

MINUTES¹
2014 CRWCD BUDGET WORKSHOP
AND 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
September 12, 2013

Pursuant to notice duly and properly given, the 2014 CRWCD Budget Workshop and Special Joint Meeting 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 September 12, 2013 at the Montrose Pavilion, 1800 Pavilion Drive, Montrose, Colorado.

Directors present during all or part of the meeting:

James Newberry, President	Jon Stavney, Vice President
Tom Alvey	David H. Merritt
William S. Trampe	Stan Whinnery
Stephen M. Mathis	Andrew A. Mueller

Directors not present:

John Ely	Steve Acquafresca
Thomas R. Sharp	Kai Turner
Rebie Hazard	Gary Martinez
Tom Gray	

Others present 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
Mary Kalmes, Chief Accountant, CRWCD
Chris Treese, Manager, External Affairs, CRWCD
Audrey Turner, Administrative Chief, CRWCD
Laurie DePaolo, Executive Assistant, CRWCD
Ray Tenney, Deputy Chief Engineer, CRWCD
Dave Kanzer, Sr. Water Resources Engineer, CRWCD
Ian Philips, Accountant, CRWCD
Denise Hussain, Records Specialist, CRWCD

Quorum.

President Newberry found a quorum and called the meeting to order at 10:33 a.m.

Review Meeting Agenda and Objectives.

Peter Fleming requested the addition of Proposed Approval of Amendments to Existing River District Contracts for Ruedi Reservoir Water as agenda item 3.a., and Discussion of Elkhead Reservoir Negotiations in Executive Session as agenda item 2.a. Director Mathis moved, seconded by Director Stavney, to approve the agenda as amended.

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.

2014 CRWCD Budget Workshop, General Fund and Capital Projects Fund.

It was reported that tax revenues for 2014 will decrease by approximately \$400,000 due to a decrease in assessed valuations that will also impact the 2015 budget. It was also noted that the River District has been prepared for several years for a reduction in tax revenues and is in stable financial condition; therefore, the decrease in 2014 revenues will not impact the River District's operations.

Regarding the Capital Fund budget which is funded in part by unspent General Fund monies transferred at the end of the fiscal year, it was reported that a \$1,500,000 transfer is projected for the end of 2013. The Capital Fund budget funds the River District's Grants Program and is used to assist with projects such as the Orchard Mesa Irrigation District's water efficiency improvements.

2014 Colorado River Water Projects Enterprise Budget.

Dan Birch presented an Enterprise pro forma which examined three scenarios regarding the long-term viability of the Enterprise Fund. Mr. Birch noted that expenses are decreasing while the revenue stream is increasing, and the viability issue will remain a priority for the next several years.

Matter Proposed for Executive Session.

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

- a. Elkhead Reservoir Negotiations.

Director Stavney moved, seconded by Director Mathis, to move into Executive Session pursuant to C.R.S. §§ 24-6-402(4)(a) and (e). Motion carried unanimously.

Peter Fleming stated that the discussion will constitute potential property transactions and negotiations, and in the absence of attorney-client communications, the recording would continue.

President Newberry reconvened into Public Session at 11:20 a.m.

Public Session.

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

- a. Elkhead Reservoir Negotiations.

General Counsel's Report:

Peter Fleming reported that the Colorado River Cooperative Agreement with Denver Water is expected to be fully executed with the next two weeks. He also reported that in the Applications of Busk-Ivanhoe, Inc., Case Nos. 09CW142, 09CW186, and 09CW272, Consolidated, Water Division 2 the trial has concluded and the parties are now awaiting a ruling from the court.

Approval of Proposed Amendments to Existing River District Contracts for Ruedi Reservoir Water:

Director Mueller moved, seconded by Director Trampe, to approve the following Ruedi Reservoir contract amendments submitted by letters from the Bureau of Reclamation to the River District dated August 22, 2013. Motion carried unanimously.

1. Amendment No. 1. to Contract No. 009D6C0111,
2. Amendment No. 1. to Contract No. 009D6C0118,
3. Amendment No. 1. to Contract No. 039F6C011, and
4. Amendment No. 1. to Contract No. 079D60106.

General Manager's Report:

Approval of Compact Water Bank Cost Share Agreement:

Director Stavney moved, seconded by Director Alvey, to approve a cost sharing agreement with the Front Range Water Council, Southwestern Water Conservation District and The Nature Conservancy for Phase II.B of the Colorado River Compact Water Bank Study in an amount not to exceed \$33,750. Motion carried unanimously.

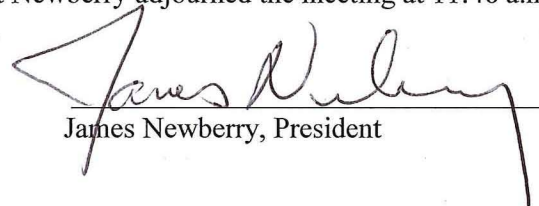
Approval of Pass-Through Contract Amendment with CWCB, re: UVWUA System Optimization Study:

Director Alvey moved, seconded by Director Whinnery, to approve a pass-through contract amendment with the Colorado Water Conservation Board for the UVWUA System Optimization Study in an amount not to exceed \$45,000 with the River District's Enterprise receiving a 3% management fee. Motion carried unanimously.

Informational Items:

Eric Kuhn reported that the Colorado River Basin Roundtable has retained SGM, Inc. as its consultant to prepare the Colorado River (mainstem) Basin Implementation Plan. The River District will be acting as the fiscal agent for the roundtable.

There being no further business before the Board, President Newberry adjourned the meeting at 11:48 a.m.

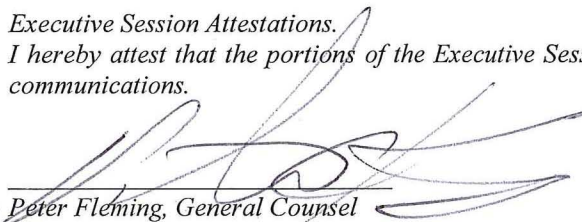

James Newberry, President

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