

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 March 9, 2023

CALL TO ORDER Godwin Oliver, President, called the meeting to order at 2:00 pm

ROLL CALL Godwin Oliver, President
Simon Martinez, Vice-President
Don Schwindt, Secretary-Treasurer
Wes Wilson, Director
Glen Fish, Director
Landan Wilson, Director
Jeremy Redshaw, Director
Ken Curtis, General Manager
Eric Sprague, Interim Water Manager
Rob Walker, Maintenance Supervisor
Lisa Jordan, Office Administrator
Adam Reeves, Attorney

INTRODUCTION OF GUESTS

In-Person

Drew Sanders, City Manager, Kelly Koskie, Finance Manager, City of Cortez; Rusty Cringle, CDWR

Via Telephone/Teleconference

Rich Landreth; Troy; Laura Spann, CWCB

Audience

Drew Sanders with the City of Cortez stated that he and Kelly were in attendance to address the Board. Drew stated that the City of Cortez has a repayment loan with a balance of approximately \$2.6M. Drew stated that the City declared their intent to pay off this loan in November 2022 and it took through the end of February 2023 for that to happen, during which time the city continued to accrue interest. Drew handed out a timeline regarding their issue and supporting documents. Drew stated that their goal is to not pay any more interest than they absolutely have to. Drew stated that in their minds they feel like this was avoidable as they made contact with the District on November 10 and maintained contact throughout the process. They communicated their intent that they wanted to pay off in January 2023. Drew stated that, he doesn't know whether this was the case or not but from their perspective, it felt like there was a lack of a sense of urgency on the Conservancy District's part to make this happen. The interest accrued was \$26,254.84 and they feel this was avoidable. Drew stated that they are responsive and feel accountable to their taxpayers to be very good stewards to their constituents. This has been presented to the City Council and they feel that they have a duty to approach DWCD to seek an acceptable resolution. Drew stated that they do recognize that there is some interest due, but not the amount that was charged and they believe that DWCD is responsible for the delay. They are asking that DWCD enter into good faith negotiations, to try to come up with a resolution that is accedptable to both organizations.

Jeremy stated that he feels that DWCD staff would have worked very hard and fast to get them the information the City needed in a timely manner. Drew asked if Jeremy had any evidence to back this up. Ken stated that if we get down to the evidence we will go through the process along with Reclamaion who was the other party to this process.

Ken stated that he will put this on the April agenda as an action item. Ken stated that this is the kind of thing the Board would address when prepared and noticed beforehand as an action item. Landan

stated that for clarification they had \$26K in interest from January to the end of February. Glen asked if the clock has stopped on the interest. Drew stated that it has.

MINUTES

APPROVAL OF THE MINUTES

MOTION: TO APPROVE THE MINUTES AS SUBMITTED FOR THE FEBRUARY 9, 2023, ENTERPRISE MEETING.

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

FINANCIAL STATEMENTS

MOTION: TO APPROVE THE JANUARY '23 FINANCIAL STATEMENT AND APPROVE THE STATEMENT OF PAYABLES AS PRESENTED.

**O&M: AP/CHECK #41168-41242 & PR/CHECK #125705-125746
\$677,284.71**

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

O&M REPORT – Rob reported the following:

Pumping Plants – Staff had a phone conference with Evoqua on February 21st about the water screen delivery dates. The original delivery deadline was February 24th but due to their workload, labor and inventory shortages, they need additional time to complete the screens. We scheduled Fairview for March 20th as we usually send water down South Canal to Hovenweep earlier than everywhere else. Cahone and Dove Creek are scheduled for the first week in April. Robert asked that Evoqua update us every Friday on their progress so we can stay on schedule. Our plan is to set all three screens with the canal dry so we can do preliminary testing. An Evoqua Technician will be on site for the Fairview screen install and they will come back when we have water at all three of the plants so they can make sure the screens are running smoothly. The Technician site visit is also a requirement of Evoqua's 18-month warranty on wear parts, screens and paint.

Power Plants – Staff is still working on the SCADA upgrade at Towaoc Power Plant. Rob included pictures of the cabinets that are having all of the wiring replaced for the new PLC's (Programmable Logic Controllers). McPhee Power Plant is offline until we start releasing at least 25 CFS down river.

Control Room – At the February THCC Meeting, UF&R said that they would like water available on April 3rd so the Control Room will start slowly filling the THC during the week of March 20th. We have our next THCC Meeting on the 15th of this month to solidify these dates.

Heavy Equipment Auction – There will be a Heavy Equipment Auction at the Great Cut Field Station on March 14th at 10:00 am. An announcement was included in the Board packet.

Personnel Committee – Rob will call Godwin to schedule a meeting.

WATER MANAGEMENT REPORT

Water Accounting – Eric presented the Inflow/Outflow **1) February:** Dolores River Inflow: 2,757AF, Narraguinnep stored in McPhee was 2,610AF. Precipitation for February was 1.37" approximately 130% of average. **2) March:** Dolores River Inflow is currently 556 AF. Total inflow to McPhee is 617AF. Narraguinnep stored in McPhee is at 2,382AF for the month, Narraguinnep is close to full, MVIC reduced the fill to 75CFS, then shut off on March 7 to leave room for natural runoff. Precipitation thus far for March is .21", approximately 50-70% average to-date. **3) Future Weather:** Eric stated that the high pressure ridge west of Baja is breaking up and a storm is expected to pass over the basin bringing 1-3" of depth across SW Colorado with the potential for a foot or more above 10,000 ft. **4) Forecast:** The official 90% exceedance forecast from CBRFC is 255KAF. Eric noted that the 90% runoff is, just barely, a full supply. **5) Current Snotels:** As of March 6 we were ahead of 2019. CBRFC's snotel accumulation chart indicates that low snow shows that we are neck-in-neck with 2019 and with a storm on the way. Low snow comparison: sites at Groundhog, Belmear,

Bald Hill, Willow Spring and Salter-Y give us an idea of the basin below 9,000 ft. We are looking good so far, on par with 2019. **6) Carry over:** Eric stated that in looking at carryover, he has taken the shortage sheet year end file and added in a comparison of the active capacity carryover and highlighted the years in shortage so the Board can see the carryover providing the majority of project water on following years when supply is shorted, namely 2018 and 2020.

Ken stated that there are different ways to look at this, and that as year end files come through, Eric can bring them up. Ken said that this year is currently looking like a full supply, and there will be more detailed numbers mid-month. Ken and Eric would like to talk to UF&RE prior to the THC meeting and will also talk with MVIC.

Projects Update

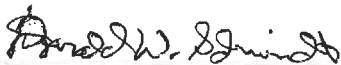
WY 2021 Penalties for Overuse – Ken presented a table of the 2021 FSA Irrigators who used over their allocation and a memo dated September 8, 2021 for the September 9, 2021 Board meeting written by Ben Harclerode in anticipation of a presentation from one of the irrigators. The memo included a summary, discussions between the irrigator and both field technicians and a summary of documents, both mailed and text, that were issued in 2021 regarding allocation. Godwin stated that given the lack of time the Board has had to review packets, they could table the conversation to April.

Discussion: A discussion was held and the decision was deferred to next month. Adam stated that he has pointed out in the past the difference between the years; the years were very different and when the Board determined the 2022 penalty there were a number of outstanding issues influencing that decision. In 2021 the mitigating factors for 2022 were not present. Adam stated that he would advise that they make a long term policy regarding penalties and that it may then be appropriate to try to harmonize past practices with the established policy.

FSA Interest Rates on Past Due Billing – Ken stated that the interest rate on delinquent FSA accounts is currently at 0.25% per month and was scheduled for the March 2023 Board meeting to revisit. Ken stated that in the past interest was 1% per month because DWCD did not want to be the bank, but more recently, with short water years, the interest rate has been adjusted periodically. Don stated that we still don't want to be the banker, and that when we have a little more information, they could discuss a rate. Ken stated that we had tied it to COLOTRUST and possibly dredging and discussed long term loans. Don would like to look at this from the investment policy standpoint. The interest will remain the same until there is a motion to change. Ken will bring this back next month. This item was tabled until the April meeting.

Other

ADJOURNMENT Dolores Water Conservancy District Water Activity Enterprise Board meeting adjourned at 2:41 pm



Donald W. Schwindt, Secretary-Treasurer



Godwin Oliver, President

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DOLORES WATER CONSERVANCY DISTRICT

MINUTES Regular Meeting March 9, 2023

CALL TO ORDER Godwin Oliver, President, called the meeting to order at 2:41 pm

ROLL CALL Godwin Oliver, President
Simon Martinez, Vice-President
Don Schwindt, Secretary-Treasurer
Wes Wilson, Director
Glen Fish, Director
Landan Wilson, Director
Jeremy Redshaw, Director
Ken Curtis, General Manager
Eric Sprague, Interim Water Manager
Rob Walker, Maintenance Supervisor
Lisa Jordan, Office Administrator
Adam Reeves, Attorney
Robert Stump, Bureau of Reclamation-Via Teleconference

INTRODUCTION OF GUESTS

In-Person

Rusty Crangle, CDWR

Via Telephone/Teleconference

Rich Landreth; Troy; Rkserabia; Laura Spann, CWCB; Steve Wolff, SWCD

MINUTES

APPROVAL OF THE MINUTES

MOTION: TO APPROVE THE MINUTES AS SUBMITTED FOR THE FEBRUARY 9, 2023 REGULAR MEETING.

**MOTION: JEREMY REDSHAW
SECOND: SIMON MARTINEZ
MOTION CARRIED UNANIMOUSLY.**

MOTION: TO APPROVE THE MINUTES AS SUBMITTED FOR THE FEBRUARY 9, 2023 EXECUTIVE SESSION.

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

FINANCIAL STATEMENTS

MOTION: TO APPROVE THE JANUARY '23 FINANCIAL STATEMENTS AND APPROVE THE STATEMENT OF PAYABLES AS PRESENTED.

ADMIN: AP/CHECK #12302-12316

\$753,503.30

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

AGENCY REPORTS

BOR Report – 1) Simon stated that UF&RE has been working this week with BIA and BOR on finalizing the 638 Drought Response agreement. It took some upper management within BOR to move this grant forward that will help UF&RE pay the THC charge notice and other outstanding bills. Simon stated that Robert has been working diligently on getting this through. 2) Robert Stump reported that a) BOR and DWCD are working with EVOQUA who is planning on getting the first water screens shipped out March 20 with the rest in early April. b) The City of Cortez has made their payoff payment for their repayment contract for M&I water. BOR has successfully processed the payment. c) Robert has been working with UF&RE on the 638 Drought Response agreement, they have gone over a lot of numbers this week and will be able to make payments to UF&RE as soon as they set up their ASAP account.

Division of Water Resources Report – Rusty stated that he did not have a report.

T/H Committee Report – Godwin stated that the Committee met February 15, 2023 1) The Committee paid DWCD and MVIC.

Next T/H Meeting – The Committee will meet at the DWCD, Cortez Office March 15, 2023 at 2:00 p.m.

MVIC Report – MVIC was not in attendance at the meeting.

Action on Reconciliation Mediation with MVIC: Adam stated that the issue that has arisen as to the correct methodology for calculating proportionate share owed by Montezuma Valley Irrigation Company by virtue of the Contracts. The parties engaged in a mediated discussion over a period of days and the parties have agreed to a methodology. It is Adams recommendation that the Board formally agree at this meeting and execute the proposed mediation agreement.

MOTION: TO ACCEPT THE MEDIATION AGREEMENT.

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

Board Meeting Start at 2:00 PM beyond March 2023: The Board had previously set the start dates at 2:00 PM for January through March. The Board should decide and vote on Board meeting start times going forward. The Board discussed their preferences for meeting start time.

MOTION: TO BEGIN BOARD MEETINGS AT 5:00 PM BEGINNING APRIL 2023.

MOTION: LANDAN WILSON
SECOND: WES WILSON

MOTION CARRIED. WES WILSON, GLEN FISH, SIMON MARTINEZ AND LANDAN WILSON VOTING YES. GODWIN OLIVER AND DON SCHWINDT VOTED NO. JEREMY REDSHAW ABSTAINED.

The Board revisited Board meeting start times at the end of the March 9, 2023 meeting. Jeremy and Godwin feel that the Board makes faster and more productive decisions when they start meetings at 2:00 PM. It was decided that they will have the April meeting beginning at 5:00 PM and the Board will let Ken know if they want to reconsider the meeting start times going forward.

Lease DWCD's MVIC Class A Shares: Historically DWCD leased their MVIC Class A shares after the February Board meeting in blocks up to 10 shares, after which people could get additional. Ken mailed out a memo from, April 14, 2022 and the spreadsheet with historical numbers. DWCD changed last year, 2022, and leased all directly to UF&R.

Ken also provided the following from MVIC's website: [Seasonal Information \(mVIC.info\)](http://mVIC.info)

Share Leasing (Updated fees)

The lease form must be completed and signed by both parties and returned to our office with all fees paid for the lease to become effective. Leases are to be renewed annually. The lease form is available at the bottom of this page.

If you do not own shares, you will be required to pay the current account fee to lease water. The account fee for 2023 is \$380.

Fees are:

\$25 - Jan 1-March 31 of each year

\$50 - April 1-May 31 of each year

\$75 - June 1-June 30 year

\$100 - July 1-Oct 15 of each year

If you have water you are not using, you can lease it to anyone that can receive delivery of water in MVIC's system. The lease price is between you and the party you are making the lease with.

You will not lose your shares if you are not using them.

Ken stated that the Board does not need to lease this month, but should be under discussion when ready. If the Board decides to lease and sets a price and date we will advertise accordingly.

Don stated that he would like to make a motion

MOTION: TO NOT LEASE CLASS A SHARES AT THIS TIME.

MOTION: DON SCHWINDT

SECOND: WES WILSON

MOTION CARRIED UNANIMOUSLY.

Explanation for motion: The preference at this time is that DWCD is going continue to talk with UF&RE and explore something similar to the leasing that was done in 2022. Depending on how the discussion unfolds, the Board can come back and revisit if needed. The goal at in terms of communication with potential lessors at this time is to move the water South if the terms of that exploration fit within a path DWCD wants to pursue.

**RECESSED FOR BUDGET HEARING ON SUPPLEMENTAL 2023 DWCD APPROPRIATION AND BUDGET AT 3:00 PM
RECONVENED 3:02 PM**

GENERAL MANAGERS REPORT

Approval of 2023 Supplemental Budget: Approval of Resolutions 1) Budget 23-01-E 2) Appropriation 23-02-E.

MOTION: ADOPT RESOLUTION NO. 23-01-E 2023 SUPPLMENTAL ENTERPRISE FUND BUDGET.

MOTION: SIMON MARTINEZ

SECOND: WES WILSON

MOTION CARRIED UNANIMOUSLY.

MOTION: ADOPT RESOLUTION NO. 23-02-E SUPPLEMENTAL APPROPRIATION OF ENTERPRISE FUND MONEY.

MOTION: JEREMY REDSHAW

SECOND: WES WILSON

MOTION CARRIED UNANIMOUSLY.

Set FSA Farmer Advisory Committee Date for Week of April 3 or 10: Monday April 3, Tuesday April 4, Wednesday April 5, Thursday April 6, Monday April 10, Tuesday April 11 or Wednesday April 12 look like viable options. Ken and Eric will discuss the water year ahead. They will hold the meeting at 5:30 PM on April 5. Update – Meeting will be held April 6, 2023 at 5:30 PM

Legislation Update – Federal (incl. BOR funding), State & DWR Rule Making: No significant updates. There is still a subcommittee working on the stream restoration bill. The projects bill has made it through several steps. There hasn't been a whole lot of activity to report on the State end. Ken asked Steve Wolff if he could comment. Steve Wolff stated that there was another workgroup meeting on the stream restoration bill. Most people agree that restoration is good and most projects won't cause a problem, but the conversation is still high level and they plan to introduce a bill next week. Steve has been talking to Kevin Rien; he is trying to get Kevin down to discuss water

measurement rules and will coordinate with Ken. Rusty said that he might hear something at his meeting at the end of the month but doesn't have any specifics at this time regarding Division 7 water measurement rules.

Colorado River Basin Issues – Colorado River Compact Issues, DCP, DROA, DM & Drought Resiliency: No significant news has dropped. Ken included two opinion pieces and an article in the packet. Most of the articles are repetitive. SCPP proposals have been submitted to the CWCB and we await the outcome from that process. No major multi-state announcements or from Reclamation. Snowpack has quieted some of the concern and multiple discussions have gone behind closed doors. The huge CA snowpack will provide more water to Metropolitan Water District and relieve their draw on the Colorado River. There is a lot of interest in the snowpack and otherwise no new announcements. Steve Wolff stated that Ken summarized well and stated that BOR is working on the Supplemental EIS. Steve is unsure how Reclamation will handle the six-state position versus the CA position. Closer to home regarding SCPP, CWCB will allow SWCD to comment and review applications. SWCD is waiting to see them.

Minor Updates / Future Board Workshops: Ken reminded Board of the SWCD Seminar in Ignacio on March 31. The WECO Water Fluency program is open, flyer in packet. Ken pointed out the M&R Team will meet Monday, April 10 at DWCD which seeks to protect 3 downstream native fish to prevent additional regulatory actions that might affect the Dolores Project. Wes is the Board's representative, but all can attend and learn about some of the downstream issues. Other future workshop topics include a Hydrology Study, DWCD Public CR Positions, Division 7 Exemption, DWR Measurement Rules, Class A shares, Land use policy (RRA limits), placing a call on the Dolores River and other new issues. Most of the recent workshops have focused on mediation and related hydrology and financial numbers, history & contracts. Ken suspects everyone will be a little burned out for a third Wednesday workshop in March, but that is a possibility. With the season starting soon Ken would like to skip April & May workshops. The Board can discuss the topics and relative priority given external schedules. CR issues might be very timely, while Division 7 exemption probably won't come up for 8 – 12 months. Some Board discussion and confirmation of priorities and plans for scheduling future workshops would be helpful.

Ken said that on the CR issues – if the board is okay with it, Ken will take some of the information discussed on the Yampa White and get it on paper. Wes asked if this was a position letter, Ken said that it was and provides the GM guidance plus writing it down never hurts. The Board agreed.

LEGAL REPORT

AZ v. Navajo Nation, DOI v. Navajo Nation – Adam stated that fully briefed oral arguments will begin March 20 and Adam will review.

MVIC 87.3 CFS Water Rights Filing – Adam stated they received a revised decree, but MVIC still working through issues with other parties.

Adam stated that he didn't have anything on Water Rights Protection and Supply.

Ken suggested the Board go into executive session to discuss the comments from the City Manager.

Adam requested an Executive Session to discuss the following: Comments from the City of Cortez.

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 DISCUSSIONS ON COMMENTS FROM THE CITY OF CORTEZ.

**MOTION: JEREMEY REDSHAW
SECOND: SIMON MARTINEZ
MOTION CARRIED UNANIMOUSLY.**

**RECESSED FOR EXECUTIVE SESSION AT 3:22 P.M.
RECONVENED REGULAR MEETING AT 3:37 P.M.**

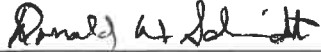
REPORT OUT OF EXECUTIVE SESSION

Adam reported that in Executive Session the Board discussed matters related to the City of Cortez prepayment of their block notice and received legal advice from their attorney. No decisions were made.

OTHER

NEXT DWCD BOARD MEETING – Thursday, April 13, 2023 - 5:00 P.M.

ADJOURNMENT Meeting adjourned at 3:42 P.M.



Donald W. Schwindt, Secretary-Treasurer



Godwin Oliver, President