

MINUTES¹
FIRST REGULAR QUARTERLY MEETING OF THE
BOARD OF DIRECTORS OF THE
COLORADO RIVER WATER PROJECTS ENTERPRISE OF THE
COLORADO RIVER WATER CONSERVATION DISTRICT

January 16, 2013

Pursuant to notice duly and properly given, the First Regular Quarterly Meeting of the Board of Directors of the Colorado River Water Projects Enterprise of the Colorado River Water Conservation District (CRWCD) was held on Wednesday January 16, 2013 at the Hotel Denver, 402 7th Street, Glenwood Springs, Colorado.

Directors present during all or part of the meeting:

Thomas R. Sharp	David H. Merritt
William S. Trampe	Stan Whinnery
Tom Gray	Stephen M. Mathis
Andrew A. Mueller	Kai Turner
Rebie Hazard	Gary Martinez

Directors not present:

James Newberry, President	Jon Stavney, Vice President
John Ely	Tom Alvey
Steve Acquafresca	

Others present during all or part of the meeting:

Peter Fleming, General Counsel, CRWCD
Dan Birch, Deputy General Manager, CRWCD
John Currier, Chief Engineer, CRWCD
Chris Treese, Manager, External Affairs, CRWCD
Mary Kalmes, Chief Accountant, CRWCD
Audrey Turner, Administrative Chief, CRWCD
Jason Turner, Associate Counsel, CRWCD
Ray Tenney, Deputy Chief Engineer, CRWCD
Dave Kanzer, Sr. Water Resources Engineer, CRWCD
Don Meyer, Sr. Water Resources Engineer, CRWCD
Laurie DePaolo, Executive Assistant, CRWCD
Mike Eytel, Water Resources Specialist, CRWCD
Ian Philips, Accountant, CRWCD
Dave Smith, Engineering Technician, CRWCD
Lorra Nichols, Paralegal, CRWCD
Denise Hussain, Records Specialist, CRWCD
Martha Moore, Public Affairs Specialist, CRWCD
Alesha Frederick, Business Support Specialist, CRWCD
David Brown, USGS
Seth Mason, Eagle River Watershed Council

Quorum.

Director Sharp found a quorum and called the meeting to order at 11:06 a.m. (In the absence of President Newberry and Vice President Stavney, Director Sharp was delegated to chair the meeting).

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.

Review and Approve Meeting Agenda and Objectives.

Director Mueller moved, seconded by Director Trampe, to approve the agenda as presented. Motion carried unanimously.

Consent Agenda.

Director Mueller moved, seconded by Director Trampe, to approve the following consent agenda as presented. Motion carried unanimously.

- a. Minutes of Water Supply Projects Committee Meeting, October 17, 2012.
- b. Minutes of Fourth Regular Quarterly Meeting, October 17, 2012.

Appointment of Water Supply Projects Committee for 2013.

Director Sharp referred the Board to the 2013 River District committees list.

Financial Matters.

Acceptance of Treasurer's Reports for September, October and November 2013:

Director Mathis moved, seconded by Director Trampe, to accept the treasurer's reports for September, October and November 2012. Motion carried unanimously.

Project Operations Update.

Wolford Mountain Reservoir:

Approval of Contract Amendment with GeoSurv:

Director Merritt moved, seconded by Director Mueller, to approve a contract amendment with GeoSurv in an amount not to exceed \$5,000 for continued surveying services at Wolford Mountain Reservoir. Motion carried unanimously.

John Currier reported that monitoring of dam settlement is continuing and noted that the reservoir will be at its lowest level since 2003. It will be approximately 40 feet below full pool before it starts to fill in April.

2013 Water Supply Conditions.

Mr. Currier relayed that a meeting of major water users and reservoir operators has been scheduled to discuss reservoir operations in 2013 in anticipation of a drought. Snowpack throughout the state is below average and reservoir levels are down.

Water Marketing Contract Pricing.

Dan Birch reviewed the District's Water Marketing Policy. Under the Policy, contracts executed after 2006 are subject to annual price increases. Those increases are limited to the Consumer Price Index (CPI) plus the New Growth Index (NGI). For 2013, the amount is 3.2%. Contracts entered into prior to 2006 are subject to a 5-year Operations and Maintenance (O&M) increase.

Director Mathis moved, seconded by Director Whinnery, to approve an increase of 3.0% for 2013, an 11% increase for O&M for pre-2006 contracts and the addition of 125 af of marketable water in the Eagle Park Reservoir supply. Motion carried unanimously.

Mr. Birch also related that staff is currently exploring alternatives in the water marketing program including the possibility of selling a vested interest in Elkhead Reservoir.

General Counsel's Report-Executive Session:

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

- i. River District Conditional Water Rights for Tyler Tailwater Pump, Pipeline and Exchange.

Director Mueller moved, seconded by Director Mathis to move 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.

Director Sharp reconvened into Public Session at 12:08 p.m.

General Counsel’s Report-Public Session:

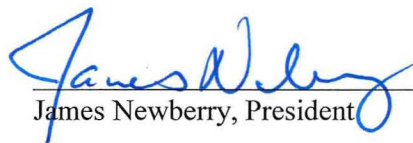
Peter Fleming reported that during Executive Session, the Board provided guidance to staff and General Counsel on the following matter:

- i. River District Conditional Water Rights for Tyler Tailwater Pump, Pipeline and Exchange.

Director Mathis moved, seconded by Director Trampe, to confirm the Board’s intent to maintain the 5 cfs decreed to the Tyler Tailwater Ditch Pump and the associated 5 cfs appropriative right of exchange and to direct staff to take the steps necessary to complete the appropriation in a reasonably expedient and efficient manner, consistent with Colorado law; and to direct staff and Counsel to file an application seeking a finding of reasonable diligence for 5 cfs decreed to the Tyler Tailwater Ditch Pump and the associated 5 cfs appropriative right of exchange. Motion carried unanimously.

Adjourn.

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


James Newberry, President

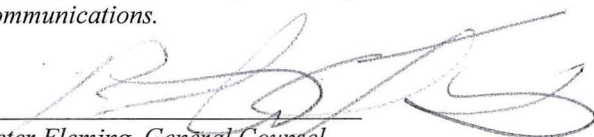
ATTEST:



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