

MINUTES¹
FIRST 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

January 15-16, 2019

Pursuant to notice duly and properly given, the First 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 January 15-16, 2019 at the offices of the Colorado River Water Conservation District, 201 Centennial Street, Glenwood Springs, Colorado.

Directors present during all or part of the meeting:

Tom Alvey, President, Delta County	David H. Merritt, Vice President, Garfield County
Mike Ritschard, Grand County	Marc Catlin, Montrose County
William S. Trampe, Gunnison County	Steve Acquafresca, Mesa County
John Ely, Pitkin County	Doug Monger, Routt County
Alden Vanden Brink, Rio Blanco County	Martha Whitmore, Ouray County
Stan Whinnery, Hinsdsale County	Kathy Chandler-Henry, Eagle County
Karn Stiegelmeier, Summit County	Rebie Hazard, Saguache County

Directors not present:

Tom Gray, Moffat County

Others present during all or part of the meeting:

Andrew A. Mueller, General Manager, CRWCD
Peter Fleming, General Counsel, CRWCD
John Currier, Chief Engineer, CRWCD
Chris Treese, Manager, External Affairs, CRWCD
Audrey Turner, Administrative Chief, CRWCD
Jason Turner, Senior Counsel, CRWCD
Laurie DePaolo, Executive Assistant, CRWCD
Jim Pokrandt, Director, Community Affairs, CRWCD
Zane Kessler, Communications Director, CRWCD
Ray Tenney, Deputy Chief Engineer, CRWCD
Dave Kanzer, Deputy Chief Engineer, CRWCD
Don Meyer, Sr. Water Resources Engineer, CRWCD
Ian Philips, Chief 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
Lorra Nichols, Paralegal, CRWCD
Denise Hussain, Records Administrator/Records Specialist, CRWCD
Alesha Frederick, Business Support Specialist, CRWCD
John Justman, Commissioner, Mesa County
Brent Gardner Smith, Aspen Journalism

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.

Jackie Brown, Tri-State Generation & Transmission
Diane Johnson, Eagle River Water & Sanitation District
Kathleen Curry, Upper Gunnison River Water Conservancy District
Doug Kemper, Executive Director, Colorado Water Congress
Ken Neubecker, American Rivers
Jim Plumoff, Uncompahgre Valley Water Users Association
Orla Bannon, Western Water Advocates
Ken Brenner, Upper Yampa Water Conservancy District
Brad McCloud, EIS Solutions

Quorum.

President Alvey found a quorum and called the meeting to order at 9:02 a.m.

Review Meeting Agenda and Objectives.

Director Whitmore moved, seconded by Director Hazard, to approve the agenda as presented. Motion carried unanimously.

Presentation and Report of Directors' Credentials for Delta, Eagle, Grand, Hinsdale and Summit Counties.

President Alvey reported that executed credentials for directors from Eagle, (Chandler-Henry), Grand, (Ritschard), Hinsdale, (Whinnery), and Summit, (Stiegelmeier) have been received by the River District and are in order. (The credentials are attached as Appendices A-D).

Election of Board Officers.

Election of President:

Director Acquafresca moved, seconded by Director Whitmore, to nominate Director Merritt as president. Director Monger moved, seconded by Director Chandler-Henry, to close nominations and elect Director Merritt as president for 2019. Motion carried unanimously.

Election of Vice President:

Director Vanden Brink moved, seconded by Director Ritschard, to nominate Director Whitmore as vice president. Director Monger moved, seconded by Director Whinnery, to close nominations and elect Director Whitmore as vice president for 2019. Motion carried unanimously.

Appointment of Committees for 2019.

President Merritt provided background information regarding appointments to the Executive Committee which, historically, has rotated among counties within basin and sub-basin groups of counties and includes the President as chairman. The Executive Committee, consistent with historical rotation among counties, for 2019 is comprised of directors from Hinsdale, Ouray, Pitkin, Routt, and Summit Counties as well as the Board President. Other committee assignments are made by the President and Vice President.

Consent Agenda.

Director Vanden Brink moved, seconded by Director Trampe, to approve the following consent agenda as presented. Motion carried unanimously.

- a. Designation for Posting Notices.
- b. Reappointment of General Manager, General Counsel and Treasurer.
- c. Confirmation of Assistant Secretary.
- d. Approval of Minutes and Actions Taken:
 - i. Minutes of Third Regular Joint Quarterly Meeting, July 17-18, 2018.
 - ii. Acceptance of Treasurer's Reports and Check Registers for General, Capital Projects and Enterprise Funds for August, September, October, and November 2018.

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):

- a. Matters Proposed for Executive Session:
 - i. Colorado River Cooperative Agreement Implementation Matters.
 - ii. Application of City of Glenwood Springs for Recreational In-Channel Diversion Water Right, Case No. 13CW3109, Water Division 5.
 - iii. Colorado River District Conditional Water Rights.
 - iv. Application of Water Horse Resources for Utah Water Right.
 - v. Colorado River Compact, Interstate, International, and Intrastate Negotiation Matters Including Demand Management.
 - vi. Wolford Mountain Reservoir Conveyance of Interest to Denver Water. (An Enterprise Matter).

Director Stiegelmeier moved, seconded by Director Acquafresca, to proceed 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 Merritt reconvened into Public Session at 11:50 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. Colorado River Cooperative Agreement Implementation Matters.
- ii. Application of City of Glenwood Springs for Recreational In-Channel Diversion Water Right, Case No. 13CW3109, Water Division 5.
- iii. Colorado River District Conditional Water Rights.
- iv. Application of Water Horse Resources for Utah Water Right.
- v. Colorado River Compact, Interstate, International, and Intrastate Negotiation Matters Including Demand Management.
- vi. Wolford Mountain Reservoir Conveyance of Interest to Denver Water. (An Enterprise Matter).

Director Acquafresca moved, seconded by Director Alvey, to extend the term of the CRCA Implementation Common Interest and Cost-Share Agreement to January 31, 2020. Motion carried unanimously.

Director Chandler-Henry moved, seconded by Director Ritschard, to extend the duration of its existing delegation to the CRCA Implementation Subcommittee to January 31, 2020. Motion carried unanimously.

Director Whinnery moved, seconded by Director Trampe, to authorize counsel to stipulate to the entry of a proposed decree subject to the City of Glenwood Springs reaching stipulations with the remaining objectors in the Application of City of Glenwood Springs for Recreational In-Channel Diversion Water Right, Case No. 13CW3109, Water Division 5. Motion carried unanimously.

Director Hazard moved, seconded by Director Trampe, to ratify the Homestake Exchange Diligence Application, Case No. 18CW3215, Water Division 5. Motion carried unanimously. (An Enterprise Matter).

Director Ritschard moved, seconded by Director Whinnery, to ratify a statement of opposition to the Application of the City of Northglenn, Case No. 17CW3159, Water Division 1. Motion carried unanimously.

Director Alvey moved, seconded by Director Whinnery, to ratify a statement of opposition to the Application of the Connell Development, Case No. 18CW3162, Water Division 5. Motion carried unanimously.

Director Monger moved, seconded by Director Trampe, to approve the 2019 rate increase for Special Counsel Graham Gilbert of Snell & Wilmer, LLP. Motion carried unanimously.

Peter Fleming referred the Board to the General Counsel's 2019 goals and objectives and noted there were slight adjustments made based on comments from the Board during the October 2018 review of General Counsel.

Discussion with Doug Kemper, Executive Director, Colorado Water Congress.

Doug Kemper provided an overview of the creation of the Colorado Water Congress (CWC) and some issues the CWC has focused on through the years such as the Upper Colorado and San Juan Recovery Programs, and state and federal legislation.

General Manager's Report.

General Manager's 2019 Goals and Objectives:

Andy Mueller referred the Board to a memo outlining the General Manager's goals and objectives for 2019 and invited comments from the Board.

Drought Contingency Planning and Demand Management Update:

Mr. Mueller noted that a critical role for the River District to play in the development of a demand management program is to orchestrate a broader discussion on the West Slope with water users seeking significant feedback from the water districts and others who are engaged in a statewide discussion of demand management. This will help ensure strong West Slope representation in the development of a state water demand management plan.

Proposed Fiscal Agency for Yampa Integrated Water Management Plan (An Enterprise Matter):

Director Vanden Brink moved, seconded by Director Chandler-Henry, to authorize the River District to act as the fiscal agent for the Yampa Integrated Water Management Plan subject to the District's TABOR capacity and a 10% management fee for the River District's Enterprise Fund, and contingent upon the Yampa/White/Green Roundtable's receipt of a Colorado Water Conservation Board grant. Motion carried unanimously with Director Monger abstaining from the vote.

White River Storage Project:

Director Monger moved, seconded by Director Trampe, to approve a financial contribution not to exceed \$50,000 and an in-kind contribution of River District staff time toward the pre-permitting evaluation of the White River Storage Project. Motion carried unanimously with Director Vanden Brink abstaining from the vote.

Colorado River Basin Hydrology: Short Term Forecast for 2019:

Dave Kanzer reported that the April-July inflow forecast to Lake Powell is 64% of average. It is also projected that at the end of 2019, Lake Powell is projected to be at 38% of capacity. Blue Mesa and Taylor Park Reservoirs in the Gunnison River Basin are not projected to fill. Don Meyer reported that Lake Granby inflow is forecast to be near average. The Wolford Mountain Reservoir inflow forecast is projected to be 88% of average and Elkhead Reservoir is forecast to be below average.

Phase III Risk Study Update:

John Currier reported that Phase III of the Risk Study is now underway and an update will be provided at a future meeting. The purpose of Phase III is to continue to answer Colorado River system risk questions posed by the West Slope Roundtables.

Approval of Joint Funding Agreement, re: USGS Gaging:

Director Vanden Brink moved, seconded by Director Trampe, to authorize the General Manager to enter into a joint funding agreement with the USGS, subject to review by legal counsel, in an amount not to exceed \$529,292, for water quality and quantity gaging, and also to authorize the General Manager to enter into agreements subject to review by legal counsel, with cooperating partners for reimbursement estimated to be \$100,000 for data collection. Motion carried unanimously.

Lower Gunnison Project Update:

Dave Kanzer reported that four construction projects are now underway. The purpose of the projects is to improve water use efficiency, and reduce the quantity of selenium and salinity entering the river in the lower Gunnison River Basin.

Discussion of Anticipated Impacts of Gallagher and TABOR Amendments on Long Term Revenue:

Andy Mueller reported that staff has been investigating potential impacts to the River District budget from TABOR and the Gallagher Amendment. Mr. Mueller requested a special budget workshop to examine the potential fiscal challenges to the River District and options to address those challenges. A meeting was scheduled for February 15, 2019.

UCRC and CRWUA December Meeting Updates:

Mr. Mueller reported that the UCRC approved the Upper Basin Drought Contingency Plan (DCP). The UCRC also received a formal request from the Ute Indian Tribe of the Uintah and Ouray Reservations located in Utah, for a seat on the Upper Colorado River Commission. It was also reported that the CRWUA conference set a record for attendance.

Water Marketing Policy. (An Enterprise Matter).

Approval of Water Marketing Prices for 2019:

Ian Philips 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 a maximum of the annual Consumer Price Index (CPI) plus the New Growth Index (NGI). For 2019, the amount is 3.00% for the CPI and 1.45% for the NGI, for a total of 4.45%. Staff recommended an increase of 3.0% for 2019. Director Catlin moved, seconded by Director Alvey, approve staff's recommendation as presented. Motion carried unanimously.

Annual Policy Discussion:

Chris Treese reminded the Board of the policy review process. In 2004, the Board chose to formalize the development and review process of River District policies. Approximately one-third of the policies are reviewed by the Board annually and must be noticed on the agenda for a minimum of two quarterly meetings before final action may be taken.

Water Quality:

By consensus, staff was directed to include language in the policy section stating the River District will participate in efforts to clarify the scope of the Waters of the United States Act. Staff was also directed to include language in the background section of the policy relating that growth negatively impacts water quality.

Endangered Species Act:

No substantive changes were recommended.

Instream Flows:

By consensus, staff was directed to include language in the policy section that calls on the CWCB to consider "carve outs" for future water uses when filing for instream flows.

Recreational Water Use:

By consensus, staff was directed to include language in the policy section that recreational water uses and water rights connected to those uses should be included in stream management plans.

Directors' Basin Updates and/or Concerns.

Director Monger requested additional financial information concerning expenses and revenue balances on a quarterly basis.

Director Acquafresca requested a presentation on weather modification at the April 16-17, 2019 regular joint quarterly meeting.

President Merritt recessed the meeting at 4:21 p.m.

Wednesday January 16, 2019.

President Merritt found a quorum and reconvened the meeting at 8:31 a.m.

Division Engineer Update, Alan Martellaro, Water Division 5.

Alan Martellaro reported that Green Mountain Reservoir failed to fill in 2018, however Grand Valley irrigators were not impacted and flows in the 15 Mile Reach were kept at acceptable levels by releases of carryover water in Green Mountain Reservoir. Mr. Martellaro went on to recount the challenges faced in 2018 and noted that some tributary streams were on call for the entire year.

External Affairs.

State Affairs:

Chris Treese requested initiation of bi-weekly teleconference meetings during Colorado's legislative session beginning February 7, 2019. Director Whitmore moved, seconded by Director Trampe, to initiate bi-weekly teleconference meetings beginning on February 7, 2019. Motion carried unanimously.

Mr. Treese reported that long-time River District lobbyist Danny Williams has retired and been replaced by Gayle Berry and Chris Votoupal.

Zane Kessler presented the following bills for action:

HB19-1006: CONCERNING MITIGATION WILDLAND-URBAN INTERFACE AREAS.

Recommendation: Support

Director Alvey moved, seconded by Director Acquafresca, to **support HB19-1006**. Motion carried with Director Vanden Brink voting against the motion.

HB19-1015: CONCERNING RECREATION OF THE COLORADO WATER INSTITUTE.

Recommendation: Support

Director Monger moved, seconded by Director Trampe, to **support HB19-1015**. Motion carried unanimously.

HB19-1026: CONCERNING PARKS AND WILDLIFE VIOLATION OF LAW.

Recommendation: Support

Director Catlin moved, seconded by Director Whinnery, to **support HB19-1026**. Motion carried unanimously.

HB19-1050: CONCERNING ENCOURAGE USE OF XERISCAPE IN COMMON AREAS.

Recommendation: Support in Concept.

Director Acquafresca moved, seconded by Director Monger to **support in concept HB19-1050**. Motion carried unanimously.

HB19-1071: CONCERNING THE COLORADO DEPARTMENT OF PUBLIC HEALTH AND

ENVIRONMENT WATER QUALITY CONTROL.

Recommendation: Monitor.

Director Whitmore moved, seconded by Director Chandler-Henry, to **monitor with grave concern until further clarification of intentions of HB19-1071.** Motion carried unanimously.

HB19-1082: CONCERNING WATER RIGHTS EASEMENTS.

Recommendation: Support.

Director Catlin moved, seconded by Director Vanden Brink, to support **HB19-1082.** Motion carried unanimously.

HJR19-1005: WATER PROJECTS ELIGIBILITY LISTS.

Recommendation: Support.

Director Alvey moved, seconded by Director Whinnery, to **support HJR19-1005.** Motion carried unanimously.

SB19-016: CONCERNING SEVERANCE TAX OPERATIONAL FUND DISTRIBUTION METHODOLOGY.

Recommendation: Support.

Director Alvey moved, seconded by Director Monger, to **support SB19-016.** Motion carried unanimously.

SB19-020: CONCERNING WILDLAND FIRE AIRSPACE PATROL SYSTEM.

Recommendation: Support.

Director Chandler-Henry moved, seconded by Director Ritschard, to **support SB19-020.** Motion carried unanimously.

SB19-037: CONCERNING WILDFIRE MITIGATION.

Recommendation: Support.

Director Chandler-Henry moved, seconded by Director Whinnery, to **support SB19-037.** Motion carried unanimously.

SB19-040: CONCERNING ESTABLISH COLORADO FIRE COMMISSION.

Recommendation: Monitor.

Director Whitmore moved, seconded by Director Hazard, to **oppose SB19-040.** Motion carried unanimously.

SB19-70: CONCERNING DEPARTMENT OF NATURAL RESOURCES LANGUAGE UPDATE.

Recommendation: Support.

Director Alvey moved, seconded by Director Chandler-Henry, to **support SB19-70.** Motion carried unanimously.

HB19-1113: WATER QUALITY AND MINING.

Recommendation: Support.

Director Monger moved, seconded by Director Chandler-Henry, to **support HB19-1113.** Motion carried with Directors Whinnery, Catlin, and Vanden Brink opposing the motion.

Director Whitmore moved, seconded by Director Alvey, to endorse Bob Wolfe and Chris Treese for appointment to the Water & Power Authority Board. Motion carried unanimously.

Federal Affairs:

Mr. Treese reported the following: the Trump administration has a proposed rule to redefine "Waters of the United States." The Water Resources Development Act was passed and signed into law. Mr. Treese also reviewed some of the priority issues for the River District in 2019 including funding for the Upper Colorado

River and San Juan Recovery Programs, authorization/implementation legislation for the Colorado River Drought Contingency Plan and continued monitoring of any Colorado wilderness designation or Wild and Scenic proposals to protect water rights that might be impacted.

Report of Information and Outreach Committee.

Chris Treese reported that the Committee reviewed 2018 information and outreach activities that included the first River District webinar, record attendance at the annual seminar (over 300 attendees), and outreach by Andy Mueller to all of Boards of County Commissioners within River District boundaries. The Committee then provided direction for the 2019 plan including support for the increased number of the state of the river meetings, doing three educational webinars, and continuing the annual report and seminar.

Project Operations and Updates. (Enterprise Matters).

Wolford Mountain and Elkhead Reservoir:

Ray Tenney updated the Board on a recent crack discovered in the road on Ritschard Dam at Wolford Mountain Reservoir. The crack appears to be only in the road base on the road and is not considered to be a hazard or danger. Daily monitoring is taking place and the state Dam Safety Office has been informed.

Director Monger moved, seconded by Director Trampe, to approve a contract with Raindrop Water in an amount not to exceed \$35,000 for water hauling and water tank maintenance at Wolford Mountain Reservoir. Motion carried unanimously.

Director Ritschard moved, seconded by Director Trampe, to approve a contract with EcoRx in an amount not to exceed \$42,000 for weed management at Wolford Mountain Reservoir. Motion carried unanimously.

Director Vanden Brink moved, seconded by Director Alvey, to approve an amount not to exceed \$30,757 for the purchase of a 30" DeZurik butterfly valve for the Wolford Mountain Reservoir outlet works. Motion carried unanimously.

Director Catlin moved, seconded by Director Vanden Brink, to approve a continuing services agreement with Marine Diving Solutions LLC, in an amount not to exceed a total of \$60,000 over three years, for miscellaneous outlet works maintenance. Motion carried unanimously.

Director Vanden Brink moved, seconded by Director Acquafresca, to approve a contract with Marine Diving Solutions, LLC in an amount not to exceed \$444,000 for installation of the Wolford Mountain Reservoir Dam main outlet gate. Motion carried unanimously.

Hunter Causey reported that the current concessionaire at the Wolford Mountain recreation area will not be renewing their contract which expires on October 31, 2019. Staff will be taking action this spring to identify a new concessionaire. Mr. Causey then referred the Board to a revised recreation area fee schedule and an adjusted revenue split for a new concessionaire.

Director Whitmore moved, seconded by Director Trampe, to authorize staff to approve fee increases for the Wolford Mountain Reservoir recreation area, and adjust the revenue split to 50/50 with a new recreation area concessionaire. Motion carried unanimously.

Director Hazard moved, seconded by Director Whitmore, to authorize staff to negotiate the purchase of recreation and marina related items at the Wolford Mountain recreation area from Red Mountain RV Park, LLC (the current concessionaire) for an amount up to \$60,000. Motion carried unanimously.

Future Meetings.

- a. Special Joint Meeting Teleconference Meetings, beginning **February 7, 2019 at noon.**
- b. Second Regular Joint Quarterly Meeting, **April 16-17, 2019, Glenwood Springs, CO.**
- c. Third Regular Joint Quarterly Meeting, **July 16-17, 2019, Glenwood Springs, CO.**
- d. CRWCD 2020 Budget Workshop, **Date and Location TBD.**
- e. CRWCD Annual Seminar, **mid-autumn, 2019 Location TBD.**
- f. Fourth Regular Joint Quarterly Meeting, **October 15-16, 2019, Glenwood Springs, CO.**
- g. Other Meetings:
 - i. Colorado Water Congress Annual Convention, **January 30-February 1, 2019, Westminster, CO.**
 - ii. Joint West Slope Basin Roundtables Meeting, **May 2, 2019, Ute Water, Grand Junction, CO.**
 - iii. Gunnison Water Workshop, **Western State Colorado University, Mid-June, 2019.**
 - iv. CWC Summer Convention, **August 20-22, 2019.**
 - v. CRWUA Convention, **December 11-13, 2019, Las Vegas, NV.**

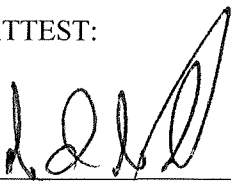
Adjourn.

There being no other business before the Board, President Merritt adjourned the meeting at 11:31 a.m.



David H. Merritt, President

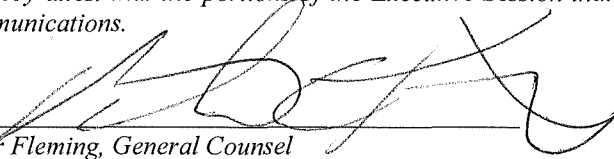
ATTEST:



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

