

MINUTES¹
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

March 31, 2016

Pursuant to notice duly and properly given, a special joint meeting telephone conference 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, March 31, 2016, at the offices of the Colorado River District, 201 Centennial Street, Glenwood Springs, Colorado.

Directors participating during all or part of the meeting:

Jon Stavney, President	Tom Alvey, Vice-President
Marc Catlin	Mike Ritschard
John Ely	William S. Trampe
Rebie Hazard	Alden Vanden Brink
John Justman	Stan Whinnery
Gary Martinez	Martha Whitmore
David H. Merritt	

Directors not participating:

Tom Gray	Doug Monger
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Others participating during all or part of the meeting:

Dan Birch, Deputy General Manager, CRWCD
John Currier, Chief Engineer, CRWCD
Peter Fleming, General Counsel, CRWCD
Eric Kuhn, General Manager, CRWCD
Chris Treese, Manager, External Affairs, CRWCD
Laurie DePaolo, Executive Assistant, CRWCD
Martha Moore, Public Affairs Specialist, CRWCD
Ian Philips, Senior Accountant, CRWCD
Jim Pokrandt, Director, Community Affairs, CRWCD
Ray Tenney, Deputy Chief Engineer, CRWCD
Audrey Turner, Administrative Chief, CRWCD
Jason Turner, Senior Counsel, CRWCD
Danny Williams, Corporate Advocates

Quorum.

President Stavney found a quorum and called the meeting to order at 12:04 p.m.

Agenda Additions.

Peter Fleming requested an addition to the agenda to discuss the potential filing of an amicus brief in the application of Denver Water, Case No. 12CW5 in Water Division 1. Chris Treese requested an addition to the agenda to approve a contract with "5280 Strategies" for lobbying services related to the St. Jude legislation.

Director Whinnery moved, seconded by Director Merritt, to amend the agenda as requested. Motion carried unanimously.

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.

Yampa/White/Green Basin Implementation Plan (BIP) Next Steps.

Peter Fleming noted that the Colorado River District (District) has been acting as fiscal agent for the Yampa/White/Green Basin Roundtable (“YWG”) “Next Steps” process under the YWG’s Basin Implementation Plan (“BIP”) and directed the Board’s attention to the March 29, 2016 Board memo from Dan Birch.

Director Alvey moved, seconded by Director Whitmore, to allow the General Manager to enter into an agreement with the Colorado Water Conservation Board (“CWCB”) in the amount of \$150,000 for the Next Steps, subject to a River District administrative fee of 1 percent and for the General Manager to enter into an agreement with Wilson Water Group initially in the amount of \$51,173, increasable by \$150,000, if and when the River District receives the funding from the CWCB. Motion carried unanimously.

Dan Birch disclosed that his daughter works for Wilson Water Group and therefore does not participate in discussions at the YWG BRT that relate to her employer.

Elkhead Spillway Fish Barrier Net Procurement.

Ray Tenney reviewed the process leading up to the decision to select Pacific Netting Products to design, fabricate, and install the fish barrier net at Eklhead Reservoir in support of the Upper Colorado River Recovery Program.

Director Whitmore moved, seconded by Director Trampe, to accept staff’s recommendation to enter into an agreement with Pacific Netting Products, Inc. to design, fabricate, and install a fish barrier net and debris boom at the spillway at Eklhead Reservoir, utilizing the EJCDC/CSI construction agreement format, as approved by the General Manager and General Counsel, not to exceed \$1.150 million. Motion carried unanimously with Director Merritt abstaining.

State Issues.

HB 16-1392 CONCERNING THE ADMINISTRATION OF WATER BANKS.

Chris Treese reported that HB 16-1392 would create a statewide water banking program to be operated by the CWCB for the temporary transfer of agricultural water rights to other uses.

Mr. Treese recommended a position of “amend” for this bill with the provision that the West Slope be excluded from this bill primarily because the bill represents risks and conflicts to our compact water bank concept.

Director Whitmore moved, seconded by Director Merritt, to adopt a position of **amend on HB 16-1392** specifically excluding the West Slope and closely monitoring this bill. Motion carried unanimously.

HB 16-1413 CONCERNING THE FINANCING OF THE WATER POLLUTION CONTROL PROGRAM, AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.

Chris Treese reported that HB 16-1413 is part of the package of budget bills that is funded by the collection of annual fees for regulated activities associated with the operation of domestic wastewater treatment works, water treatment facilities, reclaimed water systems, and industrial operations that discharge to Colorado streams and rivers. This bill creates several separate cash funds that can be subsequently be transferred among the various funds to meet changing needs.

Director Whinnery moved, seconded by Director Justman, to **monitor HB 16-1413**. Motion carried unanimously.

SB 16-167 CONCERNING A REDUCTION IN THE SEVERANCE TAX OPERATIONAL FUND RESERVE FOR THE 2016-17 FISCAL YEAR.

Chris Treese noted that this bill is a Joint Budget Committee bill addressing the dramatic downturn in severance and royalty revenues forecast for the coming budget year due to reduced oil and gas prices. This bill provides a one-time respite from what otherwise would be dramatic reductions in "Tier II" funds available in 2016-17, which include the Water Supply Reserve Account and other allocations important to the River District and the water community at large.

Director Trampe moved, seconded by Director Catlin, to **support SB 16-167**. Motion carried unanimously.

SB 16-174 CONCERNING THE FUNDING OF COLORADO WATER CONSERVATION BOARD PROJECTS, AND, IN CONNECTION THEREWITH, MAKING APPROPRIATIONS.

Chris Treese noted that SB 16-174 is the annual Construction Fund Projects bill. This year's bill includes provisions to fund the usual support functions of the CWCB. The bill also provides \$200,000 to the Windy Gap bypass project, \$5 million to implement the state water plan, and a separate section addressing revenue allocations for the state's Animas-La Plata Project water.

Director Alvey moved, seconded by Director Whitmore, to **support SB 16-174**. Motion carried unanimously.

Updates.

HB 16-1228 CONCERNING ALTERNATIVE TRANSFER MECHANISMS FOR WATER RIGHTS THAT PROTECT THE AGRICULTURAL USE FOR WHICH A WATER RIGHT WAS ORIGINALLY DECREED WHILE PERMITTING RENEWABLE ONE-YEAR TRANSFERS OF A PORTION OF THE WATER SUBJECT TO THE WATER RIGHT.

Chris Treese reported that HB 16-1228 ("FLEX bill") passed the House with a 3 vote margin with the West Slope and a large part of the Arkansas Basin legislators voting against the bill. The bill is scheduled to be heard in the Senate Ag committee soon after this board call concludes. Mr. Treese noted that we are being offered a provision that would exclude the West Slope. Another option being discussed is the possibility of instead establishing a pilot project program.

Director Whitmore moved, seconded by Director Justman, to change the current position of oppose to **amend HB 16-1228**. Directors voting in favor of the motion: Alvey, Ely, Hazard, Justman, Martinez, Merritt, Ritschard, Stavney, Trampe, Vanden Brink, and Whitmore. Directors voting against the motion: Caitlin and Whinnery. Motion carried.

Contract Lobbying Approval for St. Jude's.

Chris Treese requested approval for the District to contribute \$5,000 and be the fiscal agent for a contract with Mike Beasley of 5280 Strategies as a lobbyist in support of our position in the St. Jude's case. The cost of 5280 Strategies work would be divided between the River District and a coalition of other parties interested in a legislative resolution of the issues raised in the St. Jude's case. This contract would be split as two \$15,000 contracts that will be in effect through the 2017 legislative session.

Director Alvey moved, seconded by Director Trampe, to approve the request for the River District to contribute \$5,000 and enter into a contract with 5280 Strategies in an amount not to exceed \$30,000. Motion carried unanimously.

Denver Water Case No. 12CW5, Water Division 1.

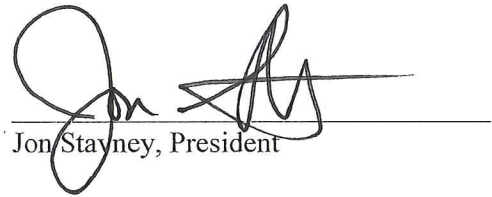
Peter Fleming requested authorization to file an amicus brief in the application of Denver Water Case No. 12CW5 in Water Division 1. This case deals with whether water stored by exchange in Dillon Reservoir is

subject to Denver's 1940 Agreement with the Consolidated Ditches. A determination that this water is subject to the 1940 Agreement could impact Denver Water's ability to reuse some of its trans-mountain water.

Director Merritt moved, seconded by Director Whinnery, to accept staff's recommendation to file an animus brief in case 12CW5, Water Division 1. Motion carried unanimously. Director Stavney abstained as he was not on the call to hear the discussion.

Adjourn.

There being no other business before the Board, Vice-President Alvey adjourned the meeting at 12:58 p.m.



Jon Stavney, President

ATTEST:



R. Eric Kuhn, Secretary/General Manager