

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
July 13, 2023

CALL TO ORDER Godwin Oliver, President, called the meeting to order at 5:06 pm

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

INTRODUCTION OF GUESTS

In-Person

Andrew Wendt, ATLAS; Brandon Johnson, MVIC; Luke Baxstrom DWCD Employee; Mara Baxstrom

Via Telephone/Teleconference

Ed Millard

MINUTES

APPROVAL OF THE MINUTES

MOTION: TO APPROVE THE MINUTES AS SUBMITTED FOR THE JUNE 8, 2023, ENTERPRISE MEETING.

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

FINANCIAL STATEMENTS

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

O&M: AP/CHECK #41490-41582 & PR/CHECK #125910-125961
\$294,005.51

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

**RECESSED MEETING INTO REGULAR MEETING FOR AUDITOR REPORT AT
5:09 PM
RECONVENED AT 5:12 PM**

Andrew Wendt reported that the audit went smoothly with no issues.

O&M REPORT – Rob reported the following:

Pumping Plants & Canals – The staff has been pulling more weeds that were on the bottom of the canal from the low flow at start up. Crews have pulled the driftwood off the dam and stacked it against the rock shelf to be burned this fall. Hastings has sandblasted and painted the water screen covers at FVPP, CAPP and DCP. Crews are also keeping up on the maintenance and replacement of valves on the Full Service Boxes. Rob noted that FVPP went down twice on July 13, crews noticed there was a PRV that was stuck open which was allowing 120 pounds of pressure to go through the box and into the irrigator's field. Luckily the irrigator had 2 pressure reliefs on the pipe. Normally, DWCD can isolate the box upstream, in this case, the valve would not close. The next step is to go to the sectionalizing valves to shut off parts of the field and not the entire field. Past experience has taught us that it is best not to have pressure on the sectionalizing valves as it tends to blow the rubber gasket off. The pumping plant is now up and running. The crew teamed up and read all the meters for mid-June spill-water usage reporting.

Robert Stump has been working on the necessary BOR paperwork for the projects on THC. DWCD will coordinate with MVIC to complete those projects.

Sandstone has been running on two of the five pumps and has been keeping up with demand. The plant flooded again this spring and damaged most of the motors. There is a back-up motor which can be installed if needed. Staff plans on installing an intake shut-off valve this offseason to solve the flooding problem as this has happened in the past. Staff is also planning to put in a spare motor at the end of the season. The plant is keeping up with demand right now but crews would like to get the problem solved this off season.

Rob stated that whenever there is a line damaged downstream of the box there is a discussion about what happened and a determination of what happened. The procedure is 1-hear of break, 2-show up and assess the situation, 3-determine what caused the break. If it is something that is caused by DWCD infrastructure DWCD has agreed that we will pay for the parts but not equipment or labor. There have been a couple of recent blowups where there was a problem but DWCD never received a bill from one of the irrigators and after 2 years the irrigator brought it up and it is now being considered. In the past, the field techs were told to tell the irrigator to document what needs to be replaced and DWCD assesses the damage before any agreement to pay.

Power Plants – Towaoc Powerplant has averaged 170 CFS, McPhee Powerplant is at 75 CFS with the downstream release at 76 CFS.

Personnel Committee – The Personnel Committee met on June 28. Rob attached a summary of the topics discussed. Rob stated that the main topic was his resignation letter and stated that for his peace of mind he would like to discuss the following.

Personnel Committee (PC) needs to continue, he was glad it started back up.

- Early stages but showing progress. Key to Board/Staff relationship.
- In 2022, PC worked on salary for the most part, but it didn't resolve much. Got one-time bonuses.
- Report PC meeting topics to the Board better.

Farmer and Staff relationships:

Rob said that he would like the Board more involved in the personnel meetings.

Rob said he does not feel that he is capable of relaying the staffs' concerns to the Board in an effective manner. Rob stated that he has lost his enthusiasm and motivation. He has seen enthusiasm and motivation with Ken and Eric and that is needed to carry the message from the Board to the Staff and from Staff to the Board.

Rob stated that one word from employees keeps coming up and that is stability. The employees want stability and have not felt that they have had it in the last few years.

Rob's interpretation of employees needs are as follow:

- Long term dependable employees need a long term dependable career.

- Salaried employees are loyal to an employer that has a consistent upward career path for them, which includes yearly raises which can mitigate inflation and market changes. If your compensation doesn't include a cost-of-living increase, then you end up making less money over time than you started at.
- Staff's job is to account for the water, deliver the water, and bill for the water. We do all that every year whether there's a 30% supply of water or 110% supply of water.
- Staff's salary increases have been linked to how well the farmers have done and the amount of water supply for the previous year. There's no incentive for an employee to go above and beyond their basic job duties or to even stay with the District because raises are not based on their performance.
- In the past, raises have been reduced or haven't been given out in low water years which can be hard on the farmers. If staff and farmers are linked together, does this mean:
 - Full reservoir = extra large raise?
 - ¾ supply = ¾ raise?
 - ½ supply = ½ raise? Etc. Falling behind on dry years hasn't been balanced by boosts on good years.
- The Yearly Budget labor cost's bottom-line is expected to remain flat while the cost of living skyrockets. This is true for staff and farmers. Why should the staff stay?
- Our recently hired employees have either been laid off from their previous job or quit because of some type of personnel issue. What they are seeing across the board is that the unskilled new hires are making more than the District's 14-year veterans. New employees agreed to take a pay cut because they saw the possibility of reaching a higher pay grade in their job description. The benefits are enticing to families. The District has a small staff so word gets out. The 14-year veteran finds out that the new hire is making \$1.00 less than he/she is. This has been a struggle morale wise and it is hard to keep employees. There was a core crew at DWCD for a long time but many have retired and there is no longer the stability and it is difficult to plan for the future. Employees need something they can plan on. When they are making the same wage year after year it is not actually stable. The employees that are leaving are chasing that stability and peace of mind. Where's the appreciation, incentive, loyalty, stability? Why stay with the District?
- The 2020 Salary Survey was handed out. Each employee has an assigned salary minimum, midpoint and maximum according to the existing level or numbering system. The Salary Survey previously was from 2009. Midpoint is defined as the wage for employees that complete their job duties satisfactory. Rob stated that at the current rate of raises, he wouldn't have reached his midpoint for another 14 years if he received a 2% increase every year. Why would the District keep an employee for 14 years if they're not performing their duties at or above satisfactory? How many employees are below their midpoint and how long will it take for them to be considered satisfactory or average? Rob stated that there are employees that are very skilled and there have not been many great applications for the current job openings.
- We talked about thinking outside the box in our PC Meetings. Some farmers and staff have done that by getting side jobs to make ends meet. Some of the staff has realized that their side job has the stability and incentive needed for their family's future.
- The District is short on staff so we've been cross-training. This helps to spread the knowledge but it also puts each employee behind in their own work. Farmers are starting to see the effects because of our slower response time.
- Rob has had Farmers call in and ask why the pumping plant shut down. "Why can't DWCD keep water flowing, seems so simple?", "Why does it take an hour or two to restart the plant?", "why can't you fix my valve until tomorrow?", "do not use that BOR designed waste way that runs through my field even though it's classified as Class 6 and I'm farming it anyway?" We've tried multiple times to take farmers on a tour of the Project so we can help educate them and hopefully answer some of their questions. Very few have seen the infrastructure of the Project, and most have only seen a canal and their own delivery box.
- We only have three employees on call, compared to six in the past. This means that each of these employees are on call for 1/3 of their summer. The "on call" employee cannot be more than 45 minutes away from the Field Station at any time and they must be in cell service. They are not allowed to consume any alcohol during their "on call" time. They could be called out day or night and we have a strict rule on impaired employees.
- It's hard to find good employees in today's world. Some companies are offering sign on bonuses or extra benefits. The staff knows they're not going to get rich working at the District nor do they expect to. They only want to keep up and make a little progress in life. The District is getting further and further behind on the current salary expectations of today's workforce. Talking about money is never a comfortable topic but why do we all go to work? To provide for our family and make life enjoyable.

- Staff understands the budgeting process and that the Full Service Farmers pay for the labor to maintain the north system. Ben and Eric spent a lot of time figuring out that when employees work on other projects such as the powerplants and THC the FSA irrigators don't pay for that cost. The M&I people say that the installation of and M&I is expensive but the water is cheap. Maybe that should be updated?
- We do not want to take from the farmers or expect them to suffer for our stability. There are other avenues to provide stability for staff and keep the price of water low for the farmers. The staff realizes the impact of working on the THC system. That's a large cost savings to Full Service farmers. DWCD has looked at hydro plants and raising the cost of M&I and DCL&G water. Rob stated that he hears comments all the time about how cheap the water is. Double the price and it's still a great deal. People are willing to pay. Investment accounts for yearly raises etc. Rob stated that he believes that with more time spent on solving this problem, DWCD can all move forward and concentrate on ensuring the project runs efficiently. Limit the meetings about meetings, workshops and tabling decisions.
- There is a solution for Staff and Farmers together.

Rob stated that his final thought that was not discussed at the June 28 PC meeting. Rob believes in the District's purpose and it has been a great environment to work in. He considers all the staff to be friends and wishes them all the very best. Rob has spoken with many of the Farmers over the years and they are great people. We all want the same thing in life, quality time with our family and friends making memories and hopefully staying a little ahead of the bills coming in. Rob noted that he fully intended to retire at the District but it's now time for him to move on. Rob stated that he has had few jobs in his adult life but considers his 11 years working for DWCD as his favorite because of the people and the purpose.

Rob stated that the field staff is in the process of cross training, but said that he can see it coming that DWCD employees are going to leave and the reason is strictly making ends meet. Rob stated that he is telling the Board that he can see the problem coming and thinks the Board needs to work on fixing this problem before it is too late. Rob doesn't think the irrigators should be harmed for it but the employees should not be penalized either. The employees sometimes look at the Board as the man behind the curtain pulling the strings. They are just beginning to get a relationship started with the personnel committee and staff. Rob thanked the Board and said that he has learned a lot. Rob said he sees a lot of employees that work and don't write down their hours and also sees farmers that fix their own lines.

Discussion: Landan stated that they talked about midpoint at the last personnel meeting and asked who determines if the employee is satisfactory? Ken said that it is the supervisor of each department that makes this determination. Ken said that with Rob leaving and our lead mechanic resigning, DWCD has been left with a hole to fill on multiple fronts and some of it links to Board action and some of it links to the managers. Ken stated that he doesn't know where things are going but stated that if things don't change they are not going to go well for a while.

Ken asked if everyone understands midpoint. On the last updated employee sheet, there are 24 names, one has retired, he was a control room operator, one is the lead mechanic who has resigned, one is Rob and one was let go for not performing. Out of the 24 names on the list, 17 employees are under midpoint. As this comes into focus, Ken stated that we dug ourselves into a hole in not replacing some positions, as we thinned up and have not adjusted salaries. We are now about five years into a hole and now it is time to dig out and figure out what needs to change. Ken stated that the District will be hiring people which will drive some of the change. Rob stated that there was a salary matrix but they couldn't reward an employee who did a great job. With the matrix all received the same increase whether they performed well or not. Rob said that there was some ground made by giving safety awards and noted that the employees were thankful for the bonus pay last year.

Ken stated that DWCD is a complicated organization, the THC is independent, the Power Plants are independent, taxes come in and funds get divided out through the budget reconciliation process. Ken said that in the audit, there are some CD's that are locked in on paper and there are some that are beating the market. Ken said that he doesn't worry too much about that as there were actually gains on the audit. There was more water and more sales in 2022. What is hidden is that Rob has been saving money in the budget by reducing acquisition of the materials, parts and supplies. Ken noted that there are real issues regarding hiring, there needs to be more than two electricians, and right now we only have one mechanic. All of the labor is combined and the largest expense line item in the budget. The capital cost is internal with the BOR. The labor cost is spread out in the reconciliation and everyone is paying a portion of employee costs however the labor line item gets an inordinate amount of focus from the board. Materials, parts and supplies is the next biggest line item. We budget \$700K and have not spent it, this is where the cash comes from. Ken explained that all of the costs get reconciled but FSA doesn't get reconciled and that is how we built the cash

that got us through the drought. There are a lot of moving parts. We are behind on some maintenance and need to backfill some parts that have not been ordered due to the drought and unfortunately we also got behind on people. If DWCD can't perform there are going to be problems. Ken stated that recently there has been a ton of focus on the control room, there are some new people but now that department is probably the most stable. Ken said that the personnel committee needs to continue to work on ideas. It was stated that FSA does pay the bulk of the rates, but you have to look at the market and you have to make them work together. Ken appreciated that Rob shared what he has seen in the field.

Godwin asked if Luke Baxstrom had any comments. Luke stated that he didn't have any comments. Ken said that Luke is the last mechanic and he and another electrician picked up the on call shifts. Some of the more senior hands saw working for the District as a mission, really liked working for the District and it was a good work environment. Ken said that we are seeing a new generation and don't have the core senior people any longer. Ken stated that this is a different environment and it could be that we never see anything like the previous core group again. Ken noted that this could be contributed to the labor market or it could be generational. Ken will start hiring and taking actions. The personnel committee will continue unless the Board wants this to come back as a recurring agenda item. Jeremy doesn't want to be a personnel person and would like to stay out of it as a Board member. Jeremy stated that he would prefer to leave these decisions in the hands of staff managers.

Ken stated that as far as work projects, staff is somewhat concerned about the laterals, and have already worked through the pumping plant issues. It was stated that the project does not run on auto pilot as each year is different. At the Board level, it depends on what the Board wants. The Board sets the budget and within the budget they also traditionally set the matrix. DWCD has a good benefit package that is competitive but have slipped with regard to wages. Ken said that he suspects that pay rates are up in construction. There are changes that have effected DWCD such as working from home and remote working these will begin to effect the district, five years ago this wouldn't have effected us. Midpoint is Ken's focal point, an employee should not work here 10 years and not be at midpoint. Rob stated that he appreciated what Jeremy said about leaving decisions to the staff. Rob noted that when he was giving evaluations, it bothered him that he was not able to reward someone for a job well done. Rob stated that the Board shouldn't know what the day to day operations are. Ken said that he would ask the board to look more strategically at costs and rates during the budget cycle. Ken stated that inflation is real and there has been a steady environment of 2% inflation increases for most of the last 30 years. People want to work and have a career and are looking for about 3% cost-of-living per year, generically. Ken stated that we do have some understanding of the market environment.

Ryan aksed if there was potential for upward mobility within, a possibility to fill Rob's postion from within. Ken said they are interviewing within for Rob's position but don't see an in-house mechanic. Glen said that he saw an employee who brought up sign on bonuses. Ken said that is a tough one to assess, as we are relatively small community, a sign on is good if you are grabbing someone you want. It takes a couple of years to learn the project and it would probably depend on which position you are talking about. Ken would have to link a sign on bonus with a position. Don said that in his view, hiring from the local community makes more sense than anything else. Don said that word of mouth makes more sense than a sign on bonus. Jeremy thinks it's up to Ken and he should let the Board know what they need to do.

Ken will talk to others about professional feedback with similar competition for jobs. Ryan said that it was suprising what people are looking for as far as the pay rate based on his own recent professional experience. Ken said that there is some growth in the area but mostly retirees. Ryan asked if there are immediate things the Board needs to do to get people to stay. Ken said yes, get them to midpoint.

Don said that listening to Rob, he is hearing that the Board is too much government which is different from construction. Don said they have real hard budgetary decisions to make. This project is sophisticated and it is difficult for the irrigators to pay and that is why the THC and Power Plants are important to have to offset the costs to the District and the irrigators. Don appreciated the words about building a better team on DWCD, MVIC, UF&RE. Wes said that hiring is staff's job and expressed he'd prefer to leave the final decision there. Don said that the Board needs to be willing to fill the budget item. Landan asked if this is something that can be done by the end of the month or is it by the end of the year. Ken said that we aren't even keeping up with our last salary survey in the last 5 years 1% increases have not moved employees back to midpoint. They should be making midpoint when they are competenet. Ken said there are 17 people under midpoint. That is what Ken will look at in the short term. Luke noted that he has been with the District for 18 years and has been chasing his midpoint for 18 years. It was stated that the guideline says check the rate every couple of years. DWCD has gone 10 years between salary surveys. We need to keep people where they are at and float within the salary bands. If they had been getting matrix increases closer to the 3%, we would have made up some lost ground over the last couple years.

Ken said that there are always issues that come up that are important and at times we short day to day stuff. The salary stuff got lost in the shuffle and we dug ourselves a hole. It was stated that the work environment is equally important but we are all here for the pay and if this is a subject that is continually coming up all the time, it is a problem. If we loose our edge to be a desirable place to work then we will lose our staff.

Ken summarized that for the time being, he will be the maintenance supervisor at the end of the month. He intends to take action to move staff up to midpoint as a first step in the short term. Long term, we need to review the salary guidelines, probably get another salary survey done, get back to full staff and get them trained. The first goal is to get a new Maintenance Supervisor and a new mechanic.

WATER MANAGEMENT REPORT

Water Supply & Water Accounting – Eric presented the highlighted **1) Inflow/Outflow June:** UF&RE diverted 10,159 AF in June. MVIC diverted about 38KAF in June and Dove Creek Canal diverted 12,488 AF. Eric noted that regarding the 2023 spill, the M&R Team hit all their goals, there were all kinds of flushing flows, fishery sampling, suppression flows, and a good ramp down. Eric stated that it was a great spill and also the largest spill in the functional lifetime of the project at roughly 245KAF. The spill lasted 64 days from the end of April to July 4. There were 55 days above 800 CFS, 43 days above 1,200 CFS, 26 days over 2,000 CFS 18 days above 3,200 CFS and 10 days at 4,000 CFS. Eric stated that they still don't know all of the ecological benefits of the spill but based off of what they heard at the last spill team meeting, it is promising. As mentioned, the ramp down was good, about a 100 cfs drop on average over 8 days which is particularly impressive since the inflow data at the end of the spill was bad. In 2019 they had good inflow data and were able to follow the river. The reservoir filled and remained full for 21 days with the spill ending on the 4th of July. **2) Exhibit A:** Eric presented a new Exhibit A showing MVIC's project water. Using all of Groundhog and no call water MVIC comes out to about 18,834 AF in project water. There are pretty high estimates for the late season river in the exhibit which is similar to 2019 and based on what we have seen so far we are on track, this also accounts for possible errors in gages. As far as MVIC supply they have used about 49KAF to date and assuming they have average use for the remainder of the season they should end up diverting about 112KAF. It leaves about 63KAF left to divert. MVIC has 22KAF left in McPhee that is storage water and some Totten exchange water. The late season river means there is about another 34KAF left to come in so they are short about 7KAF which is theoretically Groundhog water. They are going to need some of the Groundhog water, depending on timing. Eric will be working on that sometime next week. **3) FSA:** Eric gave an update on the water delivered from start up to June 15 at a \$5 discount on water used. This saved irrigators about \$37,000 on 7,400 AF of water. It is a little early for a comprehensive irrigation cap but based on below average May and June and using a pretty high demand forecast based off of 2019 use, it looks like FSA has plenty of water. Eric conservatively assumed that irrigators have used about 20% of the annual demand by the end of June. At a 28" cap, total use in FSA with 10% losses came out to around 56,500AF. Eric noted that it doesn't look like Class B water will be needed this season.

2023 FS Cap Review: Setting a cap early can benefit irrigators, typically DWCD doesn't jump to 32" right away. The Board already gave permission to go to 26" and they will go with that early next week. Jeremy would say raise it as soon as possible, we are in the business of selling water. Jeremy stated that he knows that is contradictory to what the FAC sentiment was, which was leave water in the reservoir for next year. Ken stated that the push will be there. If you raise the cap early you'll push irrigators to use a little more whether it makes the full projection is unknown but if you keep it low they won't have the opportunity and irrigator's won't plan on it so they will definitely use less. Don asked how you do a projection based where the demands come from. Don asked if we know who the users would be? Eric stated that yes they knew who the likely users would be. Don wondered if there was value in knowing that instead of breaking it into two separate pots. While targeting the known user but make it available to everyone, instead of just raising the cap, are we going to end up in the same place that might give us and the irrigators flexibility over time. Don said that Godwin is asking to diversify. Don noted that Godwin previously said that he has developed a pool that allows him to know where he will use his water from wet years to dry years. Is there a way to incentivize to take that water in a wet year to the dried up pool acres can you find a way that helps you be more viable in the drought years and to help cash in to help with the user rate to the need to the employees? Don described a scenario where the extra water isn't put into a higher cap but is instead made available at request by the farmers who actually can use it. He asked if that would be a better system. Jeremy said to him it seems like they end up in the same place, with the farmers who need it being the only one who reach the high cap. Eric said that in this year that is true. Don said that the Board's policy changes can dictate that the farmer adapt and make the irrigator do something different. How do we make our users better? How do we increase cash flow? Godwin asked if we are benefiting all of the irrigators equally? For the smaller acreages, even if we increase the water they don't use the 22" of water anyway. Godwin is asking if this will benefit smaller

irrigators and not larger irrigators. Ken said there are irrigators that have 1 box and may have some class 6 and all alfalfa and they need the extra water since they don't have the benefit of a pool. The top 1/3 of irrigators control about 2/3 of the water. Irrigators with 450-500 acres can make decisions that control the boxes. Ken said that this gets pretty nuanced pretty quick. The top 19 farmers are 1/2 of the acres. Godwin doesn't want to go to 32". Landan asked when the last time was this happened. It was 2008-2009. The Board made a decision that they wanted to live within 28". Ken said that there are about 5 irrigators that will use up to 32" and they are very specific. Don thinks that this is a pattern that can build groundwater storage water. Godwin said that the groundwater storage strategy won't work in the full service area. The soils are too shallow and the terrain is to step. Godwin said that if you pour extra water on, then your downstream neighbor will get flooded and would call the Sheriff. But the ground up north does not allow the same saturation as the ground south of Cortez.

Adam said that as long as everyone is provided the opportunity to go up to a certain amount, it should be legal. It's fair. Staff can offer to come in and discuss going up to 32". Ken said that the irrigator has to decide if 32" is an ideal number or an opportunity number. Godwin stated that there are a lot of different varieties of crops growing this year. Godwin thinks they are discussing something that isn't going to happen. Eric said that there were 7 people that went over 28" in 2019. Don said that in MVIC's system there are people leasing water to plant new alfalfa in the fall and long term have increased their net income with the opportunity that fits their plan. He wants to see this kind of flexibility in the FSA as well. Ken said that Greg Vlaming is talking to irrigators, some are talking about double cropping and some are talking about new hay.

MOTION: TO GO UP TO 28" AND SEND OUT A POSTCARD SEEKING ANYONE WHO MAY WANT ADDITIONAL WATER OVER THAT CAP.

MOTION: WES WILSON

SECOND: DON SCHWINDT

MOTION CARRIED 5 TO 2. LANDAN WILSON AND GODWIN OLIVER VOTING AGAINST.


FSA Damage Reimbursement Policy: It has been historical practice for DWCD to reimburse farmers for damaged pipe material costs caused by unknown pressure problems. The farmer bears the cost of installation. Our delivery boxes have pressure reducing valves (PRV) that should keep the pressure at safe levels. It is not always discernible where the pressure problem comes from or how the PRV's are continuously operating. Farmers are encouraged to have their own safety equipment on their pipe, but these do not always function correctly or exist. Different areas on the project have different pressures throughout. Staff is working to strengthen documentation and records and some monitoring, but is some time off from eliminating these problems. Anecdotally we've had about one per year, but occasionally more. Ken handed out an outline for a FSA Irrigator Damage Reimbursement Policy. Ken stated that we are in the early stages of drafting and want to get some initial Board feedback. Ken stated that he has started to explore transient water pressures, like water hammers, have caused damage on the farmer side of delivery boxes.

Maintenance Techs have traditionally gone to the irrigator to assess the situation.

DWCD is trying to decide how to better manage this and trying to get a routine on how to handle pressures. Hovenweep is the highest pressured plant. This is a tough problem to anticipate. We have been switching to clay valves but don't want to just replace as they are very expensive. We are going to try to make better use of pressure recording and see where these problems have occurred. Ken will turn this into a formal policy and asked for input from the Board. Rob stated that they can tell when they get to the box and can tell if they have the pressure release valve. Rob stated that each time he has been involved it was obvious what happened to cause the problem. Ken said that Maintenance Techs felt comfortable that they could tell if our side was working. Jeremy asked if DWCD feels like the irrigator should require a working pressure relief valve. Rob asked where the authority stopped for DWCD. Ken stated that the project pipe seems to be better pipe generally than what the irrigator has. Ken stated that he wouldn't feel comfortable saying that it is something that should be required. It isn't something DWCD would be able to police being on the farmers' lands. But there could be some kind of incentive for farmers to install pressure management devices on their systems. Maybe DWCD would compensate farmers without proof of a PRV less than those who have them. They could say they strongly recommend they protect themselves. Ken said that with the fuzziness of the last conversation, this is coming to the Board.

ADJOURNMENT Dolores Water Conservancy District Water Activity Enterprise Board meeting adjourned at 7:33 pm


Donald W. Schwindt, Secretary-Treasurer


Godwin Oliver, President

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DOLORES WATER CONSERVANCY DISTRICT

MINUTES Regular Meeting July 13, 2023

CALL TO ORDER Godwin Oliver, President, called the meeting to order at 5:09 pm

ROLL CALL Godwin Oliver, President
Glen Fish, Vice President
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INTRODUCTION OF GUESTS

In-Person

Andrew Wendt, ATLAS; Brandon Johnson, MVIC; Luke Baxstrom DWCD Employee; Mara Baxstrom

Via Telephone/Teleconference

Ed Millard

CALLED TO ORDER REGULAR MEETING AT 5:09 PM

Audit Review & Questions with Andrew Wendt of Atlas: The 2022 Audit was mailed out in the Board packet. Andrew stated that there were no issues with the 2022 Audit. There were restatements in the 2021 Audit due to prior audits. In 2022 there were some low yielding CD's and the investment market dropped. User Fees increased, but offset expenses increased also. Cash Flow was sufficient. Andrew stated that a new leasing standard was implemented in 2022. DWCD is now required to put leases on the balance sheet which can be seen on page 7 of the audit. Andrew explained that this places the future remaining payments in the lease on the balance sheet but not the corresponding revenue. The only long term lease currently is with DWR office lease, no major impact to bottom line. Andrew stated that the audit was straight-forward and is looking forward to continued work with the District.

**RECESSED MEETING BACK TO ENTERPRISE MEETING AT 5:12 PM
RECONVENED MEETING AT 7:39 PM**

MINUTES

APPROVAL OF THE MINUTES

MOTION: TO APPROVE THE MINUTES AS SUBMITTED FOR THE JUNE 8, 2023 REGULAR MEETING.

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

MOTION: TO APPROVE THE MINUTES AS SUBMITTED FOR THE JUNE 8, 2023 EXECUTIVE SESSION.

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

MOTION: TO APPROVE THE MINUTES AS SUBMITTED FOR THE JUNE 26, 2023 SPECIAL MEETING.

**MOTION: LANDAN WILSON
SECOND: JEREMY REDSHAW
MOTION CARRIED UNANIMOUSLY. WES WILSON ABSTAINED AS HE WAS NOT IN ATTENDANCE AT THE MEETING.**

MOTION: TO APPROVE THE MINUTES AS SUBMITTED FOR THE JUNE 28, 2023 PERSONNEL COMMITTEE

**MOTION: LANDAN WILSON
SECOND: WES WILSON
MOTION CARRIED UNANIMOUSLY. JEREMY REDSHAW, RYAN GRAY AND GLEN FISH ABSTAINED AS THEY WERE NOT IN ATTENDANCE AT THE MEETING.**

FINANCIAL STATEMENTS

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

ADMIN: AP/CHECK #12364-12381

\$33,777.71

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

AGENCY REPORTS

BOR Report – Robert stated that 1) the MOA for valves and actuators is going through the request process and Robert is hoping to have the project through solicitation and ready to be awarded by October. 2) Robert said the spill team had their last meeting this week and would like to have a couple of follow up meetings, an in-person meeting in Dolores and an online meeting. These meeting would be to review the spill. There will also be an after-action report generated. Don asked how the spill went? Robert answered that it went well and met all objectives. Robert and Eric will get the raw data together for the spill team to coordinate putting the after-action report together.

Division of Water Resources Report –no report not in attendance

T/H Committee Report – Godwin stated that the Committee met June 21, 2023 1) The Committee paid DWCD and MVIC.

Next T/H Meeting – The Committee will meet at the DWCD, Cortez Office July 26, 2023 at 1:00 p.m. for a tour of access easement north of Road H for Check 506 and to inspect the drainage at the fairgrounds prior to the regular meeting.

MVIC Report – Brandon stated that 1) MVIC held a special shareholder meeting, 121 people showed up. They discussed two items: The first item is a WATERSMART grant to pipe the Garrett Ridge and the Lower Arickaree. The total grant with MVIC's in-kind match is \$6.2M so MVIC asked the shareholders to borrow up to \$3.1M. This was approved. The second item was a request to borrow money to repair Beaver Ditch at an estimated cost of \$1.4M. This was approved. 2) Since the approval of funds for Beaver Ditch, MVIC has started looking at ways to repair the ditch including taking core samples. Brandon stated that Weeminuche Construction Authority (WCA) has committed to the project. Work is scheduled to begin the end of July or the first of August.

UF&RE Report – Simon no report not in attendance

GENERAL MANAGER REPORT

Miscellaneous Updates

- **2023 CWC Summer Conference, Steamboat, August 22 – 24:** Let office know if you want to sign up.
- **Division 7 Measurement Rules:** State Engineer Kevin Rein has scheduled to have four meetings on July 25 & 26 in the southwest. They are looking to meet in Dove Creek, Cortez, Pagosa Springs and Bayfield. The Cortez meeting is scheduled for July 26 at 4:00 PM at the DWCD office.
- Federal legislators are back from recess and new legislation is being introduced rapidly. The monthly report from FFA covers well. Ken wrote in support of the Upper Colorado and San Juan Recovery Programs for Representative Boebert and Senator Hickenlooper.

MVIC Letter on Groundhog Project OM&R: The MVIC letter received on June 16, 2023 requests O&M payment for DWCD U/S Exchange/Augmentation storage in Groundhog pursuant to Article 5 of the contract. The letter, Section 5 and some use numbers were included in the mail out. The Board, attorney and staff will review and discuss next steps. This topic was deferred until later to discuss with Adam in executive session.

Colorado River Issues: Gerald Koppenhafer was appointed to the SW ag position and a Durango city councilor was appointed to the SW municipal provider position. Steve Wolff will represent SWCD. DNR appointed Kelly Romero-Heany with CC Commissioner on the Tribal subtask force. The Department of Ag and both Tribal positions are currently unknown. The Chair and first meeting date are not yet available.

Becky Mitchell was officially appointed as Colorado's first full time Colorado River Commissioner. The search for her replacement as CWCB Director is next.

DWCD did respond to a Reclamation Upper Colorado Basin request for comments from Wayne Pullan about a 2023 IRA funded projects program to conserve water in the upper basin. This appears to be funding in support of longer-term water conservation as opposed to last year's SCPP following projects. The request and are comments were in the mail out. DWCD comments kept with previously discussed themes on SCPP and harm to agriculture.

Most CR entities are pivoting to the 2026 renegotiations. The public news has gone pretty quiet, no more crisis. The BOR and UB states are trying to sort out where the \$1.2 billion in funding goes and how much water is saved under the last SEIS proposal. A new draft SEIS is expected later this summer and DWCD may provide comments.

Ken said that the federal legislators are actively introducing many new bills. He has heard that there will likely be a giant omnibus bill towards fall and everyone will try to get their bill on board. On the state level there are talks about the CR Drought task force and how the state legislators are a group that want to act. This is potentially dangerous without any sideboards. DWCD has agreed with former CR Commissioner McClow's assessment that the Task force is not the right way to decide on these intrastate matters. Ken said that this will be interesting to watch and though it has been quiet recently will pick up towards the end of the year. Wes asked about the 7.0 MAF and lower releases from Powell and Ken confirmed the BOR was planning to release 9.5 MAF in 2023 under the existing 2007 IG rules. It is unclear how 2024 – 2026 will play out and may depend on the conservation under the SEIS.

Board Meeting Start Time & DWCD Board Meeting Topics/Priorities: The primary purpose is to revisit the 5:00 PM start time and also receive Board input on how meetings are working this summer for duration and topics. The discussions revolved around meetings beginning at 2:00 PM, 5:00 PM or 7:00 PM. Godwin pointed out that 7 Pm allows staff to take a break before the meeting. Don stated that shorter meetings would mean more committees working on issues like the Personnel Committee getting up to speed on the pay for performance that goes back to early project days. Ken said that there is interest in shortening discussions regarding Colorado River Issues and similar political discussions. Regardless, the Dolores Project is a Bureau project in the State of Colorado and it is important to stay on top of certain politics, like the NCA, but noted that he and Don watch these issues more than the rest of the Board. Ken will craft the agenda as Board directs and we can go as long and focus on issues as the Board directs. Rob made a good point that the Board has gotten lax on discussing project water operations. The Board should think about what they want to do with their time. Godwin asked if they could make a committee on Colorado River Issues? Don said yes, but stated that if this hadn't been an active Board from day one the Project would have been gutted from day one because it was on President Carter's Hit List. This is a federal project, owned by the feds. Don noted that the project has become a part of who he is and helped provide a foundation like Colorado Ag Leadership program. The Board must stay engaged and knowledgeable on these state and federal issues. Jeremy said that he agrees these are important and the Board may also need to scale back a little bit to take care of our house. Don said that they are coming after our water and have all the patience in the world to wait until our guard is down to come and take it. They would turn us into Crowley County. Ryan suggested that the Board could alternate topics, project operations one

month and big issues the next, and direct our focus at each meeting. Ken said that he will try not to let the agenda get in a rut and has started putting miscellaneous items on the GM report to touch on but not discuss in detail. Ken stated that he hasn't been reaching out as much and will stay the same in the short term while looking for a replacement for Rob. Ryan asked to have the Colorado River Issue documents mailed out in the packet and to continue it as an agenda item for the Board meeting, Jeremy concurred. Don agreed that a subcommittee could work on CR issues and bring back policy discussions to the full Board. Adam stated that Ken curates the information that come out each month very well as the amount of information sent out each month can be vast. Don said that when he says "their coming after us" he is talking about statements from prominent people, it is not paranoia. People are watching this project and will come after this project.

MOTION: TO BEGIN BOARD MEETINGS AT 2:00 PM BEGINNING AUGUST 10, 2023.

MOTION: JEREMY REDSHAW

SECOND: GLEN FISH

MOTION CARRIED UNANIMOUSLY. WES WILSON ABSTAINED.

LEGAL REPORT

MVIC 87.3 CFS Water Rights Filing – John Justus is still trying to work with the State. The attorney at the AG's office has retired and John hopes MVIC can now make some headway with the new attorney. Adam said that the Ag's office has tried to change water rights within the project, which can't be done. DWCD stipulated out of this case but Adam continues to monitor.

Adam stated that the Supreme Court handed down its decision on Arizona vs. Navajo. They determined that the treaty establishing the reservation did not give rise to a trust responsibility to secure water for the Navajo Nation. They extended the reasoning from a case called Jicarilla which says that in order for there to be enforceable trust responsibility of the United States there has to be very specific language which creates and directs the United States how to carry out that trust responsibility. That is different from prior law, Adam has some concerns that some of the trust obligation of the United States that we thought might help this project because of the obligation to protect the Ute Mountain Utes (UMU) settlement, which this project is a key part of, might not be as strong as it was in the past. The Navajo Nation has said it is still going after its water right and will try to reopen Arizona vs. California. This case was never about the Navajo Nations water right it was always about the scope of the trust responsibility. Don asked if it changed the Winters Doctrine? Adam said that no it didn't change it, what it said is effectively, the tribe has a reserved water right potentially under Winters, but the United States is under no obligation to go out and get it quantified. Adam said that if you look at the Colorado Ute Tribe treaties theirs are no more specific and probably less specific on that topic. Don asked if we need to work with the UMUT on some of these issues? Adam said that we have always said there is a difference between quantified and an unquantified water rights. The United States should certainly have trust obligation with regard to a quantified water right because it is held in the name of the United States for the benefit of the tribes. Adam thinks that the tribes are looking at legislation that would clarify the United States trust responsibility with respect to quantified rights and/or alternatively make sure that the tribes can sue in their own name to enforce their decrees. Right now, arguably, the United States needs to be involved, for example; in the Ute settlement if the tribe wants to change water rights, the United States needs to be brought in. The tribes have concern with the ability to protect what they believe is theirs after this case. Ryan asked about a previous case, if deferred maintenance would be affected by the decision? Adam said that it's not clear following this case whether the deferred maintenance settlement would have gone forward because it was based on a theory that there was trust obligation to Indian irrigation projects. The Department of Justice's view is what might have here to for been a trust action is now discretionary. It would potentially be harder to sue the United States for failure to keep up its maintenance.

Adam and Lindsey will have RRA issue memo to the next meeting.

Adam requested an Executive Session to discuss the following: MVIC Letter on Groundhog Project OM&R:

MOTION: MOVE INTO EXECUTIVE SESSION PER CRS 24.6.402(b) TO OBTAIN ADVICE FROM COUNSEL AND CRS 24.6.402(e) MATTERS OF NEGOTIATION FOR DISCUSSIONS ON WATER RIGHTS MVIC LETTER ON GROUNDHOG PROJECT OM&R.

MOTION: LANDAN WILSON

SECOND: JEREMY REDSHAW

MOTION CARRIED UNANIMOUSLY.

RECESSED FOR EXECUTIVE SESSION AT 8:32 P.M.

RECONVENED REGULAR MEETING AT 9:11 P.M.

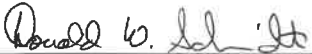
REPORT OUT OF EXECUTIVE SESSION

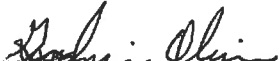
Adam reported that in Executive Session the Board discussed matters related to MVIC Letter on Groundhog Project OM&R and no decisions were made.

OTHER

NEXT DWCD BOARD MEETING – Thursday, August 10, 2023 – 2:00 P.M.

ADJOURNMENT Meeting adjourned at 9:12 P.M.


Donald W. Schwindt, Secretary-Treasurer


Godwin Oliver, President