

MINUTES¹

SPECIAL JOINT MEETING OF THE BOARD OF DIRECTORS OF THE COLORADO RIVER WATER CONSERVATION DISTRICT AND OF THE COLORADO RIVER WATER CONSERVATION DISTRICT ACTING BY AND THROUGH ITS COLORADO RIVER WATER PROJECTS ENTERPRISE

February 2, 2012

Pursuant to notice duly and properly given, a special joint meeting telephone conference of the Board of Directors of the Colorado River Water Conservation District (CRWCD) and of the Colorado River Water Conservation District acting by and through its Colorado River Water Projects Enterprise was held on Thursday, February 2, 2012, at the offices of the Colorado River Water Conservation District, 201 Centennial Street, Glenwood Springs, Colorado.

Directors participating during all or part of the meeting:

James Newberry, Vice-president	David H. Merritt
Steven Acquafresca	Jon Stavney
Stephen M. Mathis	William S. Trampe
Kai Turner	Rebie Hazard
Tom Alvey	

Directors not participating:

Thomas R. Sharp, President	Andrew A. Mueller
Warner Dewey	John Ely
Gary Martinez	Tom Gray

Others participating during all or part of the meeting:

Eric Kuhn, General Manager, CRWCD
Dan Birch, Deputy General Manager, CRWCD
Peter Fleming, General Counsel, CRWCD
Chris Treese, Manager, External Affairs, CRWCD
Laurie DePaolo, Executive Assistant, CRWCD
Martha Moore, Public Affairs Specialist, CRWCD
Jim Pokrandt, Communication & Education Specialist, CRWCD
Jason Turner, Associate Counsel, CRWCD
Audrey Turner, Administrative Chief, CRWCD
John Currier, Chief Engineer, CRWCD
Shanna Koenig, Water Quality/Quantity Committee, Northwest Colorado Council of Governments
Laura Locke, Corporate Advocates, Inc.
Danny Williams, Corporate Advocates, Inc.

Quorum.

Vice President Newberry found a quorum and called the meeting to order at 12:07 p.m.

External Affairs.

State Issues:

HOUSE BILL 12-1083: CONCERNING MAINTENANCE OF THE CURRENT FEE STRUCTURE ON CERTAIN FEEDING OPERATIONS UNDER THE "COLORADO WATER QUALITY CONTROL ACT".

¹An audio recording has been made of the meeting. The motions described herein may not necessarily represent a verbatim transcription. The audio recordings are available for listening at the CRWCD offices during regular office hours. These minutes are the official record of the Colorado River Water Conservation District's meeting.

Chris Treese reported that in 2009, the general assembly increased the maximum annual fee that the water quality control division imposes on concentrated animal feeding operations under the "Colorado Water Quality Control Act" until July 1, 2012. The bill maintains the current fee structure until July 1, 2015 in order to continue the environmental agriculture program.

Recommendation: Monitor

Director Trampe moved, seconded by Director Merritt to **monitor HB 12-1083**. Motion carried unanimously.

HOUSE BILL 12-1107: CONCERNING AN EXEMPTION FROM THE EXCAVATION REQUIREMENTS FOR THE GRAND VALLEY DRAINAGE DISTRICT.

Chris Treese reported that this bill allows the board of directors of the Grand Valley Drainage District to adopt a resolution exempting the district and the district's maintenance efforts from excavation notification requirements.

Recommendation: Support

Director Acquafresca moved, seconded by Director Mathis to **support HB 12-1107**. Motion carried unanimously.

HOUSE BILL 12-1122: CONCERNING INCENTIVES TO MINIMIZE THE DISPOSAL OF MEDICATIONS IN WATER, AND, IN CONNECTION THEREWITH, REQUIRING A POST-ENACTMENT REVIEW OF THE IMPLEMENTATION OF THIS ACT.

The bill would provide incentives to create locally run medication take-back programs to divert medical waste from water disposal. Funding for these incentives would be contingent on gifts, grants, and donations.

Recommendation: Monitor

Director Acquafresca moved, seconded by Director Trampe to **support HB 12-1122**. Motion carried unanimously.

HOUSE BILL 12-1126: CONCERNING ON-SITE WASTEWATER TREATMENT SYSTEMS.

The bill purports to modernize and simplify the law related to individual sewage disposal systems (ISDS). Repeals specific provisions relating to, while reaffirming, the authority of a local board of health to prohibit permits for an OWTS when the OWTS will constitute a hazard to public health or water quality.

Recommendation: Support

Director Turner moved, seconded by Director Trampe to **monitor HB 12-1126**. Motion carried unanimously.

HOUSE BILL 12-1161: CONCERNING SCIENTIFIC REVIEW OF WATER QUALITY RULES AND REGULATING NUTRIENTS.

The bill establishes a scientific advisory board, appointed by leadership of the General Assembly, to review proposed numeric water quality standards regulating nitrogen and phosphorus. The advisory board would deliver a report to the Water Quality Control Commission and the General Assembly by February 1, 2013. Pursuant to the bill the Water Quality Control Commission would not be permitted to adopt any nutrient regulations until they were approved by the General Assembly by passing a bill.

Recommendation: Monitor

Director Stavney moved, seconded by Director Hazard to **monitor HB 12-1161**. Motion carried unanimously.

SENATE BILL 12-063: CONCERNING THE ALLOCATION OF CERTAIN SEVERANCE TAX REVENUES TO INSTITUTIONS OF HIGHER EDUCATION LOCATED IN RURAL REGIONS IMPACTED BY THE DEVELOPMENT OF MINERALS SUBJECT TO TAXATION.

The bill establishes a \$100 million cap, as adjusted annually for inflation, on the current allocation of severance tax revenue. Any revenue received above the cap is first made available by competitive grant to any political subdivisions impacted by the development of minerals and mineral fuels. Remaining funds

would be transferred to the rural higher education cash fund for annual appropriations. At the January meeting, the Board initially adopted a position of opposition to SB 12-063, then reconsidered its position and adopted a position to monitor pending additional information. Chris Treese met with the budget analyst for the Department of Natural Resources and determined that this bill has significant fiscal impacts and is detrimental to water project funding, as well as local governments with energy production within their jurisdictions. The Board reconsidered its position from January based on the additional information provided by Mr. Treese.

Recommendation: Oppose

Director Turner moved, seconded by Director Alvey to **oppose SB 12-063**. Motion carried unanimously.

SENATE BILL 12-097: CONCERNING A SIMPLIFIED PROCEDURE FOR THE ADJUDICATION OF CERTAIN CHANGES OF THE POINTS OF DIVERSION OF WATER RIGHTS.

Mr. Treese reported that under current law, all changes of water rights, including changes in the point of diversion, must be adjudicated. The bill creates a simplified procedure for the adjudication of a “simple change” in a surface point of diversion. The bill would prohibit the re-quantification of the water rights for which the point of diversion is being changed. Concern was expressed that there was the potential for injury even in the context of a “simple change” if the use of the water was not examined.

Recommendation: None

Director Acquafresca moved, seconded by Director Trampe to **oppose SB 12-097**. Motion carried unanimously.

SENATE JOINT RESOLUTION 12-003: CONCERNING APPROVAL OF WATER PROJECT REVOLVING FUND ELIGIBILITY LISTS ADMINISTERED BY THE COLORADO WATER RESOURCES AND POWER DEVELOPMENT AUTHORITY.

Concerning approval of water project revolving fund eligibility lists administered by the Colorado Water Resources and Power Development Authority.

Recommendation: Support

Director Merritt moved, seconded by Director Trampe to **support SJR 12-003**. Motion carried unanimously.

SENATE BILL 12-088: CONCERNING THE PREEMPTION OF LOCAL REGULATION OF OIL AND GAS OPERATIONS.

Mr. Treese provided an update on Senate Bill 12-088. He stated that this bill is an oil & gas bill and doesn't directly affect the Colorado River District. Mr. Treese recommended that the Board not take a position but went on to recommend monitoring this bill and the many other ‘good government’ bills currently in and expected for this session.

Federal Issues:

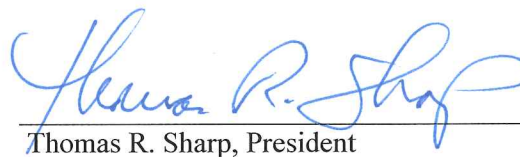
Mr. Treese reported that Senator Udall and Senator Bennett have taken up the issue of H.R.872, the pesticide bill that addressed a judicial decision requiring a Clean Water Act permit for anyone who was applying pesticides or fungicides in or near any waters of the United States. The bill is gridlocked in the Senate. Both Senators have had interest in trying to find a way forward to address the issue. Both Senator's offices have requested of the majority and minority leaders in the Senate to convene an exploratory group to look at the possibilities to address the issue in legislation.

General Counsel Report.

Peter Fleming reported that a Record-of-Decision will be issued in the near term on the Windy Gap Firing Project, and that the River District will work with the Bureau of Reclamation to address West Slope issues and concerns. Director Stavney reported that Eagle County parties are scheduled to sign the Colorado River Cooperative Agreement on the 21st of March. Mr. Fleming also reported that the Green Mountain Administration negotiations, though challenging, are moving forward.


Adjourn.

There being no other business before the Board, Vice President Newberry adjourned the meeting at 1:01 p.m.



Thomas R. Sharp, President

ATTEST:



R. Eric Kuhn, Secretary/General Manager