

**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
February 12, 2026

CALL TO ORDER

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

ROLL CALL

1. Godwin Oliver, President
2. Don Schwindt, Director
3. Glen Fish, Director
4. Wes Wilson, Director
5. Ryan Gray, Director
6. Landan Wilson, Director
7. Ken Curtis, General Manager
8. Gina Espeland, Admin Assistant Accounting
9. Jenny Nielson, Admin Assistant Accounting
10. Robert Stump, Bureau of Reclamation
11. Adam Reeves, Attorney MBSS

INTRODUCTION OF GUESTS

In-Person

Brandon Johnson, General Manager MVIC; Rusty Cringle CDWR; Robert (Bob) Neely, Full Service Irrigator, Ed Millard, Gerald Kopenhafer, MVIC

Via Telephone/Teleconference

Shannon Mullane, Colorado Sun

APPROVAL OF THE MINUTES

MOTION:

TO APPROVE THE MINUTES AS SUBMITTED FOR THE JANUARY 15, 2026, ENTERPRISE MEETING.

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

FINANCIAL STATEMENTS

Don said there needs to be a correction in the minutes on the name of the second on the motion for the Financial Statement, it reads Glen Wilson. Staff will check to see who made the second on the motion and correct the minutes.

MOTION:

TO APPROVE THE CORRECTED DECEMBER '25 FINANCIAL STATEMENT AND APPROVE THE STATEMENT OF PAYABLES AS PRESENTED. O&M: AP/CHECK #44250-44332 & PR/CHECK #127664-127716, \$340,653.35

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

O&M REPORT

Ken reported that two inlet screens, one from Sandstone Pumping Plant and one from D23 were pulled off in the fall and stripped down. Welding repairs were made and then the screens were shipped off for coating. They came back, mechanics put the screens back on and they were re-installed in the field. They are now ready to get wired up over the next week or so.

At Pleasant View and Ruin Canyon the electricians disconnected the old valves and actuators and the mechanics installed new valves and actuators, 4 in each plant. The electricians repulled new wiring to complete the new installs. The mechanics pulled the PVPP screen conveyor. They moved it to Great Cut to clean, replace wear surfaces and likely bearings. At McPhee power plant, the mechanics pulled hydraulic cylinders and had them resealed at Frontier Contracting then reinstalled them. We were getting some fluctuating hydraulics and had a small leak last year. Then pulled the packing gland that holds the packing in place on the turbine shaft. The Bellzona (epoxy) installed several decades ago came off last year causing excess water leaks. The mechanics put on new Bellzona last week. We plan to do a turbine inspection before the season so haven't put it all back together. The electricians did the annual brush cleaning at McPhee and Towaoc; still some suspicion that the brush dust is what shorted out McPhee a few years back. The brush dust may have caused previous problems so we do an extensive cleaning annually in the off season. Crews moved an M&I up north at 324 on CR M to allow vehicles to pass on the non-road side. We've pulled equipment and vehicles into the shop for service, maintenance and general cleanup. Crews finished cleaning South Canal removing sediment then worked the Check 401 area at the upper end of South Canal. Crews still hauling base up to 305 and spreading today. The emergency generator is running fine and turns on every 2 weeks. Cole finished up checking all the fiber, cleaning ends and replacing worn connectors and cleaning out junction boxes on THC back to tunnel and then the shop. We installed new Sandstone VFDs, still need to wire in. Crews are gearing up to install 2 repair bads on siphon 11 in late February or early March.

Water Accounting

Ken stated that we decided not to have a water report since Eric is not here and conditions are abysmal. One interesting new item comes from a January 2022 volcanic eruption in the South Pacific, Tonga that put water vapor equal to 1.2 Lake Eries into the atmosphere. It likely gave a boost to 2023 snow & runoff and may have supported the recent high blocking pressure system and may still be having impacts for another 10 years. More than just climate change going on in the weather. Don brought up a related article on a volcanic eruption that had heated the ocean and changed the currents. He had similar conversations with past forecasters at CWCB.

Cahone (Neely) Allocation Delivery Box

Memo was in the mailout. Ken reported that some lawsuit water was reallocated per the map, 4.4 allocated acres ended up on the 2 parcels to the west of CR 15 while the main irrigation delivery box & pivot are on the east side. The water for the 4.4 is tied to the pivot on the east side. Should he separate the 4.4 parcel from the east side, he would end up without a delivery box.

Bob stated that he is talking about existing allocated water, additional new supply. There is a lateral going down the County Line Road T or FF with a drain in the bottom of the draw, but the drain is bad and disconnected. Generally, we don't like tapping with the concrete pipe. Just east of there is an alternate delivery line that could be accessed. Bob said he wants the water on the west side parcel. Don asked if the 80 acres is south of Road T? Ken said the lateral runs east to west on the north side of the road with a line extension south to C-702 across the road.

Ken said that there is not a delivery box dedicated to the 4.4 acres. Ken went through the re-allocation records and there was some money paid for the 4.4 acres linked to the Sandstone Pumping Plant building cost. Should the parcels separate, we would need to build a delivery box that needs more exploration to finalize details. The real decision for the Board is do they want to leave the 4.4 allocated acres grandfathered to stay on the parcel? Don asked which plant pressurizes this area, Ken replied Cahone Pumping Plant. The lateral line along the County line is on Bob's property. Ken said that we will hunt for the tapping point next and should not need a road bore. Don asked Bob if he is willing to have the M&I. Bob said that he

is fine with it. Don said that M&I makes it a lot easier. There is 18.3 classified acres on the two parcels; they originally asked for more allocated acres than what they received. Bob just wants to keep the water.

Landan asked about when Fred Petit came to the Board asking about his allocation if it was a similar or same situation? Godwin said not really, but similar. He stated that land was divided previously and then Fred was trying to put the split back together. It is back as a whole piece and he thinks he's missing about 3 acres. Fred was asking if the 3 acres were pulled off when it was separated. Someone asked if there was an M&I tap for the house? Yes, there is a separate M&I delivery to the house from the lateral line. Landan said if we put in an M&I who pays for the box? Bob said that he would pay for the box.

Don said that they could figure it out tonight or Ken could come back on where to tap , with a dollar price, how it compares to previous actions and legal actions that we can filter through with a more thoroughly researched. The 10-acre rule did not exist when the project initially began. The 10-acre rule has been around longer than 18 years, you can see a few small parcels on our accounting, one at 4 acres and one at 6 acres that Ken remembers. Elsewhere there have been subdivisions that have cut off a delivery box and we've said that it was their problem as the landowner. In one case, someone leased a stranded parcel because they couldn't take the water due to not having a delivery box. The owner was having problems getting an easement crossing to receive the water. We advise anyone subdividing what is going to happen based on the future land split. We have been consistent the last 15+ years enforcing the policy that predates Ken. We have been good removing acres & associated water from the 3-acre house splits. We've had a few subdividers that made sure they kept 10 acres to keep the irrigation water. We have been good keeping to the 10 acre rule. As long as we know that Bob needs to cover the installation cost, Ken would work with him and if we hit a problem we could come back to the Board. If it is decided to grandfather in the 4.4 acres, we would make it clear that it would extinguish upon sale.

Don said that we need documentation, a staff memo, showing a paper trail of what the Board did in the past. The paper trail with options defining what the Board is allowing.

Godwin asked if Bob wants the 4.4 acres with irrigation water left on the property or he wants an M&I tap? Bob wants to keep the 4.4 irrigable allocated acres. Either delivery, M&I or irrigation, would be a 2" line for 4.4 acres. Bob is happy to come back to the Board next month. The 4.4 acres are probably going to go away when Bob sells the house, even grandfathering for the existing owners is not forever. Don said that Bob may want to grandfather the 4.4 acres or show that he could water the additional 5.6 acres to make a 10 acre parcel. Adam pointed out that M&I in theory doesn't take shortages, but may not be deliverable during irrigation shortage.

Wes said because of the 10-acre policy, how could Bob increase the allocated acres to 10 acres. Would he have to petition in? Godwin pointed that if we do that we are going to open up a can of worms with prior individuals who were denied petitions. Don agreed and pointed out that we have a policy on the moratorium.

Landan asked about tapping the concrete pipe? Ken confirmed that it takes an expensive collar and could cause problems to the lateral so we generally avoid tapping our concrete pipes.

ADJOURNMENT

Dolores Water Conservancy District Water Activity Enterprise Board meeting adjourned at 3:40 p.m.

Donald W. Schwindt, Secretary-Treasurer Godwin Oliver, President

DOLORES WATER CONSERVANCY DISTRICT

MINUTES
Regular Meeting
February 12, 2026

CALL TO ORDER

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ROLL CALL

1. Godwin Oliver, President
2. Don Schwindt, Director
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11. Adam Reeves, Attorney MBSS

INTRODUCTION OF GUESTS

In-Person

Brandon Johnson, General Manager MVIC; Rusty Cringle CDWR; Ed Millard, Gerald Koppenhafter, Simon Martinez and Letisha Yazzie, Ute Mountain Ute Tribe Farm and Ranch

Via Telephone/Teleconference

Shannon Mullan, Colorado Sun

APPROVAL OF THE MINUTES

FINANCIAL STATEMENTS

TO APPROVE THE DECEMBER '25 FINANCIAL STATEMENTS AND APPROVE THE STATEMENT OF PAYABLES AS PRESENTED. ADMIN: AP/CHECK #12837-12852, \$17,400.60

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

AGENCY REPORTS

BOR Report

Robert stated that **1)** he hasn't seen much movement on the powerplant operations and maintenance contract and he doesn't know when to expect any, so we'll continue working under the existing contract. **2)** Reclamation has been in discussions with WAPA regarding the project use power for the DP Pumping Plants. Great Cut Pumping Plant was classified to receive project use power while all the other plants were classified to receive other priority use power as defined by WAPA not Reclamation. After research Robert (Reclamation) has drafted a memo to designate the other plants as eligible for project power use and preliminarily shared it with WAPA. It will continue moving on and he doesn't see any issues.

Division of Water Resources

Rusty did not have a report.

T/H Committee Report

The Committee met on January 21, 2026. The draft minutes were mailed out. There is a spring tour Thursday February 19th with the meeting on that day as well. Tour will start at 9:00 here and will hold the meeting after the tour at DWCD. Board members are welcome to join.

Next T/H Meeting

The Committee will meet at the DWCD, Cortez Office February 19, 2026, spring tour.

MVIC Report

Brandon stated that 1) finally got the FONSI signed on the WATERSMART grant for their pipeline project. The bids have gone out MVIC will wait on bidders followed by a timeline & schedule. Can't work during irrigation season. Hopefully completion on the pipeline project by 2028. 2) Started filling Narraguinnep and recently increased, now getting close to the DWR filling criteria. 3) A lot of maintenance has started.

GENERAL MANAGER REPORT

Miscellaneous Updates

MVIC Annual Meeting:

The MVIC Annual Meeting Materials were included in the mail out. The January 13, 2026 MVIC Meeting Minutes were handed out and we will start including regularly. Ken asked about updates from the annual meeting and Don appreciated not being on the firing line. Ken noted that MVIC changed their rate structure which led to a crowd of small shareholders at their Board meeting.

CWC Conference Comments:

Ken invited Board member attendees to share highlights from the annual conference. Ryan said that Landan did a great job speaking.

Work Shop "Brainstorm" 9:00 AM Wednesday March 25, 2026:

Ken confirmed the date of March 25, 2026. Topics will include FSA Penalty Policy review, DWCD Water Rights & Infrastructure.

SWCD Seminar Friday March 27, 2026 Sky Ute Casino:

The official announcement is due any day, but we can sign up as Board members just let us know if you would like to attend.

Legislative Updates:

Getting busier, with new bills being introduced and the initial lobbyist report is in the mail out. Not much water legislation, probably a good thing. One Data Center bill will promote data centers coming to CO while the other one just introduced will make it harder to develop data centers via regulation. Mostly directed at front range municipal areas.

Four legislators are trying to heavily regulate insecticide coated seed use in Colorado, also trying to regulate tenants' water billing for apartment complexes. Legislative day is March 11; they are asking for sponsorships. Ken asked if the Board was willing to sponsor for \$100. Don said he is willing and the project promotion is money well spent.

MOTION: TO SPONSOR SUPPORT FUNDING OF COLORADO WATER CONGRESS FIRST LEGISLATIVE DAY

MOTION: DONALD SCHWINDT

SECOND: WES WILSON

MOTION CARRIED UNANIMOUSLY

UF&R Request to Participate in Provisional Accounting:

The UF&R request to participate in the UCRC Provisional Accounting MOU was in the mail out and on the agenda to notify interested parties. The Board can expand on the significant concerns discussed briefly last month. Ken stated that UF&R is requesting to participate in a program similar to the SPPP, but that would entail releasing the conserved water downstream.

Simon Martinez stated that all the information is in the letter. The Colorado River Committee wants to release water downstream and UF&R are the only ones doing it in the State of Colorado at this time. He is asking the District to consider this option. He stated he doesn't know what would be a good water year to support this action, full year or hopefully not worse than last year. Financially it would benefit their budget and be profitable to UF&R. He said that there is controversy on where the saved water goes, downstream. UF&R is obligated to

spend the same amount on THCC regardless and he believes they are paid in full for 2025 and will pay for 2026. This request allows the UF&R Enterprise to work with the State of Colorado who presented the program to them. It shows that the Upper Basin is working with the Lower Basin in some way. Everything was in the letter. Letisha read a paragraph from the UCRC MOU on Provisional Accounting to show it complies with an approved UCRC effort. The UMUT is looking at ways for the Farm and Ranch to be profitable. This request would also benefit the Tribe.

Discussion:

Godwin asked Simon how long until he will know whether 50 AF or 200 AF, which is quite a gap. Simon said that these are the parameters put forth to see if the Provisional Accounting would work. Landan asked if it was the UCRC that presented the numbers? Simon stated that he came up with the numbers. Don asked Letisha if it was the State who put the proposal to them? Letisha agreed, yes Colorado proposed since UF&R participated in SCPP and saw the opportunity for more conservation.

Landan asked if the State of Colorado meant CR Commissioner Becky Mitchell?

Letisha replied that the request came from the Attorney General's (AGs) office that works with Becky Mitchell. Ryan asked if UF&R is looking to dry up a specific number of acres? Simon replied that there is not a science to the number, it was just a request of 50 – 200 AF and he was not ready to identify any more water especially on a dry year like this year. This request might bring in more money from conservation than farming. Putting the numbers to it, this would benefit the State of Colorado and the Tribe. If the Board approves up to 200 AF or if the Board approves no more than 50 AF, the UF&R will make it work on the Farm end. Don said that since the Board had the letter last month with some preliminary discussion and now formal discussion at this meeting, he pointed to concerns with a lot of unanswered questions. It is controversial enough between the seven states, two basins and around Colorado it could open a real can of worms. Before we can do justice to an answer it would help to review legal authorities in the current time and legal precedent to where that might take this Board. Adam said as a general rule you cannot compel anyone to irrigate, but the user can't do anything you want with the water. The water has a decreed purpose and place of use with the right held by the District. The water would stay in the pool for the project users to include MVIC, UMUT, FS and Fishery. He's not sure there is clear legal authority to do with the water what the allocation holder instructs. Godwin spoke with Gerald Koppenhafer from MVIC on this issue and asked for his comments.

Gerald said that the biggest concern is once you open up that can of worms, program releasing downstream, where does it end? Don agreed that is his strong concern as well and he struggles on how to move forward.

Ed Millard asked if UMUT knows if the State of CO or UCRC is going to be monitoring and shepherding the water? Are they placing water in a pool at Lake Powell or is the system water going to the lower basin? Letisha said that State doesn't have the authority to shepherd in other states, only from the dam to the State line. Ed concerned who is paying for this water as could be contrary to Article 3. He's not sure it is different from past SCPP. Letisha answered that Reclamation has concern that the Upper Basin states couldn't do accounting to Powell and Colorado knows that we can and wants to prove it. Ed asked if the State are planning to account to the State line or just within the Project? Letisha suggested inviting someone from the AGs office. Simon spoke about when SCPP first started it was a benefit to all. The question (problem) is where the water is being released to and he can see the concerns. How does it affect other farmers? He doesn't think that others would take part in the program because State brought to UF&R specifically. What is the next step? The project is important to the UMUT locally, but there is a bigger picture with problems on the whole CR basin. Don reviewed a historical request, when Simon was a Board member at DWCD, a reminded that we didn't want hurt feelings then or now. When the UF&R requested a similar action of this Board in the past it was truly a trigger to an ongoing discussion on the DWCD Board on how to set a policy that addresses the concerns that Don and Gerald express tonight. Our position has unfolded, that while we don't have the ability to tell our irrigators what to do, and pointing to a policy, we do know the unused water can and will be stored in McPhee for carryover. Don said he is going to be looking hard to establish a policy. There are complexities to explore and contemplate while trying not to ruffle feathers locally or throughout the CR basin.

Landan asked if UF&R getting a hefty dollar/AF and where is money coming from? Simon believes the State is paying. He went on that other reservoirs have been and will continue to be affected by the BOR due to low levels in Powell. The decision has to be made since McPhee not affected yet by larger CR issues and the questions being asked are good. Simon agrees the District may want to come up with a policy. The UF&R had the water when they last asked, now they don't, but still must pay the bills. There are complications as have been pointed out.

Ken asked if the UF&R intends to lease water from DWCD at the same time they would lease some to the State that might go down river? He wonders what he would tell the full service farmers? Simon stated that they are leasing from their supply to pay for the T/H commitment

and would use the leased water on the farm. Simon said that somewhere down the line there might be another farmer that wants to do the same thing to meet the bottom line to save their farm. This Board put out DM principles that they don't like demand management for some of the reasons you've heard tonight. Ken observed that sooner or later the conversation needs to happen between the 3 large water users are UF&R, MVIC and DWCD, but difficult to organize given the different entities structure.

Ed said 1) reason is the Bureau of Reclamation or Colorado is paying for water is because the Bureau of Reclamation is the water master in the Lower Basin. Should they pay for use in the LB it might break a wall between the basins. 2) Question: Do they stipulate it going down the Lower Dolores to get to Powell or through McElmo? 3) It is still true in Division 7 that if DM water is sent downstream, it may damage the use it or lose it portion of the water right.

Glen said that the money gets mentioned a lot, there are higher ups that would pay any amount to crack the door open that will never go shut again. They'll pay any amount. Don agrees with Glen. As we have watched the hydrology yoyo, we need more water than what we can afford to pay for, so we need more dollars and water. Puts us in the same place as CAP. Landan said that sympathizes as a farmer that has to pay the bills. Selling water can look appealing to farmers with only an inch or two to use, but he's in agreement with Don and Glen that it would open the flood gates.

Simon said they needed an answer today. Gerald stated that MVIC can't completely stop someone from selling water out of their system if they jump through enough hoops. If you open a gate with a path to send downstream, it is going to happen. He hates for the water to get out of our community. He hates for UF&R and DWCD to go down that road. Don said there might be value in getting an answer from the AGs office. This Board is going to be having to make a stronger legal policy. Simon is bringing this request to the Board now and it will be coming back up again. He sees it as a lease not a sale, only a one-year deal, but the door is going to continue to be pushed open. Simon understands agrees that there are risks, but can we do a one-year lease only? Glen asked Simon if he feels that higher force stronger is going to ultimately push the door open and should DWCD Board consider that issue? Simon thinks ultimately the State or higher authority will set a policy and maybe we can help with our own policy. Ryan believes we can vote no and still set a policy later. Glen believes because of the potential of a future entity forcing the discussion he agrees to keep pursuing a policy as Don suggested. Don brought up potential between the three parties. All 3 better start figuring out a process to get the 3 to sit down and talking on a regular basis. Surely the 3 entities can figure out how to talk to each other as a community. Simon thinks this may be the first of many requests and could be for larger amounts. UF&R needs a decision tonight as they are already working on their farm plans.

Ken observed that this Board has remained consistent on similar requests for releases downstream to keep the Project viable. This current request brings up the existential CR issues and potential for other future undefined risks. More discussion locally and with external entities may be necessary. This Board sounds like they are sticking to their historical stance, but the conversation is not over.

MOTION: DWCD DOES NOT ACCEPT THE PROPOSAL AS PRESENTED FROM UTE MOUNTAIN FARM AND RANCH TO PARTICPATE IN UCRC PROVISIONAL ACCOUNTING FOR 2026 WATER YEAR. DWCD SEEKS FUTURE POLICY DISCUSSIONS WITH ALL AFFECTED PARTIES.

MOTION: LANDAN WILSON

SECOND: DONALD SCHWINDT

MOTION CARRIED UNANIMOUSLY

Simon thanked the DWCD Board and UF&R will not take part in this program nor make it part of their plan for 2026. DWCD Board thanked Simon and Letisha for coming and also thanked Gerald Koppenhafer for attending for this discussion.

CR Issues:

The governors and principals went to Washington DC on January 29, 2026 heating up the news cycle with many articles included in the mail out. Listening to Secretary Buschatzke now presenting to the AZ legislature, stances are hardening as highlighted in the articles. Litigation shaping up as the politically easiest path forward. This may indicate some failure on the part of the negotiators, but largely driven by the hydrology we see out our windows. As an impacted entity that is not at the table, I believe our actions remain supporting and trusting our CR Commissioner and negotiating team that no deal is better than a bad deal.

We'll also continue discussion of potential State Engineer Curtailment "rules". Originally these were delayed to not interfere with CR negotiations, but the discussion has started and will continue for some time. We might as well prepare for these and plan to share with friends.

Draft EIS comments to BOR are due March 2. I will be looking to draft off other collaborators like SWCD or the State if possible. Given the BOR memo on Powell release restrictions I suspect we need our comments sooner and will focus on supply driven options. Although we appreciate the power from Powell, the physical restrictions and potential for damage to Powell are what protect the power levels in Powell. This leads to the potential of "Run of the River" operations, passing all flows through to the LB while maintaining elevation 3500'. It may have the silver lining of forcing the UB experience on the LB. I'll look for Board member ideas to frame our comments at the meeting.

Discussion:

Ken provided a copy of Commissioner Mitchell's talk at Water Congress and articles continuing along that vein of rhetoric between AZ & CO. Both parties feel strongly and we in the UB keep saying no deal is better than a bad deal, perhaps it ends up in Supreme Court. Comments to Reclamation need to be submitted by March 2nd. So far with Adam he has identified UB hydrology, GAP water (as presented in their draft EIS) Project shortages and the structural deficit as likely topics. We should think about input to the State Engineer for his approaching CR issues listening sessions.

Wes asked about Dolores Project junior status in prior appropriation relative to CR curtailment. Adam said we likely want the State to curtail 100% if there is any choice on curtailment, we would want the State to curtail it all. Ken tried to give an example that we might suffer from cuts of 100,000/AF a year, but if all curtailed it might solve the problem. We would want everyone cut off for maximum impact to avoid multiple cuts as one of the junior projects.

Wes asked if the full-service roughly 60,000 AF and 5,000 AF M&I could stay here potentially, then the rest of the lake could go. Adam thinks it likely that the State would find a mechanism to protect existing M&I uses, not unused M&I. He doesn't think the State will protect future growth supplies. Rusty stated that if you put on a call, the water right is curtailed at the time of the call, not before.

Ryan said that there seems to be a lot of money out there to pay farmers to send water downstream. Is there any federal money to backfill irrigation projects for loss of revenue if they curtail the water? Seems like a Federal program would exist. The Lower Basin entities have gotten paid not to irrigate, but answered the question on each specific negotiation for each entity. Don pointed out that there are a lot of private dollars out there to solve everyone's problems, and many investing in western water.

Ed commented about the municipal water not being curtailed. It would include water for Health & safety like drinking, bathing and fire not the water going across the mountain to water lawns. Have to protect the drinking water. Adam said he doesn't know how they will protect health and safety, but would include places like hospitals and grocery stores. Think of what was not essential and closed during covid. He agrees on the lawn watering not being for health & safety. Ed further commented on potential LB efforts to drain more than just the initial CRSP units including project reservoirs like McPhee.

RECESSED MEETING FOR BREAK AT 5:08 PM

RECONVENED MEETING at 5:14 PM

DC L&G Transfer to Town of Dove Creek:

Ken handed out some old file documents. The first was Dove Creek Lawn & Garden System Event Chronology that gives some events & timelines. The next was a 2008 financial summary with notes. The third item is a 2008 cash flow analysis with table.

Larry Deremo, DWCD Board Member and Full Service Irrigator from Dolores County was a proponent supporting the project. DWCD 200 O&M Reserves contributed \$110,000 to open up a reserve and bank account for the project. The \$10,000 loan was paid back and transferred back with \$49,950.00 in 2009. A total of \$50,050.00 was left in the account. DWCD received 13 paper taps in exchange for the \$50,050.00 (13 x \$3850) value. DWCD did install a final extension up CR 8.2 in 2008 when Ken arrived. The main take-away was the loan payment to CWCB.

They projected more active taps. We currently have 182 active taps, 20 not performing/paying; 12 of them chronically. 8 taps could catch up payments to receive water. Two taps, beyond 182, have special conditions including Town of Dove Creek ball field and Firehouse tap. The project has run on these fewer taps.

As for the paper taps, there are 25 total, 7 owed by DWCD valued at \$3850 each for DWCD; we just sold one on 2/3/2026. There are 18 other paper taps owned by individuals and business to support the project.

In 2013 DWCD had to pay off the CWCB loan and used DC L&G investments and reserves, but still had to borrow \$57,500 from Future Projects, confirmed. Counted value of 9 paper taps a second time (9 x \$3850-\$34,650). $\$57,500 - \$34,650 = \$22,850$, project repayment to Future Projects. Budget notes listed as \$22,546.63 owed back on loan, we haven't discovered the \$303.37 discrepancy. January 2020 transferred \$7,000 from DC L&G back to 200 reserve Future Projects. January of 2026 transferred \$15,546.63 from DC L&G to Future Projects. Still owed to Future Projects ($\$57,500 - \$22,546.63 = \$34,953.37$) to avoid double payment for paper taps from the original 13 tap purchase. Ken plans to make that transfer.

You can see the O&M costs from recent years. DC L&G doesn't have to pay for a minimum acre foot. Ken also provided the revised schedule of rates and charges for the Dove Creek Lawn and Garden Secondary System users. The Account Fee and O&M on Dove Creek and O&M on total system of \$75.00, that rate change was made in 2022. There are 2 special taps, one is the firehouse which is not actively used and installed early in the project. The other was the 2018 park meter install paid by the Town of Dove Creek, uses the city M&I water and only charged for system costs.

Liner is still functioning but has some sun rot on the edges. We started paying back future projects. Ryan asked if we sell the system do we have to give up the reserves? Most of the reserves were paid by the users. There were some historic grants and loans. Is the reserve owed to the system since they paid for it? Information over a lot of years of records. You can see the usage growing and taps growing. In 2016 we reached 180 taps, details on the right. 2018 costs were for the pump cover. A big cost in 2023 was related to the Dollar General building, probably an extension. It is cash flowing positive in the \$9-10K range. We have the election mill levy paying for future M&I water. If the Town wants to use their own M&I, the extra DC L&G M&I payment may not financially work out. Ken needs to go through the financials of how that M&I payment works out. This shows an accurate status of where we sit today. We could talk about the liner replacement and Ken's not sure about the pump life expectancy. Dove Creek Town will be present at meeting next month to talk. Clearly, we are still holding 7 taps that need to be addressed. We have rules and how do we handle their transfer including other paper taps that need to be addressed in a transfer along with giving them our records.

Discussion:

Don asked that the value of the paper taps are still \$3850.00 and thinks they have any increased value over time. The District put in those early funds so we purchased the paper taps at \$3850 and sell them as that. Don asked if it would be something to consider the increased value today? They were going to sell additional taps when it was set up at \$4850 for new taps, which never happened, has only been paper taps. Don asked Wes and Glen on the taps at Montezuma Water CO rising. Wes said currently \$12,500 and ten years ago was \$6,000. It captures the cost of growth of new comers. We set this up as a government and not a commercial interest; DC L&G built for the community benefit, though we should charge prudently. Ryan suggested inflation as the likely increase in value. Ken reiterated that he plans to move the extra loan money, double accounted paper taps, that has been documented by the accountant and GM. The Board agreed and so directed

LEGAL REPORT

Main Canal 1 & 2 Due Diligence

Adam stated there is nothing new on this water right.

Plateau Creek Pump-back Due Diligence

Adam reported that there is a status conference tomorrow regarding Plateau.

Adam requested an Executive Session for a discussion regarding Colorado River related issues and receive legal advice and/or negotiations subject to Executive Session.

**MOTION: TO 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 PENDING WATER RIGHTS AND WATER RIGHTS
PROTECTION AND TO DISCUSS COLORADO RIVER ISSUES.**

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

**RECESSED FOR EXECUTIVE SESSION AT 5:45 P.M.
RECONVENED REGULAR MEETING AT 6:37 P.M.**

REPORT OUT OF EXECUTIVE SESSION

In Executive Session the Board presented mechanisms for protecting water supply and discussed Colorado River Issues. No decisions were made; instructions were given to negotiators.

OTHER

NEXT DWCD BOARD MEETING

Thursday, March 12, 2026 – 3:00 P.M.

ADJOURNMENT

Meeting adjourned at 6:37 P.M.

Donald W. Schwindt, Secretary-Treasurer

Godwin Oliver, President