

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

October 16, 2013

Pursuant to notice duly and properly given, the Fourth 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 Tuesday October 16, 2013 at the Hotel Denver, 402 7th Street, Glenwood Springs, Colorado.

Directors present during all or part of the meeting:

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|---------------------------|-----------------------------|
| James Newberry, President | Jon Stavney, Vice President |
| Tom Alvey | David H. Merritt |
| Steve Acquafresca | John Ely |
| Tom Gray | Stephen M. Mathis |
| Gary Martinez | Tom Alvey |

Directors not present:

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|-------------------|-------------------|
| Andrew A. Mueller | William S. Trampe |
| Rebie Hazard | Thomas R. Sharp |
| Stan Whinnery | |

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
Jason Turner, Senior Counsel, CRWCD
Laurie DePaolo, Executive Assistant, CRWCD
Jim Pokrandt, Communication & Education Specialist, CRWCD
Ray Tenney, Deputy Chief Engineer, CRWCD
Don Meyer, Sr. Water Resources Engineer, CRWCD
Ian Philips, Accountant, CRWCD
Dave Smith, Engineering Technician, CRWCD
Martha Moore, Public Affairs Specialist, CRWCD
Denise Hussain, Records Specialist, CRWCD
Lorra Nichols, Paralegal, CRWCD
Alesha Frederick, Business Support Specialist, CRWCD

Quorum.

President Newberry found a quorum and called the meeting to order at 9:08 a.m.

Review and Approve Meeting Agenda and Objectives.

Peter Fleming requested the addition of Approval of Contract with AMEC for Compact Water Bank Study, Phase IIB. as agenda item 5.d. Director Mathis moved, seconded by Director Stavney, to approve the agenda

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.

as amended. Motion carried unanimously.

Consent Agenda.

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

Approval of Minutes and Actions Taken:

- a. Minutes of Third Regular Quarterly Meeting, July, 2013.
- b. Minutes of Water Supply Projects Committee Meeting, September 4, 2013.
- c. Acceptance of Treasurer's Reports and Check Registers for June, July and August 2013.

Budget Hearing.

President Newberry opened the 2014 budget hearing.

Eric Kuhn reported that the budget notice was published in local papers and that copies of the budget were sent to each county to be posted and was available to the public at the district office and on the district's website. Comments were requested from the public on the website. No public comment was received.

Resolution for 2013 Enterprise Fund Budget Amendments:

Director Stavney moved, seconded by Director Acquafresca, to adopt a resolution summarizing expenditures and revenues for the Colorado River Water Projects Enterprise and adopting an amended budget for the Colorado River Water Conservation District acting by and through its Colorado River Water Projects Enterprise for the calendar year beginning on the first day of January 2013 and ending on the last day of December 2013. Motion carried unanimously.

Resolution to Adopt 2014 Enterprise Fund Budget:

Director Stavney moved, seconded by Director Acquafresca, to adopt a resolution summarizing expenditures and revenues for the Colorado River Water Projects Enterprise and adopting a budget for the Colorado River Water Conservation District acting by and through its Colorado River Water Projects Enterprise for the calendar year beginning on the first day of January 2014 and ending on the last day of December 2014. Motion carried unanimously.

Resolution to Appropriate Sums of Money:

Director Stavney moved, seconded by Director Acquafresca, to adopt a resolution appropriating sums of money to the Colorado River Water Projects Enterprise of the Colorado River Water Conservation District acting by and through its Colorado River Water Projects Enterprise in the amount of \$7,115,100 and for the purpose as set forth below for the 2014 budget year. Motion carried unanimously. (The resolutions are attached as Appendices A.-C.)

President Newberry closed the budget hearing.

Discussion of Upper Blue Water Marketing.

Director Merritt moved, seconded by Director Alvey, to approve a 2013-2014 contract year pricing policy for Upper Blue Reservoir water of \$948/acre-foot and to direct staff to update the River District Water Marketing Policy to reflect said pricing. Motion carried unanimously with Director Martinez abstaining from the vote.

General Manager's Report.

Approval of Fiscal Agent Contact, re: Colorado Basin Roundtable Implementation Plan:

Director Alvey moved, seconded by Director Ely, to authorize the River District's Enterprise to enter into a grant agreement with the Colorado Water Conservation Board for the Colorado River Basin Implementation

Plan, and an agreement with SGM in amount not to exceed \$199,260 for preparation of the plan, with the agreements being subject to review and approval of the General Counsel and General Manager, execution of the agreements by the General Manager, and a 1% management fee for the River District's Enterprise. Motion carried unanimously.

Approval of Fiscal Agent Contract, re: Yampa/White Basin Roundtable Basin Implementation Plan:

Director Gray moved, seconded by Director Acquafresca, to authorize the River District's Enterprise to enter into a grant agreement with the Colorado Water Conservation Board for the Yampa/White River Basin Implementation Plan, and an agreement with a consultant to be named later, for preparation of the plan in amount not to exceed \$100,000 unless approved by the River District, with the agreements being subject to review and approval of the General Counsel and General Manager, execution of the agreements by the General Manager, and a 1% management fee for the River District's Enterprise. Motion carried unanimously.

Wolford Mountain Reservoir:

John Currier reported that a meeting will be scheduled to review and further analyze the monitoring data gathered on the Wolford Mountain Reservoir dam settlement with the River District's consultant URS Engineering.

Elkhead Reservoir:

Director Stavney moved seconded by Director Merritt, to approve a contract amendment extending the contract with QualCorr for cathodic protection upgrades at Elkhead Reservoir to August 14, 2014. Motion carried unanimously.

Approval of Contract with AMEC for Compact Water Bank Study, Phase IIB.:

Director Stavney moved, seconded by Director Mathis, to approve a contract with AMEC Environment and Infrastructure Inc. in an amount not to exceed \$240,000, subject to review and approval by the General Manager and General Counsel, to conduct Phase IIB. of the Compact Water Bank Study. Motion carried unanimously.

General Counsel's Report – Executive Session.

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

- i. Marketing of Elkhead Reservoir Water.
- ii. Discussion of Colorado Compact Water Bank.
- iii. Application of River District for Finding of Reasonable Diligence and Claim to Make Absolute the Wolford Mountain Reservoir Refill Storage Right, Case No. 13CW3008, Water Division 5.

Director Stavney moved, seconded by Director Gray, 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.

President Newberry reconvened into Public Session at 10:48 a.m.

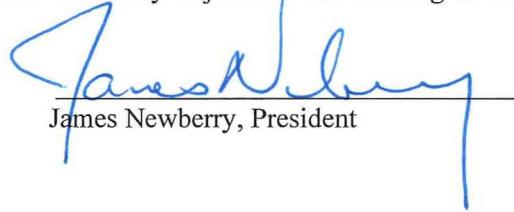
General Counsel's Report – Public Session.

Peter Fleming reported that during Executive Session, the Board provided guidance to staff and General Counsel on the following matters excluding agenda item 6.a.ii:

- i. Marketing of Elkhead Reservoir Water.

- ii. Discussion of Colorado Compact Water Bank.
- iii. Application of River District for Finding of Reasonable Diligence and Claim to Make Absolute the Wolford Mountain Reservoir Refill Storage Right, Case No. 13CW3008, Water Division 5.

There being no further business before the Board, President Newberry adjourned the meeting at 10:58 a.m.



James Newberry, President

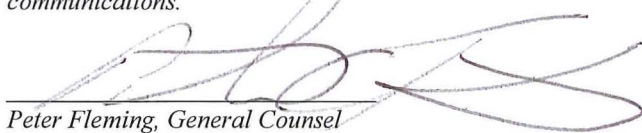
ATTEST:



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