MINUTES
FOURTH REGULAR 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

October 17-18, 2017

Pursuant to notice duly and properly given, the Fourth 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 and Wednesday October 17-18, 2017 the Hotel Denver, 402 7th Street, Glenwood Springs, Colorado.

Directors present during all or part of the meeting:
Tom Alvey, President
Mike Ritschard
William S. Trampe
Martha Whitmore
Doug Monger
Kathy Chandler-Henry

David H. Merritt, Vice President
Steve Acquafresca
Tom Gray
Karn Stiegelmeier
Alden Vanden Brink

Directors not present during the meeting:
Rebie Hazard
Marc Catlin

Stan Whinnery
John Ely

Others present during all or part of the meeting:
Eric Kuhn, General Manager, CRWCD
Peter Fleming, General Counsel, CRWCD
Andy Mueller, Incoming General Manager, CRWCD
Dan Birch, Deputy General Manager, CRWCD
John Currier, Chief Engineer, CRWCD
Chris Treese, Manager, External Affairs, CRWCD
Jason Turner, Senior Counsel, CRWCD
Audrey Turner, Administrative Chief, CRWCD
Ray Tenney, Deputy Chief Engineer, CRWCD
Ian Philips, Chief Accountant, CRWCD
Laurie DePaolo, Executive Assistant, CRWCD
Jim Pokrandt, Director, Community Affairs, CRWCD
Zane Kessler, Communications Director, CRWCD
Dave Kanzer, Deputy Chief Engineer, CRWCD
Don Meyer, Sr. Water Resources Engineer, CRWCD
Mike Eytel, Sr. Water Resources Specialist, CRWCD
Hunter Causey, Water Resources Engineer, CRWCD
Sonja Chavez, Water Resources Specialist, CRWCD
Denise Hussain, Records Administrator/Records Specialist, CRWCD
Lorra Nichols, Paralegal, CRWCD
Martha Moore, Public Affairs Specialist, CRWCD
Alesha Fredrick, Business Support Specialist, CRWCD

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.
Becky Mitchell, Colorado Water Conservation Board  
Kevin Rein, Colorado State Engineer’s Office  
Jayla Popleton, Colorado Foundation for Water Education  
Mark Harris, Grand Valley Water Users Association  
Max Schmidt, Orcharc Mesa Irrigation District  
John Carron, Hydros Consulting  
Brent Gardner Smith, Aspen Journalism  
Diane Johnson, Eagle River Water & Sanitation District  
Bob Hurford, Water Division 4  
Alan Martellaro, Water Division 5  
Maria Pastore  
Jackie Brown, Tri-State Generation and Transmission  
Kelly Beal  
Lauren Ris, Department of Natural Resources  
Jason Ullman, Water Division 4  
Luke Gingerich, JUB Engineering

**Quorum.**

President Alvey found a quorum and called the meeting to order at 9:45 a.m.

**Review Meeting Agenda and Objectives.**

Peter Fleming requested the addition of Ratification of Common Interest and Confidentiality Agreement with Andrew Mueller, as agenda item 1.a., and presentation by Max Schmidt as agenda item 6.a. Director Whitmore moved, seconded by Director Trampe, to approve the agenda as amended. Motion carried unanimously.

Director Whitmore moved, seconded by Director Ritschard, to ratify a common interest and confidentiality agreement with Andrew Mueller in his capacity as incoming General Manager. Motion carried unanimously.

**Consent Agenda.**

Director Trampe moved, seconded by Director Chandler-Henry, to approve the following consent agenda as amended. Motion carried unanimously.


**Personnel Review Matters.**

Peter Fleming recommended that the following matters qualify for discussion in Executive Session pursuant to C.R.S. §§ 24-6-402(4)(f)(personnel):

a. General Manager’s Review.
b. General Counsel’s Review.

director Stiegelmeier moved, seconded by Director Monger, to move into Executive Session pursuant to C.R.S. §§ 24-6-402(4)(f)(personnel). Motion carried unanimously.

Mr. Fleming stated that the discussion of personnel matters would be recorded and retained for 90 days.
President Alvey reconvened into Public Session at 12:11 p.m.

**Personnel Review Matters – Public Session.**
Peter Fleming reported that during Executive Session the Board discussed the following:

a. General Manager’s Review.
b. General Counsel’s Review.

**Discussion with CFWE Executive Director Jayla Poppleton.**
Jayla Poppleton provided an overview of ongoing foundation activities including publication of the Headwaters magazines on Colorado River water issues and educational programs such as Water Fluency, Water Leaders, and the Water Education Network with a focus on participation by non-water professionals, community leaders, etc. Ms. Poppleton also announced the foundation would be changing its name from Colorado Foundation for Water Education (CFWE) to Water Education Colorado (WECO).

**Presentation on Drought Contingency Plans and Joint West Slope Roundtables Risk Study by John Carron.**
John Carron provided a summary on the background and catalyst for the development of Upper and Lower Basin Drought Contingency Plans (DCP) and the subsequent West Slope Joint Roundtables Risk Study (Risk Study) all of which have extensive hydrologic modeling needs. The concern throughout the Colorado River Basin is if another prolonged severe drought occurs with Lake Powell at its current level (half full), Powell could fall below minimum power generating levels. This in turn, could trigger a Colorado River Compact curtailment in the Upper Basin (Colorado, Wyoming, New Mexico, and Utah) to meet compact obligations to the Lower Basin (Arizona, Nevada, and California). The West Slope Risk Study was implemented to ascertain the impacts of the DCPs such as demand management (a component of the Upper Basin DCP) on the West Slope and examine strategies to avoid or minimize a curtailment. Mr. Carron also noted that neither the Upper nor Lower Basin can completely mitigate its own risk, so the DCPs must work in tandem. The Upper Basin DCP has three elements, coordinated operation of the upstream CRSP reservoirs to release water to Lake Powell, cloud seeding to augment river flows, and demand management (reduction of consumptive uses). The Lower Basin’s DCP focuses on eliminating its “structural deficit,” the 1.2 million acre-feet of use over their 1922 Compact entitlement.

**Discussion with State Engineer Kevin Rein and CWCB Executive Director Becky Mitchell.**
Kevin Rein outlined the role of the Division of Water Resources including routine water use administration, participation in water court cases, and participation in legislative issues. Mr. Rein also relayed that the Division of Water Resources is focusing on collaboration with waters users throughout the state. Becky Mitchell also emphasized collaboration as the pathway to positive solutions for water issues, and highlighted implementation of the Colorado State Water Plan and funding sources for implementation, completion of the Statewide Water Supply Initiative update, and addressing the need for a “shepherding” mechanism to protect water created by efforts such as water banking to be sent to Lake Powell to support storage levels as priorities for the CWCB.

**Presentation by Max Schmidt.**
Max Schmidt expressed the Orchard Mesa Irrigation District’s (OMID) appreciation to the River District for its support for the construction of a 75 acre-foot re-regulating reservoir that helps OMID service its customers in a more efficient way. He presented a commemorative photo of the reservoir to the District.

**Compact Water Bank Update.**
Dan Birch reported that the Water Bank Workgroup whose members are the River District, Southwestern Water Conservation District, CWCB, and The Nature Conservancy, (the Front Range Water Council recently withdrew from the group) is focusing on how to address challenges for water banking including participation of municipal water providers by reducing consumptive uses, how water banking would be integrated with the Upper Basin DCP, and what sources would be available for financial compensation to
agricultural users for reduced uses to avert or minimize the impact of a compact curtailment.

Mark Harris updated the Board on the Grand Valley Water Users Association’s (GVWUA) temporary agricultural fallowing pilot project that was begun in 2017. The project was an experiment in water banking with the goal of saving 3,200 acre-feet of agricultural water and examining the effects of this on farming. Mr. Harris reported that a second year of the program is necessary to gain additional information and requested a contribution from the River District for the 2018 program.

Policy Review.
Colorado River Projects Act Policy:
Eric Kuhn drew the Board’s attention to two draft versions of the River District’s Colorado River Projects Act Policy as a result of the Board’s direction at its July 2017 meeting to provide potential amendments addressing issues with the low water-storage levels at Lake Powell. Mr. Kuhn requested Board input on the drafts. The drafts will again be presented at the January 2018 quarterly meeting for Board review and possible adoption.

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) and invite Andy Mueller to participate in Executive Session:

i. CRCA Implementation Matters.
ii. Windy Gap Firming Project and Windy Gap Connectivity Channel.
iii. Remand of GVWUA v. Busk-Ivanhoe, Inc., Case No. 09CW142, Water Division 2.
iv. CWCB Application for Dolores River Instream Flow, Case No. 15CW3111, Water Division 4.
v. Diligence Application of Colorado Springs, Case No. 15CW3019, Water Division 5.
vi. Water Administrative Matters.

Director Acquafresca moved, seconded by Director Trampe, to proceed into Executive Session and pursuant to C.R.S. §§ 24-6-402(4)(b)(legal advice) and (e)(negotiations) and invite Andy Mueller to participate in 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 Alvey recessed the meeting at 6:05 p.m.
Wednesday October 18, 2017
President Alvey found a quorum and reconvened the meeting at 8:19 a.m.

President Alvey reconvened into Public Session at 9:32 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. Windy Gap Firming Project and Windy Gap Connectivity Channel.
iii. Remand of GVWUA v. Busk-Ivanhoe, Inc., Case No. 09CW142, Water Division 2.
iv. CWCB Application for Dolores River Instream Flow, Case No. 15CW3111, Water Division 4.
v. Diligence Application of Colorado Springs, Case No. 15CW3019, Water Division 5.
vi. Water Administrative Matters.
Director Whitmore moved, seconded by Director Ritschard, to ratify the joint application filed by the Municipal Subdistrict of the Northern Water Conservancy District and the River District to amend the Windy Gap water rights to incorporate the Windy Gap Firming Project IGA and to make a determination regarding the Colorado River connectivity channel in Case No. 17CW3176, Water Division 5, and to ratify the stipulation between the River District and the Municipal Subdistrict related to the application filed September 29, 2017. Motion carried unanimously.

Director Whitmore moved, seconded by Director Chandler-Henry, to approve a seventh extension of the common interest/cost share agreement with the Grand Valley Water Users Association and The Nature Conservancy to December 31, 2018, and authorize a contribution for up to $15,000, subject to annual appropriations, to reimburse GVWUA for one-half of its legal costs related to the common interest agreement for legal work associated with the GVWUA Conserved Consumptive Use Pilot Project. Motion carried unanimously.

Director Acquafresca moved, seconded by Director Vanden Brink, to adopt guidance for responses to proposed tax increment financing project requests from within River District boundaries. Director Chandler-Henry proposed amending the guidance to include other tax-exempt projects upon review of applicable statutes. Directors Acquafresca and Vanden Brink accepted the amendment, and the motion as amended, carried unanimously.

External Affairs.
State Affairs:
Chris Treese directed the Board’s attention to a list of current candidates for state and Congressional races in the 2018 election. He also reported that the Water Resources Review Committee (Interim Water Committee) has been reviewing draft legislation for possible introduction in 2018 including the Mussel-Free Colorado Act that would create an aquatic nuisance species (ANS) stamp for all motor boats and sail boats using Colorado’s lakes and reservoirs ($25 for instate residents, $50 for non-state residents) to provide a funding source for the ANS inspection program.

Federal Affairs:
Mr. Treese reported that legislation will be introduced extending authorization of the operating budget for the Endangered Fish Recovery Programs through 2023. He also reported that Congressman Tipton’s Water Rights Protection Act is moving forward with Senator Barrasso and Senator Gardner as bill sponsors in the Senate.

Budget Hearings.
President Alvey opened the 2018 budget hearings.
Eric Kuhn reported that the budget notice was published in local papers and that copies of the budget were sent to each county to be posted and was available to the public at the district office and on the district’s website. Comments were requested from the public on the River District website. No public comment was received.

Director Acquafresca moved, seconded by Director Stiegelmeier, to allocate $200,000 from the Capital Projects Fund for the 2018 grant program pool and $50,000 for the Grand Valley Water Users Association’s pilot project subject to 2018 budget appropriations. Motion carried unanimously.

Resolution for 2017 General Fund Budget Amendments:
Director Gray moved, seconded by Director Trampe, to adopt a resolution summarizing expenditures and revenues for the General Fund and adopting an amended budget for the Colorado River Water Conservation District, Colorado for the calendar year beginning on the first day of January 2017 and ending on the last day of December 2017. Motion carried unanimously.
Resolution to Adopt 2018 General Fund Budget:
Director Gray moved, seconded by Director Trampe, to adopt a resolution summarizing expenditures and revenues for the General Fund and adopting a budget for the Colorado River Water Conservation District, Colorado for the calendar year beginning on the first day of January 2018 and ending on the last day of December 2018. Motion carried unanimously.

Resolution for 2017 Capital Projects Fund Budget Amendments:
Director Gray moved, seconded by Director Trampe, to adopt a resolution summarizing expenditures and revenues for the Capital Projects Fund and adopting an amended budget for the Colorado River Water Conservation District, Colorado for the calendar year beginning on the first day of January 2017 and ending on the last day of December 2017. Motion carried unanimously.

Resolution to Adopt 2018 Capital Projects Fund Budget:
Director Gray moved, seconded by Director Trampe, to adopt a resolution summarizing expenditures and revenues for the Capital Projects Fund and adopting a budget for the Colorado River Water Conservation District, Colorado for the calendar year beginning on the first day of January 2018 and ending on the last day of December 2018. Motion carried unanimously.

Resolution for 2017 Enterprise Fund Budget Amendments:
Director Gray moved, seconded by Director Trampe, to adopt a resolution summarizing expenditures and revenues for the Colorado River Water Projects Enterprise and adopting an amended budget for the Colorado River Water Conservation District acting by and through its Colorado River Water Projects Enterprise for the calendar year beginning on the first day of January 2017 and ending on the last day of December 2017. Motion carried unanimously.

Resolution to Adopt 2018 Enterprise Fund Budget:
Director Gray moved, seconded by Director Trampe, to adopt a resolution summarizing expenditures and revenues for the Colorado River Water Projects Enterprise and adopting a budget for the Colorado River Water Conservation District acting by and through its Colorado River Water Projects Enterprise for the calendar year beginning on the first day of January 2018 and ending on the last day of December 2018. Motion carried unanimously.

Resolutions to Appropriate Sums of Money. (General, Capital Projects and Enterprise Funds):
Director Gray moved, seconded by Director Trampe, to adopt resolutions appropriating sums of money to the various funds in the following amounts and for the following purposes, for the Colorado River Water Conservation District, Colorado for the 2018 budget year: General Fund, $5,596,195 Capital Projects Fund, $3,229, 419, and Enterprise Fund, $10,602,973. Motion carried unanimously.

Resolution to Transfer Unspent 2017 Balances:
Director Gray moved, seconded by Director Trampe, to adopt a resolution to authorize and direct the transfer of monies to the Capital Projects Fund from the General Fund in the amount of revenues less expenditures in 2017 and an amount sufficient to cover expenses prior to the receipt of 2018 tax revenues. This resolution further authorizes and directs that the funds be transferred no later than December 31, 2017. Motion carried unanimously. (The resolutions are attached as Appendices A.-I.).

President Alvey closed the budget hearings.

General Manager’s Report.
IBCC/Roundtable Update:
Eric Kuhn reported the next IBCC meeting has been scheduled for November 30, 2017. He also reported he will be recommending the Governor appoint incoming General Manager Andy Mueller as his replacement on the IBCC.
Colorado River Basin Issues:
It was reported that inflow to Lake Powell this year was approximately 114% of average.

Approval of Contract Amendment with Hydros Consulting, re: Upper Colorado River Basin Modeling:
Director Whitmore moved, seconded by Director Trampe, to approve a contract amendment with Hydros Consulting for Upper Colorado River Basin modeling in the amount of $80,000. Motion carried unanimously.

West Divide Project Water Availability Investigations:
Approval of Contract with Colorado River Engineering, re: West Divide Project Availability Investigations
Director Merritt moved, seconded by Director Whitmore, to authorize the General Manager to enter into the following contracts for the West Divide Project Availability Investigations: a contract in an amount not to exceed $160,520 ($80,260 CWCB Water Plan Grant funds, $10,000 River District funds, and up to $70,260 from the West Divide Water Conservancy District), and a contract with the CWCB for administration and management of the Water Plan Grant funds. Motion carried unanimously.

Technical Staff Update:
Approval of Contract with Central Colorado River Basin Weather Modification Program for Cloud Seeding. (An Enterprise Matter):
Director Merritt moved, seconded by Director Acquafresca, to authorize the General Manager to enter into all contracts, subject to review and approval by the General Manager and General Counsel, with cost share cooperators and contractors to enable the River District to act as the fiscal agent and administrator for the Central Colorado Mountain River Basin Weather Modification Program for 2017-2020 in the amount of $280,000 per year subject to annual appropriations, and subject to a 3% management fee for the River District Enterprise. Motion carried unanimously.

Approval of USGS Joint Funding Agreement. (General and Enterprise Matters):
Director Vanden Brink moved, seconded by Director Trampe to authorize staff to execute USGS Joint Funding Agreements for gaging, subject to annual appropriations. Motion carried unanimously.

Service Anniversary Recognition:
Audrey Turner expressed the River District’s appreciation to Denise Hussain for her 10 years of service to the District.

Grant Program Policy Discussion.
Director Whitmore, moved, seconded by Director Trampe, to amend the grant program criteria to reflect that review of irrigation efficiency projects applications will be undertaken on a case by case basis to identify potential impacts to late season return flows. Following discussion of the motion, Directors Whitmore and Trampe withdrew the motion and staff was directed to amend the grants application to include the information regarding review of irrigation efficiency project applications.

Project Updates.
Wolford Mountain Reservoir (An Enterprise Matter):
Ray Tenney reported that permitting is being undertaken for the Ritschard Dam crest rehabilitation slated to begin in 2018.

Elkhead Reservoir (An Enterprise Matter):
It was reported that a fish screen stem guide will require remediation.
Directors’ Concerns.
No directors’ concerns were expressed.

Future Meetings.
   a. First Regular Joint Quarterly Meeting, January 16-17, 2018, Glenwood Springs, CO.
   b. Special Joint Meeting Teleconference Meetings, beginning February 1, 2018. (Bi-weekly).
   c. Executive Committee Meeting, March 15, 2018, Glenwood Springs, CO.
   d. Second Regular Joint Quarterly Meeting, April 17, 2018, Glenwood Springs, CO.
   e. Third Regular Joint Quarterly Meeting, July 17-18, 2018, Glenwood Springs, CO.
   f. 2019 CRWCD Budget Workshop/Special Joint Meeting, September 13, 2018, Location TBD.
   g. CRWCD Annual Seminar, September 14, 2018, Grand Junction, CO.
   h. Fourth Regular Joint Meeting, October 16, 2018, Glenwood Springs, CO.
   i. Other Meetings:
      i. CRWUA Convention, December 13-15, 2017, Las Vegas, NV.
      ii. CWC Winter Convention, January 24-26, 2018 Denver, CO.
      iii. Gunnison Water Workshop, Western State Colorado University, mid-June 2018.
      iv. CWC Summer Convention, Dates and Location TBD.

Personnel Review Matters- (Cont’d).
Peter Fleming recommended that the following matters qualify for discussion in Executive Session pursuant to C.R.S. §§ 24-6-402(4)(f)(personnel):
   a. General Manager’s Review.
   b. General Counsel’s Review.

Director Whitmore moved, seconded by Director Chandler-Henry, to reconvene into Executive Session pursuant to C.R.S. §§ 24-6-402(4)(f)(personnel). Motion carried unanimously.

Mr. Fleming stated that the discussion of personnel matters would be recorded and retained for 90 days.

President Alvey reconvened into Public Session at 12:19 p.m.

Personnel Review Matters – Public Session – (Cont’d).
Peter Fleming reported that during Executive Session the Board discussed the following:
   a. General Manager’s Review.
   b. General Counsel’s Review.

Director Whitmore moved, seconded by Director Merritt, to increase the General Counsel’s salary by 3.2% for 2018. Motion carried unanimously.

Adjourn.
There being no other business before the Board, President Alvey adjourned the meeting at 12:20 p.m.

ATTEST:
Andrew A. Mueller, 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