

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

October 20, 2015

Pursuant to notice duly and properly given, the Fourth Regular Quarterly Meeting of the Board of Directors of the Colorado River Water Conservation District (CRWCD) was held on Tuesday October 20, 2015 at the Hotel Denver, 402 7th Street, Glenwood Springs, Colorado.

Directors participating during all or part of the meeting:

Jon Stavney, President	Tom Alvey, Vice President
David H. Merritt	William S. Trampe
Marc Catlin	Gary Martinez
Tom Gray	James Newberry
Doug Monger	Martha Whitmore
Alden Vanden Brink	

Directors not participating:

John Ely	Rebie Hazard
John Justman	Stan Whinnery

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, Senior Counsel, CRWCD
Laurie DePaolo, Executive Assistant, CRWCD
Jim Pokrandt, Director, Community Affairs, CRWCD
Dave Kanzer, Sr. Water Resources Engineer, CRWCD
Don Meyer, Sr. Water Resources Engineer, CRWCD
Hunter Causey, Water Resources Engineer, CRWCD
Mike Eytel, Sr. Water Resources Specialist, CRWCD
Dave Smith, Engineering Technician, CRWCD
Denise Hussain, Records Administrator/Information Specialist CRWCD
Lorra Nichols, Paralegal, CRWCD
Alesha Frederick, Business Support Specialist, CRWCD
Brent Gardner-Smith, Aspen Journalism
Diane Johnson, Eagle River Water & Sanitation District
Ken Neubecker, American Rivers
Kay Hopkins, U.S Forest Service
Steve Hunter, U.S. Forest Service
Larry Sweeney, Colorado Association of Conservation Districts
Dorothea Farris
Chuck Ogilby

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.

Quorum.

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

Review Meeting Agenda and Objectives.

Eric Kuhn requested the addition of Ratification of Reappointment of Director Trampe as the River District Gunnison Basin Roundtable representative and tabling agenda item 5. g., Service Anniversary Recognition, until the January 19-20, 2016 quarterly meeting.

Consent Agenda.

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

- a. Approval of Minutes and Actions Taken:
 - i. Minutes of Third Regular Quarterly Meeting, July 21-22, 2015.
 - ii. Minutes of Information and Outreach Committee Meeting, July 2, 2015.
 - iii. Minutes of Special Joint Meeting, Telephone Conference, September 4, 2015.
 - iv. Minutes of Special Joint Meeting/ CRWCD 2016 Budget Workshop, September 24, 2015.
- b. Acceptance of Treasurer's Reports and Check Registers for June, July and August, 2015.

Personnel Review Matters.

Peter Fleming recommended that the following matters qualify for discussion in Executive Session pursuant to C.R.S. §§ 24-6-402(4)(f)(personnel):

3. Personnel Review Matters with General Manager.
4. Personnel Review Matters with General Counsel.

Director Monger moved, seconded by Director Catlin, to move into Executive Session pursuant to C.R.S. §§ 24-6-402(4)(f)(personnel). Motion carried unanimously.

Mr. Fleming stated that discussions on personnel matters would be recorded and retained for 90 days.

President Stavney reconvened into Public Session at 11:55 a.m.

Personnel Review Matters - Public Session.

Peter Fleming reported that during Executive Session the Board discussed the following:

3. Personnel Review Matters with General Manager.
4. Personnel Review Matters with General Counsel.

General Manager's Report.

Ratification of Gunnison River Basin Roundtable Representative:

Director Whitmore moved, seconded by Director Catlin, to ratify Director Trampe as the River District representative on the Gunnison River Basin Roundtable. Motion carried unanimously.

Request from Grand County re: Windy Gap Bypass Project:

Eric Kuhn reported that Grand County requested the River District's assistance on the Windy Gap Bypass Project in the form of a temporary advance to assist in funding the engineering required for the project. Following discussion of the request, the matter was tabled to a future meeting.

Delegation of Authority re: USGS Joint Funding Agreements for Stream Gauging/Water Quality:

Director Alvey moved, seconded by Director Trampe, to delegate authority to the General Manager to enter into joint funding agreements, subject to approval by legal counsel, with the USGS to engage in cooperative

water gauging and sampling activities in 2016, in an amount not to exceed \$500,000 subject to annual appropriations. Motion carried unanimously.

Colorado Water Plan/IBCC/Roundtable Update:

Eric Kuhn reported that the Colorado Water Conservation Board's intends to include specific measurable goals in the Colorado Water Plan for watershed health, conservation, and storage among others. The plan is slated for final approval by the end of 2015. The River District will provide comments on the goals.

Colorado River Basin Issues Update:

It was reported that there is a bill in Congress addressing the California drought. There is concern among the Upper Division states (Colorado, Wyoming, New Mexico, and Utah) regarding potential impacts on the Colorado River from certain provisions in the bill.

Technical Staff Update Memo:

Eric Kuhn referred the Board to a memo from the technical staff updating staff's participation in Grand Lake clarity issues and the Learning by Doing process.

Eagle River MOU Project and West Divide Kendig Reservoir Investigation Updates:

John Currier reported that the Eagle River MOU Project has progressed to feasibility analyses of an Eagle Park Reservoir enlargement and updating water supply availability for the Eagle Park enlargement option and a Whitney Reservoir alternative.

Compact Water Bank Update:

Dan Birch reported that the compact water bank study is developing more pilot projects including focusing on a cow-calf operation project and examining how water banking could involve and benefit water user associations or ditch companies. A possible pilot project under the Grand Valley Water Users Association is being examined.

External Affairs.

Federal Affairs:

Presentation on Proposed Wild and Scenic Designation re: Deep Creek:

Ken Neubecker of American Rivers provided an overview of the proposed Wild & Scenic designation for Deep Creek whose confluence with the Colorado River is located upstream of Dotsero. The results of a suitability study conducted by the U.S. Forest Service and the Bureau of Land Management concluded the area has outstandingly remarkable values (ORVs). Director Merritt moved, seconded by Director Martinez, expressing the District's willingness to consider designation legislation and directing staff to work with American Rivers on outreach efforts to land and water rights owners in and adjacent to the proposed designation area.. 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)(b)(legal advice) and (e)(negotiations):

- i. CRCA Implementation Matters.
- ii. Shoshone Outage Protocol Agreement.
- iii. Dolores River Instream Flow.
- iv. Diligence Application of Colorado Springs Utilities, Case No. 15CW3019, Water Division 5.
- v. Colorado River Compact, Interstate, and Related Matters.
- vi. Application of Pueblo Board of Water Works for Clear Creek Reservoir Enlargement, Case No. 04CW130, Water Division 2.

Director Trampe moved, seconded by Director Catlin, 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 Stavney reconvened into Public Session at 2:29 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 matters:

- i. CRCA Implementation Matters.
- ii. Shoshone Outage Protocol Agreement.
- iii. Dolores River Instream Flow.
- iv. Diligence Application of Colorado Springs Utilities, Case No. 15CW3019, Water Division 5.
- v. Colorado River Compact, Interstate, and Related Matters.
- vi. Application of Pueblo Board of Water Works for Clear Creek Reservoir Enlargement, Case No. 04CW130, Water Division 2.

Mr. Fleming also reported that he was not present during the discussion of agenda item 6.a. vi., Application of Pueblo Board of Water Works for Clear Creek Reservoir Enlargement, Case No. 04CW130, Water Division 2.

Director Alvey moved, seconded by Director Gray, to authorize staff and Counsel to file a statement of opposition to the expected application of the Colorado Water Conservation Board to adjudicate the proposed Dolores River instream flow in Water Division 4. Motion carried unanimously.

Director Trampe moved, seconded by Director Merritt, to approve a proposed Memorandum of Understanding regarding the Upper Colorado River Wild and Scenic Stakeholder Group Management Plan. Motion carried unanimously.

Director Merritt moved, seconded by Director Monger, to delegate authority to the General Manager and General Counsel to approve the protocol for the subset of the Upper Colorado River Wild and Scenic Stakeholder Group known as the “West Slope Conservation/Conservancy District, Water User, and Land Owner Interest Group.” Motion carried unanimously.

Grants Program Discussion.

Eric Kuhn reminded the Board of its Grants Program discussion during the CRWCD 2016 Budget Workshop regarding the financial viability of the Grants Program and its overall benefits. The 2016 Grants Program pool will be \$150,000 subject to annual appropriations, and the Board may revisit the matter during its 2017 Budget Workshop.

External Affairs (Cont'd.).

Contract with Ajax Design:

Director Whitmore moved, seconded by Director Trampe, to approve a contract with Ajax Design in an amount not to exceed \$35,000 for photography, video, graphics, publication design, web services, and advertising instruments subject to annual appropriations. Motion carried unanimously.

Continuing Services Agreement with Kris Polly:

Director Alvey moved, seconded by Director Martinez, to approve a three-year continuing services agreement with Water Strategies (Kris Polly) in an amount not to exceed \$54,000 (\$18,000/year) for assistance and advice on federal affairs subject to annual appropriations. Motion carried unanimously.

Federal Affairs (Cont'd.):

Chris Treese reported that bills addressing the California drought have been introduced in both the Senate and the House. Staff will be monitoring potential amendments for impacts to Colorado and the Colorado River Basin.

State Affairs:

Mr. Treese relayed that there are five draft bills and one resolution awaiting action by the Interim Committee for introduction in the 2016 legislative session. Mr. Treese drew the Board's attention to a proposed bill authorizing rain water harvesting in rain barrels if the local utility allows it. An issue of concern is a provision of the draft bill determining and setting in statute a specific formula for depletion calculations as opposed to a judicial determination. Mr. Treese suggested, and the Board by consensus concurred, that an acceptable alternative would be for legislation directing the State Engineer's Office to conduct a rulemaking to determine depletions and companion replacement requirements, if any, for rain barrel collections.

Budget Hearings.

President Stavney opened the 2016 budget hearings.

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 River District website. No public comment was received.

Receiving no public comments, President Stavney closed the budget hearings.

Director Alvey moved, seconded by Director Newberry, to increase the General Manager's and General Counsel's salaries by 2.5% for 2016 subject to annual appropriations. Motion carried unanimously.

Resolution for 2015 General Fund Budget Amendments:

Director Alvey moved, seconded by Director Newberry, to adopt a resolution summarizing expenditures and revenues for the General Fund and adopting an amended budget for the Colorado River Water Conservation District, Colorado for the calendar year beginning on the first day of January 2015 and ending on the last day of December 2015. Motion carried unanimously.

Resolution to Adopt 2016 General Fund Budget:

Director Alvey moved, seconded by Director Newberry, to adopt a resolution summarizing expenditures and revenues for the General Fund and adopting a budget for the Colorado River Water Conservation District, Colorado for the calendar year beginning on the first day of January 2016 and ending on the last day of December 2016. Motion carried unanimously.

Resolution for 2015 Capital Projects Fund Budget Amendments:

Director Alvey moved, seconded by Director Newberry, to adopt a resolution summarizing expenditures and revenues for the Capital Projects Fund and adopting an amended budget for the Colorado River Water Conservation District, Capital Projects Fund for the calendar year beginning on the first day of January 2015 and ending on the last day of December 2015. Motion carried unanimously.

Resolution to Adopt 2016 Capital Projects Fund Budget:

Director Alvey moved, seconded by Director Newberry, to adopt a resolution summarizing expenditures and revenues for the Capital Projects Fund and adopting a budget for the Colorado River Water Conservation District, Capital Fund for the calendar year beginning on the first day of January 2016 and ending on the last day of December 2016. Motion carried unanimously.

Resolution to Appropriate Sums of Money:

Director Alvey moved, seconded by Director Newberry, to adopt a resolution appropriating sums of money to the various funds in the amounts and for the purposes set forth below, for the Colorado River Water Conservation District, Colorado for the 2016 budget year: General Fund, \$5,737,019, and Capital Projects Fund, \$2,985,117. Motion carried unanimously.

Resolution to Transfer Unspent 2015 Balances:

Director Alvey moved, seconded by Director Newberry, to adopt a resolution to authorize and direct the transfer of monies to the Capital Projects Fund from the General Fund in the amount of revenues less expenditures and an amount sufficient to cover expenses prior to the receipt of tax revenues. This resolution further authorizes and directs that the funds be transferred no later than December 31, 2015. Motion carried unanimously. (The resolutions are attached as Appendices A-F.)

Directors' Concerns.

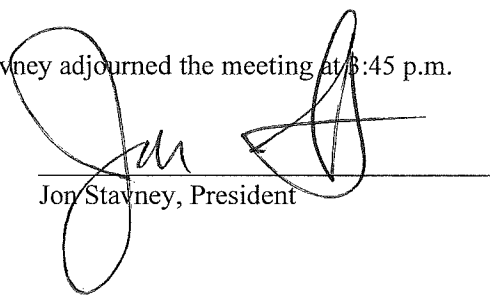
Directors offered several suggestions including having a workshop with a facilitator to review and revise the River District's strategic plan, goals and objectives, and budgetary planning, and scheduling an educational Board tour within the River District in 2016,

Future Meetings.

- a. First Regular Quarterly Meetings, **January 19-20, 2016, Glenwood Springs, CO.**
- b. Executive Committee Meeting, **March ? 2016, Glenwood Springs, CO.**
- c. Second Regular Quarterly Meetings, **April 19, 2016, Glenwood Springs, CO.**
- d. Third Regular Quarterly Meetings, **July 19-20, 2016, Glenwood Springs, CO.**
- e. Special Joint Meeting/2017 CRWCD Budget Workshop, **September 15, 2016, Location, TBD.**
- f. CRWCD Seminar, **September 16, 2016, Grand Junction, CO.**
- g. Fourth Regular Quarterly Meetings, **October 18, 2016, Glenwood Springs, CO.**
- h. Other Meetings:
 - i. CRWUA Convention, **December 16-18, 2015, Las Vegas, NV.**
 - ii. CWC Annual Convention, **January 27-29, 2016, Denver, CO.**
 - iii. Western State Water Workshop, **mid-June, 2016, Gunnison, CO.**
 - iv. CWC Summer Convention, **August 24-26, 2016, Steamboat Springs, CO.**

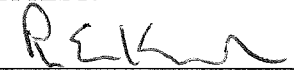
Adjourn.

There being no other business before the Board, President Stavney adjourned the meeting at 8:45 p.m.



Jon Stavney, President

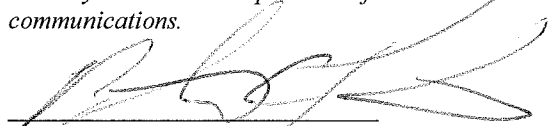
ATTEST:



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

