MEMORANDUM
July 5, 2018

TO: BOARD OF DIRECTORS, CRWCD
FROM: ANDY MUELLER,
SUBJECT: GENERAL MANAGER’S UPDATE FOR JULY QUARTERLY MEETING

A. MID-YEAR REVIEW OF 2018 GENERAL MANAGER GOALS AND OBJECTIVES

Board Action Requested: None, but feedback welcome.
Strategic Plan Initiatives: All

It has been a busy initial six months as General Manager. While the learning curve has been and continues to be steep, I am on track with respect to all of the goals and objectives set out in January. Below, please find a brief status report on each of the eight goals:

1. Goal: Develop a greater sense of mission, direction and focus for Staff.

   APPLICABLE STRATEGIC INITIATIVES: ALL

   a. Utilize the Strategic Plan as a tool for all staff to guide and evaluate the merit and priority of existing and future projects and efforts of the District:
      i. Develop a process for evaluating River District involvement in any and all new project requests through the prism of the Strategic Plan. As addressed below in Section C. of this Memorandum, with the assistance of the Department Heads and feedback from the Staff we are about ready to launch the implementation of the New Project Rubric.
      ii. Develop mechanisms for staff to set all departmental and individual goals and priorities to be evaluated. We have made significant progress in refining and revamping the way employee goals and objectives will be drafted which will create a more uniform set of data so that we can better evaluate our allocation of staff time and resources and assure its alignment with the Strategic Plan.

2. Goal: Develop More Effective Communication with River District Constituents

   APPLICABLE STRATEGIC INITIATIVES: 1.A. through 1.E.

   a. Meet with each of the fifteen Boards of County Commissioners in their respective counties to discuss their water related priorities and the River District’s activities within their
county. I have met with ten of the fifteen counties’ Boards of County Commissioners in the first six months (in addition to attending and speaking at all eleven State of the River meetings) and intend to meet with the remaining five in the next few months. I also presented a well-received talk to the statewide CCI meeting in June.

b. Personal and active engagement in the committee Chris Treese is putting together to develop an elected official educational outreach program for the District. This process is ongoing and we are shooting for an August webinar, however, my personal involvement in the process has not been as active as I had desired.

c. Work closely with the EA department to increase our systematic public educational and outreach efforts via social media and other platforms. The EA department, with my involvement, has been making strides in increasing our social media messaging and outreach efforts.


APPLICABLE STRATEGIC INITIATIVE: 2.A. and 2.B.

a. Assist, direct and coordinate staff efforts in outreach and program identification and development in the Yampa, White, Green and Gunnison River Basins. Outreach to our outlying basins has increased over the last six months with additional State of the River meetings, meetings with BOCCs and involvement in projects such as the White River algae project. Additionally, as discussed below, we are analyzing a new request for significant assistance in the Yampa basin as part of the Yampa Water Fund concept.

4. Goal: Develop long term financial viability plans for both Enterprise and General Fund.

APPLICABLE STRATEGIC INITIATIVE: 12.A.

a. Work with Engineering and Admin Staff to develop comprehensive, forward thinking business model for water marketing from the Enterprise’s pool of Assets. Our modification to the water marketing policy to allow short term leases for in channel uses has benefited the Enterprise. We will continue to look for additional opportunities to increase our ability to monetize our Enterprise water assets.

b. Develop better working knowledge and tools related to Budget forecasting and long range control of District expenses. This is top on my list for the second half of July and August, but I have not made great progress to date.

c. Oversee completion of necessary repairs on Enterprise Assets including Wolford Dam Crest Restoration Program. I have been closely involved in both the outlet works repair efforts and the Crest Restoration Program.

5. Goal: Provide supportive work environment which recognizes and rewards performance while recognizing the skills and abilities of the District’s Employees and leveraging those attributes through the development of a District wide collaborative approach to project management and problem solving.
APPLICABLE STRATEGIC INITIATIVES: 11.A. and 11.B.

a. Provide leadership to staff in developing a more consistent and systemized cross departmental, team approach to projects with the goal of leveraging our existing staff resources to more effectively and consistently meet our Strategic Plan Initiatives. **This is a work in progress and I believe we have made progress on many fronts. I have been actively facilitating and setting a clear expectation that all staff involved in projects be proactively involved in projects.**

b. Assist Department Heads and all Employees with development of annual goals that are clearly aligned with the District’s Strategic Plan and measureable. **This is moving forward at the Department Head level and should result in a more uniform drafting of Goals and Objectives by all staff which will enable us to better assure our assets are being properly deployed to meet the strategic plan.**

6. Goal: Continue to provide statewide and basin wide leadership on Colorado River supply negotiations and studies.


a. Continue work on Risk Study and the development of accurate and unbiased information so that the River District retains its position as a trusted source and important player in these ongoing matters. **As the Board is aware, we are moving quickly forward with Phase III of the Risk Study and I have been conducting successful outreach on many fronts to make sure we proceed in the open and transparent manner intended.**

b. Continue involvement in Upper Basin DCP planning efforts focusing our efforts on CRSP Reservoir reoperation protocols, water supply augmentation and appropriate water bank work group activities. **This element has taken a significant amount of my time this first six months involving many meetings and discussions with West Slope and Front Range interests as well as UCRC activities.**

c. Continue and increase the effectiveness of efforts to educate our agricultural constituents and their local, state and federal representatives on the impact and ramifications of a compact curtailment and risks posed by additional TMDs. **This was a primary focus of my State of the River message.**

7. Goal: Provide leadership in the development of data to better understand the impacts of Climate and Hydrologic uncertainty and to develop mitigation efforts within the District, State and Basin.

**APPLICABLE STRATEGIC INITIATIVE: 3.A.**

a. Assist in the collation, synthesis and distribution of study results addressing this issue. **I have been supportive of the District Staff continuing to be involved in these efforts.**

b. Develop opportunities to identify and financially support efforts at further development of unbiased data on this issue. **This is an area that needs more focus from me. We do**
have a few opportunities to reach success here and will do so in the second half of the year.  
c. Work with local communities within the District to assist in the development of climate mitigation plans related to firm water supply.  This is an area which needs additional focus from me.

8. Goal: Personally lead the District’s effort to implement the provisions of the CRCA related to the permanency of the Shoshone call.  

APPLICABLE STRATEGIC INITIATIVE:  5.A. 

a. Explore and evaluate all alternatives available to the West Slope including collaboration with a wide range of partners.  As it should, this initiative is taking significant time and focus I have held multiple conversations and meetings on this effort to broaden the scope of partnerships available to the District in order to achieve its greater objectives on this issue. 
b. Work collaboratively with General Counsel to push for progress in this matter.  Peter and I are working well together to lead the West Slope effort.  The transition between Dan Birch and I occurred much faster than anticipated.  We still have Dan available to assist, but we have only utilized him to a very limited extent. 
c. Develop necessary coalition of allies for successful completion of this Goal.  We continue to work with our many allies and we are engaged in promising outreach to additional allies who may bring resources to the table to achieve our objectives here.

B. STRATEGIC PLAN UPDATE AND CONSIDERATION OF AMENDMENT

Action Requested: Board approval of Staff recommendation to amend the Strategic Plan by adding new Strategic Initiative 13.


As discussed in January with the Board, our review of allocation of staff resources and its consistency with the Strategic Plan has identified an area which was not expressed with sufficient specificity by current initiatives in the Plan.  Consistent with the Board’s direction, we present the following proposed Strategic initiative 13 and request that the Board consider amending the Strategic Plan to include this new initiative:

13. Asset Management: The River District will plan and implement operation, maintenance and replacement (OM&R) activities to ensure the reliable and safe operation of all River District owned facilities and properties.  The District recognizes that the significant investment in these assets as well as the financial stability of our District and Enterprise must be protected by regular maintenance and repair of its assets.
Strategic Initiatives

13. A. The River District will carefully plan and implement operation, maintenance and replacement (OM&R) activities to ensure the reliable and safe operation of District assets.

13. B. The River District will plan and implement Enterprise focused OM&R activities in a fiscally responsible manner to ensure that Enterprise activities are financially sustainable.

C. DISTRICT STAFF PROJECT EVALUATION RUBRIC

| Action Requested: None. Direction is always welcome. |
| Strategic Initiative: 11 a. and b. River District Staff Resources |

Every year, District staff identifies new potential projects and/or is requested by our constituents, and/or our collaborative partners to provide assistance to new projects. These projects range from short term commitments involving no or limited expense and human resource allocation to projects which will span decades and involve significant staff time and financial commitment from the District. Often staff finds it difficult to determine which new projects are most consistent with our core mission, our strategic plan and our District Policies, and thus, most deserving of staff time and River District resources. Our staff truly desires to be helpful and appears to often commit to involvement in projects without a full evaluation of the potential long term costs and the effect such commitments have on the District’s other priorities. As I have previously discussed with the Board, it is my goal to implement a rubric through which new projects will be analyzed so that we can assure we are focusing our staff time and financial resources on projects which are truly consistent with our Mission and which fit within our priorities and capacity.

I have developed and will be implementing a rubric which is relatively simple to utilize, but will focus our staff on our mission, our strategic plan, our priorities and our capacity to perform. Briefly, the new rubric asks staff to look at the following items before the River District commits to any new project:

i. **Mission Alignment:** Mission statement/Strategic Plan/Board approved Policies

ii. **Political Appropriateness:** An analysis of non-partisan, community reasons to or not to engage in the requested project.

iii. **Human Resource Requirements:** An accurate estimate of staff time, length of commitment, and an identification of which staff members/departments will be involved.

iv. **Financial Resource Requirements:** An accurate estimate of financial, non-staff costs.

v. **Risk Analysis:** A list of potential financial or legal liabilities and an identification of any unknowns which may cause our involvement to expand or become controversial.

The Rubric identifies an approval process for each new project which varies depending upon the scope of the commitment. The approval process ranges from solo department head approval to full Board approval.
Our administrative staff is currently developing forms which will provide time efficiencies for staff and mandate thoughtful accurate analysis.

At your meeting I will utilize a recent request we have received from the Nature Conservancy to be the “Project Manager” of something called the Yampa Water Fund to demonstrate the Rubric process.

D. SB13-019 Approval Process

**Action Requested:** None. Direction is always welcome.

**Strategic Initiatives:** 4. B. Colorado River Supplies

6. C. Agricultural Water Use

Please see John Currier’s attached Memorandum.

E. Grand Lake Water Quality/Clarity

**Action Requested:** None. Direction is always welcome.


Please see Mike Eytel’s attached Memorandum

F. Water Bank Workgroup Update

**Action Requested:** None. However, direction is always welcome.

**Strategic Initiative:** 6.C. Agricultural Water Use

As previously discussed, the Water Bank Work Group has evolved from its original focus on banking pre-compact water to meet critical needs in reaction to a compact call to a focus on studying the potential for a demand management program to bank water to prevent a compact curtailment. Presently the group continues to focus on potential secondary economic impacts caused by falling. Additionally, with the temporary cessation of UCRC participation in the System Conservation Pilot Program (more on this in Section F. below) there may be an opportunity for the Water Bank Work Group to provide additional effort in the technical and/or economic arena in a manner which may complement efforts at the Upper Basin level. Our District’s involvement in this Group continues to be motivated to proactively address and prevent permanent dry up of West Slope agriculture due to a compact curtailment or fears of a compact curtailment. The next meeting of the group will be held on July 25 at the offices of the River District.
The Upper Colorado River Commission (UCRC) met in Santa Fe for a workshop and business meeting on June 20, 2018. Peter Fleming, Eric Kuhn and I serve as advisors to Colorado’s Commissioner, James Eklund. We have requested and we believe that our request is currently in process to have John Currier and Dave Kanzer also be formally appointed as advisors.

For over the past 12 years, Don Ostler has been the Executive Director of the UCRC. He has announced his retirement and the UCRC has replaced him with Amy Haas who was serving as General Counsel to the UCRC. Amy has extensive experience in the Upper Basin and Colorado River issues and previously served as counsel to the New Mexico Interstate Stream Commission. The UCRC is now looking for an Assistant Executive Director/Engineer.

Eric Kuhn serves as the chair of the technical advisory committee to the UCRC. He and John Carron provided a detailed report to the Commission at their work session regarding the workings of section 602(a) of the The Colorado River Basin Project Act of 1968 (which among other things, authorized the Central Arizona Project). This is the section of law which directs the Secretary of Interior to make an annual determination of the storage requirement in the Upper Basin CRSP reservoirs which is “reasonably necessary” to assure deliveries under article III (c) and (d) of the Colorado River Compact. This section lists criteria to be considered by the Secretary and has served as the basis for both the Long Range Operating Criteria and the 2007 Interim Guidelines. A proper understanding of this section is imperative to the protection of Upper Basin interests going into the renegotiation of the Interim Guidelines.

At the business meeting, the UCRC unanimously voted to suspend the UCRC involvement in the System Conservation Pilot Program (SCPP). The primary reason for this suspension is that there is little reason to expend resources looking at additional pilot programs if the Upper Basin does not have a place to store this water free from the balancing and equalization criteria in the 2007 Interim Guidelines. Both Peter and I supported Colorado’s support for this action as we see no reason to create additional “system water” which can be gamed down into Lake Mead by one or more Lower Basin interests. Amy Haas is working on a detailed scope of work to develop data around reliable consumptive use numbers for a potential Demand Management program and examining the legal and political questions which will arise if such a program is pursued in the future. As mentioned earlier, this may be an area where the Water Bank Work Group can work closely with the UCRC to develop information which will inform the discussion regarding the advisability of a demand management program in the Upper Basin.
**H. Consulting Contract with Eric Kuhn**

**Action Requested:** None, however, direction or consensus would be appreciated.

**Strategic Initiative:** 4. C. Colorado River Supply
6. A. Agricultural Water Use

As you are all aware, in his 37 years at the District, Eric Kuhn developed a unique and widely respected expertise in the technical aspects of the administration of the Colorado River. Due in large part to Eric, our District is seen as a thought leader in the protection of the Upper Basin. Consistent with our Mission, it is our goal as a District to retain this leadership position within the Basin. As you are aware I am engaged in getting up to speed on many of the big river issues. Additionally, we are actively phasing both John Currier and Dave Kanzer more heavily into the interstate Colorado River issues so that we continue to have high level technical leadership in the Basin. All that being said, it is of great value to me, Peter, and the District to continue to have Eric as a resource for the District, the State and the Upper Basin on these issues.

Eric will be formally retiring in the middle of August, (i.e. he will have used up all of his accrued vacation time). It is my intention to retain Eric as a consultant on a limited basis, no more than 35 hours a month, through the end of the year. It is my desire to have Eric continuing his work on behalf of the District as the chairperson of the UCRC Engineering Committee and the UCRC 602(a) task force. Additionally, he will continue to assist me and the rest of the District team with Colorado River issues. Furthermore, we may tap Eric to assist with our ongoing efforts on Phase III of the Risk Study.

Our contract with Eric will not exceed $16,000.00 for 2018. I believe this is a tremendous value for the District. This amount is within my discretion as General Manager, but I wanted to keep you informed of my intent and I would appreciate your thoughts on this as well as ask for your general concurrence with this idea.

**I. INTELLECTUAL PROPERTY RIGHTS: WAIVER FOR SPORT-CAM (e.g., GO PRO) ON A ROPE**

**Action Requested:** Direction and/or concurrence regarding my request

**Strategic Initiative:** 11.A. River District Staff Resources

In May of 2017, while working for the River District, Hunter Causey developed a device to assist in the maintenance of the Ritschard Dam. This device is more thoroughly described in the attached Memorandum from Hunter. Section 5.12 of the District Employment Policies and Procedural Guidelines indicates that such inventions or intellectual property remain the property of the District. Hunter believes that he has the potential to develop this device into a product he can market and sell. He has requested that I waive the applicability of this section. I am inclined to do so in this particular limited circumstance as I believe Hunter is correct that developing this product and/or licensing the product for development is outside of our mission and not likely to become a source of financial benefit which would offset the District costs of development or
licensing. Unless you direct me otherwise, I intend to grant Hunter a waiver from the restrictions of this policy.

J. SERVICE ANNIVERSARIES

**Action Requested:** Appropriate round of applause and expression of appreciation  
**Strategic Initiative:** 11.A. River District Staff Resources

Both Dave Smith and Jason Turner are celebrating ten years of service with the District. Their respective Department Heads will be providing a brief presentation and description of their contributions to the District during their respective careers. I want to thank both of them for the contributions they each have made and continue to make to the District.

AAM  
Attachments
MEMORANDUM
7/5/2018

TO: BOARD OF DIRECTORS
ANDY MUELLER, GENERAL MANAGER
PETER FLEMING, GENERAL COUNSEL

FROM: JOHN CURRIER, P.E. CHIEF ENGINEER

SUBJECT: SB 13-019 APPROVAL PROCESS

NO ACTION REQUESTED: Update only.


SB 13-019 provides a mechanism to protect water rights enrolled in an approved water conservation program from potential diminution of the historical consumptive use (HCU) in any legal action that would quantify the HCU. The applicable language from C.R.S. § 37-92-305(3)(c)(II)(A) states:

(c) In determining the amount of historical consumptive use for a water right in division 1, 2, 3, 4, 5, or 6, the water judge shall not consider any decrease in use resulting from the following:

(II) The nonuse or decrease in use of the water from the water right by its owner for a maximum of five years in any consecutive ten-year period as a result of participation in:

(A) A water conservation program, including a pilot program, approved in advance by a water conservation district, water district, water authority, or water conservancy district for lands that are within the entity's jurisdictional boundaries or by a state agency with explicit statutory jurisdiction over water conservation or water rights;

At its October 2013 meeting, the River District Board of Directors delegated authority to staff to approve water conservation programs. Since then staff has approved six programs, two of the six in 2018. A seventh is pending as of the date of this memorandum.

Although many other entities have authority to approve conservation programs, to the best of our knowledge, only the River District has approved any programs within the River District’s boundaries.

Briefly, here is the process that we undertake and the information we seek as we review applications:

201 Centennial Street / PO Box 1120 • Glenwood Springs, CO 81602
(970) 945-8522 • (970) 945-8799 Fax
www.ColoradoRiverDistrict.org
1) We qualitatively conduct an assessment of the change of use contemplated under the proposed conservation plan. This may include assessment of many factors, dependent on the specific circumstances. Typically the following are assessed: 1) How large is the project, both the acreage and water rights/water supply involved? 2) What are the probable return flow impacts both in timing and volume? 3) What is the proximity/relationship to other water rights, including those owned by the River District? 4) What is the potential impact on those rights?

The assessments are qualitative, based on extensive experience and engineering judgment, rather than quantitative, as typically required in a formal change of water rights. As such we do not implement a “bright-line” criteria for conservation plans that will or won’t be approved.

2) Starting with 2018 applications, we are asking applicants to provide us the qualitative and quantitative information they collect as their conservation plans are implemented. This will allow staff to better determine a plan’s effectiveness and potentially identify adverse impacts.

3) Starting with 2018 applications, we are contacting the River District director of the appropriate County to: 1) let them know an application in their area has been received, 2) discuss the nature of the application, and 3) discuss any concerns that may exist.

With two exceptions, all the approved plans to date have been for relatively small amounts of water associated with small acreages, thus the potential impacts, positive and negative, have been small. The two larger plans that have been approved (Grand Valley Water Users Assn. Conserved Consumptive Use Pilot Project and Trout Unlimited’s Tomichi Ck. Water Conservation Program) both had extensive technical work by others and local support prior to River District approval.

While we expect most applications in the foreseeable future to be relatively small, geographically dispersed, and of little potential adverse impact, it is possible that we could see an application that is of significant concern by virtue of size, location or other factors. Such an application would require a higher level of scrutiny than the applications to date.

Finally, while many entities within the River District have the authority to approve conservation plans, processing the plans through the River District allows us to stay abreast of various conservation plans, to monitor and assess trends as they may emerge, and to serve the needs of River District constituents.
MEMORANDUM
July 5, 2018

TO: BOARD OF DIRECTORS
   ANDY MUELLER, GENERAL MANAGER
   PETER FLEMING, GENERAL COUNSEL
   JOHN CURRIER, CHIEF ENGINEER

FROM: MIKE EYTEL, SENIOR WATER RESOURCE SPECIALIST

SUBJECT: GRAND LAKE CLARITY ADAPTIVE MANAGEMENT UPDATE

This memo is provided as an update for discussion. No Board action is requested.

STRATEGIC INITIATIVE(S): 3B, 3C, 3D, 5C, 7A, 7D, 8C, 8D, 9A, 10

The River District is a party to the Grand Lake Clarity MOU along with Grand County, NWCOG, Northern Colorado Water Conservancy District, and the Bureau of Reclamation (BOR). The primary purpose of this MOU is to establish an adaptive management process while Reclamation conducts a planning and NEPA process to evaluate alternatives to improve Grand Lake Clarity. This MOU, along with the revisions to the Grand Lake Clarity standard, guide the adaptive management process.

Studies have shown there are multiple factors, excessive nutrients, inorganic particulates, and runoff all contribute to degraded water quality and clarity in Grand Lake. Notwithstanding all the contributing factors, the operation of the Colorado Big Thompson Project (C-BT) introduces these factors into Grand Lake which absent C-BT operations would not be present. A wide range of options are being considered to address Grand Lake clarity, ranging from simple operational changes/timing of deliveries to piping diversions to Adams Tunnel, essentially bypassing Grand Lake with any pumped C-BT Project water.

The Grand Lake Clarity MOU formed an Adaptive Management Committee which was tasked with meeting weekly July 1 - September 10, and outlines the monitoring protocols for Grand Lake in support of the narrative water quality standard. Monitoring for Grand Lake clarity is done through Secchi measurements.\(^1\) The clarity goal for in Grand Lake, as established by the MOU is an average Secchi depth of 3.8 meters and a minimum Secchi depth of 2.5 meters.

For this year C-BT operations will attempt to limit diversions through the Alva B. Adams Tunnel to 220 cfs on weekend’s and 440 cfs on weekdays from July 1– September 10 and monitor Grand

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\(^1\) The Secchi disk, as created in 1865 by Angelo Secchi, is a plain white, circular disk 30 cm (12 in) in diameter used to measure water transparency or turbidity in bodies of water. The disc is mounted on a pole or line, and lowered slowly down in the water. The depth at which the disk is no longer visible is taken as a measure of the transparency of the water.
Lake Clarity Secchi depths. As it turns out this year has shaped up to be drier than modelled, so the BOR is not confident in being able to fulfill project water demands without additional pumping from Lake Granby in the near future. At the time of writing this memo, the BOR was hoping to be able to collect one set of Secchi readings on July 2 before turning on the Farr Pumps. The struggle between pumping demands and protecting clarity at Grand Lake is a key example of the conflict between the competing directives governing operation of the C-BT Project that the Clarity MOU seeks to avoid.

While the adaptive management process has rarely gone as planned due to ever changing hydrology, the collection of operational water quality data continues and actively informs the process as the NEPA Alternatives are evaluated.
TO: Andy Mueller
FROM: Hunter Causey, PE
SUBJECT: Exception from Employment Policies and Procedural Guideline

This memo is a request for an exception from paragraph 5.12 of the Employment Policies And Procedural Guideline (Policies and Guidelines), Assignment of Work Products. I would like the River District to refrain from enforcing the paragraph for an idea that I initially developed for River District purposes, but I think has utility outside the River District's mission.

Idea Description

In May of 2017 I developed a simple low cost method to inspect an inlet gate at Ritschard dam. The device consists of a weight, a camera with a submersible housing, and a coaxial cable which allows for a real time feed from the submerged camera. Figure 1 below illustrates the system.
Exemption Request

Section 5.12 of the Employment Policies And Procedural Guidelines addresses assignment of work products with the following language:

“Employees are expected to promptly disclose and assign to the District all discoveries, concepts, ideas or research results (“informational”) that relate in any manner to the present or prospective work of the District. This includes all original works of authorship fixed in any medium. Failure of the employee to disclose and assign does not alter the fact that all such information remains property of the District.”

I think this instance warrants an exception from the policy above because developing the idea into a manufactured and marketable device is well outside the River District’s strategic plan. I thoroughly appreciate my job and do not want pursuing this idea outside of my employment to interfere with my continued commitment to a career at the River District.