

MINUTES¹
SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE
COLORADO RIVER WATER CONSERVATION DISTRICT
IN CONJUNCTION WITH
THE BOARD OF DIRECTORS OF THE
SOUTHWESTERN WATER CONSERVATION DISTRICT
May 23, 2018

Pursuant to notice duly and properly given, a special meeting of the Board of Directors of the Colorado River Water Conservation District (CRWCD) in conjunction with the Board of Directors of the Southwestern Water Conservation District (SWCD) was held on May 23, 2018 at the Montrose Pavilion, 1800 Pavilion Drive, Montrose, Colorado.

CRWCD Directors present during all or part of the meeting:

Tom Alvey, President	David H. Merritt, Vice President
William S. Trampe	Marc Catlin
Rebie Hazard	Karn Stiegelmeier
Steve Acquafresca	Doug Monger
Al Vanden Brink	Tom Gray

CRWCD Directors not present:

Mike Ritschard	Kathy Chandler-Henry
John Ely	Martha Whitmore
Stan Whinnery	

SWCD Directors present during all or part of the meeting:

Bob Wolff, President	Doug Stowe, Vice President
David Guilliams	Charlie Smith
Don Schwindt	

SWCD Directors not present:

J.R. Ford	Rusty Hinger
Monte Naslund	Jenny Russell

Others present during all or part of the meeting:

Andrew A. Mueller General Manager, CRWCD
Peter C. Fleming, General Counsel, CRWCD
John Currier, Chief Engineer, CRWCD
Jason Turner, Senior Counsel, CRWCD
Audrey Turner, Administrative Chief, CRWCD
Eric Kuhn, Former General Manager, CRWCD
Jim Pokrandt, Director, Community Affairs, CRWCD
Dave Kanzer, Deputy Chief Engineer, CRWCD
Sonja Chavez, Water Resources Specialist, CRWCD
Bruce Whitehead, Executive Director, SWCD
Laura Spann, Programs Manager, SWCD
Beth Van Vurst, Fairfield and Woods
Betsy Bair, Office of Senator Cory Gardner

¹An 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.

Cheryl De Julio, Uncompahgre Valley Water Users Association
Cindy Dozier, Hinsdale County Commissioner
Ashley Greco, Office of Representative Scott Tipton
Daris Jutten, Director, Uncompahgre Valley Water Users Association
Lain Leoniak, Colorado State Attorney General's Office
Amy Ostdiek, Colorado State Attorney General's Office
Jim Plumhoff, General Counsel, Uncompahgre Valley Water Users Association
Ben Tisdell, Ouray County Commissioner
Bob Hurford, Division 4 Engineer
Kendall Franks, CRWCD/No Chico Brush

Introduction by Board Presidents.

President Alvey and President Bob Wolff welcomed the meeting attendees, found quorums and called the meeting at 11:05 a.m.

Review and Approval of Agenda and Meeting Objectives.

CRWCD Director Merritt moved, seconded by SWCD President Wolff, to approve the agenda as presented. Both Boards approved the motion unanimously.

District Activities Update by Bruce Whitehead and Andy Mueller.

Bruce Whitehead recounted SWCD activities that were occurring during the first joint meeting of the districts in 2007 including the completion of Lake Nighthorse. Since that time, the lake has filled and a recreational area and boat ramp have been completed and are in use. He also noted that many of the Colorado River issues discussed at the initial joint meeting in 2007 are still being discussed today. Andy Mueller reported on CRWCD recent activities including the completion and implementation of a strategic plan focusing on water issues within CRWCD boundaries as well as interstate issues concerning the Colorado River.

Drought Conditions Update.

Dave Kanzer reported that conditions are exceptionally dry throughout most of the Colorado River Basin and its sub-basins with the exception of the Upper Colorado Basin that is average to above average. Inflow to Lake Powell is currently projected at 40% of normal. Bruce Whitehead reported that water conditions in the southwestern portion of the state are dire. In response to the situation, Governor Hickenlooper has initiated drought response mitigation. Mr. Whitehead also reported that storage reservoirs within SWCD do have carry over storage for use this year.

Water Bank Workgroup Update (WBWG).

Andy Mueller provided background information on the WBWG as well as an update on current activities. The concept for the workgroup was conceived by CRWCD and SWCD who are participants in the workgroup. Other participants are the Nature Conservancy and Tri-State Generation and Transmission. The workgroup has developed a purpose statement; "to identify and explore unaddressed issues associated with volunteer and compensated arrangements to reduce the risk of [Colorado River] compact curtailment." The group is currently reviewing studies examining secondary economic and community impacts related to the fallowing of agricultural lands. Bruce Whitehead noted that the direction of the WBWG has evolved from exploring the use of pre-compact water rights as an "insurance policy" on a voluntary and compensated basis to reduce the impacts of a compact curtailment to post-compact critical uses to preemptively averting risks of compact curtailment.

Colorado River Risk Study Phase I & II Review and Update.

Eric Kuhn reviewed the Drought Contingency Plans (DCP) being developed by both the Upper and Lower Basins with the goal of maintaining reservoir levels at Lake Powell and Lake Mead in an effort to avoid a compact curtailment in a manner consistent with the Colorado State Water Plan. As a result of these discussions and plan development, Phase I of the Colorado River Risk Study was undertaken to determine how often would demand management (one of the elements of the Upper Basin DCP), need to be implemented, and by how much would consumptive uses need to be reduced to maintain minimum power levels (3,525') at Lake Powell. Phase II of the study developed the methodology to evaluate if demand management was implemented, how much water would reach the state line from the West Slope sub-basins within the Colorado River Basin.

Colorado River Risk Study Phase III Process and Funding.

Andy Mueller recapped the four West Slope Roundtables meeting in Grand Junction on April 25th. One of the focal points of the meeting was to secure the roundtables' endorsement of proceeding with Phase III of the Risk Study. Those present at the joint meeting of the roundtables enthusiastically endorsed proceeding with Phase III of the Risk Study. John Currier then presented a draft of the Phase III scope of work, the goal of which is to examine how demand management would affect sub-basins and present reliable information to assist local communities and water managers in making informed policy and operational decisions. Bruce Whitehead noted that Phase III was both timely and time-sensitive.

Following a discussion of funding issues, SWCD President Wolff moved, seconded by Director Guilliams, to fund the Colorado River Risk Study Phase III in equal proportion with CRWCD in an amount not to exceed \$65,000 (one-half of \$130,000). Motion carried unanimously.

CRWCD Director Monger moved, seconded by Director Trampe, to fund the Colorado River Risk Study Phase III in equal proportion with SWCD in an amount not to exceed \$65,000 (one-half of \$130,000). Motion carried unanimously.

SWCD President Wolff moved, seconded by Director Schwindt, to direct SWCD staff to pursue to Phase III in an open and transparent manner while inviting Front Range and state participation, however, the scope of work as proposed would not be altered, and to direct staff to seek financial support from respective water users in their basins. Motion carried unanimously.

CRWCD Director Monger moved, seconded by Director Trampe, to direct CRWCD staff to pursue Phase III in an open and transparent manner while inviting Front Range and state participation, however, the scope of work as proposed would not be altered, and to direct staff to seek financial support from respective water users in their basins. Motion carried unanimously.

Upper Colorado River Commission (UCRC) Update.

Peter Fleming and Beth Van Vurst summarized drought contingency planning discussion by UCRC, including demand management and the possibility of a non-equalized account in Lake Powell. Mr. Fleming also addressed West Slope concerns with these initiatives.

General Counsel's Report – Public Session:

Peter Fleming described the common interests that both Districts have in carrying out their respective statutorily charged purposes and the oral common interest agreement under which both Districts have operated and shared information in the past to protect West Slope interests. General Counsel for both Districts (Peter Fleming and Beth Van Vurst) recommended that their respective boards memorialize the

past and prospective intention of the Districts to share information and work-product related to Colorado River matters in a written joint common interest agreement.

CRWCD Director Merritt moved, seconded by Director Trampe, to approve the written joint common interest agreement as presented. Motion carried unanimously.

SWCD Director Stowe moved, seconded by Director Schwindt, to approve the written joint common interest agreement as presented. Motion carried unanimously.

General Counsel's Report– Executive Session.

Peter Fleming reported that the following matter qualified for discussion in Executive Session with the SWCD Board pursuant to the Districts' joint common interest agreement and C.R.S. §§ 24-6-402(4)(b)(legal advice) and (e)(negotiations):

Negotiations related to Drought Contingency Planning in the Upper Basin and within Colorado.

CRWCD Director Acquafresca moved, seconded by Director Stiegelmeier, to proceed into Executive Session with the SWCD Board pursuant to the Districts' joint common interest agreement and C.R.S. §§ 24-6-402(4)(b)(legal advice) and (e)(negotiations).

Beth Van Vurst recommended that the SWCD Board go into executive session with the CRWCD Board pursuant to the Districts' joint common interest for the purpose of discussing negotiations related to drought contingency planning in the Upper Basin and within Colorado. The statutes covering this session are § 24-6-402(4)b, C.R.S., "conferences with an attorney for the district for the purpose of receiving legal advice on specific legal questions" and § 24-6-402(4)(e), C.R.S., "determining positions relative to matters that may be subject to negotiations; developing strategy for negotiations; and instructing negotiators."

SWCD Director Guilliams moved, seconded by Director Stowe, that the board go into executive session with the CRWCD Board pursuant the Districts' joint common interest agreement and 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.

Presidents Alvey and Wolff reconvened into Public Session at 4:30 p.m.

General Counsel's Report – Public Session – (Cont'd.).

Peter Fleming and Beth Van Vurst reported that during Executive Session, the Boards provided guidance to staff and General Counsels on the following matter:

Negotiations related to Drought Contingency Planning in the Upper Basin and within Colorado.

Mr. Fleming also reported there were no action items as a result of Executive Session.

President Alvey thanked the SWCD Board for attending the joint meeting and resumed the CRWCD portion of the meeting at 4:31 p.m.

Consideration of Purchase of Could Seeding Apparatus in Cooperative Effort with CWCB (An Enterprise Matter).

Director Gray moved, seconded by Director Stiegelmeier to approve staff's recommendation to authorize the General Manager to enter into a purchase order with the Colorado Water Conservation Board (CWCB)

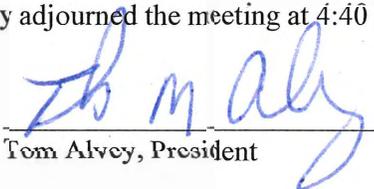
in an amount not to exceed \$82,000 and to enter into related sales orders/contracts with the Idaho Power Corporation (IPC) in the amount of \$77,500 for the purchase of upgraded cloud seeding equipment for the Central Colorado Mountain River Basin Weather Modification Program, subject to review by the General Manager and General Counsel, with relevant agreements being subject to a 3% management fee for the Enterprise Fund. Motion carried unanimously.

Consideration of Contract Amendment with Bishop-Brogden Associates, re: CRCA Implementation Services.

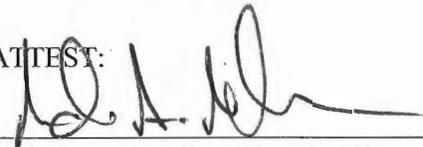
Director Merritt moved, seconded by Director Acquafresca, to authorize the General Manager to execute an amendment to the Bishop-Brogden Associates contract in the amount of \$20,000 for a total of not to exceed \$42,960 for CRCA implementation services. Motion carried unanimously.

Adjourn.

There being no further business before the Board, President Alvey adjourned the meeting at 4:40 p.m.



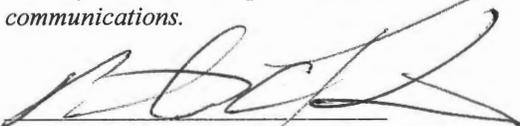
Tom Alvey, President

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.



Peter Fleming, General Counsel

