

MINUTES¹
SPECIAL JOINT MEETING AND 2016 BUDGET WORKSHOP
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 24, 2015

Pursuant to notice duly and properly given, the Special Joint Meeting and 2016 Budget Workshop 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 24 2015 at the Wolford Mountain Reservoir Project, 27219 Highway 40, Kremmling, Colorado and the Allington Inn and Suites, 215 Central Ave., Kremmling, Colorado.

Directors present during all or part of the meeting:

Jon Stavney, President	Tom Alvey, Vice President
James Newberry	David H. Merritt
William S. Trampe	Marc Catlin
John Ely	Rebie Hazard
Doug Monger	Tom Gray
Gary Martinez	John Justman

Directors not present:

Stan Whinnery	Alden Vanden Brink
Martha Whitmore	

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
Jason Turner, Senior Counsel, CRWCD
Ray Tenney, Deputy Chief Engineer, CRWCD
Jim Pokrandt, Director, Community Affairs, CRWCD
Don Meyer, Sr. Water Resources Engineer, CRWCD
Laurie DePaolo, Executive Assistant, CRWCD
Denise Hussain, Records Specialist, CRWCD
Kem Davidson, Dam Operator, CRWCD
Lorra Nichols, Paralegal, CRWCD

President Stavney found a quorum and called the meeting to order at 9:31 a.m.

Presentation on Ritschard Dam.

Ray Tenney and John Currier provided an overview of a tentative work plan and schedule for remediation of the Ritschard Dam deformation. Items to be addressed include: remediation design and construction plans, acquisition of any necessary permits and approvals, and review of construction bids followed by the selection of a construction contractor. The proposed work plan projects construction completion in the fall of 2018.

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.

President Stavney recessed the meeting at 9:55 a.m.

Thursday September 24, 2015

President Stavney found a quorum and reconvened the meeting at 12:32 p.m.

General Manager’s Informational Items.

Eric Kuhn reported the annual CRWCD seminar drew over 200 attendees and was well received. He also reported that current river conditions in the Colorado River Basin are average to below average for this time of year.

General Counsel’s Report.

Approval of Stipulation in Taylor Park Reservoir, Exchange and Diligence Applications in Case Nos. 11CW31 and 90CW164, Water Division 4.

Director Trampe moved, seconded by Director Merritt to approve a proposed stipulation in the Diligence Application of the United States of America for Taylor Park Reservoir Refill, Case No. 11CW31, Water Division 4, and to consent to the proposed dismissal of the Application for Taylor Park Reservoir Exchange, Case No. 90CW164, Water Division 4. Motion carried unanimously.

Approval of Referee’s Requested Changes to Proposed Ruling, re: Application for Finding of Reasonable Diligence of the River District and Eagle River Entities for the Eagle-Piney Project, Case No. 13CW3079, Water Division 5.

Director Merritt moved, seconded by Director Ely, to approve the Referee’s requested changes to the proposed ruling in the Application for Finding of Reasonable Diligence of the River District and the Eagle River Entities for the Eagle-Piney Project, Case No. 13CW3079, Water Division 5. Motion carried unanimously.

Peter Fleming reported that staff recently participated in a recent Colorado Water Conservation Board meeting on a proposed instream flow in the Dolores River. Staff presented the view that there was a need for a small allocation of water for future water uses, after significant discussion the Water Conservation Board declined to address this issue in the Dolores instream-flow filing.

2016 CRWCD Budget Workshop, General Fund and Capital Projects Fund.

Eric Kuhn provided an overview of the River District’s budgets and their funding mechanisms. The General Fund is the administrative fund and covers approximately 75% of District staff and board activities. It is funded through property taxes. For 2016, it is projected tax revenues will increase as assessed valuation increased by approximately 8.5%. The increase is attributed to increased home values and new construction while mineral values decreased.

Regarding the Capital Fund which is funded in large part by unspent General Fund monies transferred at the end of the fiscal year, it is estimated \$500,000 will be transferred at the end of 2015. The Capital Fund has been utilized to purchase, upgrade and maintain the River District office, fund 20+ years of a grants program, contribute to irrigation system efficiency improvements (Orchard Mesa) and purchase a significant amount of Ruedi Reservoir water which will be reimbursed by the Enterprise Fund as the water is marketed. The Capital Fund currently has a balance of about \$3 million and is projected to continue to grow slowly over the next 3-5 years.

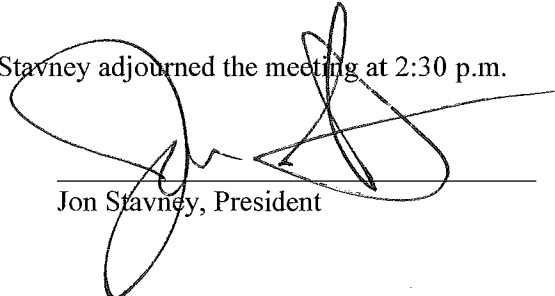
Mr. Kuhn reminded the Board of its July 2015 discussion regarding the future of the grants program. The Board will consider reducing the grants program awards in 2016 from \$250,000 to \$150,000 at its October 2015 quarterly meeting.

2016 Colorado River Water Projects Enterprise Budget.

The Enterprise Fund covers the operations of Wolford Mountain Reservoir, the River District’s Eagle River


water supplies, Elkhead Reservoir, and a portion of the River District's Ruedi Reservoir supplies. It is funded through water sales, the Denver Water Wolford Mountain Reservoir lease, occasional grants and contributions. For 2016, anticipated expenditures include remediation design work for Ritschard Dam, completion of the channel stabilization work on Muddy Creek, and installation of a fish net at Elkhead Reservoir the costs of which will be reimbursed by the Colorado Water Conservation Board's species conservation fund and the Recovery Program.

There being no further business before the Board, President Stavney adjourned the meeting at 2:30 p.m.



Jon Stavney, President

ATTEST:



R. Eric Kuhn, Secretary/General Manager