MINUTES
THIRD 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

July 19-20, 2016

Pursuant to notice duly and properly given, the Third 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 Wednesday July 20, 2016 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 Mike Ritschard
William S. Trampe John Justman
Marc Catlin John Ely
Doug Monger Alden Vanden Brink
Stan Whinnery Tom Gray
Martha Whitmore

Directors not participating:
Gary Martinez

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
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
Roger Maggard, Hays, Haggard & Hood, P.C.

\(^1\) 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.
David Mau, USGS
Diane Johnson, Eagle River Water & Sanitation District
Brent Gardner-Smith, Aspen Journalism

Quorum.
President Stavney found a quorum and called the meeting to order at 8:32 a.m.

Strategic Plan Workshop Summary.
President Stavney provided a summary of topics discussed during the Board’s strategic plan workshop including the future direction and focus of the River District and development of a plan for selecting a new general manager and other senior management replacements when their retirements occur.

Review Meeting Agenda and Objectives.
Peter Fleming requested the addition of Request for Authorization for Guided Fishing Approval on Muddy Creek below Wolford Mountain Reservoir to the agenda as agenda item 10.a.ii. The Board accepted the amended agenda as presented.

Consent Agenda.
Director Alvey moved, seconded by Director Merritt, to approve the meeting minutes listed below. Motion carried unanimously.

  i. Minutes of Special Joint Meeting, Telephone Conference, March 31, 2016.
  ii. Minutes of Second Regular Quarterly Meeting of the Colorado River Water Conservation District and Minutes of the Colorado River Water Projects Enterprise, April 19th 2016.

Director Merritt moved, seconded by Director Whinnery, to accept the General Fund, Capital Fund, and Enterprise Fund Treasurer’s Reports and check registers for February, March, April and May 2016. Motion carried unanimously.

Presentation of 2015 CRWCD Audit by James Burke, RSMUS, LLP.
Roger Maggard, the River District’s treasurer, who reviews the District’s financial transactions on a monthly basis, reported that the controls in the District’s accounting department, including separation of duties and having a monthly independent review, are excellent.

Representing the River District’s auditor for calendar year 2015, James Burke of RSMUS LLP reported that in their opinion, the financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and aggregate remaining fund information of the Colorado River Water Conservation District as of December 31, 2015. He also stated that the respective changes in financial position and cash flows were acceptable for the year and conform to generally accepted accounting principles.

Director Monger moved, seconded by Director Alvey, to accept the 2015 CRWCD audit as presented 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)(a) (acquisition of real property) (b)(legal advice) and (e)(negotiations) and requested that Lori Weigel of Public Opinion Strategies be invited to participate in a portion of Executive Session:

  i. Diligence Application of Colorado Springs Utilities, Case No. 15CW3019, Water Division 5.
  ii. Potential Acquisition of Real Property.


vi. CRCA Implementation Matters.

Director Trampe moved, seconded by Director Merritt, to proceed into Executive Session pursuant to C.R.S. §§ 24-6-402(4)(a)(acquisition of real property) (b)(legal advice) and (e)(negotiations) and to invite Lori Weigel of Public Opinion Strategies to participate in a portion of Executive Session. 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 10:36 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. Diligence Application of Colorado Springs Utilities, Case No. 15CW3019, Water Division 5.

ii. Potential Acquisition of Real Property.


vi. CRCA Implementation Matters.

Director Whitmore moved, seconded by Director Trampe, to confirm the Board’s intent to complete the appropriation of the remaining conditional Homestake exchange water rights, and direct staff and counsel to file a joint diligence application with the City of Aurora, Colorado Springs Utilities, and the Eagle River entities for a finding of reasonable diligence for the exchanges decreed in Case No. 98CW270, Water Division 5. Motion carried unanimously. (An Enterprise matter).

Director Catlin moved, seconded by Director Whitmore, to confirm the Board’s intent to maintain the 600 cfs Wolford Mountain Reservoir Power Plant right and to direct staff to file a timely application seeking a finding of reasonable diligence for the 600 cfs Wolford Mountain Reservoir Power Plant right. Motion carried unanimously. (An Enterprise matter).

Director Whitmore moved, seconded by Director Ritschard, to approve a contract amendment in the amount of $75,000 with Harvey Economics, to approve an amendment to the CRCA Common Interest and Cost Share agreement increasing the total amount from $400,000 to $589,000, to extend the duration of the River District’s CRCA Implementation Committee to January 19, 2017, and to ratify a non-disclosure agreement with Denver Water. Motion carried unanimously.

Director Catlin moved, seconded by Director Trampe, to authorize a reimbursement of up to $7,500 to the Grand Valley Users Association (GVWUA) for additional legal work related to the GVWUA pilot conservation project. Motion carried unanimously.

Peter Fleming reported that as a result of the Windy Gap Firming Project IGA and related documents being finalized, the Municipal Subdistrict of the Northern Water Conservancy District will need to amend the Windy Gap water rights to incorporate the terms of the IGA. It has requested that the River District file a joint application with the subdistrict.
Peter Fleming referred the Board to the General Counsel’s goals and objectives for 2016 and noted that progress is being made including completion of the Windy Gap IGA, a multi-year effort.

**External Affairs.**

**Information and Outreach Update:**
Lori Weigel presented the CRWCD constituent survey that was conducted in June 2016. The survey is done on a triennial basis. Survey results indicated that familiarity with the River District name recognition has remained stable since the 2013 survey and found that once the respondent was told our name and mission 83% of the respondents had a favorable response.

**State Affairs:**
Chris Treese reported that one citizen-initiated ballot proposal, Amendment 69, has been certified for the November ballot at this time. The amendment would establish Colorado’s own universal health care system and fund it with an increase in the state income tax rate from 4.63% to 10%.

Mr. Treese also relayed that proponents of Initiative 96 are currently gathering signatures for inclusion on the November ballot. Initiative 96 proposes requiring that a certain percentage of signatures be gathered from each state senate district to place a constitutional initiative on the ballot and increases the percentage of votes required (55%) to adopt a constitutional amendment except for proposals that repeal or amend existing parts of the state constitution. Colorado’s state constitution is one of the lengthiest in the United States.

Director Merritt moved, seconded by Director Whitmore, to adopt a resolution in support of Initiative 96. Motion carried unanimously. (The resolution is attached as Appendix A.).

Mr. Treese recapped the 2016 legislative session that included SB16-145 which was signed by the governor. This bill simplified the process for sub-district creation within River District boundaries. There are currently two District sub-basins in the process of evaluating the creation of sub-districts.

**Federal Affairs:**
Mr. Treese noted the River District’s appreciation for Senator Gardner’s (R-CO) leadership for restricting language concerning Lake Mead and related drought legislation that both the River District and the State of Colorado found troubling regarding the operations of the Colorado River. The troubling language in the bill was ultimately removed as a result of Senator Gardner’s efforts.

**Annual Policy Discussion.**

**Instream Flows:**
Director Whitmore moved, seconded by Director Monger, to adopt the Instream Flows Policy with the inclusion of “or donations” after the word “appropriations” in the first sentence of the third paragraph of the policy section. Motion carried unanimously. (The policy is attached as Appendix B.).

**General Manager’s Report.**

**Approval of Proposed Social Media Policy:**
Director Whitmore moved, seconded by Director Ritschard, to approve the proposed Social Media Policy as presented. Motion carried unanimously. (The policy is attached as Appendix C.).

**Approval of Proposed Change to Employee Policy Manual:**
Director Whitmore moved, seconded by Director Trampe, to approve the proposed change to the Employee Policy manual as presented. Motion carried unanimously.
Mid-Year Review of 2016 Goals and Objectives:
Eric Kuhn reminded the Board of its review of annual goals and objectives during the January quarterly meeting and mid-year review in July. He relayed that significant progress has been made on the goals with the completion of the Shoshone Outage Protocol and the Windy Gap Firming Project IGA. Mr. Kuhn also noted that the goals and objectives will be updated by incorporating issues discussed during the Board’s strategic plan workshop and presented again at the October quarterly meeting.

Roundtables/IBCC Update:
It was reported that at its last meeting, the IBCC continued its discussion of financing issues connected to implementation of the Colorado Water Plan. The Colorado Water Conservation Board has proposed a number of financial actions with its funds for a total obligation of $175 million. The proposal includes a repayment guarantee fund to enable favorable financing for water projects, and contributions for 5 years to the WSRRA program, watershed restoration, and for non-reimbursable investments. Another IBCC meeting is scheduled in August.

Colorado River Issues:
Eric Kuhn updated the Board on the Joint West Slope roundtables risk study which is being managed by the River District and the Southwestern Water Conservation District. The objective of the study is to determine how much demand management and how often it would need to be implemented in the Upper Basin to maintain Lake Powell at 3,525’ elevation and protect the ability to make required releases to the Lower Basin as mandated by the 2007 Interim Guidelines in the event of another severe drought in the near future.

To utilize the study results as a hydrologic educational tool and assist other water managers in future planning, Mr. Kuhn reported that presentations have been scheduled or made to the Upper Colorado River Commission, West Slope and East Slope roundtables and the IBCC. A final report will be issued this fall.

Water Quality Update:
Eric Kuhn referred the Board to a memo from Mike Eyetel updating a rulemaking hearing held by the Water Quality Control Commission. Consistent with the District’s water quality policy, staff participates in the hearings to assure any new water quality regulations are based on sound science, promote ecological health and local economies while protecting the ability to put water to beneficial use.

CRWCD 2017 Budget Preview:
Mr. Kuhn provided an overview of the 2017 CRWCD budget workshop to be held in September. It’s projected that assessed valuation will decrease because of declining oil and gas production and values; however, it’s expected to recover in 2018 with the biannual re-assessment. The River District’s General Fund is funded predominantly by property taxes within the District.

Service Anniversaries Recognition:
Audrey Turner expressed the River District’s appreciation to Alesha Fredrick for her 5 years of service to the District followed by Peter Fleming expressing the District’s appreciation to Lorra Nichols for her 15 years of service. Eric Kuhn followed suit by expressing the District’s appreciation to Dan Birch for his 15 years of service. Dan Birch expressed the River District’s appreciation to Chris Treese for his 25 years of service to the River District. Finally, President Stavney expressed the River District’s appreciation to Eric Kuhn for his 35 years of service and invaluable contributions to the River District.

Project Updates.
Wolford Mountain Reservoir:
John Currier reported that a workshop has been scheduled in August with the state’s dam safety office to develop a long-term monitoring plan for the dam deformation at Wolford Mountain Reservoir.
Director Monger moved, seconded by Director Merritt, to approve a unit price contract with Ferrell Excavation in the bid amount of $37,540 for stream stabilization work in Muddy Creek below Wolford Mountain Reservoir and to authorize the General Manager to approve an additional $12,460 for a total not to exceed $50,000 if the proposed work exceeds the bid amount. Motion carried unanimously.

Director Merritt moved, seconded by Director Whitmore, to approve an agreement with The Gore Range Rod & Gun Club to allow guided float fishing trips through River District property on Muddy Creek below Wolford Mountain Reservoir with the right for the River District to revoke the agreement at any time. Motion carried 9:4. Directors voting for the motion: Merritt, Whitmore, Justman, Whinnery, Gray, Vanden Brink, Catlin, Ely and Stavney. Directors voting against the motion: Trampe, Ritschard, Monger and Hazard.

Elkhead Reservoir:
Director Monger moved, seconded by Director Vanden Brink, to delegate authority to the Water Supply Projects Committee for contract approval to remediate the outlet gate stem guides and fixed cone valve coating at Elkhead Reservoir. Motion carried unanimously with Director Merritt abstaining from the vote.

It was reported that work is moving forward for installation of a reservoir spillway net at Elkhead Reservoir. The net will prevent non-native gamefish from escaping the reservoir and competing with native, endangered fishes in the Yampa River.

Eagle River MOU Project:
President Stavney moved, seconded by Director Whinnery, to approve a contract amendment with Wilson Water Group in an amount not to exceed $136,000 for a total of $297,000 for geotechnical field investigations at the existing Eagle Park Reservoir dam and two alternative Whitney Creek Reservoir dam sites. Motion carried unanimously.

Directors’ Concerns.
Director Monger relayed that due to Peabody Coal recently declaring bankruptcy, there will be future impacts to property tax revenues in Routt County.

Future Meetings.
   a. CRWCD 2017 Budget Workshop/Joint Meeting with Southwestern Water Conservation District, September 15, 2016, Ridgway, CO.
   b. CRWCD Water Seminar, September 16, 2016, Grand Junction, CO.
   c. Fourth Regular Joint Quarterly Meeting, October 18, 2016, Glenwood Springs, CO.
   d. Other Meetings:
      i. CWC Summer Convention, August 24-26, 2016, Snowmass Village, CO.
      ii. CRWUA Convention, December 7-9, 2016, Las Vegas NV.

Adjourn.
There being no other business before the Board, President Stavney adjourned the meeting at 2:50 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.

[Signature]

Peter Fleming, General Counsel
RESOLUTION

WHEREAS, the Colorado River Water Conservation District (River District) has the unique role to protect and develop the water resources of the District and to promote the health and general welfare of the state of Colorado regarding Colorado River issues; and

WHEREAS, the River District is the go-to source for leadership on policy matters affecting water and water resources in western Colorado; and

WHEREAS, the Board of the River District believes in the right of citizens to petition the government; and

WHEREAS, currently, the same signature gathering standards and voter approval threshold are required to amend Colorado’s constitution as our state statutes; and

WHEREAS, the current initiative process encourages and rewards amendments to Colorado’s constitution over statutory initiatives even when statutory change is both sufficient and preferable; and

WHEREAS, since 2005, special interests have presented Colorado voters with over two dozen constitutional amendments, measures that have triggered expensive and frequently damaging political fights and have resulted in a confusing and inflexible constitutional framework that challenges our government ability to run effectively and efficiently; and

WHEREAS, the Board of the River District believes that the ease of amending Colorado's constitution leaves the state vulnerable to out-of-state and well-intentioned but misguided special interest initiatives that can adversely affect Colorado water rights and water law; and

WHEREAS, the Board of the River District finds it disturbing and inappropriate that our state constitution has been amended over 150 times at the ballot box, in contrast to the U.S. Constitution that has only 27 amendments; and

WHEREAS, only California and Oregon have seen more amendments to their state constitution via the ballot box than Colorado; and

WHEREAS, the Board of the River District believes that amendments to the constitution should be adopted only if broadly supported; and
WHEREAS, the Board of the River District believes that broad support would be shown by including all Coloradans in the signature gathering process with a new requirement that at least 2% of signatures be obtained from each of the state’s 35 senate districts, ensuring that rural Colorado has a say in how we amend our constitution without changing the current requirement of the number of signatures required for statutory changes; and

WHEREAS, the Board of the River District believes broad support would also be demonstrated by requiring a 55% affirmative vote to pass a constitutional amendment instead of the current requirement of a simple majority; and

WHEREAS, the Board of the River District appreciates that the Raise the Bar, Protect Our Constitution initiative only affects future amendments to Colorado’s constitution and does not affect either citizen-initiated statutory proposals or the Colorado General Assembly’s referred statutory change requirements; and

WHEREAS, the Board of the River District believes that the Raise the Bar, Protect Our Constitution initiative preserves voters’ rights to propose changes to amend our constitution and preserves the current process for Coloradans to seek amendments to state law, but it raises the bar to require broader citizen involvement and a higher standard of support for future amendments to our constitution;

NOW THEREFORE, BE IT RESOLVED THAT the Board of Colorado River Water Conservation District supports Raise the Bar, Protect our Constitution’s initiative asking voters to treat our state constitution as the seminal document it is by requiring minimum signature requirements statewide and to increase by 5% the threshold for voter approval in order to amend the Colorado’s constitution.

CERTIFICATE

I, Jon Stavney, President of the Board of Directors of the Colorado River Water Conservation District, do hereby certify that the above and foregoing action was taken by the Board of Directors at Glenwood Springs, Colorado on the 20th day of July 2016.

Jon Stavney, President

R. Eric Kuhn, Secretary/General Manager
Instream Flows

**Colorado River Water Conservation District Policy Statements:**
The Colorado River District recognizes and supports the environmental and human benefits of flowing rivers and streams. The values and benefits of instream flows, however, must be balanced with the need for consumptive water uses in an arid West.

The Colorado River District supports Colorado’s instream flow program as a means of protecting the aquatic environment. The River District supports the Colorado Water Conservation Board’s (CWCB) exclusive authority to appropriate instream flow water rights that balance protection of the natural environment with the activities of mankind. The River District likewise supports other mechanisms that benefit the aquatic environment that are consistent with the Prior Appropriation Doctrine.

The District may oppose individual CWCB instream flow appropriations or donations when they exceed the amount reasonably necessary for the protection of the environment or do not sufficiently accommodate other existing or potential water uses. An instream flow 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 nor should it exceed the amount of water reasonably necessary for the protection of the environment to a reasonable degree.

On a case-by-case basis, the District may advocate for inundation of all or portions of instream flow rights to accommodate new or expanded water storage, consistent with the state’s policy of maximum utilization.

**Background & Discussion:**
The River District was created to protect the many beneficial (consumptive and non-consumptive) uses of Colorado River basin waters. The River District’s mission is to protect and manage our scarce water resources for present and future uses and enjoyment.

Since 1973 and the inception of the Colorado instream flow program, the CWCB has appropriated instream flow water rights on more than 1,600 stream segments covering more than 9,250 miles of stream and 480 natural lakes in Colorado. While extensive, there are many waterways that do not have a CWCB instream flow water right. Most of the existing instream water rights are limited to cold water streams and rivers.

Conflicts and impacts have occurred as a result of instream flow appropriations, especially when instream flow rights are located on the lower reaches of streams and river; accordingly, special consideration should be given to appropriations near state lines.
COLORADO RIVER WATER CONSERVATION DISTRICT

SOCIAL MEDIA POLICY

I. WHAT IS SOCIAL MEDIA
Social media is a term encompassing a wide range of online activities integrating information, technology and social interaction.

The District has a relatively extensive social media presence and is currently represented on:
- Webpages at http://www.ColoradoRiverDistrict.org
- Facebook at https://www.facebook.com/ColoradoRiverDist
- YouTube at https://www.youtube.com/user/WandaRivers1937
- Twitter at https://twitter.com/ColoradoWater

II. GOALS AND OBJECTIVES
The website and social media are utilized by the Colorado River District to promote the District’s events and programs, as well to disseminate education and information that support the District’s mission.

III. AUTHORIZES USERS AND CONTENT MANAGEMENT:
The External Affairs Department personnel and/or designated Colorado River District staff may post to the District’s social media accounts for the purpose of accomplishing the goals and objectives of the District. Because content management is subjective, professional judgement is needed and the following guidelines should be employed when information is publicly shared via social media and the website.

IV. GUIDELINES AND EXPECTATIONS:
Postings should be relevant and should:
- Reflect positively on the River District
- Respect copyrights and fair use policies
- Protect confidential & proprietary information
- Be respectful
- Be genuine, understandable and transparent
- Be geared toward general readership
- Be considerate of readers and target audience
- Add value to readership
V. CONTENT RESTRICTIONS
   Settings on our website are and will remain restrictive in that no public comments
   will be visible until reviewed and authorized by designated staff.

VI. ADVISEMENT
   Use of social media in a Colorado River District Board or staff member's private
capacity should not in any way imply that the Director or staff member is speaking
on behalf of or representing the Colorado River District.