

**MINUTES<sup>1</sup>**  
**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 15, 2016**

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Pursuant to notice duly and properly given, the Special Joint Meeting and 2017 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 15, 2016 at the 4H Events Center, 22739 US-550, Ridgway, Colorado.

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

Jon Stavney, President	Tom Alvey, Vice President
David H. Merritt	Martha Whitmore
William S. Trampe	Marc Catlin
John Justman	Doug Monger
Tom Gray	

**Directors not present:**

Rebie Hazard	Alden Vanden Brink
John Ely	Gary Martinez
Mike Ritschard	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  
Jason Turner, Senior Counsel, CRWCD  
Ray Tenney, Deputy Chief Engineer, CRWCD  
Jim Pokrandt, Director, Community Affairs, CRWCD  
Dave Kanzer, Deputy Chief Engineer, CRWCD  
Ian Philips, Sr. Accountant, CRWCD  
Audrey Turner, Administrative Chief, CRWCD  
Laurie DePaolo, Executive Assistant, CRWCD  
Denise Hussain, Records Specialist, CRWCD  
Brent Gardner-Smith, Aspen Journalism

President Stavney found a quorum and called the meeting to order at 9:35 a.m.

**Agenda Additions.**

Peter Fleming requested the addition of Proposed Windy Gap Bypass Channel Water Right as agenda item 2.a.iii. and Update on Lawsuit Filed by Center for Biological Diversity as agenda item 2.b.ii. Director Alvey moved, seconded by Director Merritt to approve the agenda as amended. Motion carried unanimously.

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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.

**Proposed Contract Approvals.**

**Central Colorado Mountain River Basin Weather Modification Program:**

Director Merritt moved, seconded by Director Trampe, to authorize the General Manager to enter into contracts with cost share cooperators and selected contractors to enable the River District to act as fiscal agent and administrator of an estimated \$280,000, including a \$25,000 River District contribution, for the Central Colorado Mountain River Basin Weather Modification Program for the 20016-2017 winter season, subject to review and approval of the relevant documents by the General Manager and General Counsel and subject to a 3% management fee for the River District. Motion carried unanimously.

**Colorado Water Conservation Board Purchase Order, re: Lower Gunnison Project Studies. (An Enterprise Matter).**

Director Catlin moved, seconded by Director Trampe, to authorize the General Manager to enter into a contract with the Colorado Water Conservation Board for the management and expenditure of an amount not to exceed \$370,000 for technical assistance funding to complete planning, optimization, and design review studies for the Lower Gunnison Project subject to a 3% management fee to the River District's Enterprise and review and approval by the General Manager and General Counsel. Motion carried unanimously with Director Alvey abstaining from the vote.

**Expert Excavation Contract, re: East Ditch Pipeline. (An Enterprise Matter):**

Director Alvey moved, seconded by Director Merritt, to approve a contract with Expert Excavation in an amount not to exceed \$35,000 for construction of the East Ditch Pipeline, and headgate cleaning and maintenance of the Schwab Ditch to repair and avoid future damage caused by beaver activity. Motion carried unanimously.

Staff was directed to discuss possible future financial contributions for ditch maintenance with downstream beneficiaries of the ditch.

**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)(property acquisition)(b)(legal advice) and (e)(negotiations):

- i. CRCA Implementation Matters.
- ii. Potential Acquisition of Real Property.
- iii. Proposed Windy Gap Bypass Channel.

Director Gray moved, seconded by Director Merritt, to move into Executive Session pursuant to C.R.S. §§ 24-6-402(4) (a)(property acquisition), (b)(legal advice) and (e), (negotiations). Motion carried unanimously.

*President Stavney reconvened into Public Session at 11:05 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:

- i. CRCA Implementation Matters.
- ii. Potential Acquisition of Real Property.
- iii. Proposed Windy Gap Bypass Channel.

Peter Fleming reported that the Center for Biological Diversity has filed a lawsuit claiming that the amount of water used in fracking requires the US Fish & Wildlife Service to find non-compliance with a Programmatic Biological Opinion (PBO) concerning recovery of endangered fish; the PBO covers oil & gas depletions

upstream of the 15 Mile Reach on the mainstem Colorado River. The River District will be monitoring the lawsuit.

**General Manager’s Informational Items.**

Eric Kuhn reported that the group Business of Water has scheduled a forum on Friday October 13 in Glenwood Springs for a discussion of how water interacts with the business community. The River District is one of the sponsors of the forum.

**2017 CRWCD Budget Workshop, General Fund and Capital Projects Fund.**

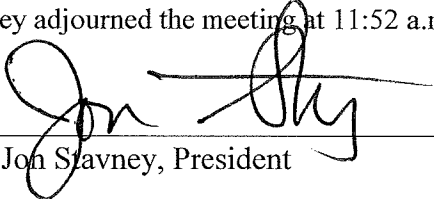
Eric Kuhn provided an overview of the River District’s budgets and their funding mechanisms. The General Fund is the administrative fund and covers approximately 75% of District staff and board activities. It is funded principally through property taxes. For 2017, it is projected tax revenues will decrease as the result of depressed oil and gas values and production. It is expected that the District’s assessed valuation will begin increasing again in 2018 due to the 2017 reassessments on homes and property values.

The Capital Projects Fund is funded in large part by unspent General Fund monies transferred at the end of the fiscal year. For budgeting purposes, no contributions in 2016 or 2017 are being reflected in the budget. The District’s Grants Program is financed through this fund with a \$150,000 pool being proposed for the 2017 grants cycle. Discussion of the program resulted in the Board directing its Executive Committee to review the Grants Program criteria to ensure grant awards are in accord with River District policies and report to the full board at its October 19 quarterly meeting.


**2017 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 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 2017, anticipated expenditures include retiring the outstanding loans with the Colorado Water Conservation Board for the enlargement of Elkhead Reservoir, paying off the River District’s Ruedi Reservoir water contracts, and restoration of the elevation of the crest of Ritschard Dam.

There being no further business before the Board, President Stavney adjourned the meeting at 11:52 a.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