to the field staff.

NEXT DWCD BOARD MEETING

Tuesday, January 9, 2025 – 3:00 P.M.

ADJOURNMENT

Meeting adjourned at 5:36 P.M.

Donald W. Schwindt, Secretary-Treasurer

Godwin Oliver, President