

**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
January 9, 2025

CALL TO ORDER

Godwin Oliver, President, called the meeting to order at 3:01 pm

ROLL CALL

1. Godwin Oliver, President
2. Don Schwindt, Secretary-Treasurer
3. Glen Fish, Director
4. Wes Wilson, Director
5. Jeremy Redshaw, Director
6. Ryan Gray, Director
7. Ken Curtis, General Manager
8. Eric Sprague, Water Manager
9. Lisa Jordan, Office Administrator
10. Robert Stump, Bureau of Reclamation
11. Adam Reeves, Attorney MBSS-Via Teleconference

INTRODUCTION OF GUESTS

In-Person

Brandon Johnson, General Manager MVIC; Ty Koppenhafer, Jones and DeMille Engineering; Bevin Williams

Via Telephone/Teleconference

APPROVAL OF THE MINUTES

MOTION:

TO APPROVE THE MINUTES AS SUBMITTED FOR THE DECEMBER 12, 2024, ENTERPRISE MEETING.

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

FINANCIAL STATEMENTS

Wes asked about a payment to MVIC, Ken said it was a cooperative effort to gain some rip rap. Don Schwindt asked about the payment to Vernal Aulston, Ken said he is the individual from whom DWCD purchased MVIC shares.

MOTION:

TO APPROVE THE NOVEMBER '24 FINANCIAL STATEMENT AND APPROVE THE STATEMENT OF PAYABLES AS PRESENTED. O&M: AP/CHECK #43115-43217 & PR/CHECK #126899-126952, \$452,770.64

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

O&M REPORT

Ken reported that the **1)** the weather has allowed DWCD crews to continue to remove sediment up north before moving to THC. **2)** Ken reported that there is a smattering of mechanical and electrical work being performed. **3)** SCADA operators finished probe wells and will work on fiber switches next, working with Cole to look into the fiber problems we have had trouble with over the last couple of years.

Water Accounting

Eric did not have an Inflow/Outflow. Eric presented the CBRFC SNOTEL comparison and ESP. Eric stated that November and December have been dry but there is a lot of winter left to go and, this early, we're not far off-track from even 2023. Eric noted that the forecasts are varying quite a bit -- for example, the CBRFC forecast is 195 KAF and NRCS is 245 KAF. It is early and uncertainty is high. Eric said that there is no change on soil information from December. Adam asked when low snow starts accumulating Eric said February and March are normal times for low snow, though the highest years are characterized by persistent low snow we're not seeing this year. Ken asked Brandon if anyone has gone to Groundhog. Brandon stated that the road is open and the reservoir is frozen over. Ken said the snow line is up in the 9,000' elevation zone. It was noted that the snow observed in the mountains has been relatively low-density.

ADJOURNMENT

Dolores Water Conservancy District Water Activity Enterprise Board meeting adjourned at 3:11 p.m.

Donald W. Schwindt, Secretary-Treasurer

Godwin Oliver, President

DOLORES WATER CONSERVANCY DISTRICT

MINUTES

Regular Meeting
January 9, 2025

CALL TO ORDER

Godwin Oliver, President, called the meeting to order at 3:11p.m.

ROLL CALL

1. Godwin Oliver, President
2. Don Schwindt, Secretary-Treasurer
3. Glen Fish, Director
4. Wes Wilson, Director
5. Jeremy Redshaw, Director
6. Ryan Gray, Director
7. Ken Curtis, General Manager
8. Eric Sprague, Interim Water Manager
9. Lisa Jordan, Office Administrator
10. Robert Stump, Bureau of Reclamation

11. Adam Reeves, Attorney MBSS

INTRODUCTION OF GUESTS

In-Person

Brandon Johnson, General Manager MVIC; Ty Koppenhafer, Jones and DeMille Engineering; Bevin Williams

Via Telephone/Teleconference

Lucas Harvey, Emrgy

MINUTES

APPROVAL OF THE MINUTES

MOTION: TO APPROVE THE MINUTES AS SUBMITTED FOR THE DECEMBER 12, 2024 REGULAR MEETING.

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

MOTION: TO APPROVE THE MINUTES AS SUBMITTED FOR THE DECEMBER 12, 2024 EXECUTIVE SESSION.

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

FINANCIAL STATEMENTS

MOTION: TO APPROVE THE NOVEMBER '24 FINANCIAL STATEMENTS AND APPROVE THE STATEMENT OF PAYABLES AS PRESENTED. ADMIN: AP/CHECK #12630-12647 \$67,697.08

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

AGENCY REPORTS

BOR Report

Robert stated that 1) he went to Lane Electric to look at the rotor from the McPhee Generator which doesn't look as bad as initially thought. 2) Robert stated that he didn't have anything new on valves and actuators.

Division of Water Resources Report

Rusty was not in attendance at the meeting.

T/H Committee Report

Wes stated that draft minutes were mailed to the Board. The Committee paid the bills. The Committee discussed the Budget and discussed the flash flooding on the THC. THCC did the annual tour and Wes recommends all Board members take the tour when possible. Robert stated that BOR has completed the Associated Facility Review, that noted a cross-drain recommendation and a couple of old recommendations that have been completed. Robert commended the entities for their cooperation on maintaining the canal in good repair.

Next T/H Meeting

The Committee will meet at the DWCD, Cortez Office November 20, 2024 at 2:00 p.m.

MVIC Report

Brandon stated that MVIC is trying to utilize the good weather for maintenance on the flood damage, taking longer than expected. MVIC crews are almost done working on Check 513 where the big flood was and crews will move to Road D under the bridge to clean out the sediment. MVIC crews

are also performing general maintenance. Brandon stated that the MVIC Annual Meeting will be January 25, 2025.

GENERAL MANAGER REPORT

Miscellaneous Updates

Work Shop Wednesday January 15, 2025:

Ken said that Eric is dusting off last year's information on water supply protection for review next Wednesday. Other topics may include financials, staffing, FSA policies, CR issues or something else. Ken said that relative to old topics, he asked Steve Wolff about the SWCD risk analysis. Ken asked if they are interested in a deep dive into the water rights information from the SWCD Risk study? Wes said that he would like to get deeper into the water rights. Ken said he will ask Pete Foster to present at a workshop or right before a Board meeting.

Legislative Updates:

The Colorado legislature convened on January 8, 2025 and substantive updates will probably start in February. A budget shortfall is the big topic and we have some concerns that it could affect the ANS program.

Set Location for Posting Meeting Notices In 2025:

DWCD is required to annually set the legal location for posting meeting notices pursuant to state open meetings statutory requirements. It has traditionally been just outside the DWCD Board room. Any other postings, primarily the website, emails & mailings, are done as a courtesy.

MOTION: DESIGNATE THE AREA OUTSIDE THE DWCD BOARD ROOM DOORS AS THE LOCATION FOR THE OFFICIAL POSTING OF 2025 MEETING NOTICES.

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

Annual Appointment of DWCD Representative to the Towaoc Highline Canal Committee:

Currently Wes is the District's designated THCC voting member with Godwin as the designated alternate. This requires an annual Board motion after which we will provide a letter to the THCC with DWCD's representatives.

MOTION: TO DESIGNATE WES WILSON TO BE THE DWCD REPRESENTATIVE TO THE TOWAOC HIGHLINE CANAL COMMITTEE AND GODWIN OLIVER AS THE DESIGNATED ALTERNATE.

**MOTION: DON SCHWINDT
SECOND: JEREMY REDSHAW
MOTION CARRIED UNANIMOUSLY.**

Proxy for MVIC Shareholder Meeting, Saturday January 25, 2025:

DWCD Board needs to decide who will carry the DWCD proxy for the annual MVIC meeting. It's a simple form if the proxy holder is a current shareholder and has traditionally been carried by a shareholder or the DWCD Board President, which may require a letter. Godwin will go to the meeting but would like Don or Glen to carry the proxy. Glen said he has a lot going on this year and isn't sure he will make it to the meeting. Ryan said that he will be in attendance. Don said he would carry the proxy.

MOTION: FOR DON SCHWINDT TO CARRY THE MVIC PROXY TO THE MVIC ANNUAL MEETING.

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

CR Issues:

The news has been slow over the holidays. The only mail out articles pertained to SPPP, which was not reauthorized and yet still gets reported as important to Utah and other UB states. Next steps should pick up after the new administration nominees get confirmed, particularly Doug Burgram as Secretary of Interior to be followed by a federal UCRC representative and Commissioner of Reclamation. The states can work independently, but remain at logger heads. Ken hopes to learn more at CWC. Following up on explaining the UB story makes sense for next steps.

Ken referred the Board to an article titled "Can new sprinklers save the Colorado River? This Utah program could be a blueprint for the West" and another titled "Wyoming's Colorado River water rights in jeopardy without improved info, official warns". Ken said one of the articles mentions NMSU

pointing out that irrigation efficiency doesn't necessarily save water. State Engineer Jason Ulmann continues with west slope measurement rules. One article had Estevan Lopez indicating that the UB is looking at conservation. The Fleck article pointed out the big difference in negotiations now is that the big reservoirs are empty. There should be more comments after CWC.

Emrgy Proposal:

Lucas Harvey of Emrgy joined remotely. It was stated that Lucas has already made his presentation to the THCC and answered some questions.

Lucas stated that he has been working with Ken over the past few months. Today is a summary of the canal system and what we can do to improve operations and generate money. Lucas stated that he works on the business and project development side of Emrgy. He explained that Emrgy drops hydropower blocks into canals to generate power. Lucas noted that he is based out of California and has worked with hydropower projects throughout the west. Lucas stated that he has been working with Ken on a feasibility study for the last few months and there looks to be an opportunity to put in a combined hydro and solar power project on Reach 2 of the THC. Throughout the study they have learned that DWCD's water infrastructure could host 19.5 MW of hydropower and floating solar. Lucas stated that Checks 512 and 513 would be the locations for the combined hydro and floating solar project. They would like the intake to sit in the channel and put the water used to generate power back into the canal. Lucas stated that Emrgy would be the owner of the project so they would be on the hook for any repairs that may need to happen to the unit. The diligence period is complete and he would now like to kick off the development period. This would involve the site hosting agreement to be signed by DWCD to enter discussions with Empire and BOR for LOPP. Lucas stated that the development period is from 0-3 years and includes a signed site hosting agreement, interconnection application and other permits filed. After the development is complete the operational period begins and is around 20-30+ years and happens when the project is deployed and begins generating revenue. Lucas stated that DWCD's Revenue Share would be 15% and expected to last for 30 years, total revenue approximately \$990,350. Lucas stated that there is potential to expand and increase the revenue to DWCD. This signifies only 4% of the expected project generation potential.

Discussion: Jeremy asked if the floating solar had to go in a lined canal. Lucas stated that it does not but it is preferred so that in the winter time the solar panels are not sitting in dirt. Jeremy asked who moves the solar panels to perform maintenance. Lucas said it depends on the maintenance practices and is covered by the agreement and would be discussed in the development period. Ryan asked the benefit of placing solar panels in the canal instead of on the ground. Lucas said they feel like ground solar is taking away from ground that would be using the water and it would also provide shade to prevent algae growth in the canal. Glen asked if there was risk to people or animals. Lucas said the same amount of risk that there is currently and they will take necessary precautions with signage and education etc. Ken said it was asked if the drop structure and solar could be done separately. Lucas said that if the solar project doesn't look like it will work, they can easily pivot to do only the hydropower project. Don asked, as you grab the water, what is the percentage of water being used. Lucas said this is designed for 25% of flow, based on the intake size and generally take less than 50%. It is a simple intake that looks like a pipe inlet trash rack. Don asked what is the loss to the potential hydropower? That is where the adjustment comes in and this will also be determined in the design phase and can be increased. Don said the water use and demand yo-yos. Lucas said that the water goes right back into the canal. Ken clarified that the question is about seasonal or drought driven variable flows to schedule delivery to the turbines. Lucas said they have used a historical average water flow from 5 years of flow data and they are aware of significant changes. They don't want to impact the way water typically flows; whatever power is generated is icing on top. Eric asked if there was buildup on impellers due to tumbleweeds, algae etc. Lucas said they have a debris rack at the top and have a flushing cycle in the turbines. Every few weeks they will pay for maintenance to remove debris.

Ken said that the THCC will be discussing the Emrgy proposal at the next meeting. Ken noted that there is talk of these types of projects all over the west but they have all been federal experimental grant funded projects. Ken is interested in this regarding slowing pond weed growth more than algae. Ken said that they aren't going after 100% of the flow which helps. Ken said that just on the face of it their model would be significantly cheaper by placing the hydropower turbine on the concrete wall. Don asked if we are planning a portion of time at a brainstorm session to look at these numbers? Ken said they could discuss this topic next week at the workshop. Don said that a little amount of money over time adds up. Ken said that he doesn't think the drop project is high risk but he is unsure about the solar portion. Ken said that the agreement locks us up to working with them for 3 years to develop exclusively with them. Ken said the commitments are about right of access and exclusivity, the 15% etc, but there are off ramps. Ryan asked about timeline to see real drawings. Ken said that they seem unsure about the lease of power privilege which would drive their development of drawings. Ken said that the drops are at least 42' and Carver Drop is a little higher. Ken said that you can calculate your power production depending on the turbine. Ken said that Emrgy's project is probably less efficient but more flexible than the other traditional turbines. Ken said that these are pretty minor units and should clean themselves. Ken said that Emrgy is just starting with a unit trial. Ken said that we have been at this for 14 years, this is not a huge financial risk for 2 additional years. There are a couple of items that need to be addressed in the Agreement. Robert said that lease of power privilege is not set up to work in phases like this is set up. There is also a trigger at 1 MW to look to Reclamation development. DWCD gets the first right of refusal in a

LOPP. Ken said we will work out the operational details of the agreement with Emrgy before getting a legal review and returning to the Board. Don suggested getting a copy of the power point that Lucas presented.

Brainstorm:

Topics have generally been related to hydrology, financial matters, legal (contracts/water rights) or infrastructure. Staff & attorneys will have some ideas for discussion. The Board should think about strategic directions that they want to direct resources, primarily time and funding. Our current staff focus is on field operations that will continue to take all the current staff time. The Board attorney is focused on due diligence. We continue to cover the same ground and likely will not gain any traction without some Board consensus or agreement on priorities. Ken noted that the infrastructure hasn't been discussed much. We are currently working on the wood work in the breezeway at the CPO that the flickers have been getting into. The Brainstorm was set for Tuesday February 18, 2025 starting at 9:00 am.

**RECESSED FOR AT 4:31 PM FOR A BREAK
RECONVENED FOR AT 4:34 PM**

GM Annual Review:

The President requested that the Board discuss setting up the logistics for an annual GM review. Historically the Board members have filled out a review form individually, then come together in executive session to discuss and then review with the GM. Godwin said that he doesn't think there needs to be a written document on the GM review. Glen said he doesn't think a written review is needed either. Godwin would like to discuss the GM review in executive session for a few minutes.

Reclamation O&M Power Plant Contract:

Ken said that there was no news over the holidays, he completed sending some backup information and will continue working with Robert.

LEGAL REPORT

MVIC 87.3 Change Case

Adam said that MVIC received the final stipulation and is waiting for the final decree.

Main Canal 1&2 Due Diligence

Adam stated that this item is a winter work project for Ken, Eric and Adam they need some technical information for the opposers.

24 CW?? Beaver Reservoir, Bear Creek Reservoir & Dawson Reservoir Due Diligence

Adam stated that there were no statements of opposition and there was a favorable report from the Division Engineer so this should be wrapped up in a couple weeks.

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

Adam did not have anything new to report.

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

Adam did not have anything new to report.

Hydropower Plant O&M Contract with Reclamation

Adam did not have anything new to report.

Adam requested an executive session to discuss the Emrgy Proposal, Water Rights Protection, Water Supply and Personnel involving legal advice and/or negotiations subject to Executive Session.

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 PENDING WATER RIGHTS, WATER RIGHTS PROTECTION AND PERSONNEL MATTERS.

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

**RECESSED FOR EXECUTIVE SESSION AT 4:38 P.M.
RECONVENED REGULAR MEETING AT 6:24 P.M.**

REPORT OUT OF EXECUTIVE SESSION

Adam reported that in executive session the Board discussed matters related to the Emrgy Proposal negotiations, Water Rights Protection, Water Supply and GM Review. No decisions were made.

MOTION: TO MOVE \$150,000 FROM APPROPRIATED/UNBUDGETED FUNDS TO THE CONTINGENCY LINE ITEM IN THE 2025 BUDGET.

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

MOTION: TO INCREASE KEN CURTIS' SALARY BY 3%.

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

OTHER

NEXT DWCD BOARD MEETING

Tuesday, February 13, 2025 – 3:00 P.M.

ADJOURNMENT

Meeting adjourned at 6:27 P.M.

Donald W. Schwindt, Secretary-Treasurer

Godwin Oliver, President