

MINUTES¹
FIRST REGULAR QUARTERLY MEETING OF THE
BOARD OF DIRECTORS OF THE
COLORADO RIVER WATER PROJECTS ENTERPRISE OF THE
COLORADO RIVER WATER CONSERVATION DISTRICT

January 21-22, 2014

Pursuant to notice duly and properly given, the First Regular Quarterly Meeting of the Board of Directors of the Colorado River Water Projects Enterprise of the Colorado River Water Conservation District (CRWCD) was held on Tuesday January 21, 2014 and Wednesday January 22, 2014 at the Hotel Denver, 402 7th Street, Glenwood Springs, Colorado.

Directors present during all or part of the meeting:

James Newberry, President	Jon Stavney, Vice President
Doug Monger	David H. Merritt
William S. Trampe	Stan Whinnery
Tom Gray	Stephen M. Mathis
Andrew A. Mueller	Kai Turner
Rebie Hazard	Gary Martinez
Tom Alvey	John Ely
John Justman	

Directors not present:

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
Chris Treese, Manager, External Affairs, CRWCD
Mary Kalmes, Chief Accountant, CRWCD
Audrey Turner, Administrative Chief, CRWCD
Jason Turner, Senior Counsel, CRWCD
Ray Tenney, Deputy Chief Engineer, CRWCD
Dave Kanzer, Sr. Water Resources Engineer, CRWCD
Don Meyer, Sr. Water Resources Engineer, CRWCD
Laurie DePaolo, Executive Assistant, CRWCD
Mike Eytel, Water Resources Specialist, CRWCD
Ian Philips, Accountant, CRWCD
Dave Smith, Engineering Technician, CRWCD
Lorra Nichols, Paralegal, CRWCD
Denise Hussain, Records Specialist, CRWCD
Martha Moore, Public Affairs Specialist, CRWCD
Alesha Frederick, Business Support Specialist, CRWCD
Dick Davidson, URS Engineering Corp.
Mike May, URS Engineering Corp.
Brent Gardner-Smith, Aspen Journalism
Art Burrows, Ajax Design
Erin Gleason, Colorado Division of Water Resources

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.

Bill McCormick, Colorado Division of Water Resources
Diane Johnson, Eagle River Water & Sanitation District
David Hallford, Balcomb & Green, P.C.
Ken Ransford, P.C.
Tom Kay, No Chico Brush Group

Quorum.

President Newberry found a quorum and called the meeting to order at 2:06 p.m.

Ritschard Dam Update.

John Currier reported that more comprehensive monitoring data has been compiled during 2013 on the dam deformation at Ritschard Dam. The data indicate the dam remains safe, and in 2014, data will continue to be gathered while investigations are made regarding all reasonable operating and rehabilitation options. Water supply obligations from Wolford Mountain Reservoir will continue to be met and water marketing contracting will also continue consistent with existing Board policy.

President Newberry recessed the meeting at 3:19 p.m.

Wednesday January 22, 2014

President Newberry found a quorum and reconvened the meeting at 10:30 a.m.

Consent Agenda.

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

- a. Minutes of Fourth Regular Quarterly Meeting, October 16, 2013.
- b. Acceptance of Treasurer's Reports and Check Registers for September, October and November 2013.

Appointment of Water Supply Projects Committee for 2014.

Director Stavney moved, seconded by Director Mueller, to approve the 2014 Water Supply Projects Committee membership list as presented. Motion carried unanimously.

Updates.

Wolford Mountain Reservoir and Elkhead Reservoir Status and Hydrology:

It was reported that both Wolford and Elkhead Reservoirs are expected to fill and possibly spill during the 2014 runoff season if snowpack levels remain at or above normal.

Ruedi Reservoir:

By consensus, the Board accepted staff's recommendation to not pursue NEPA analysis and contract amendments that might be necessary for use of Ruedi Reservoir water supplies outside the mainstem of the Colorado River.

Eagle River MOU Project:

Dan Birch referred the Board to a memo from John Currier regarding investigations of a cooperative project contemplated by the 1998 Eagle River Memorandum of Understanding to develop 30,000 acre feet of yield from the Upper Eagle River Basin for the benefit of the East and West Slope MOU signatories.

General Manager's Report.

Water Marketing Contract Pricing:

Dan Birch reviewed the District's Water Marketing Policy. Under the Policy, contracts executed after 2006 are subject to annual price increases. Those increases are limited to the Consumer Price Index (CPI) plus the New Growth Index (NGI). For 2014, the amount is 3.88 %.

Director Alvey moved, seconded by Director Mathis, to approve an increase of 3.88% for water marketing contract pricing for 2014. Motion carried unanimously.

Approval of Contract Increases for Colorado River Basin and Yampa/White Basin Implementation Plans:

Director Stavney moved, seconded by Director Trampe, to ratify an amendment to increase, in an amount not to exceed \$50,740, the SGM contract and the respective agreement with the CWCB for development of the Colorado River Roundtable's Basin Implementation Plan and to authorize the General Manager to enter into a contract with AMEC Environment and Infrastructure and an agreement the CWCB in an amount not exceed \$177,100 for the Yampa/White/Green Roundtable's Basin Implementation Plan. Motion carried unanimously.

Approval of Contract with No Chico Brush Group:

Director Alvey moved, seconded by Director Trampe, to authorize the River District's Enterprise to enter into agreements to act as the fiscal agent for the No Chico Brush Group in an amount not to exceed a total of \$90,000 over three years, with the agreements being subject to final approval by the General Manager and General Counsel and the District's Enterprise receiving a 3% management fee. Motion carried unanimously.

Approval of Continuing Services Agreement with Expert Excavation:

Director Merritt moved, seconded by Director Whinnery, to approve a CSA with Expert Excavation in an amount not to exceed a total of \$75,000 over three years for miscellaneous earthwork at Wolford Mountain Reservoir. Motion carried unanimously.

Approval of Contract Amendment with QualCorr:

Director Merritt moved, seconded by Director Whinnery to approve a contract amendment with QualCorr to increase the compensation in an amount not to exceed \$25,000, for cathodic protection at Elkhead Reservoir. Motion carried unanimously.

General Counsel's Report-Executive Session:

Peter Fleming reported that the following matter qualified for discussion in Executive Session pursuant to C.R.S. §§ 24-6-402(4)(b)(legal advice) and (e)(negotiations):

- i. Wolford Mountain Reservoir Second Enlargement Storage Right, Case No 03CW302, Water Division 5.
- ii. Contract with CWCB, re: Ruedi Reservoir 5,412.5 acre-feet.

Director Stavney moved, seconded by Director Trampe, to move 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 Newberry reconvened into Public Session at 11:11 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:

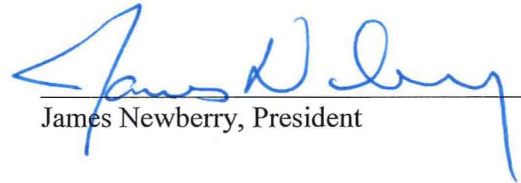
- i. Wolford Mountain Reservoir Second Enlargement Storage Right, Case No 03CW302, Water Division 5.
- ii. Contract with CWCB, re: Ruedi Reservoir 5,412.5 acre-feet.

Director Mueller moved, seconded by Director Trampe, to authorize staff and Counsel to finalize settlement of the River District's application for the Wolford Mountain Reservoir Second Enlargement, Case No. 03CW302, Water Division 5, in accordance with the terms proposed by Counsel during Executive Session. Motion carried unanimously.

Director Merritt moved, seconded by Director Whinnery, to authorize the General Manager on behalf of the Enterprise, to enter into a contract with the CWCB for payment for the delivery of 388 AF of the 5,412.5 water from Ruedi Reservoir to the 15-Mile Reach in furtherance of the State's interest under the Cooperative Agreement for the Recovery Implementation Program for Endangered Fish Species in the Upper Colorado River Basin, subject to approval of final contract form by the General Manager and General Counsel. Motion carried unanimously.

Adjourn.

There being no other business before the Board, President Newberry adjourned the meeting at 11:14 a.m.


James Newberry, 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