

**MINUTES<sup>1</sup>**  
**SECOND REGULAR JOINT QUARTERLY 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**

**April 19, 2016**

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Pursuant to notice duly and properly given, the Second Regular Joint Quarterly 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 Tuesday April 19, 2016 at the Hotel Denver, 402 7<sup>th</sup> Street, Glenwood Springs, Colorado.

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**Directors participating during all or part of the meeting:**

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

**Directors not participating:**

Rebie Hazard

**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  
Mary Kalmes, Chief Accountant, CRWCD  
Chris Treese, Manager, External Affairs, CRWCD  
Jason Turner, Senior Counsel, CRWCD  
Audrey Turner, Administrative Chief, CRWCD  
Laurie DePaolo, Executive Assistant, CRWCD  
Jim Pokrandt, Director, Community Affairs, CRWCD  
Ray Tenney, Deputy Chief Engineer, CRWCD  
Dave Kanzer, Deputy Chief Engineer, CRWCD  
Don Meyer, Sr. Water Resources Engineer, CRWCD  
Ian Philips, Senior Accountant, CRWCD  
Mike Eytel, Sr. Water Resources Specialist, CRWCD  
Hunter Causey, Water Resources Engineer, CRWCD  
Sonja Chavez, Water Resources Specialist, CRWCD  
Dave Smith, Engineering Technician, CRWCD  
Denise Hussain, Records Administrator/Records Specialist, CRWCD  
Lorra Nichols, Paralegal, CRWCD  
Martha Moore, Public Affairs Specialist, CRWCD  
Alesha Fredrick, Business Support Specialist, CRWCD

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<sup>1</sup>An 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.

Brent Gardner Smith, Aspen Journalism  
Larry Sweeney, Colorado Association of Conservation Districts  
David Mau, USGS  
Kathleen Ann Sickles, Town of Cedaredge  
Patrice Alonzo Crawford Clipper Ditch Company

**Quorum.**

President Stavney found a quorum and called the meeting to order at 9:04 a.m.

**Review Meeting Agenda and Objectives.**

Eric Kuhn requested the addition of approval of Contract Amendment with Hydros Consulting, re: Contingency Planning Modeling as agenda item 8.b.v. Director Whinnery, moved, seconded by Director Monger, to approve the agenda as amended. Motion carried unanimously.

**Consent Agenda.**

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

- a. Approval of Minutes and Actions Taken:
  - i. Minutes of First Regular Quarterly Meeting of the Colorado River Water Conservation District and Minutes of the Colorado River Water Projects Enterprise, January 19-20, 2016.
  - ii. Minutes of Special Joint Meeting, Telephone Conference, February 4, 2016.
  - iii. Minutes of Investment Committee Meeting, Telephone Conference, and February 17, 2016.
  - iv. Minutes of Special Joint Meeting, Telephone Conference, February 18, 2016.
  - v. Minutes of CRCA Implementation Committee Meeting, February 20, 2016.
  - vi. Minutes of Special Joint Meeting Telephone Conference, March 3, 2016.
  - vii. Minutes of Special Joint Meeting, Telephone Conference, March 17, 2016.
  - viii. Minutes of Executive Committee Meeting, Telephone Conference, March 17, 2016.
  - ix. Minutes of CRCA Implementation Committee Meeting, March 25, 2016.
- b. Acceptance of General Fund, Capital Fund and Enterprise Fund Treasurer's Reports and Check Registers for December 2015 and January 2016.

**Annual Policy Discussion.**

Chris Treese reminded the Board of its January quarterly review of the three policies listed below which are now eligible for adoption or further revisions. Mr. Treese also noted the new draft Instream Flow Policy offered for initial Board consideration.

**Endangered Species Act:**

Director Whitmore moved, seconded by Director Vanden Brink, to adopt the River District's Endangered Species Act Policy as presented. Motion carried unanimously.

**Recreational Water Use:**

Director Whitmore moved, seconded by Director Vanden Brink, to adopt the River District's Recreational Water Use Policy as presented. Motion carried unanimously.

**Water Quality:**

Director Whitmore moved, seconded by Director Vanden Brink, to adopt the River District's Water Quality Policy as presented. (The policies are attached as Appendices A.-C.).

### **Instream Flows:**

By consensus, staff was directed to insert the following verbiage in the second paragraph of policy statement: "An instream flow water right should not be granted if it would materially impair the ability to fully develop for beneficial use Colorado's entitlements under the Compacts of 1922 and 1948," and the addition of "or exceed the amount of water reasonably necessary for protection of the environment" to the third paragraph of the policy statement. Further direction from the Board included addition of language in the Background and Discussion section of the policy regarding the importance of having ongoing discussions with the Colorado Water Conservation Board regarding its instream flow practices, including issues created for irrigators as a result of instream flow rights located lower on streams and rivers, and to remove "Colorado has more than 105,344 stream miles" from the second paragraph of the Background and Discussion section.

### **External Affairs.**

#### **Information and Outreach Update:**

Jim Pokrandt directed the Board's attention to the 2015 CRWCD Annual Report noting it will be mailed to approximately 700 interested parties, is available on the CRWCD website, and is distributed throughout the year at various events. He also relayed that six State of the River meetings are scheduled this spring throughout the District. Director Monger requested that staff explore the possibility of holding a State of the River meeting in the Yampa River Basin and/or in the White River Basin.

#### **State Affairs:**

Chris Treese reported that SB 145, an amendment to the District's organic statute to provide an alternative process for the formation of subdistricts, is awaiting the Governor's signature.

#### **HB-1433: CONCERNING THE CREATION OF A RESERVE THAT INCLUDES STATE SEVERANCE TAX REVENUE THAT IS A VOTER-APPROVED REVENUE CHANGE TO THE CONSTITUTIONAL LIMITATION ON STATE FISCAL YEAR SPENDING.**

##### **Recommendation: Support.**

This bill would create a reserve fund for severance tax revenues. The reserve would be funded when severance tax revenues exceed an annual maximum, initially set at \$180 million and indexed for inflation. The bill also calls for a statewide vote this November allowing the state to "de-Bruce" severance taxes from annual TABOR revenue and expenditure limits.

Director Monger moved, seconded by Director Merritt, to **support HB-1433**. Motion carried unanimously.

Mr. Treese relayed that the Governor has reappointed Patti Wells (Denver Metro), Russell George (Colorado mainstem), and Jay Gallagher (Yampa/White/Green Basins) to the Colorado Water Conservation Board (CWCB). Director Merritt moved, seconded by Director Justman, to support the CWCB reappointments. Motion carried unanimously.

It was also reported that the sponsors of **HB-1228** have accepted a proposed amendment from the River District excluding the entire West Slope from the provisions of the bill. **HB-1228** would allow up to 50% of the consumptive use of an agricultural water right to be converted to a "flex" right without a specific purpose, use, or destination being designated. The River District has opposed previous flex rights bills.

#### **Federal Affairs:**

Mr. Treese reported that during a recent trip to Washington D.C., several issues of concern to the District were discussed with Colorado's Congressional delegation including drought legislation, forest health, watershed protections, and the Aquatic Nuisance Species program (ANS). Recently, the Bureau of Reclamation declined to fund the program for zebra mussel control at its reservoirs. The River District conducts an ANS program at Wolford Mountain Reservoir.

**Executive Committee Report.**

Dave Kanzer reported that 35 grant applications were received with 8 grants (5 large projects, 3 small projects) recommended for funding.

Mr. Kanzer reviewed the grant funding criteria and guidelines used in the review process. Ranking criteria used by staff to evaluate applications for funding was discussed, including appropriateness of the project, project description, budget, funding, technical adequacy, project effectiveness, sponsor's ability to complete, cost effectiveness, and applicant participation. The program awards both small and large grants with up to \$60,000 total project cost being considered a small grant application and any project with total costs exceeding \$60,000 considered a large grant application. Priority is given to those projects that preserve pre-Colorado River Compact water rights.

**Action on Grant Recommendations:**

Director Alvey moved, seconded by Director Trampe, to approve the grant application recommendations as presented by the Executive Committee. Motion carried unanimously. (A complete list of the applications is attached as Appendix D.).

Several grant recipients expressed their appreciation to the Board for the grant awards.

**General Manager's Report.**

**Service Anniversary Recognition:**

Mary Kalmes expressed the River District's appreciation to Ian Philips for his 5 years of service to the River District.

**CRWCD Strategic Planning Workshop:**

Eric Kuhn reminded the Board of the strategic planning workshop scheduled for July 18-19 in Glenwood Springs. The purpose of the workshop is to update the District's strategic plan.

**Update on Social Media Policy:**

Mr. Kuhn directed the board's attention to a memo outlining research being undertaken by staff to develop a social media policy. Staff will present a draft policy for Board consideration at the July 2016 quarterly meeting.

**Regional Conservation Partnership Program (RCPP) Update:**

Dave Kanzer reported that efforts are continuing with contracting and the coordination of funds from the Department of Agriculture and Department of the Interior for water efficiency and system modernization projects in four conservancy districts in the lower Gunnison Basin (Lower Gunnison Project). The River District will be acting as the agent for the Department of Agriculture-NRCS under the RCPP.

**Roundtables/IBCC Update:**

Eric Kuhn reported that at its last meeting, the IBCC discussed possible funding mechanisms for implementing the Colorado Water Plan. He also relayed that funding for the Joint Roundtable Study has been approved by the Colorado Water Conservation Board. The study will address two major issues: what is the likelihood that Lake Powell will drop below elevation 3,525' under a range of selected water supply and water demand scenarios and by how much and how often water users in Colorado would have to reduce demands/consumptive uses to maintain Lake Powell elevation. The results of the study will be used as an educational tool for understanding how the Colorado River system works and to give a common technical platform to aid the West Slope roundtables in discussions regarding future West Slope development of Colorado River water supplies. A large technical committee comprised of both East Slope and West Slope roundtable members has been formed to review the study.

**Colorado River Issues:**

It was reported that projected April-July inflow into Lake Powell is 5.3 million acre feet or 74% of average. It was also noted that most reservoirs throughout Colorado will fill during runoff season, unlike the rest of the Colorado River Basin.

**Discussion with Jim Lochhead and Mike King of Denver Water:**

Jim Lochhead and Mike King (Denver Water's new Director of Planning) gave an overview of current Denver Water priorities and activities including maintaining a positive relationship with the West Slope, securing Denver's West Slope water supplies, and completion of the permitting process for the Moffat System expansion.

**Project Updates.**

**Wolford Mountain Reservoir:**

John Currier recounted the investigative process and risk analysis undertaken by the River District and the District's consultant, AECOM, over the past two years on the deformation at Ritschard Dam. The conclusion of an expert peer review panel is that from a dam safety perspective, there is no compelling reason to proceed with remediation of the dam now or in the foreseeable future because the risk of a dam failure was minimal. Going forward, dam monitoring will continue, and the reservoir will return to normal operations with the reservoir projected to fill this year.

**Elkhead Reservoir:**

Ray Tenney reported that the reservoir is being drawn down to accommodate runoff and avoid spilling non-native fish over the spillway into the Yampa River. Construction and installation of a fish net upstream of the spillway is anticipated to commence this year.

**Compact Water Bank Update:**

Dan Birch reported that the Grand Valley Water Users Association (GVWUA) is moving forward with exploring a water bank pilot project within its area. GVWUA is also developing a payment system that would benefit both participating ditch companies and farmers. Additional sources of funding are still being sought for the piolet project.

Director Martinez moved, seconded by Director Trampe, to authorize the General Manager to enter into a Memorandum of Agreement with GVWUA, subject to review and approval by the General Counsel and General Manager in an initial amount of \$49,319, increasable up to \$144,430 as other funding is secured. Motion carried unanimously. (An Enterprise matter).

Director Merritt moved, seconded by Director Whinnery, to authorize the General Manager to enter into a System Conservation Grant agreement with the Upper Colorado River Commission subject to review and approval by the General Counsel and General Manager in the amount of \$55,618 for reimbursement of crop offset payments made to participants in current fallowing pilot projects being conducted by the Compact Water Bank Study. Motion carried unanimously. (An Enterprise matter).

**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. Colorado River Cooperative Agreement Issues.
- ii. Shoshone Outage Protocol.
- iii. Windy Gap Firming Project.
- iv. Application of Denver Water for Change of the Carr No. 2 Ditch, Case No. 15CW3084, Water Division 5.

- v. Diligence Application of Colorado Springs Utilities, Case No. 15CW3019, Water Division 5, and in the Blue River Consolidated Cases, Federal District Court.
- vi. Application of Colorado Water Conservation Board for Dolores River Instream Flow, Case No. 15CW3111, Water Division 4.
- vii. Colorado River Compact, Interstate and Related Issues.

Director Trampe moved, seconded by Director Whinnery, 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 3:13 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. Colorado River Cooperative Agreement Issues.
- ii. Shoshone Outage Protocol.
- iii. Windy Gap Firing Project.
- iv. Application of Denver Water for Change of the Carr No. 2 Ditch, Case No. 15CW3084, Water Division 5.
- v. Diligence Application of Colorado Springs Utilities, Case No. 15CW3019, Water Division 5, and in the Blue River Consolidated Cases, Federal District Court.
- vi. Application of Colorado Water Conservation Board for Dolores River Instream Flow, Case No. 15CW3111, Water Division 4.
- vii. Colorado River Compact, Interstate and Related Issues.

Director Trampe moved, seconded by Director Catlin, to approve a contract amendment with Hydros Consulting in an amount not to exceed \$50,000 for contingency plan modeling work in the Upper Colorado River Basin with the expectation that the full amount will be reimbursed with a purchase order from the Colorado Water Conservation Board. Motion carried unanimously.

Director Whitmore moved, seconded by Director Whinnery, to ratify Statements of Opposition in the Application and Amended Application of United States of America for Taylor Park Reservoir Refill Right, Case No. 15CW3064, Water Division 4. Motion carried unanimously.

Director Alvey moved, seconded by Director Ritschard, to approve an amendment to the contract with Red Mountain RV Park allowing sub-contacting of the Aquatic Nuisance Species program subject to River District approval of the subcontractor. Motion carried unanimously. (An Enterprise Matter).

Jason Turner reported that staff attended a recent Water Quality Control Commission hearing on the Grand Lake Clarity Adaptive Management Plan. The River District, the Northern District, Grand County, Northwest Colorado Council of Governments and the Bureau of Reclamation are participants in the management plan..

**Directors' Concerns.**

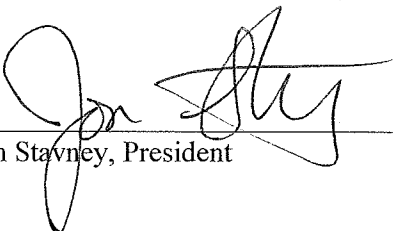
Director Alvey reported that entities, including the North Fork Water Conservancy District (North Fork) in the Lower Gunnison River Basin, will be consulting with the River District on agreements necessary for participation in the Regional Conservation Partnership Program. Director Alvey also disclosed he is the president of the North Fork District.

**Future Meetings.**


- a. CRWCD Strategic Planning Workshop, **July 18-19, 2016, Glenwood Springs, CO.**
- b. Third Regular Joint Quarterly Meeting, **July 19-20, 2016, Glenwood Springs, CO.**
- c. CRWCD 2017 Budget Workshop/Joint Meeting with Southwestern Water Conservation District, **September 15, 2016, Ridgway, CO.**
- d. CRWCD Water Seminar, **September 16, 2016, Grand Junction, CO.**
- e. Fourth Regular Joint Quarterly Meeting, **October 18, 2016, Glenwood Springs, CO.**
- f. Other Meetings:
  - i. Western State Water Workshop, **June 22-24, 2016, Gunnison, CO.**
  - ii. CWC Summer Convention, **August 24-26, 2016, Snowmass Village, CO.**
  - iii. CRWUA Convention, **December 7-9, 2016, Las Vegas NV.**

**Adjourn.**

There being no other business before the Board, President Stavney adjourned the meeting at 3:30 p.m.

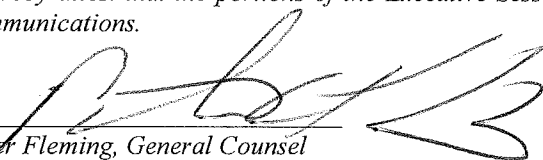
  
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Jon Stavney, President

ATTEST:

  
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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.*

  
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Peter Fleming, General Counsel