

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

June 4, 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 Monday June 4, 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:

Thomas R. Sharp, President	James L. Newberry, Vice President
Tom Alvey	David H. Merritt
William S. Trampe	Warner Dewey
Stephen M. Mathis	Steve Acquafresca
John Ely	Kai Turner
Rebie Hazard	Gary Martinez

Directors not participating:

Andrew A. Mueller	Tom Gray
Jon Stavney	

Others participating during all or part of the meeting:

Eric Kuhn, General Manager, CRWCD
Peter Fleming, General Counsel, CRWCD
Dan Birch, Deputy General Manager, CRWCD
John Currier, Chief Engineer, CRWCD
Chris Treese, Manager, External Affairs, CRWCD
Jason Turner, Associate Counsel, CRWCD
Jim Pokrandt, Communication & Education Specialist, CRWCD
Laurie DePaolo, Executive Assistant, CRWCD
Don Meyer, Sr. Water Resources Engineer, CRWCD
Audrey Turner, Administrative Chief, CRWCD
Martha Moore, Public Affairs Specialist, CRWCD
Lurline Curran, Manager, Grand County

Quorum.

President Sharp found a quorum and called the meeting to order at 12:02 p.m.

Wolford Mountain Reservoir.

John Currier referred the Board to a memo outlining additional geo-technical work proposed on Ritschard Dam at Wolford Mountain Reservoir. The geo-technical work will be used to gather additional information and understanding of the dam deformation.

Approval of Contract with ConeTec., Inc.:

Director Acquafresca moved, seconded by Director Alvey, to approve a contract with ConeTec., Inc. in an amount not exceed \$55,000 for drilling and testing in the core of Ritschard Dam and to delegate authority to the General Manager to execute the contract. Motion carried unanimously.

Approval of Contract with Boart Longyear:

Director Acquafresca moved, seconded by Director Alvey, to approve a contract with Boart Longyear in an amount not to exceed \$55,000 for the installation of additional monitoring instrumentation at Ritschard Dam, and to delegate authority to the General Manager to execute the contract. Motion carried unanimously.

Approval of CSA Amendment with Expert Excavation:

Director Acquafresca moved, seconded by Director Alvey, to approve a CSA amendment with Expert Excavation in an amount not to exceed \$80,000 for earthwork related to the installation of additional monitoring instrumentation at Ritschard Dam, to extend the CSA with Expert Excavation for 3 months, and to delegate authority to the General Manager to execute the amendments. Motion carried unanimously.

Approval of Board Participation in Colorado Foundation for Water Education (CFWE) Front Range Tour and Department of Natural Resources (DNR) Drought Conference.

Director Merritt moved, seconded by Director Martinez, to approve director participation in the CFWE Front Range Tour and DNR Drought Conference with expenses being reimbursed by the River District. Motion carried unanimously.

Negotiations Update.

Ruedi Reservoir Repayment:

Eric Kuhn reported that progress has been made on resolution of the Ruedi Reservoir repayment issues. Various West Slope entities have pledged to purchase the remaining uncontracted water at Ruedi, and a potential solution has been presented to the Bureau of Reclamation for covering the “stranded capital costs” of the 7,412.5 af of water for the West and a portion of the East Slopes’ portion of the 15 Mile Reach Programmatic Biological Opinion, 10,825 a.f. of permanent water supply for endangered fishes. “Stranded capital costs” is the difference between the current water repayment price for Ruedi water of \$1,292/af and the Reclamation-approved price of \$209/af for the 5,412.5 a.f. of water for endangered species purposes. (Staff anticipates that the East Slope will request and the Bureau will approve similar pricing for the 2,000 a.f.)

Green Mountain Reservoir Administration:

Peter Fleming updated the Board on a recent meeting among several Grand Valley entities, the State Engineer, Division 5 Engineer and River District staff regarding the accounting process for a 60 cfs bypass during the fill season at Green Mountain Reservoir. A proposal simplifying the accounting was presented to the State for consideration.

Negotiations Update - Executive Session.

Peter Fleming reported that the following matters qualify for discussion in Executive Session pursuant to C.R.S. §§ 24-6-402(4)(b)(legal advice) and (e)(negotiations):

- 10,825 Process.
- Windy Gap Firing Project.

Vice President Newberry requested that Grand County manager Lurline Curran be invited to participate in a portion of Executive Session.

Director Mathis moved, seconded by Director Dewey, to proceed into Executive Session pursuant to C.R.S. §§ 24-6-402(4)(b)(legal advice) and (e)(negotiations). Motion carried unanimously.

Peter Fleming stated that no further record of the Executive Session need be kept based on his opinion that the discussion will constitute privileged attorney-client communications and Ms. Curran would be participating based on the River District's common interests with Grand County.

President Sharp reconvened into Public Session at 12:53 p.m.

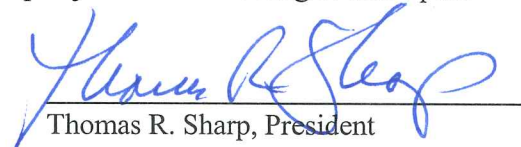
Negotiations Update - Public Session.

Peter Fleming reported that during Executive Session the Board provided guidance to staff and General Counsel on the following matters:

- 10,825 Process.
- Windy Gap Firing Project.

Adjourn.

There being no other business before the Board, President Sharp adjourned the meeting at 12:54 p.m.

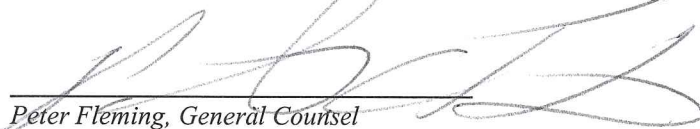

Thomas R. Sharp, President

ATTEST:


R. Eric Kuhn, Secretary/General Manager

Executive Session Attestations.

I hereby attest that the portions of the Executive Session that were not recorded constituted privileged attorney-client communications.


Peter Fleming, General Counsel