

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**

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**MINUTES**

Regular Meeting  
August 11, 2022

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**CALL TO ORDER**      Godwin Oliver, President, called the meeting to order at 7:00 pm

**ROLL CALL**              Godwin Oliver, President  
Simon Martinez, Vice-President  
Don Schwindt, Secretary-Treasurer  
Wes Wilson, Director  
Glen Fish, Director  
Landan Wilson, Director  
Jeremy Redshaw, Director  
Ken Curtis, General Manager  
Ben Harclerode, Chief of Engineering & Construction  
Rob Walker, Maintenance Supervisor-Via Teleconference  
Eric Sprague, DWCD Staff – Via Teleconference  
Gina Espeland, Admin Assistant Accounting  
Adam Reeves, Attorney  
Robert Stump, Bureau of Reclamation

**INTRODUCTION OF GUESTS**

**In-Person**

Brandon Johnson, General Manager; Rusty Cringle, CDWR;

**Via Telephone/Teleconference**

Rich Landreth, City of Cortez,

**MINUTES**

**APPROVAL OF THE MINUTES**

**MOTION:      TO APPROVE THE MINUTES AS SUBMITTED FOR THE JULY 14, 2022,  
ENTERPRISE MEETING.**

**MOTION:      WES WILSON  
SECOND:      GLEN FISH  
MOTION CARRIED UNANIMOUSLY; JEREMY REDSHAW ABSTAINED.**

**FINANCIAL STATEMENTS**

**MOTION:      TO APPROVE THE JUNE '22 FINANCIAL STATEMENT AND APPROVE THE  
STATEMENT OF PAYABLES AS PRESENTED.**

**O&M: AP/CHECK #40621-40691 & PR/CHECK #125353-125403  
\$300,176.61**

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

**O&M REPORT** – Rob reported the following:

### **Pumping Plants**

For July and part of August, we have been troubleshooting an electrical issue inside Pleasant View PP that shuts the plant down due to low voltage readings and then starts back up immediately. On average, we run 37 CFS through the plant, and this year we're averaging 6 CFS, so we're seeing new issues with the lower flows. The electrical problem has been narrowed down to a timer switch and a relay. Pleasant View went down five times in the last month. We switched the timer out and haven't had any problems since.

I've asked WAPA for their schedule on the underground power line replacement along South Canal so we can plan our maintenance schedules around them. We will meet with them on Tuesday and hope to get a schedule for the replacement. They are planning to leave a spool of cable in case we need it in an outage and will know more after the meeting on Tuesday. We're still on schedule for refurbishing the water screens this off-season at Cahone, Fairview, and Dove Creek. Pleasant View and Ruin Canyon are planned for the off-season in 2023. These upgrades are all MOA projects. DWCD Staff will be dismantling and pulling the screens for transport. We will also offload the refurbished screens in early spring and install them. We will utilize our crane for removal, which will save money doing that work in-house.

### **Power Plants**

McPhee Power plant is scheduled to run through October 12th at 25 CFS.  
Towaoc Power Plant has averaged 95 CFS over the last month.

### **Control Room**

The Control Room Operators have been working additional shifts because our newest operator quit two weeks ago. We are down to 2 and ½ operators, and they have been working double shifts and will continue this for the remainder of the season. We have started the process by advertising the position and will look at hiring a replacement as applications come in.

### **Field Work**

We've always replaced valves, meters, air vacs, etc., in the past when they've gone bad, but now the crew is learning to repair these items. Last year, this seemed to be a significant cost-saving idea, but now the replacement parts for the rebuilds cost as much as the new unit. We're keeping our replacement stock lower to save on cost, but with the 9-month shipping time on most items, we're ordering more stock to be ready for 2024. We can find the items we need to get by with, but we will be trying some new technology for pipe repairs this winter. If we were to need a special repair coupler or compression fitting this year, we would be out for at least five months. With all our different pipe types and sizes, it would cost a small fortune to stock everything we need. Turn around time on orders is up to 12 months for some items. We are ordering for 2024 and hoping to get a few parts this fall. The laterals in Cahone and Fairview are concrete pipes that are not easy to replace, like PVC. We will jump on some technology we have been looking at. There is a repair band for this type of pipe, but it can cost \$12,000. A pipe wrap is made as well and is cheaper but not reusable. We are trying to plan for the future and look at all avenues for repairs.

### **Thank you Farmers!**

We want to thank the Farmers for their patience during these crazy times. The irrigation season is very short, and we know it's our job to deliver the irrigation water needed for a big part of their livelihood. Seeing smiles and a firm handshake from people during a trying time is encouraging.

We had a personnel committee meeting this week with Godwin. It was a good meeting. Ken will ask for an additional committee member in his report, and we would like to schedule another meeting after that.

## **WATER MANAGEMENT REPORT**

**Water Supply and Accounting – Ben presented the Inflow/Outflow 1) July:** The reservoir dropped in elevation a total of 7.35 feet. The total change in capacity is 23,502 AF. July's total inflows were 8,240 AF, 44% of average. Usage for July at the Dolores Tunnel was 12,407 AF with a high of 249.0 CFS and a low flow of 138.0 CFS. Ute Farm and Ranch ranged between 4.3 and 29.4 CFS for 1,183 AF total. MVIC's Lone Pine stayed consistent between 110 CFS and 137 CFS for 7,601 AF total. The U- Lateral had a low flow of 58.8 CFS and a high of 71.6 CFS with a total of 3,938 AF. Total usage for MVIC was 22,814 AF; of that, 15,480 AF was called water. Call water left at the end of July was 8,628 AF. Dove Creek Canal had a low flow of 28.5 CFS and a high of 126 CFS in mid-month for a total of 5,325 AF. Below McPhee held steady, and the fish pool decreased by 27 CFS daily. We got a lot of rain in July, which is slightly above average precipitation and is 100-130% of normal in our area. Near normal to above normal temperatures for July in the 90-100 degree temps.

**2) August:** The beginning reservoir elevation was 6,879.73, and yesterday's elevation was 6,878.05, a change of 1.68 feet. The total change in capacity so far is 5,254 AF. The Dolores River has been up due to the weather. Jeremy asked when the Groundhogwater stopped coming in. Ben said it was

over in early July. The Dolores Tunnel diverted 125 CFS at the beginning of August and was at 177 CFS on the 9<sup>th</sup>. A total of 3,070 AF thru the tunnel so far. Ute Farm and Ranch had a low flow of 15.2 CFS and a high of 33.4 CFS for a total of 480 AF. MVIC – Lone Pine was between 125.0 CFS and 135 CFS for a total of 2,547 AF; the U-Lateral has a total of 1,366 AF. MVICs total is 6,563 AF so far, with 3,170 AF coming from call water stored. There is 5,456 AF of call water left. Totten exchange is just under 3400 AF stored. Dove Creek usage is 1,393 AF so far in August. The season total is 18,592 AF. The lower Dolores is still at 27 CFS. Narraguinnip is still stored in McPhee and is slowly decreasing due to evaporation. The weather for August is .34" of rain so far. NOAA predicts above normal temperatures August – October and predicts equal to slightly below normal precip August – September.

Ken stated that Full-Service usage had a low of 45.5 CFS on a Sunday, which seems to be the low day of the week. Still, a lot of hay to be cut out there. Full-Serviced used about 5300 AF in July. At the beginning of August, about 8,000 AF was left, so we'll run through August at the rate we are going. No idea what usage will look like once the cut is off, but we will run as long as we can. Ben stated the minimum flow for a GCPP pump was 30-35 CFS, and he wants to be careful on toggling it on and off. We will give notice and will target two weeks. We will have farmers running out of their allocation soon, but there are roughly 60% that still have quite a bit of water left. Farmers will have to understand we can only predict what we can see. We may go into September, but it depends on the 20 blank days left in August. The forecast still has rain in it, which may also help extend the season.

Jeremy asked if they are for sure predicting through August and possibly into September. He asked if there was a chance to make the end of September. Ben stated that anything is possible, but the end of September is unlikely. Ken stated that it depends on each farmer's operations. Some are going for a third cutting on just a small portion of their field. We have a limitation at a certain point, but we will run as long as we can. Ken stated that Reach 1 has to get loaded up, and then we can gravity it out. We will go for as long as we can while people have allocation. We will have to start shutting down when we are down to the last few farmers with 2-3 CFS. At this point, we will not run through our supply in August and will continue into September. A lot depends on the cut and usage moving forward. Please let us know if you have some input on handling the season's end.

Ben stated that the current allocation update is 8.8" (9.7" Hovenweep). After July numbers were in, and inflows were higher than forecasted due to the rain. The river held consistent and provided more non-project water supply for MVIC. We increased project supply by 3/10". Ben stated that we will continue to work with users, but we are confident we will run through August. It depends on usage and how far past August we will run. No hard shut-off date at this point, as the end of the season approaches based on use. We will try to give a 2-week anticipation warning.

3) Ben included an allocation summary sheet. The allocation did increase the first of August .3 inches to 8.8 inches/acre. Project supply is now at 33.5%, FS has used about 75% to date, UFR is just over 10,000 AF and has used about 30%, and fishery is at 11,959 and has used about 50%. MVIC is at 130,452 AF and has used about 59%. I will get into how the 130,452 is figured in the coming section. Adam asked if the rain that falls on the reservoir goes to the project or to MVIC? Ben stated that it isn't usually enough to offset evaporation. Ken stated that if it is measurable, it goes to the project. The gauge measures MVIC usage.

Ben stated that NOAA's weather outlook is normal to above normal temperatures and normal to slightly below normal precipitation moving forward.

Ben stated that the block summary report is included, and the graph is based on July's numbers before we raised the allocation to 8.8 inches. We have rules on leases and pooling and more or less suspended those this year due to the water shortage. The billing records have not changed, though, to keep the billing records from being messed up. They link into RRA. We have a pool sheet with each individual. In the billing system, there is higher usage. It is an Access document based on billing records. It can get distorted when we do 'greater pools'. Ben stated that one person did go over last month, and they were shut off. Don shared a thought pertaining to the matter of record keeping as we adjust operations during shortage years. Don stated that we are trying to make things work with a short supply, and we need to keep documents. That way, as contractual issues arise out of them in the future, we'll be better set to adjust for tough years as we negotiate in the future. Ken stated that we have year-end files and would bring them forward in Jan/Feb with a summary. This year, we are being more flexible because of the obvious difficulties. Don said it even goes towards the things that are envisioned with the NRCS and the legal foundation for it, and thought was critical.

Ken asked Ben to dig deeper and look at Exhibit A because we do have new Board members, and we haven't shown it this year.

**Exhibit A** Ben stated that with the ongoing reconciliation talks and new board members, Staff wanted to walk through how MVIC's project water is calculated. He handed out a summary sheet explaining the reference process moving forward. In 2011 the settlement agreement established MVIC's project water allocation. The settlement established the methodology for calculating MVIC's Project water supply and established the "MVIC Project Water Calculation Sheet" as Exhibit A of the settlement. Exhibit A was developed to ensure MVIC's project water amount is in conformance to all established contracts. The settlement also established that: 1) DWCD is responsible for providing the accounting related to calculating MVIC's project water, 2) DWCD and MVIC would meet at the

beginning of April, May, June, and July to communicate the forecast and supply data. And 3) Call water is part of the 72,000 AF limit outlined in the 1977 contract, and stored call water is subject to evaporative losses.

As we look at the MVIC Project Water Calc Sheet, we estimate the MVIC non-project available supply by entering the June 30 volumes for each category in step 1. Line 1 takes MVIC's direct diversion (47,346 AF) and adds any usage from Narraguinnep. Ben used the summary sheet on the handout to highlight sheet inputs. MVIC has 37,500 acres as stated in the DPR. The Bureau classified 11,200 acres of the total acres as Class 6w lands. That is land that is not eligible for project water, but they could still use their own supply on. MVIC's DPR max demand from McPhee was set at 150,400 AF based on a 4.01 AF/acre allocation. The Totten exchange is a product of the T/H contract and is 3,400 AF. The Upstream Exchange has a max volume limitation of 2,300 AF. Ben walked through the physical capacities of Groundhog and Narraguinnep reservoirs. Jeremy asked what the ineligible acres were and why they were counted. Ben stated that it is land within MVIC's area that the BOR deemed unfit for irrigating, even if it was being farmed. They don't receive project water for that area, but they can use their own supply on those acres.

Now moving through the worksheet, Ben stated that in Step 1 – Calculating the estimated MVIC non-project available supply – we start with Line 1 - MVIC's direct diversions plus usage out of Narraguinnep. Remember that this year, Narraguinnep is stored in McPhee, so the calculation is the irrigation water used by MVIC between April 1 – June 30<sup>th</sup>. Before June 30<sup>th</sup>, we are using forecasted numbers here, so updates happen as the runoff season progresses. This year, MVIC's direct diversion between April 1 to June 30<sup>th</sup> was 47,346 AF. Line 2 – Available Groundhog Water: Groundhog capacity 6/30 – fishpool – upstream exchange, for this year 11,575 – 3960 – 1567. We must remember this year the fish pool was drained due to construction work, so the water was made available for use. Line 3 – Same process for Narraguinnep: Capacity on 6/30 – fishpool: 20,710 – 699 (this year stored in McPhee). Line 4 – MVIC stored water in McPhee: Call plus Totten Exchange and Upstream Exchange: As of the first of July, 24,624 (Call) + 3400 (Totten) + 1567 (Upstream). These numbers can vary through the runoff season and during spill years (call spills first). Line 5 – Projected late season inflows: July 1 – October 31. This is projected, and as the irrigation season moves into August, actual numbers are used as they are known. As actual numbers are used, small adjustments are made if flows are higher or lower than projected flows. Line 6 – is the sum of lines 1-5 and is the Total estimated volume of MVIC non-project water on July 1<sup>st</sup>.

Step 2 – Calculate MVIC's non-project water supply available per acre: Line 7 – divides MVIC's total non-project water (line 6) by the total number of acres served by MVIC (37,500) and gets AF/Acre.

Step 3 – Calculate the Supplemental Project Water needed to satisfy the irrigation requirement of 4.01 AF/Acre – Line 7 minus 4.01.

Step 4 – Calculate the volume of Project water needed on classified acreage to reach 4.01/acre: Take line 8 and multiple by 26,300 acres. This number is shortage like all project water, so line 9 is multiplied by any shortage. MVIC's total supply is the sum of step 4 (project water available) and Non-project water without stock water included.

Ben stated that once we get to the 1<sup>st</sup> of July, lines 1-4 do not change, but line 5 changes as we see what comes in on the river during the late season. So in step 5, we have to reconcile line 5 as we move through July, August, and September. On line 10, we take the actual July inflows and add them to the estimated August 1<sup>st</sup> through October 31<sup>st</sup> inflows, which is 17,336 AF this year. You can see this is about 2,000 AF, more than we originally predicted on line 5 on the first of July. With the additional flows, the calculation is run again with the new late season projection. Ultimately, MVIC's total supply increased to 130,445 AF as of August 1<sup>st</sup>.

Ken stated that this water is at McPhee, and they have to account for their losses and how to get it to their users and meters. We account for the water as it leaves McPhee. Jeremy asked for clarification on the 125,725 AF average usage of MVIC. Ben stated the 125,725 AF number is based on actual use over the past 20 years. If we compared that to 130,445 AF, their supply this year will be above their average usage in the past. Jeremy asked that the reconciliation process performed in step five will happen a few more times? Ben stated that we will do it on September 1<sup>st</sup> once we know what the river produced in August. Ben stated that we are working off of forecasted numbers during the runoff season. Once the water is in the lake, we use actual numbers. This year is unique, with Groundhog being moved down earlier than normal and Narraguinnep being stored in McPhee, which is not typically done. We keep the accounting consistent with past practice for uniformity, even if the water is in different physical locations.

**Projects Update:** Ben said we did some drilling on T/HC around check 508, looking at a leak. Waiting on the logs, he worked with Robert on it. As far as the water screens, Robert will touch on it. We were a little over budget but did find some funding in past MOA projects that can be moved over to the water screen projects.

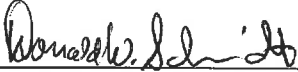
Ben stated that he recently participated in a Water Education Colorado (WECO) fluency program over the last four months. Ben said that he thought it was beneficial. Each class had assigned reading, and much of it came from their "Citizen's guides" to different aspects of Colorado Water.

Ben said they would be a great resource, especially for the new board members, and wanted to see if any of the other board members would also like a copy of the guides. Wes stated that every Board member should have the one on Water Law. Wes asked if Ben attended in person. Ben stated that one class was, and the others were online. It runs at the same time every year. We will bring it in the spring. Wes stated that it is good; he attended last year.

**Other**

Godwin asked if Jeremy should abstain from voting on approving minutes from past meetings where he wasn't a board member.

**ADJOURNMENT** Dolores Water Conservancy District Water Activity Enterprise Board meeting adjourned at 8:03 pm

  
Donald W. Schwindt, Secretary-Treasurer

  
Godwin Oliver, President

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## DOLORES WATER CONSERVANCY DISTRICT

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### MINUTES

Regular Meeting  
August 11, 2022

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**CALL TO ORDER** Godwin Oliver, President, called the meeting to order at 8:03 pm

**ROLL CALL** Godwin Oliver, President  
Simon Martinez, Vice-President  
Don Schwindt, Secretary-Treasurer  
Wes Wilson, Director  
Glen Fish, Director  
Landan Wilson, Director  
Jeremy Redshaw, Director  
Ken Curtis, General Manager  
Ben Harclerode, Chief of Engineering & Construction  
Rob Walker, Maintenance Supervisor-Via Teleconference  
Eric Sprague, DWCD – Via Teleconference  
Gina Espeland, Admin Assistant Accounting  
Adam Reeves, Attorney  
Robert Stump, Bureau of Reclamation

### INTRODUCTION OF GUESTS

#### In-Person

Brandon Johnson, General Manager and Rusty Cringle, CDWR

#### Via Telephone/Teleconference

Rich Landreth, City of Cortez;

### MINUTES

#### APPROVAL OF THE MINUTES

Adam suggested that the Board should approve the two meetings separate June 30, 2022 meetings and July 14, 2022 meetings.

Don stated that he had a correction on the July 14, 2022, Regular Meeting Minutes. He stated that in Legal Report under Other he thought it should say Adam asked if SWCD had an actual vote.

**MOTION: TO APPROVE THE MINUTES AS CORRECTED FOR THE JULY 14, 2022, REGULAR MEETING AND AS SUBMITTED FOR JULY 14, 2022 EXECUTIVE SESSION MEETING.**

**MOTION: LANDAN WILSON**

**SECOND: WES WILSON**

**MOTION CARRIED UNANIMOUSLY, WITH JEREMY ABSTAINING.**

**MOTION: TO APPROVE THE MINUTES AS SUBMITTED FOR THE JUNE 30, 2022, SPECIAL MEETING AND EXECUTIVE SESSION MEETING.**

**MOTION: DON SCHWINDT**

**SECOND: SIMON MARTINEZ**

**MOTION CARRIED UNANIMOUSLY, WITH JEREMY ABSTAINING.**

## FINANCIAL STATEMENTS

**MOTION: TO APPROVE THE JUNE '22 FINANCIAL STATEMENTS AND APPROVE THE STATEMENT OF PAYABLES AS PRESENTED.**

**ADMIN: AP/CHECK #12204-12213**

**\$1,586.98**

**MOTION: SIMON MARTINEZ  
SECOND: LANDAN WILSON  
MOTION CARRIED UNANIMOUSLY**

## AGENCY REPORTS

**BOR Report** – Robert Stump stated that Reclamation did receive 1 proposal for the water screens, it was a little over the budget. Reclamation was able to negotiate it down with review, but were still over budget. Reclamation was able to round up remaining funds from other MOA projects that the state was willing to move over to the water screens to cover the difference. On schedule to start, but purchasing hasn't issued the purchase order yet. Contracting had to negotiate the lead time already and they say it is on schedule. On Tunnel Forest Fuels Reduction, Reclamation submitted the cultural survey to the State Historic Preservation Office who had a couple of comments and wanted some additional information. The archeologist is verifying the information on the old MVIC ditches to verify no impact to those historic features. Reclamation still in tribal consultation period and have a meeting scheduled with District staff for proposal development for the actual work. Robert stated that there will be a power facility review on September 19<sup>th</sup>. There will be 3 people from region coming down for a transferred facility review, which is unique as far as reviews.

**Division of Water Resources Report** – Rusty stated that really didn't have anything to report.

**T/H Committee Report** – Godwin stated that the Committee met July 20, 2022 and would like the Board to keep in mind that THCC is doing okay financially, but if something catastrophic happens the THCC would need to come to DWCD for a loan request. The Committee is working on the 2023 budget. The Committee paid DWCD, MVIC and Ute Farm and Ranch.

**Next T/H Meeting** – The Committee will meet at the DWCD, Cortez Office August 17, 2022 at 2:00 p.m.

**MVIC Report** – Brandon reported that 1) update on the Groundhog Intake Guard Gate Project and showed some pictures. It is really unique and you can see the old dam from back from the 30's that was washed out by rains. Some of the old dirt was around the existing structure. The pictures show the original gates and excavation around the structure to construct access roads. Once they build the dome, the concrete pump truck needs access. One of the pictures shows the dewatering system pumping the reservoir lower than the original dead pool. They went 10 feet lower to start the foundation which should take place on Tuesday. Then the contractor will put in the new hydraulic pump unit. The old gates and cylinders were taken out. Brandon stated that if you would like to see it you should go up and look at it soon. MVIC did a little more work on the back side, the spillway on the backside. Robert asked what is the purpose of going lower than the original dead pool with the grade beam? Brandon stated that it was for the gate hydraulics, sensors and bubbler for elevation to all be in concrete encased conduit.

## GENERAL MANAGERS REPORT

### Miscellaneous Updates

**Auditor Letter to the Board:** The final auditor letter to the Board and management letter to the auditor were mailed to the Board. These are the final required documents that Andrew mentioned last month, but had not shared at that time. Ken explained this closes out the 2021 audit. Ken pointed out that the most sensitive estimate called out by the auditor was the depreciation expense. It is a significant number and we do have a large fleet. The auditor did not note other variants from his review. The second page talks about the schedule at the back for an uncorrected misstatement of the financial statements. It doesn't sound good, but it is the payroll that was mostly in 2021, but was paid out in 2022. Since we work on a modified accrual basis, it could have been adjusted. If certain things that happen in January should have happened in December, the auditor can accrue these items into the prior year. It will show up in 2022 as an actual cost. It happens most every year. The auditor noted the issue, but did not deem significant to the overall statements. Ken stated that is all that we picked up in the letter. Adam asked if we had to do this in the past audits? Ken thought that we had,

but in shortened form. This was a new auditor and the audit was done remotely so he tried to cover all bases. Don asked if the letter would be different next year or a standard form? Ken stated that it is probably going to be a standard form, but that is part of getting to know our new auditor. If they present to the Board next year, the form will be available when it is presented.

**2023 Colorado Water Plan:** The CWP is out for public comment through September 30, 2023. There are also four virtual listening sessions shown on the flyer. The plan itself is 239 pages, plus the 8 sub-basin plans. We can provide links or copies as requested. Ken doesn't anticipate making comments at this time, but may bring back subsections as they pertain to DWCD activities, primarily grant requests. This is the second version, the first one was done in 2015. The State is trying to streamline and clean things up from the prior version. Ken stated that he may make a few minor comments. The significance is CWCB remains the water policy board for the State. They acquire and hold the instream flows and set other policies that have water impacts. Their biggest reach may be through the funding granted directly or out through the roundtables. The roundtables have their own implementation plan and if you are going to apply for money you have to fit under their goals. Their goals will cover things that we want to do. Going forward, Ken will be reviewing some technical numbers with the contract engineer to get deeper into the M&I numbers. He thinks the graphic shows 1 million acre feet in demand and 500,000 in consumption, there is more to that story. Ken is going to check the technical M&I details for the SW basin and the whole state, but the technical data is not that easy to access on line.

**CWCB additional Severance Tax Revenues:** A short update on additional funding available to CWCB and ultimately the SW Basin Roundtable that DWCD may apply for in the future. There is additional money coming out to the Roundtables. Federal covid funds were budgeted to CWCB, \$15 million. It includes \$2.5 M for technical assistance to apply for federal funds, \$2.5 M for water planning technical assessment and \$10 M for watershed protection. We may not have need for the Watershed mitigation and flood management funding, but we might want to apply for some of the planning money to chase Bipartisan Infrastructure Law funds or just a local roundtable grant. This additional funding is good to keep in mind as we wrap up the year and start up the budget cycle. The Basin MOA funding is where we have put the recent focus like the screens Robert discussed. The BOR runs the contracting for construction after we help plan. We also recently applied for a meter grant, but we haven't heard on it. Staff is trying to see where we want to go in the next couple of years and the Board can weigh in anytime. Any potential projects will be brought back for Board review. The funds are out there and costs are going up.

**FS Payments, no delinquencies requiring a hearing this year:** All full service accounts are paid up through March 31, 2022, so no accounts require a hearing for tax assessment liens this year.

**Invenergy Solar Development (Sandstone PP):** Ken stated that a map was included in the packet. Ben built a map off the preliminary map from Invenergy, but they haven't set a precise footprint for the solar panels or how they might layout within these acres. Ben described the area as broken out in 2 main blocks. One is off of the northside of Road BB, between county roads 12 -15 and other is focused around the Kinder Morgan (KM) Plant south of Sandstone. A lot of the land is on Sandstone pumping plant land, some off of Pleasant View and some on Ruin Canyon. The isolated piece appears to be all dryland at this point. Staff went to the meeting on Monday and then met with Invenergy on Tuesday. Invenergy is still in the development stages. Ken stated that when they turn an application into the county, then we will have a better idea of the final potential project. They were talking about the studies that will have to be done through the end of the year and beyond. Depending on when they apply at the county, probably not before the end of the year, staff will see the application and able to turn in comments to the County. In the past most DWCD comments focus on protecting the Project infrastructure like the Sandstone Lateral shown. Ken stated that we will bring it back to the board when more detail is available. They may not use all this land and until we see more detail, staff doesn't have much to add at this point. Invenergy thinks that they need construction water from us, but they are not ready to request that yet. Someone will have to be responsible for weeds on the properties. Jeremy asked what our concerns are or the implications from this? Ken stated that they have no right to hinder our easements over the laterals and other infrastructure. All our project infrastructure has easements and we want them to stay out of those. They will take acres out of production on the project. When we reviewed Kinder Morgan, Reclamation ultimately made a master agreement with Kinder Morgan addressing coordination and work around the easements and infrastructure. The new powerline was a big deal with the KM development, but otherwise they didn't impact us very much. We do these all the time on smaller subdivisions, but this is a bigger deal, concentrated impact and a little unusual. Prairie dogs, topsoil and weeds were some concerns that Ken heard at the public meeting. The base charges still would have to be paid without water delivery and as the proposal unfolds staff would be talking with the Board about certain concerns we may want to address. Ben stated that a lot of the land is in the Sandstone Pumping Plant area and if a lot of land comes out of production and the delivery is much less, then we would have to look at pump minimum flow operational issues. Don stated that he is still trying to figure out how much irrigated we would be losing. Don asked Ben about some irrigation lands on the map. Ken stated that since the exact panel location is unknown, we don't know exactly what lands may ultimately stop irrigating. Wes stated that his parcel information is incorrect on this map and Ben will look into correcting. Jeremy



asked about the impact of the loss of irrigated acres. Ken stated based on District policy, when acres get subdivided, we take the water back on any parcel under 10 irrigated acres. These lands are being leased, so that may not fit exactly. Depending on how many acres come out of production, the Board may need to change the delivery rates versus the base rate. Wes stated that on his lease the solar company is responsible for the base charges. Ken reminded him that even if a landowner has a leaser the official landowner is ultimately responsible for any billing. If you have a leaser and they fail to pay, it falls back to the landowner pursuant to District policy and the District lien rights on the property. It is a courtesy to bill the leaser instead of the landowner. Don stated that he thinks that solar development implicates interests that the District has. We may want to make comments earlier vs later. Don stated that he sees loss of irrigated acres as a serious issue. We need to see how to protect the Project and also take advantage of possible opportunities, like rebuilding reserves. Godwin stated, for new Board member's benefit, the base charge always has to be paid. In a short year that helps all the users, but in a full year it hurts the amount of water sales, revenue. Don stated that there are a lot of issues that factor into comments that he might have and he wants to bring in all the options to see where we need to be. Don stated that he never believed that irrigated land would not be worth its weight in gold. It is priceless if the land has its water. Don stated that this needs to be planned out for a full discussion. Landan asked that if the delivery charge is roughly 25% of District charges, would the other farmers have to pay for the lost delivery revenue? Who picks the difference up? Ken stated that we are going into the budget cycle and that would be a great time for these discussions as the Board works through rates. The Board has the ability to adjust the base rate and the delivery rates. Adam stated that the District charges like customers the same by law. Adam also thought that an M&I that takes land out of production might not be equivalent to a M&I for truck water. The Board needs to think through before making changes and there is a lot of work that Ken and Ben need to do. Ben can reach out to Invenergy and get a clearer picture of the potential impacted acres. Staff will start gathering a bullet list on some of these comments and have this discussion as a running item on future agendas. Adam stated that this brings up a policy issue separate from this specific proposal. As policy it is good for the Board to understand what taking land out of production does and how it's treated, but don't prejudge a specific proposal. Don said we could cautiously compare hydrology for the right project size and the consequences. Adam stated that Don is correct on establishing policy as an important exercise for the Board. Ken stated that this is good direction and he will keep it on the agenda. For the newer Board members will see related budget and cost numbers during the budgeting season as well as February Brainstorm workshop.

Wes commented that in years past we have had excess water that was used, up to 28" to 32", sometimes at a higher delivery price. Wes agreed that reserves might be a good use of extra funds. Don responded to Wes in getting rid of excess water what does it do for the ability to pay when the Project was set up?

**Board Appointment of THCC Alternate:** With Sheldonna's departure, the Board should choose a new alternate for attending in Godwin's absence.

Godwin stated that he is the official representative for THCC, Brandon was good to help him and it was a great learning experience and you learn more about the project. Jeremy asked what it is exactly. Ken explained that Towaoc Highline Canal is its own operating group consisting of a DWCD Representative, Godwin with an alternate, Reclamation Representative is Robert Stump, MVIC has a Representative, who is Brandon with an alternate, Les Nunn and Ute Farm and Ranch, whose Representative is Michael Vincent and Simon Martinez is alternate. It runs a budget of \$500-\$600K and monthly meetings and coordinating getting the work. DWCD controls the THC through the control room. It is an operating committee with budgets and maintenance. Jeremy stated that he would like to learn. Ken stated that official elections will be a year from January for the DWCD Board and when we usually fill these positions. Ken also stated that Godwin is currently the President, Simon is Vice President and Don is Secretary of the DWCD Board.

**MOTION: TO NOMINATE JEREMY REDSHAW AS THE TOWAOC HIGHLINE CANAL COMMITTEE ALTERNATE.**

**MOTION: WES WILSON**  
**SECOND: SIMON MARTINEZ**  
**MOTION CARRIED UNANIMOUSLY**

**Board Appointment to Personnel Committee:** Also, with Sheldonna's departure, the Board should choose a new member for the Personnel Committee or may continue with only the two existing members, Godwin Oliver and Wes Wilson. Simon asked the 2 that are on it currently, is it worthwhile to continue? Wes stated that yes. Ken stated that many years ago, over 15 years back, there was a personnel committee. There are annual labor budget considerations. A couple of years ago we were doing a salary survey and it was started again then. They meet 4- times a year. Rob Walker and Ben run most of the meetings and it is a good way to meet the employees. Just had a meeting on Tuesday and they make recommendations back to the Board. We are getting ready to start working within the Budget process for recommendation and gives a chance for input from the FSA Board members. Godwin stated that he personally would like to see 3 on the committee and we do have

issues that will come up. Ken stated that officially we have to notice 3 members. Don stated that there is real value in having the Board members wrestle on salary issues and it is an education of different perspectives. Normally the meetings are at Great Cut and not every month. Ken stated that we would like to have one in September or October. Simon stated that it is a good dialogue and not that his name is in the hat. Jeremy stated that he wouldn't mind meeting the employees.

**MOTION: TO NOMINATE LANDAN WILSON TO SERVICE ON THE PERSONNEL COMMITTEE.**

**MOTION: DON SCHWINDT  
SECOND: GLEN FISH  
MOTION CARRIED UNANIMOUSLY**

Ken stated that Jeremy is also welcome to set up a tour with staff at Great Cut anytime to see the project.

Godwin said Rob wanted to set up another meeting. Rob will send out a text reminder for August 23, 2022 at 8:00 AM at Great Cut.

#### **Colorado River Basin Issues – DCP / DROA / Drought Resiliency:**

Ken stated that he put in some articles, they are coming in multiples every day. The one most important is the UCRC signed by Charles Cullom, represents what is called the 5 Point Plan and the official position of the Upper Basin at this time.

Ken provided several handouts in the stack tonight. He called out the CA Drought 2022 handout and would let the Board read it later. It has a great lower basin perspective. The 2<sup>nd</sup> paragraph states when Commissioner Touton made the statement in front of Congress that in 60 days the basin states with Mexico would cut 2-4 MAF of water in the near future, aka 2023 & 2024. They are targeting the August 16, 24-month study, which is next week. You will see in this article quotes that CA is trying to come up with 400-500KAF which leaves 1.5 - 3.5 MAF left to find. CA has Metropolitan Water District, MWD, all the users around LA, Orange County and San Diego plus the 3 senior irrigation districts. Imperial Irrigation District (IID) is by far the largest water rights holder/user on the Colorado in the Imperial Valley near the Salton Sea. There are two others mentioned, Coachella Valley Water District and Palo Verde Irrigation District. You have 4 entities that are controlling CA's Colorado water, at 4.4 MAF. The article points out that Metropolitan has been filling up their buckets from other sources, most municipalities usually diversify their water sources. Most irrigation companies have only one source of water based on how most of these areas got settled. Whether it is Imperial Valley, Montezuma Valley or the Dolores Project, we don't have the diversity of water sources.

On page 2 under CA drought and farms, it quotes "The plan would not be cheap" – billions of dollars in public funds would be needed for fallowing and community mitigation programs that could last through 2026. The next paragraph – no dollar amount per acre-foot has been agreed upon, and wildly divergent numbers are being proposed. At the high end, the Imperial County Farm Bureau sent a five-point plan to the Bureau of Reclamation last month, and said its members would need \$2,300 per acre-foot to not plant crops or implement other on-farm conservation measures. Yuma has asked for \$1500/per AF of reduced water use and Coachella announced it would pay \$200/per AF of water saved to agricultural customers for a maximum of 10,000 acre -feet saved, but the uptake is slow.

The next page talks about the Imperial Valley and how its farmer customers have also participated in fallowing and conservation programs before. These programs have paid a range of prices, including past fallowing programs for \$175 per acre-foot, and a current one that pays growers \$285 per acre-foot conserved up to \$700/AF for IID water. The last paragraph talks about getting federal money from legislation and that Imperial is facing pressure to its historic supplies. The Salton Sea has been a big issue for decades. It is drying up due to lack of return flows from IID. The 24-month study due August 16 was the trigger for the challenge from Commissioner Touton.

Now the talk is about the dead pools in Lake Mead and Lake Powell. We have been talking about these issues for a while, but they have reached a new level of importance. Dead pool means the reservoir elevation is to the point at which the water can no longer be released downriver for households and farms. Lake Mead is currently at an unprecedented low, just 40 feet from minimum levels for producing power and 145 feet from dead pool. More worrisome upstream, Lake Powell is at 3,536 feet, 46 feet above power pool and 166 above dead pool. It will show up again when going through the slide handouts. Beyond power being a problem, now they are talking about not getting enough water out of Powell to meet the LB needs, which probably is what brought Imperial to the table. The LB will tell you about cuts related to QSA in the past and that Arizona took cuts this year. The focus has been on keeping Lake Powell's elevation at 3,490 feet – the minimum needed to keep hydropower running at Glen Canyon Dam, with current elevation at 3,536. Really 3,430, the level at which Powell cannot deliver the 7.5 million-acre-foot water obligation of the Law of the River may be the bigger issue. Ken stated that he would rephrase their description, that if Powell can't deliver enough water, it is not an Upper Basin problem, but Reclamation that has a plumbing problem. Pretty quick it becomes an Upper Basin problem, but the first year it is a plumbing problem.

Ken started going through the slides that were handed out, the Board may want to keep these for future reference. It was from SWCD workshop on July 13, 2022 and has a lot of history. The first one is the "Law of the River" when these are talked about it is Colorado River Compact, 1922, Boulder Canyon Project Act, 1928, Mexican Water Treaty, 1944, Upper Colorado River Compact, 1948 and Colorado River Storage Project of 1956 Act which created Glen Canyon and then the DP was authorized in the 1968 Colorado River Basin Project Act along with the Central Arizona Project, CAP. Later came the 2007 Interim Guidelines for Lower Basin Shortages and Coordinated Reservoir Operations. Then Minute 323 to the Treaty with Mexico. The Drought Contingency Plan in 2019 which allow Drought Response Operating Agreement, DROA, for releases from Aspinall, Navajo and Flaming Gorge. As mentioned last month the BOR is working on starting the NEPA process to renegotiate the 07 guidelines which must be complete by 2025. The Compact adds to 16 MAF without Mexico. The next slide is talks about present perfected rights as unimpaired by the compact. Articles 3.D., Upper Division states shall not cause the flow at Lee Ferry to be depleted below an aggregate of 75,000,000 acre feet for any period of ten consecutive years. Next, the Boulder Canyon Project Act creates the Lower Basin big bucket preventing shortages until this year. The LB all have contracts with Reclamation. The last statement is that the Secretary of Interior is the water master in the Lower Basin. The Secretary is not the water master of the Upper Basin. With the Treaty with Mexico allocations are up to 17.5 MAF. The next slide is the Upper Basin Compact, between the upper basin states' portions of consumptive use from available water, covers NW AZ. The UB delivery point at Lees Ferry below Powell. Provisions for curtailment, should it come to that. It goes into detail of the Upper Colorado River Commission (UCRC), the official board that speaks for the Upper Basin and covers their duties. The UCRC does not tell CO or any state how curtailment will be administered in the states. It may determine the curtailment as a basin with some allocation to each state, but not how to curtail within the states. Next are the percentages of the Upper Colorado Compact with AZ a fixed 50,000 AF amount primarily for the Navajo Nation. Next is the big buckets called CRSP Initial Unties - Powell, Navajo and Flaming Gorge, built under the 1956 Powell authorization and run by Reclamation as part of a larger storage system. Mead was authorized separately under legislation in the 30s.

Moving on to interim guidelines, the agreement made in 2007 which gets at shortages on the next page. During the 1968 Act negotiations, to get CAP passed, AZ had to agree to junior status to CA. Last statement shows that CA doesn't take shortages because of that agreement and has been the historical understanding. The 2007 guidelines were not sufficient and so the States agreed to a Drought Contingency Plan in 2019 because the reservoirs kept dropping. Next sheet shows the agreements under the DCP. The table on the back gets to the shortages everyone takes. Interim cuts are on left from the 07 Interim Guidelines, then Mexico negotiated Minute 323. Next comes the combined AZ, NV and Mexico negotiated DCP additional cuts. Added together on far right for total cuts. These total cuts on the lower right, with CA starting in the middle of page, approach the structural deficient that is used above what is flowing into the system. The States have never negotiated more than the 1.3MAF total 07 IG & DCP combined cuts.

Upper Basin DCP purpose was to maintain compact deliveries and protect the Powell power pool. The DCP created the Drought Response Operations Agreement, DROA, for dropping water out of the 3 upper CRSP Units, Aspinall, Flaming Gorge and Navajo. All releases subject to the 07 IG release per operations of Mead and Powell. Demand Management storage, if the Upper Basin comes up with a program would be stored in Powell, but would not be part of the Interim Guidelines operating releases. Any other drop of water that hits Powell is subject to the Interim Guidelines. DM had been put on hold earlier this year or late last fall.

Powell now sits at 3536 and dropping, to protect 3425 and ultimately 3490 before power goes out. Next would be 120 feet to dead pool after which they can't let any more out of Powell. At some point the shrinking hydraulic head will not drive 7.5 MAF out of Powell. Now the Lower Basin knows that they have to do something. This year Reclamation is dropping 500,000 AF out of Flaming Gorge per DROA, and hope to time it to not add additional water releases under the 07 IG. Reclamation only trying to keep Powell around 3525 for the winter. Basin depletion trends are shown and the Lower Basin is out of sync with the natural hydrology as shown on the chart with orange and blue bars. In 2019 the UB used the normal 4.5 MAF and again in 2020. In 2021, a very dry year, UB consumptive use went down, which is the point of the UCRC letter. The next slide talks about ICS releases, very interesting accounting. ICS allows the LB to forego diversions and store in Mead for later delivery, just changes timing, though they are charged evaporation. The last of the workshop slides shows a timeline for the 07 IG re-negotiations contrasted with Reclamation Powell & Mead elevations. These are the elevations from Reclamation studies and could be below minimum and low elevation balancing, trying to show that this is not going to work over the next couple of years as the 07 IG are renegotiated.

The UCRC demand management study is due out late this year. A lot of processes going on as these reservoirs are crashing, cause for emergency. Next are CWCB current status presentation of 7/28/22, the most recent status update. The first shows the tea cup diagram with elevations, AF and percent full for the CRSP reservoirs, all are low. Next bar chart shows current projections for next year, most probable, max & min. Next year the minimum probable could be worse based on using historical numbers that include the wet 1990's. The most probable and the average annual inflows are barely meeting Powell releases, so anything lower really drops Powell. Reclamation took emergency action and only released 7 MAF from Powell this year. DROA was approved for this year for 500 KAF from

Flaming Gorge. Weather modification continues and the Lower Basin and Mexico are doing DCP conservation at Tier 1 shortage. LB also trying to find 500 KAF of water to save in Mead, probably ag fallowing. These lower releases, only 7.0, were kept neutral with no additional LB cuts. Cuts for 2022 are nowhere near 2 MAF requested. Reclamation turned off modeling for DROA in 2021 and 2022, then new surveys of silting caused Powell to lose 6% of capacity in one day. Kind of shows that modeling may be breaking down.

That leads to the UB 5-point plan. The UCRC ceased the System Conservation Pilot Program operations 5-6 years ago, but asked to have reauthorized by the federal legislature. Water users are paid to leave water in the system, not to be diverted. The UCRC also offered to start the 2023 DROA process. Next, they agreed to finish their demand manage feasibility study later this year. They also propose more measuring and monitoring of all UB flows and uses. Finally, they point out that the UB is on strict appropriation and have been cutting people off as needed to meet hydrology. Senators Sinema, Bennet and Hickenlooper are claiming credit for Federal spending of \$4,000,000,000 for the CR drought. A highlighted copy of the legislative authorization is included for the Board's information.

**Reconciliation Process Review:** We will start our Budget process soon and the Board will receive their first draft in October that leads to the charge notices sent out to all DP users. Tonight we handed out some summaries of the 2021 reconciled costs, that still need to be double checked. Then we'll go over it with Brandon and Robert. These tables show how the dredging costs spread out over time affects charges. The tables show spreading dredging over 1, 5, 7 and 10 years and how it affects everyone. The tables also show using a rolling average of project stored water for proportionate shares. First shows just annual hydrology numbers, then it changes to a 3 year and 5 year rolling average. The acre feet used that drives the percentages change for all parties and gives you a sense of scale with the associated costs. The amounts will be offset by the 2021 estimate charged at the end of 2020. The reconciled costs, combined with 2023 estimate (draft budget) and the T/H Costs will all go into charges. A Draft Budget will be delivered in October and that draft is what delivers all the final billings to be sent out. At some point you will have to make some final decisions.

Wes pointed out that the table shows full service charges going up as the dredging is dragged out over time. Ken explained that it relates to how overhead, all non-designated charges, are spread against the labor manhours. Based on prior dredging summary from Ben, if we amortize the cost, then the labor hours go down this year and add to future years. A big chunk of overhead went from 1300 hours for dredging down to 130 hours for 10 years. The 2021 overhead charged to 130 is 10% as charged to the 1300. The overhead spreads out to the other man hours, mainly in full service, because of labor hours spent up north. The overhead costs have to go somewhere and FS takes most man hours so the overhead redistributes there. Ken stated that each table is its own set of water use based on the rolling averages which changes the proportionate shares. Going to the right in each table just shows the changes to dredging repayment over time. Ken stated that over time it will balance. Next month we will talk about the percentages in the table for the rolling averages. By next month Ken will have to ask on how we put all this together. Don stated that after looking at this we could finalize some decisions. Ken stated that he would like the Board to review the tables, since just handed out, and decide next month. Glen asked if this all fits with what the contracts says. Adam stated that yes, but we need to have some discussions in Executive Session.

## LEGAL REPORT

**MVIC 87.3cfs Water Rights Filing** – Adam stated that there is a status conference tomorrow. Hopes to learn where they are with SW.

**MVIC/City of Cortez Agreement for use of the Cortez 4.2 CFS direct flow right** – Adam stated that he has not heard anything.

**Upstream Augmentation Plan** – Adam stated that there are draft decrees on all the upstream augmentation plans.

**Water Rights Protection & Supply Discussion involving legal advice and/or negotiations subject to Executive Session**

Adam asked for an Executive Session to discuss the following: Colorado River Issues, Upstream Augmentation Plan and MVIC Reconciliation process.

**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 COLORADO RIVER ISSUES, UPSTREAM AUGMENTATION PLAN AND MVIC RECONCILIATION PROCESS.**

**MOTION: SIMON MARTINEZ  
SECOND: WES WILSON  
MOTION CARRIED UNANIMOUSLY.**

**RECESSED FOR EXECUTIVE SESSION AT 10:28 P.M.  
RECONVENED REGULAR MEETING AT 12:06 PM**

**REPORT OUT OF EXECUTIVE SESSION**

Adam reported that in Executive Session the Board discussed pending upstream augmentation plans, MVIC Reconciliation, and Colorado River Issues and no decisions were made.

**MVIC Reconciliation**

**Discussion** – Don stated that he would like to have a rolling average and decide on how many years of Hydrology for budgeting, we had talked about 3 years, but could go longer. Wes said that he thought that the dredging should be spread out longer. Godwin stated that he thought 10 years was too long. Don pointed out different ways of looking at rolling averages and we can wait until next month. Godwin said he thought we should wait as we have new board members that would give them longer to review. Simon asked what would change versus now and what would be different from 10 years to something less? Jeremy asked why Godwin thought 10 years is too long. Godwin stated that he just thought 10 years was too long, like the conversation last month on equipment. Simon said that you will never have to do this again, you are not going to dredge again, different than equipment. Don said that whatever we land on, it would be something significant for future large projects. Wes said he was ok with the 10 years and it just gives Ken more time. Godwin asked if they wanted to have a special meeting to discuss this.

**MOTION: AMORTIZE DREDGING COSTS OVER 10 YEARS**

**MOTION: WES WILSON**

**SECOND: SIMON MARTINEZ**

**MOTION CARRIED 5-1, JEREMY ABSTAINED, GODWIN VOTED AGAINST**

Ken stated that staff would add percentages to the table, calculate their reconciliation of paid 2021 estimate versus actual costs. Historical facility charges are about \$17.00, but you don't have all the U-pumping and won't have much for next year's estimated budget. Then you are starting to see the billing come together in October. Look at the downstream fishery and Utes also. Simon asked Ken to look at the downstream fishery and the Utes also on the table, just to confirm because they are similar. Don asked in terms of rolling average on the hydrology, he still thinks that it makes sense using the rolling average to set the budget. Ken stated that he would work with staff and come up with a recommendation at the next meeting.

**NEXT DWCD BOARD MEETING** – Thursday, September 8, 2022 - 7:00 P.M.

**ADJOURNMENT** Meeting adjourned at 12:26 P.M.

  
Donald W. Schwindt, Secretary-Treasurer

  
Godwin Oliver, President