

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 13, 2023

CALL TO ORDER Godwin Oliver, President, called the meeting to order at 5:03 pm

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

INTRODUCTION OF GUESTS

In-Person

Brandon Johnson, MVIC; Drew Sanders, City Manager, Kelly Koskie, Finance Manager, City of Cortez; Troy Gatiss

Via Telephone/Teleconference

Rich Landreth; Tony Tanner, Full Service

MINUTES

APPROVAL OF THE MINUTES

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

MOTION: JEREMY REDSHAW

SECOND: LANDAN WILSON

MOTION CARRIED UNANIMOUSLY, RYAN GRAY WAS NOT PRESENT FOR VOTE.

FINANCIAL STATEMENTS

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

**O&M: AP/CHECK #41243-41331 & PR/CHECK #125749-125812
\$304,830.44**

**MOTION: JEREMY REDSHAW
SECOND: WES WILSON
MOTION CARRIED UNANIMOUSLY, RYAN GRAY WAS NOT PRESENT FOR VOTE.**

O&M REPORT – Rob reported the following:

Pumping Plants & Canals

We received the Fairview water screen on 4-1 and it was off loaded at Great Cut. Going to set at the plant on Monday. Cahone was off loaded today and scheduled for Monday or Tuesday. Dove Creek the week of 4-17. We've removed some sediment from the canals this year but spent a lot of our time working on the THC. The DCC and SC are filling up with the snow melt and we're trying to move the water down the canals in front of the Field Techs that are prepping the canal M&I's. We haven't been able to get on the canals yet due to the snow and mud. Have talked with some of the users on South Canal and they will not be ready until the first of May. South Canal is full. Haven't spent a lot of time on the canal this year yet. Josh has been mucking out on Reach 1 on the canal.

WAPA completed their testing of the underground power lines from PVPP to RCPP. They're happy with the results and plan on replacing one section of the line per year until the entire line is free of splices.

Power Plants

The SCADA upgrade at TPP has been completed and tested. We will start the Power Plant when there's enough flow in the THC. We started releasing 50 CFS at the Dam on 4-3 and we started the Power Plant on 4-5. We'll start releasing 75 CFS in June and continue at that flow until this Fall. Great year for power production.

Control Room

The Control Room Operators started their 24 hour shifts on 4-10. MVIC has made some ditches available and UF&R will start irrigating on 4-17. We did hire one Operator and he's been training for the past few weeks. There is always an experienced Operator working with the new operators on the shift. New Operators are trained at the beginning of the season by filling the empty canals and operating the gates under different scenarios. This year, the THC is 90% full from snow melt and runoff so his hands-on training will begin during the season. New Operators are always supervised by an experienced Operator until they are fully trained.

Heavy Equipment Auction

Our Heavy Equipment and Field Truck Auction went well on March 14th. We sold the '85 CAT Blade, '93 CAT Backhoe and the 2004 F-350 Field Truck for over the minimum asking prices.

Personnel Committee

We had our Personnel Committee Meeting on 3-28. We discussed the season start dates, current and future projects and the farmer's outlook on the 2023 Irrigation Season. Rob asked if the committee would like to meet again before the next Board Meeting? Wanted to talk about the start date.

Jeremy asked if the the screens are suppose to do a better job of screening. Rob said that a better job, no, but it is less maintenance. It still catches debris. Godwin said that he thought that the committee should meet one more time. Rob stated that he would call the committee next week to set up a time.

WATER MANAGEMENT REPORT

Water Accounting – Eric presented: **1) March:** Inflow into McPhee was 7,909 AF. Releases below McPhee were 10 cfs for the fish pool. The precipitation was 1.27", approximately 130% average for our area. **2) April:** Today, McPhee hit 6877.5 ft and it is rising at more than 1 ft/day. The low runoff has begun and the Dolores River hit 1,620 cfs this morning. Lost Canyon hit 701 cfs. Slickrock was running 2,960cfs. We are releasing 50 cfs below McPhee. Inflows into McPhee are 19,500 af, Dolores River is 8,100 af, Lost Canyon is 3,300 af, other is 8,100 af substantial low elevation runoff over the last 5 days. Narraguinnep is functionally full, with 2,600 af remaining in McPhee. This water will either be diverted to Narraguinnep before a spill or converted to call water if Narraguinnep completes its fill first on low runoff. Groundhog is still very low. The reservoir elevation is still below the bubbler device so isn't reporting. In McPhee MVIC has already stored 7,500 AF of call water.

Keep in mind that call spills first, so like in 2017 and 2019, MVIC is going to end up with less call water than normal this year. Precipitation to date - .08% - less than 30% average. 3) **Future Weather:** After some clear, warm weather we currently have a low-pressure system moving into the area. Cloud cover and scattered precip is expected over the next 24 hours. Possibly an inch or more of precip above 9000 ft tonight. Which will likely cause a stutter in the low runoff. Next week is going to be mostly clear skies, but cooler than last week. 4) **The Forecast:** CBRFC official 90% is 440,000 AF. 5) **ASO Flight on April 6th.** The estimate was 580,000 acrefeet in the basin. 6) **Snowpack Update:** First is the April 10 SNOTEL comparison. We're the highest since 1987 in terms of the daily peak. Because 2019 was buoyed by some late storms, Eric said he would still characterize this year as comparable in terms of the snowpack above 9,000 ft. Next is the daily SNOTEL report. The green numbers are the current SWE values by site, and at this point, they're the most useful numbers. The melt has begun, and that can confuse the numbers when sites melt out at different rates. This is mainly apparent for Scotch Creek, in red, which currently reads 290% of the median. Scotch Creek's peak percent of median was actually about 195% on April 3rd. Next we have the low snow comparison from April 1st. Sites at Groundhog, Belmear, Bald Hill, Willow Springs, and Salter Y- give us an idea of the basin below 9,000 ft. Robert Stump asked how long we monitor low snow. Eric stated until April 1st. Based on ASO data, the 10,000 ft elevation range has the highest volume of SWE. As the season progresses you will see the values numbers in the SWE aspect "eye" shift to showing more snow on northern aspects. Landan asked how often we do the flights. Eric stated that we will do another mid May. ASO can give the needed information. 7) **Spill Update:** As you have all likely heard by now, we are anticipating a spill. So far it looks a lot like 2019. High SNOTELs and substantial low snow forecast an outstanding runoff volume, and low carryover leads to a late spill. It is still too early to tell much about the timing of the spill or its relative size, but we're looking at mid to late May or even early June for a start date, primarily because we need time to build McPhee's elevation. The table shows rough estimates for spill size based on CBRFC's volumetric FCST. It is far from perfect and disregards the timing of the runoff and diversions, but in a perfect world, this is what we are looking at. The FCST has dropped and we are looking more at the 70% and 90% FCSTs until the mid-month update. Runoff efficiency is always a concern. We tried to get a feel for that using the scatterplot in the handout. Historically, very high runoff years have not suffered from low runoff efficiencies. Adam asked if the CBRFC include low snows. Their model does include low snow and includes the basin that drains directly to McPhee north of Dolores. In the table, the 90% and 70% are highlighted. It is taking total runoff and deducting the fill for McPhee and the estimated diversions. It gives a number of what the spill should be. It ignores the timing and weather, purely volumetric. 2019 had 130,000 AF of spill. CBRFC includes July and our table is only showing through June. Since 2020, DWCD has been talking about runoff efficiency and soil moisture relative to the supply forecast. Spent time looking into that for this year. Scatter plot is the runoff into McPhee and average SWE and each dot is a year and there is a trend line. High SWE turned into high runoff volume. 2002 and 2018 are examples of low years showing low runoff efficiency. Don asked if we have played with other factors. Eric stated that he also ran a variance comparison for the low snow using halfpast data and explained that the higher snotel data better explains the variance in runoff efficiency. Don asked if there is a way to tying the two data sources together into the same scatter chart. Eric stated that the data could be shown on the same figure, but a more comprehensive relationship or equation relating the two snow factors would be required before they could be combined into the same variance analysis. It would also have to accommodate spatial variability at the elevation ranges.

Eric explained that an important effect of a spill year is how carryover improves the supply the following year. 2017 was a high inflow year and started with as high carry over, leading to large 200 KAF spill. Even though 2018 was tied for worst year, it still saw 65% water supply. That is McPhee doing its job. Landan asked about 2017 and 2018 and is confused by the annual runoff. Ken stated that he thought that the November column is off, but we can check it. April 1 carryover and November 1 carryover are similar, but not identical. Shortage years are highlighted. More highlighted years after 2010 than before. The next chart is the 30 year average inflows into McPhee. Shows total inflows and portions from Low Snow fr AP-JUL. Next is just the Dolores River inflows, but going back to 1945. The green line is the 10 year rolling average and it is dropping through the life of the project. It also showed the DPR average and 2000-2020 and 2018-2022 averages. Adam asked about the dates of the DPR. Don stated 1929-1973. Next was the same chart including a 75-year trend line. Don asked about the skewing of the trend line and if you took out the 80s, would it drop. Eric confirmed it would qualitatively. Don stated that the trend line might be helpful to us. Ryan asked why we only went back to 1945. Eric explained that there are some gaps in the older records. Ken stated that period of record matters, this is always the issue with graphics. We don't normally go back that far, due to gaps around world war 1, and trends can vary. As we proceed with long-term hydrology analysis, we will get some help with modelling based on multiple factors. We'll decide then if we want the full 100 years and whether that benefits us as we are in a dry pattern. Ken has asked Eric to bring this data for education, just to keep the conversation active. When we take a deeper dive we will bring in more /other data, like COCORAHs. Ken stated that there are other correlations.

2023 FSA Cap & Pricing – Ken recommend that the Board set the FSA Cap and asked if they want to raise it above the base of 22". Godwin stated that he would like to ask Landan because Brian was the only one who commented at the FAC. Landan stated he liked the idea of sticking to the base and keeping the extra in the lake for carry over into the next year. Brian mentioned 25-26" that could go up in monthly increments. Ken said it is whatever the Board chooses to do. We will be sending out postcards, but if we go too late the water can't be used. It's about balancing the pros and cons. Don stated that he thought through some ideas, and visited with Jason Decker. This could be a good year to do something different – there may be ways for some FSA pools to use a larger amount of water if they have it to use depending on the cropping pattern. This could be a year that we could consider individual agreements to increase individual pools in addition to the more traditional method where everyone gets an x amount. Let a few try it this year and see what happens. Start a dialogue. Ken asked if it was a more focused on the water in the water bank or the DWCD M&I and/or class B water. Don stated that was correct, but it would depend. Have a pool of water set aside to do something differently, as an experiment. Don stated that this is just a brainstorm discussion. Ken explained that the contracts are written for 22.1" and if you play it out – depending on the Class B – there is excess water to distribute. Couple that with our average use of 50 KAF, and it leaves you with 5-6 KAF of leftover water in the pool. Maybe we can predict a few farmers and we can hone in on it. We can come up with what is needed for the contracts and what is normally used and then have a separate pool. Ken stated that it is doable. Godwin stated that the only problem he has is if we leave it in the lake it will be divided between the 4 entities. If we set the cap up there and then let staff do a 2" increase as we go along. Godwin said he didn't know how it is going to work out for the FS because it is so wet this year. We need to inform the farmers of these kind of decisions and get their input. Ken stated that we can work up some numbers. Wes stated that the cap should be around 25-26" and should be something in the postcard/letter. Ken stated that he will try and push a postcard out and maybe some will call or come to the next meeting and Eric can look into the numbers Don and Jeremy are talking about.

MOTION **TO SET THE FULL SERVICE CAP AT 26" FOR 2023 WITH STAFF DISCRETION ON ADJUSTMENT. PROVISIONALLY SET AT 26" SOLICITING FURTHER INTEREST FROM FULL SERVICE.**

MOTION: WES WILSON
SECOND:
MOTION DIED FOR LACK OF A SECOND

Discusson: Adam said you want to get them thinking about what they think they can use and if they are going to want more. Ken stated that he would put out a postcard or letter saying that we are thinking about setting the cap at 26" and seeking input would like to get some feed back and that it is not firm. Don said that Ken is considering a letter now and suggested that Ken put out a letter instead of the postcard. Don said putting out a letter could expand to our long term thinking on the 170 shares and on extending water up north to the pool, factoring in different options with the cap and the pool and thinking of expansion on the years needed. Don said putting bullets in that show we are thinking of ways to expand the pool. Need to get the thinking caps on for the Full Service Farmers and each one is going to have to figure out their supply issues and see if we can meet their demands. Each farmer is going to have different operations than their neighbor. Jeremy said that setting the cap lower is raising the carry over. Ken asked if they wanted that in the letter. Don said we need to get farmers input and provide different thought patterns. It goes into the whole DM conversation. Godwin stated that he thinks we can wait until next meeting since FS area won't be having a lot of usage with maybe a few on South canal.

MOTION: **TO LEAVE THE RATES AS BUDGETED AND SET THE RATE FOR ANY ADDITIONAL WATER ABOVE THE ALLOCATION AT THE SAME BASE AND DELIVERY RATE OF \$44.81.**

MOTION: WES WILSON
SECOND: JEREMY REDSHAW
MOTION CARRIED UNANIMOUSLY

Jeremy explained an idea for water delivery in the month of May and maybe June, during the spill, that would be to only count half of your water usage against your allotment and only charge half the price. Ken stated that we can work on it. Jeremy said if it could be done this year and will bring it back in pay. Jeremy stated that DWCD sells water, and the board should consider selling water that no one currently needs and maybe provide some incentive. Ken said he would capture some creative ideas while trying to make sure they're not impacting the late season security.

Wes said he would like to double the \$1.05 to reserves for this good water year. Godwin said that it is going to take more than just this year to recover. The \$1.05 in a good year is better and would catch up one extra year. Landan said he agrees with increasing to build it back, maybe not doubling

it. Ken said waiting for discussion and would put it in the bulleted letter. Jeremy said it was mentioned at the FAC and no one said anything against. The board discussed options and settled on an increase of \$0.55.

MOTION: TO INCREASE THE RESERVE REPLACEMENT FEE FROM \$1.05 to \$1.60 FOR 2023.

**MOTION: LANDAN WILSON
SECOND: JEREMY REDSHAW
MOTION CARRIED WITH WES WILSON VOTING AGAINST.**

2023 FSA Penalty for Overuse

Ken stated that the district have had some farmers over-use in past full years but it often washes out depending on how the board handles the cap. There is less reason to continue the penalties that we had in the past 2 years. In a shortage year, you are taking away from your neighbor, but in a full year, you're only taking from carryover. Ken suggested doubling the base rate as a penalty in full years. Don said that what would make sense, and asked Ken to put it in the letter. Glen asked if the Board didn't set an annual penalty. Ken stated that this is how you set the penalty, we're just doing so later because we have a delayed season. Ken explained we need to get the conversation out there and solicit some creative ideas. Adam stated that you want like situations treated in a like manner and you get into trouble when you treat them differently. You could have the "double penalty" for the full supply years and have something different in shortage years. Jeremy said we could establish a fee for the good full supply years and the shortage years. Adam pointed out that it would be good to have a policy instead of going back and forth. Glen stated that we're talking about a year-by-year policy, which means we agree on prior penalties, rather than trying to equalize the penalties from different years. Adam explained that a lot of the discussion was whether the adopted penalties should be altered retroactively.

Adam stated that the Board should adopt a penalty policy that includes annual discussions going forward, but that defines what different penalties are between shortage years and full supply years. Last year was a unique year and usually it is not that much of a moving target. For this year you might decide that the policy for overuse is only double. Landan asked why the board doesn't do a 1st offense, 2nd offense and 3rd offense type system. Farmers do need to be watching their water more, but it is important that we have a consistent policy moving forward. A system based on the number of offenses can allow some leniency in full years. Jeremy said he thinks that if there is water they need to be able to use it if it is available. DWCD sells water. Wes stated that he thinks that we need to have a set policy. Glen was confused with the concepts and Ken explained what had happened in the past 2 years. Every year we have to adjust and set policies and it takes some hands on management. Adam's advice is setting a permanent policy and not wavering from it. Should act by May 11 for this year. Ken clarified that the board should provide direction to staff, including attorney, to draft a policy. Landan asked if the purpose was to set this policy for dry years and in full years prioritizing encouraging farmers to figure out how to read their meters to manage their water. We are not in the job of babysitting meters and the policy needs to work in the hard dry years and farmers should be responsible for watching their water. Don stated that we have hit on the key concepts and emphasized that preparing an "unused allocation chart" is valuable to show how much wiggle room the allocations in the FS area have. Don agreed with Landan, and doesn't want farmers to take from their neighbors or be wasteful. It is a balancing act of carryover and usage.

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.

Discussion: Wes stated that he is all for taking it off the Agenda.

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 and was tabled. Ken stated that in the past interest was 1% per month, set high because DWCD did not want to be the bank, but more recently, with short water years, the interest rate has been adjusted periodically.

Point was through the last couple of dry years and send out the bills at the first of every month. Traditionally been at 1% per month with no compounding and during dry times ended up at 0.25% per month and the last it was extended in October and said to review in March and here we are. ColoTrust is the easiest to track for comparison, where we have about half of our reserves. We are

invested in Prime and Plus. Ken touched on the yield curves and daily rates. Interest rates are primed to go lower due to a recession by the end of the year as investors flock to securities, i.e. government. It is up to the Board to continue at the 0.25% or another rate. Wes stated that we don't want to be the banker.

MOTION: TO RAISE THE INTERST RATE TO 0.75% PER MONTH WHICH WOULD BE 9% ANNUALLY.

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

Interest on City of Cortez Early Capital Repayment Pay Off - Ken stated that Drew and Kelly from the City of Cortez were present to discuss interest on City of Cortez early capital repayment pay off. Kelli called Ken on November 8 saying that the City of Cortez was wanting to pay off their Repayment Contract. Ken said he sent an email to Bureau of Reclamation staff, Robert Stump on November 10 and got a meeting set in December. The meeting included other Reclamation staff. Then had an early meeting Jauary 12 internally, and talked about the concept and that they wanted to pay off early. Had a formal meeting on February 2nd and it was discussed that there would be interest and DWCD would request a payoff and collect money from the City and DWCD would turn around and pay the Bureau through a wire process. A letter was sent on February 20th and we would make the transfer to BOR. At that point Ken recognized that the district would need a budget adjustment. Ken stated that when we received the payoff number he shared it with the City prior to meeting with them. When we met with them they had already paid the bill directly to Reclamation.

Drew addressed the Board and agreed with what Ken said. He stated that this is business and not personal. What Ken stated was accurate, but Drew felt that there was there was no sense of urgency on the part of the district and it took too long to settle the payment in their opinion, leading to unnecessary interest charges. Drew drew comparisons to the time frames of mortgage pay offs. Once BOR did receive, it took 7 days to send confirmation, which he felt was too long to wait. Drew stated that he still feels like it falls back on DWCD to make them whole on it. He doesn't feel that the burden should be on the tax payers. Drew stated that the City Council is aware of the issue. Drew stated he is kindly asking the board to deal with it and to authorize their General Manager to enter into discussion with the City. He stated that he feels like they have a claim and that they are not going away. Jeremy asked how many years that they had been paying interest. Drew's response was 40 years.

ADJOURNMENT Dolores Water Conservancy District Water Activity Enterprise Board meeting adjourned at 7:09 pm


Donald W. Schwindt, Secretary-Treasurer


Godwin Oliver, President

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DOLORES WATER CONSERVANCY DISTRICT

MINUTES Regular Meeting April 13, 2023

CALL TO ORDER Godwin Oliver, President, called the meeting to order at 7:09 pm

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

INTRODUCTION OF GUESTS

In-Person

Brandon Johnson, MVIC; Drew Sanders, City Manager, Kelly Koskie, Finance Manager, City of Cortez; Troy Gatiss

Via Telephone/Teleconference

Rich Landreth; Tony Tanner, Full Service, Ed Millard

MINUTES

APPROVAL OF THE MINUTES

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

**MOTION: JEREMY REDSHAW
SECOND: LANDAN WILSON
MOTION CARRIED UNANIMOUSLY, WITH RYAN GRAY ABSTAINING.**

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

**MOTION: JEREMY REDSHAW
SECOND: WES WILSON
MOTION CARRIED UNANIMOUSLY, WITH RYAN GRAY ABSTAINING.**

MOTION: TO APPROVE THE MINUTES AS SUBMITTED FOR THE MARCH 9, 2023 BUDGET HEARING.

**MOTION: JEREMY REDSHAW
SECOND: LANDAN WILSON
MOTION CARRIED UNANIMOUSLY, WITH RYAN GRAY ABSTAINING.**

FINANCIAL STATEMENTS

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

ADMIN: AP/CHECK #12317-12334

\$31,438.80

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

AGENCY REPORTS

BOR Report – 1) Robert Stump stated that Rob reported that we have 2 of the 3 water screens back and expecting the last one next week. This will close out the first year of the contract and then it will start over with the next set after the season. The M&R Team meeting was held Monday, April 10th. Spill planning meetings start next week, April 18 and weekly then. He will have an operations meeting on May 4th at 6PM to talk about boatable flows at the Dolores Community Center. There is a flyer going around. DWCD will add to the next website update.

Other

Glen asked about the City of Cortez; how we left it, the discussion was dropped at the end of the Enterprise Meeting. Adam stated that we can't take action and he doesn't have anything to advise for legal analysis. The Board can just take it as information and come back next meeting and continue to engage with the City as the Board sees fit. There is nothing identified as an action item. Adam can't advise the Board to take funds to accommodate the City in this matter. It would be taking funds from the District's coffers paid by tax payers and/or project water users because the City asked.

Division of Water Resources Report – No one in attendance.

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

Next T/H Meeting – The Committee will meet at the DWCD, Cortez Office April 19, 2023 at 2:00 p.m.

MVIC Report – Brandon reported MVIC has been mucking in mud and are behind on maintenance. They have the Towaoc Canal on, but no one has ordered water yet. Groundhog was iced over the new structure. The ice broke away from edge of the structure and it has been increasing a foot a day. Once it hits 11 feet it will have the new structure submerged. Ken asked if ice is an issue and Brandon said that it is not any more.

GENERAL MANAGERS REPORT

Election of DWCD Board Vice President: Ken stated per the By-Laws, included in the mailout, the Board should elect a new Vice President. Next regular elections will be in January 2024.

Adam said that we are going to do secret nominations. Glen stated that he would be interested in Vice President. Adam collected the nominations from Board members. Adam announced we have multiple nominees, Glen Fish, Wes Wilson, Jeremy Redshaw and Don Schwindt for the Vice President.

Adam collected secret ballots on the nominees. Adam announced Glen was voted in as Vice President by secret ballot.

Potential Lease DWCD's MVIC Class A Shares: Ken stated in brief discussion, the UMUT appears interested in working out some long term understandings. DWCD staff did meet with Simon on UF&R plans and they do not foresee using their total allocation and do not want to lease any M&I water from DWCD. If they are not ready in the short term to work through this, DWCD has paid the \$6,840 assessment on the Class A shares for this year. Think that it is going to be well received and make sure the Board wants to stick to what we are doing or if the Board wants to lease. Don said he would be in favor of exploring with UF&R and leave DWCD Class A shares where we stand. The Board does not need to lease this month, but should be under discussion when ready.

Brandon said Farm and Ranch chose to take their share through the Rocky Ford versus the EDS like last few years and they have a project by the casino that they are trying this year. This is why they are not leasing this year.

Legislation Update – Federal (incl. BOR funding), State & DWR Rule Making: Ken stated that all the sudden legislation has gone into overdrive. State affairs meeting notes were included in the handouts and he will talk about stream restoration later. The first thing was the draft drought security was made public; it turns out that there were rumors of the state running a bill. They didn't and SWCD and River District started talking to CWCB and came up with this draft drought security concept. It showed up at CWC state affairs and took up most of the meeting. It wasn't meant to come out publicly and the state is not currently bringing forth a bill this session. This is a demand management bill. There are flavors of the old east/west slope policy equitable policy. The are SWCD and River District are leading these plans for the west slope. David Robbins said it may not comply with the state's needed authorities, pertaining to sharing authority. There was lots of talk and it is hopefully dead for this year, but will return. Steve acknowledged the prior conversations; there were some NGOs in the conversation. Ken stated that we will have to keep working on our DWCD policy as the issue is not going away.

Next is the Senate Bill 23-270, the Stream Restoration Bill, to help of stream projects without going to water court. A project under the bill reverses the traditional presumptive injury role in water court. Ken referred to page 5 letter c, which states that "In a manner does not increase the water surface area of the natural stream by more than one-quarter acre per structure or treatment that does not exceed a total increase of eight surface acres for a series of structures within one stream mile." Some sort of water impoundment on close to 10,000 stream miles in Colorado. DNR agreed that 8 acres is not the final number, so does 4 make it better? State Affairs has been uncomfortable with this bill. Ken is going to keep speaking against it to hopefully amend this section to an interim study. Gerald had comments on the big land use bill that would impact water providers along with many top down initiatives. State Engineer is coming down on May 24-26 and will want to talk with him.

Colorado River Basin Issues – Colorado River Compact Issues, DCP, DROA, DM & Drought Resiliency- Memo from CWCB on System conservation pilot program and there is a table that Glen pointed out at the back where we have 8 individuals trying crop changing patterns. CWCB approved a conservation plan and not the individual proposals. UCRC meeting on Monday may approve them. The 2 west slope Conservation Districts were cut out of reviews. Ken reviewed one of the blacked-out applications. CAWA is attempting to pool funding to more effectively dole out small grants to individual producers. This Board will have to take some action at some point if they want to take a position on SCPP. Saved water to stay in McPhee.

Glen stated that it is early on and it would be interested to see how it is stored. Don is concerned about the funding and push behind these projects and DWCD needs to be prepared to respond, in some ways it is not too early. We need to get our strong stance out there. Ken pointed out that these are all west slope ag and no east slope participation. Don said there is a way to frame what we want loud and clear. Glen pointed out some of the comments by Ed Millard to CWCB. Ken reviewed the BOR request for LB SCPP and the reply from LB. He contrasted the draws on Mead and pricing compared to UB SCPP program. Ken pointed out draft SEIS fact sheet on the 07 Interim Guidelines that came out two days ago. Basically, the Bureau analyzed a no-action, 6-state and CA proposals. The 2023 snowpack has let us kick the can down the road. Powell comes up, more water kicked down to Mead which gets saved. The six states, equitable and CA, seniority, proposals are the bookends for the final SEIS. The principals have until May to come up with a consensus and we need to put our comments in to BOR. For now, they will take the water out of Powell per the 07 Guidelines and see what happens in 30 days. Wes commented that our comments should be to firmly stand and release no more than the 7 million that Reclamation announced they would release earlier and bank the rest in Powell. We should comment to the Upper River Commission. Glen asked if it would affect Flaming Gorge? Ken has heard that we are not doing a DROA in 2023. Don stated that he agreed with Wes and we can decide how to frame it. Adam either SEIS alternative starts at 6 million release and ratchets up based on Powell's elevation. Adam said that the only reason to release more would be to meet our 10 year 7.5 MAF average. Don said his strong statement is that SCPP solely for DM in the long run for the protection of the state and it is not just no but hell no. The money that is spent by the NGO's and others just proves that DM is possible and we have to just say no. Adam said there is some good news is the SEIS that recognizes the LB problem and says that CA and AZ are going to figure it out. In the interim, the BOR may release more to Mead.

Minor Updates

UMUT: Without much direct Board involvement the UMUT will now join agency reports starting in May. Chairman Hart may also address the Board at that time. Have committed DWCD staff & attorney will join the next UMUT Water Resource Committee to look at opportunities for cooperation on water issues. Chairman Hart may address at the May 11 meeting. Ken is waiting for confirmation. Their new UMUT Water Resource Manager will be integral to getting these meetings off the ground, but need some time to get their team put together.

DWCD Reserve Investments, current Financial Markets: No CD's available at good rates that don't have a short-term call. Our most recent maturity was placed in Colotrust. The yield curves are inverted meaning rates are expected to go down relatively soon in response to a recession.

2023 ANS at McPhee & 2022: The local participants held the annual McPhee coordination meeting Thursday April 6. Ken updated the Board with the updated McPhee Reservoir ANS document. There is too much ice and snow on the road to open the McPhee boat ramp so is a delay. CPW has kept up with statewide sampling. CPW opened their first roadside check stations on I-70 and ran for 3 days. Ken went through the intercepted infested boat stats and McPhee tied for most with 26 interceptions in 2022. The rest of the handout covers Highline Lake in Loma where they discovered an adult zebra mussel. Over the winter CPW will do 3 treatments with a copper chemical. CPW will inspect every boat in and out for the next 5 years.

FAC: The FAC was held April 6 and we received limited feedback. One comment agreed with recovering the Water Supply reserves and being conservative in setting any cap to maximize carryover. All full-service farming will have a delayed start as significant snow still covers fields particularly in Yellow Jacket and Pleasant View.

New Board Member: Ken welcomed Ryan and said we needed to get contact information. Ryan Gray was appointed to the DWCD Board.

LEGAL REPORT

MVIC 87.3 CFS Water Rights Fling – Adam reported that there is a status conference tomorrow and MVIC is still working through issues with the AG's office. They are hopeful that they can be resolved.

Mediation with MVIC – Adam reported that the mediation with MVIC is done. He thinks everyone involved, both Boards and staff deserve a lot of credit. It was a landmark agreement, hard to get there and he is pleased it got done.

AZ v. Navajo Nation, DOI v. Navajo Nation – Adam stated that in AZ v. Navajo there were oral arguments held. Adam said if he were to guess, he would bet the court is going to take the position that it needs to be resolved in AZ v. CA. Navajo has clarified that the request was not for wet water, but for analysis of their needs and how they will be met if they were resolved.

Adam requested an Executive Session to discuss the following: Colorado River and Water Supply. Don requested to discuss the City of Cortez also.

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 AND FOR DISCUSSIONS ON COMMENTS FROM THE CITY OF CORTEZ.

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

**RECESSED FOR EXECUTIVE SESSION AT 8:29 P.M.
RECONVENED REGULAR MEETING AT 9:15 P.M.**

REPORT OUT OF EXECUTIVE SESSION


Adam reported that in Executive Session the Board received legal advice and discussed matters subject to negotiation those included the interest dispute with City of Cortez and formulation of response and comments on to the Colorado River SEIS and future water supply planning projects. No decisions were made.

OTHER

NEXT DWCD BOARD MEETING – Thursday, May 11, 2023 – 5:00 P.M.

ADJOURNMENT Meeting adjourned at 9:16 P.M.


Donald W. Schwindt, Secretary-Treasurer


Godwin Oliver, President