

Notice
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 21-22, 2020
9:00 a.m.
Glenwood Springs, Colorado

The first regular joint quarterly meeting of 2020 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 will be held on Tuesday January 21, 2020 commencing at 9:00 a.m. at the offices of the Colorado River Water Conservation District, 201 Centennial Street, Glenwood Springs, Colorado and continuing to Wednesday January 22, 2020 at 8:30 a.m.

Agenda
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 21-22, 2020
9:00 a.m.
Glenwood Springs, Colorado

Please Note: Executive Session is scheduled on Tuesday January 21, 2020 at approximately 9:20 a.m.

- | | | |
|------------------|----|---|
| 9:00 | 1. | Review Meeting Agenda and Objectives. |
| 9:00-9:05 | 2. | Presentation and Report of Directors' Credentials for Mesa, Moffat, Pitkin, Routt and Saguache Counties. |
| 9:05-9:10 | 3. | Election of Board Officers for 2020:
a. Election of President.
b. Election of Vice President. |
| 9:10-9:15 | 4. | Appointment of Committees for 2020:
a. Executive Committee (Rotation).
b. Other Standing Committees.
c. Retirement Advisory Committee. |
| 9:15-9:20 | 5. | Consent Agenda:
a. Designation for Posting Notices.
b. Reappointment of General Manager, General Counsel and Treasurer.
c. Approval of Minutes and Actions Taken:
i. Minutes of Fourth Regular Joint Quarterly Meeting, October 15-16, 2019.
d. Acceptance of Treasurer's Reports, Financials, and Check Registers for September and October 2019. |
| 9:20-9:25 | 6. | Confirmation of Assistant Secretary. |

- 9:25-11:30** 7. General Counsel's Report:
- a. Matters Proposed for Executive Session:
 - i. Woford Mountain Reservoir and Ritschard Dam Operations (an Enterprise Matter.)
 - ii. CRCA Implementation Matters.
 - iii. Upper Colorado River Wild and Scenic Alternative Management Plan.
 - iv. Colorado River District Conditional Water Rights.
 - v. Application of the United States of America for the Taylor Park Reservoir River/Refill Exchange, Case No. 11CW31, Water Division 4.
 - vi. Colorado River Compact, Interstate, International, and Intrastate Negotiation Matters, including Demand Management.
 - vii. Fair Campaign Practices Act.

11:30-11:40 *Break*

- 11:40-11:50** 8. Public Comment.

- 11:50-12:15** 9. General Counsel's Report (cont'd.):
- b. Public Session:
 - i. Summary and Action Items from Executive Session.
 - ii. Approval of Special Counsel Rate Increases.
 - iii. General Counsel's 2020 Goals and Objectives.
 - iv. Discussion of Other Items in General Counsel's Report.

Lunch will be provided to the Board of Directors of the Colorado River Water Conservation District and River District staff at 12:15 p.m. at the offices of the Colorado River Water Conservation District, 201 Centennial St., Suite 200, Glenwood Springs, Colorado.

- 1:10-1:45** 10. Discussion with Ted Kowalski, Colorado River Initiative Lead and Senior Program Officer with the Walton Family Foundation.

- 1:45-3:00** 11. General Manager's Report:
- a. Update on CRWCD Long Term Fiscal Condition.
 - b. Drought Contingency Planning and Demand Management Update.
 - c. UCRC and CRWUA December Meeting Updates.
 - d. Colorado River Basin Hydrology: Short Term Forecast for 2020.
 - e. Phreatophyte Control Report on Current State of the Science.
 - f. Phase III Risk Study Update.
 - g. Water Bank Workgroup Update.
 - h. Approval of Joint Funding Agreement, re: USGS Gaging.
 - i. Approval of Contract with Lurline Underbrink Curran, re: CRCA Implementation Matters.
 - j. Discussion of Health Insurance Policy.
 - k. General Manager's 2020 Goals and Objectives.
 - l. Service Anniversaries Recognition.

- 3:00-3:30** 12. Directors' Basin Updates and/or Concerns.

- 3:30-4:15** 13. Annual Policy Discussion:
- a. Procedural Discussion regarding Instream Flow Policy.
 - b. Aging Infrastructure.
 - c. Colorado River Compacts.
 - d. Colorado's Entitlement to Colorado River Basin Water.
 - e. Interstate Water Marketing.
 - f. State Funding: Water Projects and Programs.
 - g. Transmountain Water Diversions.

PLEASE NOTE:

An Information and Outreach Committee meeting of the Board of Directors of the Colorado River Water Conservation District will be held following the Tuesday afternoon session of the Board meeting.

Dinner will be provided to the Board of Directors of the Colorado River Water Conservation District and River District staff at 6:30 p.m. at the Glenwood Canyon Brew Pub, 402 7th Street Glenwood Springs, Colorado. Continue the meeting to Wednesday, January 16, 2019 at 8:30 a.m.

- 8:30-9:30** 14. External Affairs:
- a. Information and Outreach Committee Report.
 - b. State Affairs.
 - c. Federal Affairs.
- 9:30-10:00** 15. Division Engineer's Report: Bob Hurford, Division 4 Engineer and Jason Ullman, Assistant Division 4 Engineer.
- 10:00-10:30** 16. Project Operations and Updates: (Enterprise Matters).
- a. Wolford Mountain Reservoir:
 - i. Approval of Continuing Services Agreement with Raindrop Water, re: Potable Water Deliveries.
 - ii. Approval of Contract with Eco-Rx, Inc., re: Weed Control.
 - b. Elkhead Reservoir.
 - c. Water Marketing Policy:
 - i. Proposed Approval of Water Marketing Rates for 2020.
- 10:30-10:35** 17. Future Meetings:
- a. Special Joint Meeting Teleconference Meetings, beginning **February 6, 2020 at noon. (Biweekly, Pending Board Approval).**
 - b. Second Regular Joint Quarterly Meeting, **April 21-22, 2020, Glenwood Springs, CO.**
 - c. Third Regular Joint Quarterly Meeting, **July 21-22, 2020, Glenwood Springs, CO.**
 - d. CRWCD 2020 Budget Workshop, **September 10, 2020, Grand Junction, CO.**
 - e. CRWCD Annual Seminar, **September 11, 2020, Grand Junction, CO.**

- f. Fourth Regular Joint Quarterly Meeting, **October 20-21, 2020, Glenwood Springs, CO.**
- g. Board Fact Finding Mission to Lower Basin, re: Agricultural Fallowing and Augmentation Programs, **November 10-13, 2020.**
- h. Other Meetings:
 - i. Colorado Water Congress Annual Convention, **January 29-31, 2020, Westminster, CO.**
 - ii. CWC Summer Conference, **August 25-27, 2020, Steamboat Springs, CO.**
 - iii. CRWUA Conference, **December 14-16, 2020, Las Vegas, NV.**

The Board may address the agenda in any order to accommodate the needs of the Board and the Audience.

Persons with special needs due to a disability are requested to call the River District at 970-945-8522 at least three days prior to the meeting.
This agenda may be viewed and printed from our website at www.crwcd.org

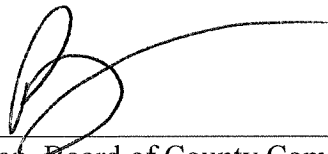
2. Directors' Credentials for Mesa, Moffat & Saguache

GO BACK

**NOTICE OF APPOINTMENT TO
COLORADO RIVER WATER CONSERVATION DISTRICT
BOARD OF DIRECTORS**

This is to certify that the Board of County Commissioners of Mesa County has appointed Steve Acquafresca as Director of the Colorado River Water Conservation District for a term ending in January 2023, beginning with the January 21, 2020 first regular quarterly meeting of the Board of Directors of said Colorado River Water Conservation District.

Steve Acquafresca has been a resident of Mesa County for at least two years preceding the date of his/her appointment and is a freeholder who has paid taxes on real property in Mesa County during the preceding year.



Chairman, Board of County Commissioners

**OATH OF OFFICE FOR
COLORADO RIVER WATER CONSERVATION DISTRICT**

[illegible]

I, Steven Agard Tresca, being first duly sworn, do solemnly swear upon my oath that I will support and defend the Constitution of the United States of America and the Constitution of the State of Colorado, and that I will impartially, without fear or favor, discharge the duties of a Director of the Colorado River Water Conservation District.

Stim Suppres

[illegible]

and Steven Acquafresca, has appeared before me and subscribed
sworn to the foregoing Oath of Office on this 6th day of January, 2020.




County Clerk and Recorder

GO BACK

**NOTICE OF APPOINTMENT TO
COLORADO RIVER WATER CONSERVATION DISTRICT
BOARD OF DIRECTORS**

This is to certify that the Board of County Commissioners of Moffat County has appointed Tom Gray as Director of the Colorado River Water Conservation District for a term ending in January 2023, beginning with the January 21, 2020 first regular quarterly meeting of the Board of Directors of said Colorado River Water Conservation District.

Tom Gray has been a resident of Moffat County for at least two years preceding the date of his/her appointment and is a freeholder who has paid taxes on real property in Moffat County during the preceding year.



Chairman, Board of County Commissioners

**OATH OF OFFICE FOR
COLORADO RIVER WATER CONSERVATION DISTRICT**

STATE OF COLORADO)
) ss.
COUNTY OF MOFFAT)

I, Tom Gray, being first duly sworn, do solemnly swear upon my oath that I will support and defend the Constitution of the United States of America and the Constitution of the State of Colorado, and that I will impartially, without fear or favor, discharge the duties of a Director of the Colorado River Water Conservation District.

Tom Gray

STATE OF COLORADO)
) ss.
COUNTY OF MOFFAT)

Tom Gray, has appeared before me and subscribed and
sworn to the foregoing Oath of Office on this 8th day of January, 2020.

Gina Miller
County Clerk and Recorder



GO BACK

**NOTICE OF APPOINTMENT TO
COLORADO RIVER WATER CONSERVATION DISTRICT
BOARD OF DIRECTORS**

This is to certify that the Board of County Commissioners of Saguache County has appointed Bekie Hazard as Director of the Colorado River Water Conservation District for a term ending in January 2023, beginning with the January 21, 2020 first regular quarterly meeting of the Board of Directors of said Colorado River Water Conservation District.

Bekie Hazard has been a resident of Saguache County for at least two years preceding the date of his/her appointment and is a freeholder who has paid taxes on real property in Saguache County during the preceding year.

Jacore Anderson
Chairman, Board of County Commissioners

**OATH OF OFFICE FOR
COLORADO RIVER WATER CONSERVATION DISTRICT**

STATE OF COLORADO)
) ss.
COUNTY OF SAGUACHE)

I, Rebie Hazard, being first duly sworn, do solemnly swear upon my oath that I will support and defend the Constitution of the United States of America and the Constitution of the State of Colorado, and that I will impartially, without fear or favor, discharge the duties of a Director of the Colorado River Water Conservation District.

Rebie Hazard

STATE OF COLORADO)
) ss.
COUNTY OF SAGUACHE)

Rebie Hazard, has appeared before me and subscribed and
sworn to the foregoing Oath of Office on this 7th day of January, 2020.

Trish Gilbert
County Clerk and Recorder



3. Election of Board Officers for 2020

GO BACK

PRESIDENT

2020

**Board of Directors
Colorado River Water Conservation District**

Tom Alvey	(Delta)	_____
Kathy Chandler-Henry	(Eagle)	_____
Dave Merritt	(Garfield)	_____
Mike Ritschard	(Grand)	_____
Bill Trampe	(Gunnison)	_____
Stan Whinnery	(Hinsdale)	_____
Steve Acquafresca	(Mesa)	_____
Tom Gray	(Moffat)	_____
Marc Catlin	(Montrose)	_____
Marti Whitmore	(Ouray)	_____
John Ely	(Pitkin)	_____
Al Vanden Brink	(Rio Blanco)	_____
Doug Monger	(Routt)	_____
Rebie Hazard	(Saguache)	_____
Summit	(Summit)	_____

(Vote for one only)

GO BACK

VICE PRESIDENT

2020

Board of Directors

Colorado River Water Conservation District

Tom Alvey	(Delta)	_____
Kathy Chandler-Henry	(Eagle)	_____
Dave Merritt	(Garfield)	_____
Mike Ritschard	(Grand)	_____
Bill Trampe	(Gunnison)	_____
Stan Whinnery	(Hinsdale)	_____
Steve Acquafresca	(Mesa)	_____
Tom Gray	(Moffat)	_____
Marc Catlin	(Montrose)	_____
Marti Whitmore	(Ouray)	_____
John Ely	(Pitkin)	_____
Al Vanden Brink	(Rio Blanco)	_____
Doug Monger	(Routt)	_____
Rebie Hazard	(Saguache)	_____
Summit	(Summit)	_____

(Vote for one only)

4. Appointments of Committees for 2020

GO BACK

**COLORADO RIVER WATER CONSERVATION DISTRICT
BOARD OF DIRECTORS**

OFFICERS AND EXECUTIVE COMMITTEE HISTORY

President/V.P. History	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
PRESIDENT	Ouray	Routt	Routt	Grand	Grand	Eagle	Eagle	Delta	Delta	Garfield	
VICE PRESIDENT	Routt	Grand	Grand	Eagle	Eagle	Delta	Delta	Garfield	Garfield	Ouray	
ROTATION HISTORY											
MONTROSE OURAY DELTA	Montrose	Ouray	Delta	Montrose	Ouray	Delta	Montrose	Ouray	Montrose	Ouray	Delta
GARFIELD MESA PITKIN	Pitkin	Garfield	Mesa	Pitkin	Garfield	Mesa	Pitkin	Garfield	Mesa	Pitkin	Mesa
GUNNISON SAGUACHE HINSDALE	Hinsdale	Gunnison	Saguache	Hinsdale	Gunnison	Saguache	Hinsdale	Gunnison	Saguache	Hinsdale	Gunnison
GRAND EAGLE SUMMIT	Grand	Summit	Eagle	Summit	Eagle	Grand	Summit	Eagle	Grand	Summit	Eagle
ROUTT RIO BLANCO MOFFAT	Rio Blanco	Moffat	Rio Blanco	Routt	Moffat	Rio Blanco	Routt	Moffat	Rio Blanco	Routt	Moffat



COLORADO RIVER DISTRICT

PROTECTING WESTERN COLORADO WATER SINCE 1937

COLORADO RIVER WATER CONSERVATION DISTRICT COMMITTEES 2020

EXECUTIVE COMMITTEE

David H. Merritt, Chair*
Tom Alvey
Steve Acquafresca
Bill Trampe
Kathy Chandler-Henry
Tom Gray

LITIGATION COMMITTEE

John Ely, Chair
Stan Whinnery
Marti Whitmore
Kathy Chandler-Henry
Bill Trampe
Dave Merritt, ex-officio

INFORMATION & OUTREACH COMMITTEE

Karn Stiegelmeier, Chair
Al Vanden Brink
Marti Whitmore
Steve Acquafresca
Rebie Hazard
Dave Merritt, ex-officio

INVESTMENT COMMITTEE

Doug Monger, Chair
Tom Alvey
Al Vanden Brink
Rebie Hazard
Mike Ritschard
Dave Merritt, ex-officio

COLORADO RIVER WATER PROJECTS ENTERPRISE 2020

WATER SUPPLY PROJECTS COMMITTEE

Tom Alvey, Chair
Bill Trampe
Karn Stiegelmeier
Tom Gray
Marc Catlin
Doug Monger
Mike Ritschard
Dave Merritt, ex-officio

*In the absence of the President, the Vice President will chair the Executive Committee,

5. Consent Agenda

GO BACK

Proposed Consent Agenda: Approval of Designation for Posting Notices and Agendas

The location for posting meeting notices and agendas shall be outside the Colorado River District's office door, 201 Centennial St., Suite 200, Glenwood Springs, CO, and notices will continue to be provided by mail delivery or electronic mail to the Colorado River District's 15 County Commissioner Boards, County Clerks and, as required by the bylaws, to any person who requests such notices/agendas, and to continue posting notices and agendas on the River District's website.

GO BACK

5.c. Approval of Minutes

GO BACK

MINUTES¹

**FOURTH 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**

October 15-16, 2019

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 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:

David H. Merritt, President	Martha Whitmore, Vice President
Mike Ritschard	Steve Acquafresca
William S. Trampe	Tom Gray
Tom Alvey	Karn Stiegelmeier
Doug Monger	Alden Vanden Brink
Kathy Chandler-Henry	Rebie Hazard
Marc Catlin	Stan Whinnery

Directors not present during the meeting:

John Ely

Others present during all or part of the meeting:

Andrew Mueller, General Manager, CRWCD
Peter Fleming, General Counsel, CRWCD
John Currier, Chief Engineer, CRWCD
Audrey Turner, Administrative Chief, CRWCD
Jason Turner, Senior Counsel, CRWCD
Ray Tenney, Deputy Chief Engineer, CRWCD
Ian Philips, Chief Accountant, CRWCD
Zane Kessler, Director, Governmental Affairs, CRWCD
Laurie DePaolo, Executive Assistant, CRWCD
Dave Kanzer, Deputy Chief Engineer, CRWCD
Don Meyer, Sr. Water Resources Engineer, CRWCD
Mike Eytel, Sr. Water Resources Specialist, CRWCD
Hunter Causey, Sr. Water Resources Engineer, CRWCD
Sonja Chavez, Water Resources Specialist, CRWCD
Alesha Frederick, Information and Outreach Director, CRWCD
Rebecca Mitchell, Colorado Water Conservation Board
Amy Ostdiek, Colorado Water Conservation Board
Lain Leoniak, Colorado Attorney General's Office
Jackie Brown, Tri-State Generation & Transmission
Steve Anderson, Uncompahgre Valley Water Users Association
Laura Spann, Southwestern Water Conservation District
Angie Fowler, SGM
Maria Pastore, Colorado Springs Utilities

¹ An audio recording has been made of the meeting. The motions described herein may not necessarily represent a verbatim transcription. The audio recordings are available for listening at the CRWCD offices during regular office hours. These minutes are the official record of the Colorado River Water Conservation District's meeting.

Eric Kuhn, Author and Pursuer of Leisure
Kevin Rein, Colorado State Engineer
Alan Martellaro, Division Engineer, Water Division 5.
James Heath, Assistant Division Engineer, Water Division 5.
Megan Winokur, Holland & Hart
Heather Sackett, Aspen Journalism

Quorum.

Vice President Whitmore found a quorum and called the meeting to order at 9:01 a.m.

Review Meeting Agenda and Objectives.

Peter Fleming requested the addition of River District Insurance Requirements for Contractors as agenda item 5.c. Director Monger moved, seconded by Director Whinnery, to approve the agenda as amended. Motion carried unanimously.

Consent Agenda.

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

- a. Approval of Minutes and Actions Taken:
 - i. Minutes of Third Regular Joint Quarterly Meeting, July 16-17, 2019.
 - ii. Minutes of Special Joint Meeting, Teleconference, August 21, 2019.
 - iii. Minutes of Special Joint Meeting and 2020 Budget Workshop, September 19 2019.
 - iv. Minutes of Litigation Committee Meeting, Teleconference, September 30, 2019.
- b. Acceptance of Treasurer's Reports and Check Registers for General, Capital Projects and Enterprise Funds for May, June, July and August 2019.

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).

- i. Colorado River Cooperative Agreement (CRCA) Implementation Matters.
- ii. Application of Colorado Springs Utilities, Case No. 15CW3019, Water Division 5. (An Enterprise and General Matter).
- iii. Colorado River District Conditional Water Rights.
- iv. Instream Flows and Pre-Existing Uses, C.R.S. Section 37-92- 102(3)(b).
- v. Wolford Mountain Reservoir – Denver Water Lease Agreement. (An Enterprise Matter).
- vi. Colorado River Compact, Interstate, and International Negotiation Matters.

Director Whitmore moved, seconded by Director Hazard, 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 12:12 p.m.

Open Public Comment.

No comments were received.

Discussion with Becky Mitchell, CWCBC Director and Colorado's Commissioner to the Upper Colorado River Commission, Amy Ostdiek, CWCBC Interstate and Federal Manager and Lain Leoniak, Colorado Attorney General's Office.

Amy Ostdiek reported that the CWCBC's demand management workgroups have either met or will be meeting soon for discussion of various issues and potential impacts of a demand management program. The

River District has several staff members participating in the workgroups. Becky Mitchell also reported on her recent appointment of the River District's Chief Engineer, John Currier, to the Engineering Advisory Committee of the Upper Colorado River Commission (UCRC). Ms. Mitchell is Colorado's representative to the UCRC.

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 (CRCA) Implementation Matters.
- ii. Application of Colorado Springs Utilities, Case No. 15CW3019, Water Division 5. (An Enterprise and General Matter).
- iii. Colorado River District Conditional Water Rights.
- iv. Instream Flows and Pre-Existing Uses, C.R.S. Section 37-92- 102(3)(b).
- v. Wolford Mountain Reservoir – Denver Water Lease Agreement. (An Enterprise Matter).
- vi. Colorado River Compact, Interstate, and International Negotiation Matters.

Director Stiegelmeier moved, seconded by Director Trampe, to approve a contract amendment with Bishop Brogden Associates for CRCA implementation analysis in an amount not to exceed \$20,000. Motion carried unanimously.

Director Ritschard moved, seconded by Director Chandler-Henry, to confirm the Board's intent to develop the Fraser Feeder Canal (150 c.f.s.), Fraser Pumping Plant and Pipeline (35 c.f.s.), and Ranch Creek Reservoir (20,000 a.f.) conditional water rights, and direct staff and counsel to file a joint application with Grand County and the Middle Park Water Conservancy District seeking a finding of reasonable diligence for those rights. Director Whitmore requested that the record reflect that the District absolutely intends to move forward with these rights in conjunction with its partners and recognizes the value of the rights for future uses for the District's partners and constituents. Motion carried unanimously.

Director Whinnery moved, seconded by Director Vanden Brink, to increase the amount of insurance required for River District contractors to carry from \$1 million to \$2 million. Motion carried unanimously.

Directors' Concerns.

Director Chandler-Henry reported that four boats infested with aquatic nuisance species (ANS) were detected recently at Ruedi Reservoir through its boat inspection program. ANS can be very destructive to reservoir outlet works and other facilities.

General Manager's Report.

Water Bank Workgroup Update:

Sonja Chavez reported that Water Bank Workgroup consultant BBC Research and Consulting is focusing on an April 2020 date for release of a draft report on the results of the study of economic impacts associated with a potential Upper Basin demand management program.

Proposed Approval of Yampa River Fund Collaboration and Administration Agreement. (A General and Enterprise Fund Matter):

Hunter Causey described the Yampa River Fund which was established by The Nature Conservancy and stakeholders in the Yampa River Basin to provide financial resources to protect the basin through regular grants for proposed projects in the basin. The River District received a request to become a member of the Fund's board of directors and execute the administration agreement as a board member.

Director Monger moved, seconded by Director Gray, to authorize the General Manager to execute the Yampa River Fund Collaboration and Administration Agreement. Motion carried unanimously.

Retention of Auditor for 2019 Audit:

Director Alvey moved, seconded by Director Trampe, to accept a proposal from McMahan & Associates, LLC for the provision of audit and consulting services for the fiscal year ending December 31, 2019 in an estimated amount not to exceed \$20,380. Motion carried unanimously.

Roundtable Summit Update:

Andy Mueller referred the Board to a memo from Jim Pokrandt summarizing the Roundtables Summit hosted by the Colorado Water Conservation Board. The summit initiated a revision process for the Roundtables' Basin Implementation Plans (BIPs) as contemplated by the Colorado Water Plan in 2015 for periodic updates of the BIPs and the plan itself

Colorado River Hydrology Update:

Don Meyer and Dave Kanzer reported that inflow into Lake Powell for water year 2020 is projected to be 121% of average despite the recent drying trend throughout the Colorado River Basin.

Update on Grand Lake Clarity Effort:

Mike Eytel reported that reoperation of the C-BT Project consistent with process set out in the Grand Lake Clarity MOU, has provided measurable improvements in the water clarity of Grand Lake this past summer.

Proposed Approval of Risk Study Phase III Contract Amendment:

Director Monger moved, seconded by Director Whinnery, to approve a contract amendment with Hydros Consulting, Inc., to extend the contract expiration date to December 31, 2020, increase the contract amount in an amount not to exceed \$50,000 (with funds being contributed by various water entities within the River District and Southwestern Water Conservation District), and approve an additional \$5,000 from the River District for Phase III of the Risk Study. Motion carried unanimously.

Update on Health Insurance Costs:

Audrey Turner reported that because health insurance premiums will be increasing by approximately 20% in 2020, the five-year running average increase will be 6.24%. This exceeds the Board's policy of 5% increases over a five-year running average for the District's health insurance budget. Consistent with the River District's policy, the General Manager, will determine how these increased costs will be allocated among staff. The Board will be revisiting its policy at the January 2020 quarterly meeting.

Service Anniversary Recognition:

John Currier expressed the River District's appreciation to Hunter Causey for his 5 years of service to the River District.

Discussion of Proposed Emergency Grants Program Policy.

Andy Mueller reminded the Board of its extensive discussion during the September 19 budget workshop regarding the resumption of the District's grant program and the creation of an emergency grant policy. The consensus at the budget workshop was to not resume the grant program in 2020, but to direct staff to present a draft emergency grant program policy at the October 2019 quarterly meeting for review and discussion.

After discussion, Director Stiegelmeier moved, seconded by Director Chandler-Henry, to adopt the Emergency Grant Program Operating Guidelines and Criteria, subject to annual appropriations of funds for the program, operate the program as a rolling program, authorize the General Manager to accept and evaluate emergency grant applications pursuant to these guidelines and make recommendations to the Board regarding funding of projects which General Manager deems advisable, and authorize the Executive Committee to act upon recommended applications in the absence of a regular Board meeting. Motion carried with Directors Trampe and Catlin opposing the motion. (The policy is attached as Appendix A.).

President Merritt recessed the meeting at 4:20 p.m.

Wednesday October 16, 2019

President Merritt found a quorum and reconvened the meeting at 8:32 a.m.

Annual Policy Discussion.

Instream Flows:

Andy Mueller referred the Board to a draft of the River District's Instream Flows Policy containing changes made by the Board during its July 2019 quarterly meeting. Extensive discussion led to staff being directed to present another draft policy with further changes at the January 2020 quarterly meeting.

Budget Hearings.

Andy Mueller 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 the budget 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. Public comment was also requested at the budget hearing. No public comment was received. Mr. Mueller then highlighted the budgetary adjustments made after the District's budget workshop on September 19, 2019.

President Merritt opened the 2020 budget hearings.

Resolution for 2019 General Fund Budget Amendments:

Director Alvey 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 2019 and ending on the last day of December 2019. Motion carried unanimously.

Resolution to Adopt 2020 General Fund Budget:

Director Alvey moved, seconded by Director Ritschard, 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 2020 and ending on the last day of December 2020. Motion carried unanimously.

Resolution for 2019 Capital Projects Fund Budget Amendments:

Director Alvey 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 2019 and ending on the last day of December 2019. Motion carried unanimously.

Resolution to Adopt 2020 Capital Projects Fund Budget:

Director Acquafresca moved, seconded by Director Stiegelmeier, 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 2020 and ending on the last day of December 2020. Motion carried unanimously.

Resolution for 2019 Enterprise Fund Budget Amendments:

Director Stiegelmeier, 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 2019 and ending on the last day of December 2019. Motion carried unanimously.

Resolution to Adopt 2020 Enterprise Fund Budget:

Director Chandler-Henry moved, seconded by Director Hazard, 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 2020 and ending on the last day of December 2020. Motion carried unanimously.

Resolutions to Appropriate Sums of Money. (General and Capital Projects Funds):

Director Stiegelmeier moved, seconded by Director Chandler-Henry, 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 for the 2020 budget year: General Fund, \$6,937,434, and Capital Projects Fund, \$3,944,181. Motion carried unanimously.

Resolution to Appropriate Sums of Money. (Enterprise Fund).

Director Trampe moved, seconded by Director Alvey, to adopt a resolution appropriating a sum of money to the Enterprise Fund for Colorado River Water Conservation District's Colorado River Water Projects Enterprise for the 2020 budget year in the amount of \$8,572,878. Motion carried unanimously.

Resolution to Transfer Unspent 2019 Balances:

Director Monger moved, seconded by Director Whinnery, 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 2019 and an amount sufficient to cover expenses prior to the receipt of 2020 tax revenues. This resolution further authorizes and directs that the funds be transferred no later than December 31, 2019. Motion carried unanimously. (The resolutions are attached as Appendices B-J.).

President Merritt closed the budget hearings.

Discussion with State Engineer Kevin Rein.

Kevin Rein reported that the Division of Water Resources (DWR) well inspection program was recently audited by the Colorado State Auditor's Office. Legislation is being contemplated to increase the number of well inspectors and funding options are being examined.

The Board relayed concerns regarding the ongoing issue of administration of instream flows against adjudicated pre-existing uses such as stock watering in Division 6. Mr. Rein relayed that based on a review of the legislative history that it was his belief that it was the legislature's intent that court confirmation of the pre-existing use was required. Andy Mueller pointed out that the plain language of the statute does not reflect that intent.

Mr. Mueller informed Mr. Rein that the River District has received input from constituents from Divisions 4, 5 and 6 regarding the current uncertainty of adjudicated pre-existing uses, and that this uncertainty had the potential to erode support among water users for the CWCB's instream flow program. The River District is exploring possible legislation to rectify the current situation.

External Affairs.

Information and Outreach Update:

Alesha Frederick reported that the Special Districts Association of Colorado named the River District as its 2019 "District of the Year." The association has approximately 2,000 special district members. It was also reported that the River District's annual water seminar set a new attendance record this year with over 300 attendees.

State Affairs:

Zane Kessler reported that the Interim Water Resources Review Committee has been focused on the CWCB's Instream Flow Program (ISF) and potential legislation that would expand the CWCB ISF loan program. **HB19-1218** addressing loan program expansion was not successful in the 2019 legislative session. Revised legislation may be introduced in the 2020 legislative session.

The Committee also held a briefing on Colorado River issues including demand management and the drought contingency plans. River District staff participated in that briefing.

Federal Affairs:

Zane Kessler reported that the Waters of the United States (“WOTUS”) rule has been repealed by the Trump administration with a new rule slated to be issued in February 2020. In the interim WOTUS determinations will be made consistent with the 2008 guidance and regulations in effect in 2008. Also, Senator Bennet led a bipartisan coalition calling on the Department of Agriculture to implement new water supply and conservation authorizations that were included in the 2018 Farm Bill which was signed into law in December 2018.

Wolford Mountain Reservoir:

Director Catlin moved, seconded by Director Vanden Brink, to authorize the General Manager to enter into an agreement approved by General Counsel, for design fabrication, and installation of highway signs with Roadsafe Traffic Systems, Inc., in an amount not to exceed \$26,152. Motion carried unanimously.

Water Supply Contract with Town of Minturn.

Director Acquafresca moved, seconded by Director Trampe, to approve an Eagle River Supply Water Marketing Contract in the amount of 50 acre-feet for the Town of Minturn for a total contracted amount of 70 acre-feet of Eagle River supplies. Motion carried unanimously.

Future Meetings.

- a. First Regular Joint Quarterly Meeting, **January 21-22, 2020, Glenwood Springs, CO.**
- b. Special Joint Meeting Teleconference Meetings, beginning **February 6, 2020. (Bi-weekly).**
- c. Second Regular Joint Quarterly Meeting, **April 21-22, 2020, Glenwood Springs, CO.**
- d. Third Regular Joint Quarterly Meeting, **July 21-22, 2020, Glenwood Springs, CO.**
- e. 2021 CRWCD Budget Workshop/Special Joint Meeting, **September 10, 2020, Location TBD.**
- f. CRWCD Annual Seminar, **September 11, 2020, Two Rivers Convention Center, Grand Junction, CO.**
- g. Fourth Regular Joint Meeting, **October 20-21, 2020, Glenwood Springs, CO.**
- h. Other Meetings:
 - i. CRWUA Convention, **December 11-13, 2019, Las Vegas, NV.**
 - ii. CWC Winter Convention, **January 29-31, 2020 Westminster, CO.**
 - iii. CRWCD Board Lower Basin Tour, **TBD March, 2020.**
 - iv. CWC Summer Convention, **Dates and Location TBD.**

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 Whinnery moved, seconded by Director Trampe, 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 Merritt reconvened into Public Session at 1:10 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.

Director Whitmore moved, seconded by Director Trampe, to increase the General Manager and General Counsel's salaries by 3.3 % commencing in January 2020. Motion carried unanimously.

Adjourn.

There being no more business before the Board, President Merritt adjourned the meeting at 1:15 p.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

[GO BACK](#)

5.d. Treasurer's Reports for General, Capital Project & Enterprise Sept-Oct, 2019

GO BACK

COLORADO RIVER WATER CONSERVATION DISTRICT

TREASURER'S REPORT
GENERAL FUND

September 30, 2019

CASH AND EQUIVALENTS AS OF: 08/31/19

CASH ON HAND	\$89.12	
BOC-GLENWOOD-PETTY CASH-9497	\$2,776.07	
BOC-GLENWOOD - CHECKING	\$1,891,413.37	
COLOTRUST PRIME	\$436,129.22	
COLOTRUST PLUS	\$523,046.94	
INVESTMENTS	\$0.00	
TOTAL		\$2,853,454.72

DEPOSITS:

CASH ON HAND	338.65	
BOC-GLENWOOD-PETTY CASH-9497	0.46	
BOC-GLENWOOD - CHECKING	1,461,651.83	
COLOTRUST PRIME	723.93	
COLOTRUST PLUS	940.12	
TOTAL		1,463,654.99

DISBURSEMENTS:

CASH ON HAND	0.00	
BOC-GLENWOOD-PETTY CASH-9497	200.00	
BOC-GLENWOOD - CHECKING	409,492.19	
COLOTRUST PRIME	0.00	
COLOTRUST PLUS	0.00	
TOTAL		409,692.19

INVESTMENTS:

NET INCREASE/[DECREASE]	0.00	
TOTAL		0.00

CASH AND EQUIVALENTS AS OF: 09/30/19

\$3,907,417.52

SUMMARY:

CASH ON HAND	\$427.77	
BOC-GLENWOOD-PETTY CASH-9497	\$2,576.53	
BOC-GLENWOOD - CHECKING	\$2,943,573.01	
COLOTRUST PRIME	\$436,853.15	
COLOTRUST PLUS	\$523,987.06	
INVESTMENTS	\$0.00	

SUMMARY TOTAL AS OF: 09/30/19

\$3,907,417.52

Signature

Date

ROGER D. MAGGARD, TREASURER
COLORADO RIVER WATER
CONSERVATION DISTRICT

COLORADO RIVER WATER CONSERVATION DISTRICT

TREASURER'S REPORT
ANALYSIS OF INVESTMENTS
GENERAL FUND

September 30, 2019

	BALANCE 08/31/19	ADDITIONS (PURCHASED)	DELETIONS (MATURED)	BALANCE 09/30/19
CERTIFICATES OF DEPOSIT	\$0.00	\$0.00	\$0.00	\$0.00
TREASURIES & DISCOUNT AGENCIES	0.00	0.00	0.00	\$0.00
TOTAL INVESTMENTS	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>
SUMMARY:				
Additions	\$0.00			
Deletions	<u>0.00</u>			
NET INCREASE/(DECREASE)	<u>\$0.00</u>			

COLORADO RIVER WATER CONSERVATION DISTRICT

**TREASURER'S REPORT
GENERAL FUND**

October 31, 2019

CASH AND EQUIVALENTS AS OF: 09/30/19

CASH ON HAND	\$427.77	
BOC-GLENWOOD-PETTY CASH-9497	\$2,576.53	
BOC-GLENWOOD - CHECKING	\$2,943,573.01	
COLOTRUST PRIME	\$436,853.15	
COLOTRUST PLUS	\$523,987.06	
INVESTMENTS	\$0.00	
TOTAL		\$3,907,417.52

DEPOSITS:

CASH ON HAND	9.89	
BOC-GLENWOOD-PETTY CASH-9497	0.44	
BOC-GLENWOOD - CHECKING	224,992.43	
COLOTRUST PRIME	669.41	
COLOTRUST PLUS	920.39	
TOTAL		226,592.56

DISBURSEMENTS:

CASH ON HAND	0.00	
BOC-GLENWOOD-PETTY CASH-9497	0.00	
BOC-GLENWOOD - CHECKING	466,583.38	
COLOTRUST PRIME	0.00	
COLOTRUST PLUS	0.00	
TOTAL		466,583.38

INVESTMENTS:

NET INCREASE/(DECREASE)	0.00	
TOTAL		0.00

CASH AND EQUIVALENTS AS OF: 10/31/19

\$3,667,426.70

SUMMARY:

CASH ON HAND	\$437.66
BOC-GLENWOOD-PETTY CASH-9497	\$2,576.97
BOC-GLENWOOD - CHECKING	\$2,701,982.06
COLOTRUST PRIME	\$437,522.56
COLOTRUST PLUS	\$524,907.45
INVESTMENTS	\$0.00

SUMMARY TOTAL AS OF: 10/31/19

\$3,667,426.70

Signature

Date

ROGER D. MAGGARD, TREASURER
COLORADO RIVER WATER
CONSERVATION DISTRICT

COLORADO RIVER WATER CONSERVATION DISTRICT

**TREASURER'S REPORT
ANALYSIS OF INVESTMENTS
GENERAL FUND**

October 31, 2019

	BALANCE 09/30/19	ADDITIONS (PURCHASED)	DELETIONS (MATURED)	BALANCE 10/31/19
CERTIFICATES OF DEPOSIT	\$0.00	\$0.00	\$0.00	\$0.00
TREASURIES & DISCOUNT AGENCIES	0.00	0.00	0.00	\$0.00
TOTAL INVESTMENTS	\$0.00	\$0.00	\$0.00	\$0.00
SUMMARY:				
Additions	\$0.00			
Deletions	0.00			
NET INCREASE/(DECREASE)	\$0.00			

Balance Sheet

Colorado River Water Conservation District

For 9/30/2019

	This Year	Last Year	Change
01 General Fund			
Assets			
01-00-1000.000 Cash Box - General	427.77	577.66	(149.89)
01-00-1001.000 Cash In Bank - BoC - Checking	2,943,573.01	1,556,935.53	1,386,637.48
01-00-1002.000 Cash In Bank - Petty Cash	2,576.53	620.68	1,955.85
01-00-1008.000 EFT Clearing Account	0.00	0.00	0.00
01-00-1009.000 Undeposited Funds	43,975.42	43,069.88	905.54
01-00-1010.000 Wells Fargo /Colotrust -0100	0.00	0.00	0.00
01-00-1015.000 General ColoTrust Prime	436,853.15	427,316.72	9,536.43
01-00-1016.000 General ColoTrust Plus	523,987.06	511,331.49	12,655.57
01-00-1020.000 Investments-All	0.00	0.00	0.00
01-00-1021.000 Allow. For Investments+-	0.00	0.00	0.00
01-00-1022.000 Accum Amortization Investments	0.00	0.00	0.00
01-00-1023.000 Accrued Interest	0.00	0.00	0.00
01-00-1200.000 Accounts Receivable	34,950.90	194.90	34,756.00
01-00-1201.000 Accounts Receivable - Spec.	0.00	0.00	0.00
01-00-1205.000 Housing Notes Receivable	213,514.91	322,142.19	(108,627.28)
01-00-1206.000 Deferred Revenue	(9,756.70)	(11,810.77)	2,054.07
01-00-1207.000 457 Loans Receivable	0.00	0.00	0.00
01-00-1210.000 Property Tax Receivables	4,298,006.00	4,226,504.00	71,502.00
01-00-1225.000 Allowance Housing Forgiveness	(129,277.00)	(156,023.00)	26,746.00
01-00-1300.000 Prepaid Expenses	0.00	0.00	0.00
01-00-1505.000 Office Equipment	0.00	0.00	0.00
01-00-1599.000 Assets in Fixed Assets Fund	0.00	0.00	0.00
01-02-1990.000 Internal Balances	0.00	8,543.84	(8,543.84)
01-03-1990.000 Internal Balances	0.00	0.00	0.00
01-04-1990.000 Internal Balances	1,039.59	391,818.39	(390,778.80)
01-05-1990.000 Internal Balances	0.00	0.00	0.00
01-06-1990.000 Internal Balances	0.00	0.00	0.00
01-07-1990.000 Internal Balances	0.00	13,991.64	(13,991.64)
Total Assets	8,359,870.64	7,335,213.15	1,024,657.49
Liabilities and Net Assets			
01-00-2000.000 Accounts Payable	109,897.11	35,429.59	74,467.52
01-00-2001.000 Encumbrance Payable	0.00	0.00	0.00
01-00-2010.000 Wages Payable	0.00	0.00	0.00
01-00-2011.000 FICA/Mdcr Payable	(0.01)	0.00	(0.01)
01-00-2012.000 Fwt Payable	0.00	(0.01)	0.01
01-00-2013.000 Cwt Payable	0.00	0.00	0.00
01-00-2014.000 Sui Payable	0.00	2,073.73	(2,073.73)
01-00-2015.000 Disability Insurance	0.00	0.00	0.00
01-00-2016.000 Deferred Compension Payable	0.00	(0.01)	0.01
01-00-2017.000 HSA	0.00	(27.66)	27.66
01-00-2018.000 Health Insurance Premium Payable	0.08	(150.00)	150.08
01-00-2019.000 RHS -Payable	(2,148.37)	0.08	(2,148.45)
01-00-2020.000 Voluntary Life Payable	(500.60)	(499.91)	(0.69)
01-00-2021.000 Accrued Vacation Payable	0.00	0.00	0.00
01-00-2022.000 Accrued Vacation/Comp	0.00	0.00	0.00
01-00-2023.000 Cafeteria Plan - MSA Payable	511.45	(2,567.82)	3,079.27
01-00-2024.000 Cafeteria Plan - DCAP Payable	49.98	5,624.88	(5,574.90)
01-00-2025.000 457 Loan Payable	0.00	0.00	0.00
01-00-2026.000 Roth Payable	0.00	(0.33)	0.33
01-00-2040.000 24hourFlex Min Maint Bal	(1,500.00)	(1,500.00)	0.00
01-00-2200.000 Deferred Property Tax Revenue	4,298,006.00	4,226,504.00	71,502.00
01-00-2999.000 Excess Funds Transfer to CPO	0.00	0.00	0.00
Total Liabilities	4,404,315.64	4,264,886.54	139,429.10
01-00-3000.000 Tabor Emergency Reserve	133,418.00	131,680.00	1,738.00
01-00-3010.000 Unappropriated Fund Balance	2,183,902.12	1,753,111.43	430,790.69
Change in Net Assets	1,638,234.88	1,185,535.18	452,699.70
Total Liabilities and Net Assets	8,359,870.64	7,335,213.15	1,024,657.49

FOR INTERNAL USE ONLY

Income Statement

Colorado River Water Conservation District

For 9/30/2019

Unaudited

Page: 1

General Fund	M-T-D Actual \$	Y-T-D Actual \$	Annual Budget \$	YTD % Budget
Revenues				
4000. County Taxes	16,018.54	4,238,621.12	4,236,899.35	100.04
4001. SO And Other Tax	29,277.60	267,402.07	335,200.05	79.77
4002. Delinquent Taxes (general)	377.88	7,780.26	6,528.05	119.18
4010. Property Tax Interest	846.74	6,693.60	8,488.94	78.85
4020. Tax Increment Financing	(25.09)	(17,963.56)	(19,500.00)	92.12
4025. Tax Abatements/Credits	(1,944.69)	(14,198.70)	(17,810.00)	79.72
4030. County Treasurers Fees	(575.56)	(151,023.70)	(166,430.00)	90.74
4110. Investment Interest	2,227.06	21,975.20	28,000.00	78.48
4120. Miscellaneous Income	6,752.50	8,975.71	7,500.00	119.68
4130. Management Fee	0.00	0.00	0.00	0.00
4401. Cost of Goods Sold	0.00	0.00	0.00	0.00
Total Revenues	52,954.98	4,368,262.00	4,418,876.39	98.85
Expenses				
5000. Contingency Salaries	0.00	0.00	0.00	0.00
5001. Salaries	143,303.24	1,360,076.68	2,008,856.50	67.70
5010. Accrued Vacation	0.00	0.00	0.00	0.00
5011. Fica/Medicare	9,184.10	97,543.59	140,339.01	69.51
5014. Unemployment	409.38	3,897.27	6,064.99	64.26
5016. Workers Compensation Insurance	0.00	4,636.86	4,800.18	96.60
5115. Disability Insurance	881.15	8,293.69	12,061.23	68.76
5118. Health Insurance	29,466.72	280,910.86	382,540.89	73.43
5120. Cafeteria Plan-Employer	0.00	0.00	0.00	0.00
5121. Cafeteria Plan-Administration	52.50	468.75	0.00	0.00
5122. Retirement - 457 Matching	180.00	12,406.91	15,600.00	79.53
5123. Retirement - Employer	13,907.14	134,952.71	194,633.00	69.34
5124. Retirement - Administration	937.50	2,812.50	3,750.00	75.00
5125. RHS- Employer Contribution	(0.04)	24,572.31	39,150.00	62.76
5211. Employee Housing	0.00	1,125.00	1,125.00	100.00
5212. Education Assistance	56.25	1,368.75	1,500.00	91.25
5220. Overhead-C	0.00	0.00	3,750.00	0.00
5310. Travel	8,665.24	79,401.23	125,000.00	63.52
5311. Staff Registration	222.27	21,050.18	27,250.00	77.25
5312. Meeting Expense	295.13	8,021.38	13,862.00	57.87
6000. Directors Fees	2,212.50	8,006.25	13,500.00	59.31
6001. Education/Professional Development	407.25	7,301.40	10,500.00	69.54
6012. Legal Notice	0.00	0.00	2,250.00	0.00
6013. Special Counsel	5,701.62	28,211.90	43,750.00	64.48
6014. Legal Engineering	0.00	6,939.20	30,250.00	22.94
6015. Legal/Litigation / Adr	0.00	0.00	0.00	0.00
6016. Miscellaneous Legal/Materials	2,153.30	20,301.96	18,750.00	108.28
6017. Legal Contingency	0.00	0.00	15,000.00	0.00
6018. Legal Assistance To Others	0.00	0.00	0.00	0.00
6020. Washington Counsel/Lobbyist	1,125.00	10,125.00	13,500.00	75.00
6021. Colorado Lobbyist	1,375.00	12,375.00	18,000.00	68.75
6022. Education Assistance To Others	0.00	6,975.00	9,000.00	77.50
6023. External Affairs -C	0.00	0.00	1,000.00	0.00
6024. Education Programs	10,354.15	48,954.78	133,040.00	36.80
6025. Water Policy Survey	0.00	22,125.00	22,125.00	100.00
6026. Education Supplies	1,828.58	1,828.58	5,625.00	32.51
6100. Projects & Grants	0.00	0.00	0.00	0.00
6102. Consultant	0.00	0.00	0.00	0.00
6103. Accounting Consultant	0.00	2,716.88	4,500.00	60.38
6104. Audit	0.00	14,175.00	14,175.00	100.00
6105. Investment/Banking Services	238.69	465.79	450.00	103.51
6110. Admin Services/Expenses-C	301.68	1,468.66	6,000.00	24.48
6150. Assessments	5,195.67	55,118.18	71,200.67	77.41
6200. Postage	16.01	81.88	300.00	27.29
6201. Office Supplies	600.62	5,578.89	9,000.00	61.99
6202. Telephone	1,720.24	15,247.78	24,000.00	63.53
6203. Printing	0.00	0.00	0.00	0.00
6204. Insurance	0.00	21,340.05	21,340.00	100.00
6205. Records	(11.25)	123.75	300.00	41.25
6210. Lease Equipment	606.59	6,497.18	9,000.00	72.19
6211. Equipment Repairs	0.00	0.00	0.00	0.00
6301. Subscriptions	209.52	1,396.73	2,700.00	51.73
6302. Dues / Memberships	0.00	14,629.50	20,400.00	71.71

Income Statement

Colorado River Water Conservation District

For 9/30/2019

Unaudited

Page: 2

	M-T-D	Y-T-D	Annual	YTD %
General Fund	Actual \$	Actual \$	Budget \$	Budget
6310. Computer Licenses/Software & Services	4,295.25	39,480.16	51,000.00	77.41
6320. Small Office Equipment	0.00	24.37	450.00	5.42
6340. Vehicle Maintenance	852.28	8,057.48	15,000.00	53.72
6500. Bldg Construction/Remodel	0.00	0.00	0.00	0.00
6600. Bad Debt Expense	0.00	0.00	0.00	0.00
6601. Technical Contingency	0.00	0.00	10,000.00	0.00
6605. Water Quality/Selenium Coord.	8.00	55.70	100.00	55.70
6606. Colorado Watershed Management	996.67	19,512.90	25,000.00	78.05
6607. Interstate Watershed Management	0.00	30,000.00	50,000.00	60.00
6608. Division 4 Work Plan	0.00	6,377.00	6,377.00	100.00
6609. Division 5 Work Plan	0.00	27,489.86	40,000.00	68.72
6610. Division 6 Work Plan	0.00	15,000.00	15,000.00	100.00
6611. ESA/Recovery	0.00	13,496.00	13,496.00	100.00
6612. Colorado River Contingency	0.00	0.00	0.00	0.00
7001. USGS Gaging	60,280.83	217,010.64	300,491.00	72.22
7120. Tabor Contingency	0.00	0.00	120,805.57	0.00
8900. Excess Fund Transfer	0.00	0.00	200,000.00	0.00
Total Expenses	<u>308,028.78</u>	<u>2,730,027.12</u>	<u>4,347,658.04</u>	<u>62.79</u>
Excess Revenue Over (Under) Expenditures	<u>(255,073.80)</u>	<u>1,638,234.88</u>	<u>71,218.35</u>	<u>2,300.30</u>

Balance Sheet

Colorado River Water Conservation District **Unaudited**

For 10/31/2019

	This Year	Last Year	Change
01 General Fund			
Assets			
01-00-1000.000 Cash Box - General	437.66	290.77	146.89
01-00-1001.000 Cash In Bank - BoC - Checking	2,701,982.06	1,617,003.19	1,084,978.87
01-00-1002.000 Cash In Bank - Petty Cash	2,576.97	620.78	1,956.19
01-00-1008.000 EFT Clearing Account	0.00	0.00	0.00
01-00-1009.000 Undeposited Funds	36,951.89	45,327.96	(8,376.07)
01-00-1010.000 Wells Fargo /Colotrust -0100	0.00	0.00	0.00
01-00-1015.000 General ColoTrust Prime	437,522.56	428,049.69	9,472.87
01-00-1016.000 General ColoTrust Plus	524,907.45	512,338.17	12,569.28
01-00-1020.000 Investments-All	0.00	0.00	0.00
01-00-1021.000 Allow. For Investments+-	0.00	0.00	0.00
01-00-1022.000 Accum Amortization Investments	0.00	0.00	0.00
01-00-1023.000 Accrued Interest	0.00	0.00	0.00
01-00-1200.000 Accounts Receivable	2,950.90	194.90	2,756.00
01-00-1201.000 Accounts Receivable - Spec.	0.00	0.00	0.00
01-00-1205.000 Housing Notes Receivable	213,103.38	321,303.51	(108,200.13)
01-00-1206.000 Deferred Revenue	(9,756.70)	(11,810.77)	2,054.07
01-00-1207.000 457 Loans Receivable	0.00	0.00	0.00
01-00-1210.000 Property Tax Receivables	4,298,006.00	4,226,504.00	71,502.00
01-00-1225.000 Allowance Housing Forgiveness	(129,277.00)	(156,023.00)	26,746.00
01-00-1300.000 Prepaid Expenses	0.00	0.00	0.00
01-00-1505.000 Office Equipment	0.00	0.00	0.00
01-00-1599.000 Assets in Fixed Assets Fund	0.00	0.00	0.00
01-02-1990.000 Internal Balances	0.00	6,363.64	(6,363.64)
01-03-1990.000 Internal Balances	0.00	0.00	0.00
01-04-1990.000 Internal Balances	(306.13)	121,339.02	(121,645.15)
01-05-1990.000 Internal Balances	0.00	0.00	0.00
01-06-1990.000 Internal Balances	0.00	0.00	0.00
01-07-1990.000 Internal Balances	0.00	1,482.15	(1,482.15)
Total Assets	8,079,099.04	7,112,984.01	966,115.03
Liabilities and Net Assets			
01-00-2000.000 Accounts Payable	37,304.63	24,801.19	12,503.44
01-00-2001.000 Encumbrance Payable	0.00	0.00	0.00
01-00-2010.000 Wages Payable	0.00	0.00	0.00
01-00-2011.000 FICA/Mdcr Payable	(0.01)	0.00	(0.01)
01-00-2012.000 Fwt Payable	0.00	(0.01)	0.01
01-00-2013.000 Cwt Payable	0.00	0.00	0.00
01-00-2014.000 Sui Payable	612.88	648.41	(35.53)
01-00-2015.000 Disability Insurance	0.00	0.00	0.00
01-00-2016.000 Deferred Compension Payable	0.00	(198.61)	198.61
01-00-2017.000 HSA	0.00	0.00	0.00
01-00-2018.000 Health Insurance Premium Payable	0.08	(226.56)	226.64
01-00-2019.000 RHS -Payable	(2,148.35)	0.08	(2,148.43)
01-00-2020.000 Voluntary Life Payable	(518.55)	(476.15)	(42.40)
01-00-2021.000 Accrued Vacation Payable	0.00	0.00	0.00
01-00-2022.000 Accrued Vacation/Comp	0.00	0.00	0.00
01-00-2023.000 Cafeteria Plan - MSA Payable	622.44	(3,790.11)	4,412.55
01-00-2024.000 Cafeteria Plan - DCAP Payable	466.64	6,249.87	(5,783.23)
01-00-2025.000 457 Loan Payable	0.00	198.60	(198.60)
01-00-2026.000 Roth Payable	0.00	(0.33)	0.33
01-00-2040.000 24hourFlex Min Maint Bal	(1,500.00)	(1,500.00)	0.00
01-00-2200.000 Deferred Property Tax Revenue	4,298,006.00	4,226,504.00	71,502.00
01-00-2999.000 Excess Funds Transfer to CPO	0.00	0.00	0.00
Total Liabilities	4,332,845.76	4,252,210.38	80,635.38
01-00-3000.000 Tabor Emergency Reserve	133,418.00	131,680.00	1,738.00
01-00-3010.000 Unappropriated Fund Balance	2,183,902.12	1,753,111.43	430,790.69
Change in Net Assets	1,428,933.16	975,982.20	452,950.96
Total Liabilities and Net Assets	8,079,099.04	7,112,984.01	966,115.03

FOR INTERNAL USE ONLY

Income Statement

Colorado River Water Conservation District

For 10/31/2019

Unaudited

Page: 1

General Fund	M-T-D Actual \$	Y-T-D Actual \$	Annual Budget \$	YTD % Budget
Revenues				
4000. County Taxes	12,283.89	4,250,905.01	4,236,899.35	100.33
4001. SO And Other Tax	25,975.32	293,377.39	335,200.05	87.52
4002. Delinquent Taxes (general)	(2,948.32)	4,831.94	6,528.05	74.02
4010. Property Tax Interest	(400.46)	6,293.14	8,488.94	74.13
4020. Tax Increment Financing	(35.69)	(17,999.25)	(19,500.00)	92.30
4025. Tax Abatements/Credits	2,567.51	(11,631.19)	(17,810.00)	65.31
4030. County Treasurers Fees	(490.36)	(151,514.06)	(166,430.00)	91.04
4110. Investment Interest	2,350.46	24,325.66	28,000.00	86.88
4120. Miscellaneous Income	0.00	8,975.71	7,500.00	119.68
4130. Management Fee	0.00	0.00	0.00	0.00
4401. Cost of Goods Sold	0.00	0.00	0.00	0.00
Total Revenues	39,302.35	4,407,564.35	4,418,876.39	99.74
Expenses				
5000. Contingency Salaries	0.00	0.00	0.00	0.00
5001. Salaries	142,752.11	1,502,828.79	2,008,856.50	74.81
5010. Accrued Vacation	0.00	0.00	0.00	0.00
5011. Fica/Medicare	8,520.50	106,064.09	140,339.01	75.58
5014. Unemployment	404.62	4,301.89	6,064.99	70.93
5016. Workers Compensation Insurance	0.00	4,636.86	4,800.18	96.60
5115. Disability Insurance	881.15	9,174.84	12,061.23	76.07
5118. Health Insurance	29,466.72	310,377.58	382,540.89	81.14
5120. Cafeteria Plan-Employer	0.00	0.00	0.00	0.00
5121. Cafeteria Plan-Administration	52.50	521.25	0.00	0.00
5122. Retirement - 457 Matching	178.97	12,585.88	15,600.00	80.68
5123. Retirement - Employer	13,854.35	148,807.06	194,633.00	76.46
5124. Retirement - Administration	0.00	2,812.50	3,750.00	75.00
5125. RHS- Employer Contribution	0.01	24,572.32	39,150.00	62.76
5211. Employee Housing	0.00	1,125.00	1,125.00	100.00
5212. Education Assistance	0.00	1,368.75	1,500.00	91.25
5220. Overhead-C	0.00	0.00	3,750.00	0.00
5310. Travel	6,233.35	85,634.58	125,000.00	68.51
5311. Staff Registration	1,582.50	22,632.68	27,250.00	83.06
5312. Meeting Expense	819.32	8,840.70	13,862.00	63.78
6000. Directors Fees	0.00	8,006.25	13,500.00	59.31
6001. Education/Professional Development	0.00	7,301.40	10,500.00	69.54
6012. Legal Notice	259.67	259.67	2,250.00	11.54
6013. Special Counsel	5,402.03	33,613.93	43,750.00	76.83
6014. Legal Engineering	0.00	6,939.20	30,250.00	22.94
6015. Legal/Litigation / Adr	0.00	0.00	0.00	0.00
6016. Miscellaneous Legal/Materials	1,715.48	22,017.44	18,750.00	117.43
6017. Legal Contingency	0.00	0.00	15,000.00	0.00
6018. Legal Assistance To Others	0.00	0.00	0.00	0.00
6020. Washington Counsel/Lobbyist	1,125.00	11,250.00	13,500.00	83.33
6021. Colorado Lobbyist	1,375.00	13,750.00	18,000.00	76.39
6022. Education Assistance To Others	498.75	7,473.75	9,000.00	83.04
6023. External Affairs -C	0.00	0.00	1,000.00	0.00
6024. Education Programs	576.53	49,531.31	133,040.00	37.23
6025. Water Policy Survey	0.00	22,125.00	22,125.00	100.00
6026. Education Supplies	2,719.31	4,547.89	5,625.00	80.85
6100. Projects & Grants	0.00	0.00	0.00	0.00
6102. Consultant	0.00	0.00	0.00	0.00
6103. Accounting Consultant	590.63	3,307.51	4,500.00	73.50
6104. Audit	0.00	14,175.00	14,175.00	100.00
6105. Investment/Banking Services	16.69	482.48	450.00	107.22
6110. Admin Services/Expenses-C	2,278.16	3,746.82	6,000.00	62.45
6150. Assessments	5,195.67	60,313.85	71,200.67	84.71
6200. Postage	159.11	240.99	300.00	80.33
6201. Office Supplies	439.82	6,018.71	9,000.00	66.87
6202. Telephone	1,608.08	16,855.86	24,000.00	70.23
6203. Printing	0.00	0.00	0.00	0.00
6204. Insurance	(138.35)	21,201.70	21,340.00	99.35
6205. Records	22.50	146.25	300.00	48.75
6210. Lease Equipment	487.38	6,984.56	9,000.00	77.61
6211. Equipment Repairs	0.00	0.00	0.00	0.00
6301. Subscriptions	156.75	1,553.48	2,700.00	57.54
6302. Dues / Memberships	56.25	14,685.75	20,400.00	71.99

Income Statement

Colorado River Water Conservation District

For 10/31/2019

Unaudited

Page: 2

	M-T-D	Y-T-D	Annual	YTD %
	Actual \$	Actual \$	Budget \$	Budget
General Fund				
6310. Computer Licenses/Software & Services	6,498.68	45,978.84	51,000.00	90.15
6320. Small Office Equipment	88.61	112.98	450.00	25.11
6340. Vehicle Maintenance	2,311.55	10,369.03	15,000.00	69.13
6500. Bldg Construction/Remodel	0.00	0.00	0.00	0.00
6600. Bad Debt Expense	0.00	0.00	0.00	0.00
6601. Technical Contingency	0.00	0.00	10,000.00	0.00
6605. Water Quality/Selenium Coord.	2,992.00	3,047.70	100.00	3,047.70
6606. Colorado Watershed Management	783.75	20,296.65	25,000.00	81.19
6607. Interstate Watershed Management	0.00	30,000.00	50,000.00	60.00
6608. Division 4 Work Plan	0.00	6,377.00	6,377.00	100.00
6609. Division 5 Work Plan	6,638.92	34,128.78	40,000.00	85.32
6610. Division 6 Work Plan	0.00	15,000.00	15,000.00	100.00
6611. ESA/Recovery	0.00	13,496.00	13,496.00	100.00
6612. Colorado River Contingency	0.00	0.00	0.00	0.00
7001. USGS Gaging	0.00	217,010.64	300,491.00	72.22
7120. Tabor Contingency	0.00	0.00	120,805.57	0.00
8900. Excess Fund Transfer	0.00	0.00	200,000.00	0.00
Total Expenses	<u>248,604.07</u>	<u>2,978,631.19</u>	<u>4,347,658.04</u>	<u>68.51</u>
Excess Revenue Over (Under) Expenditures	<u>(209,301.72)</u>	<u>1,428,933.16</u>	<u>71,218.35</u>	<u>2,006.41</u>

Colorado River Water Conservation District

Check Register from 9/01/2019 to 10/31/2019

1 GEN - BOC

Check/EFT	Date	Vendor / Description	Check / Payment
Report Criteria... 1/10/2020 @ 3:57 PM			
Form:	Check Register - Check Register		
Sort by	ActivityDate		
activity dates:	From: 9/01/2019 To: 10/31/2019		
EFT0156	9/03/2019	[24HOURFLEX] 24HOURFLEX LDP	30.00
EFT5244373	9/03/2019	[WSHCG] WESTERN SLOPE Sep premium	37,601.26
EFTf9945b0	9/03/2019	[CAUSEYH] HUNTER J CAUSEY 7/31-8/22	452.20
0997829	9/04/2019	[CANON] CANON FINANCIAL	266.19
0997830	9/04/2019	[CWC] COLORADO WATER HC	45.00
0997831	9/04/2019	[FILEFIND] FILE FINDERS LTD	45.00
0997832	9/04/2019	[GBERRY] GBERRY CORP September services	833.33
0997833	9/04/2019	[IMAGENET] IMAGENET	413.14
0997834	9/04/2019	[KDNK] CARBONDALE COMMUNITY 2019 Business Challenge Match	250.00
0997835	9/04/2019	[METLIFE] METLIFE - GROUP September 2019	4,572.01
0997836	9/04/2019	[QUILL] QUILL desk calendar	462.99
0997837	9/04/2019	[RICOH] RICOH USA, INC	369.31
0997838	9/04/2019	[SAW] SAW ADVERTISING AGENCY Seminar advertising	7,175.00
0997839	9/04/2019	[TWORIV] TWO RIVERS PARK	6,927.56
0997840	9/04/2019	[VERIZON] VERIZON WIRELESS Kobe - 60.01	1,255.05
EFT6314b89	9/05/2019	[TREESEC] CHRISTOPHER J 8/6-8/30	3,598.92
EFT8474744	9/05/2019	[CHAVEZS] SONJA CHAVEZ 8/15-8/30	495.84
EFTaf44376a	9/09/2019	[EYTELM] MICHAEL A EYTEL 8/20-8/29	632.62
EFT0156	9/10/2019	[24HOURFLEX] 24HOURFLEX SC	79.99
0997841	9/11/2019	[ASPENRADIO] ASPEN PUBLIC Ski and river report	748.00
0997842	9/11/2019	[BISHOP] BISHOP-BROGDEN	206.25
0997843	9/11/2019	[CONFLUENCE] CONFLUENCE 7/26-8/31	808.09
0997844	9/11/2019	[FUSEMEDIA] FUSEMEDIA LLC 50% deposit	1,500.00
0997845	9/11/2019	[CURRAN] LURLINE U CURRAN 8/1-8/31	939.08
0997846	9/11/2019	[VGA] VOTOUPAL GOVERNMENTAL August	1,000.00
0997847	9/11/2019	[WECO] WATER EDUCATION 2019 Fall Headwaters Magazine	1,000.00
0997848	9/11/2019	[WTR STRAT] WATER STRATEGIES August	1,500.00
0997849	9/11/2019	[HVZ] HVZ DESIGN Design work 7/1-8/6	2,130.75
EFT091219	9/12/2019	[24HOURFLEX] 24HOURFLEX	70.00
0997858	9/16/2019	[WESTPU] THOMSON REUTERS-	1,336.51
EFT0156	9/17/2019	[24HOURFLEX] 24HOURFLEX SC	9.52
EFT1734244	9/17/2019	[MUELLERA] ANDREW A MUELLER 8/16-9/13	889.14
EFT2aa4f4d	9/17/2019	[TREESEC] CHRISTOPHER J 9/2-9/12	700.75
eft6162920	9/17/2019	[CITRIX] LOGMEIN USA, INC.	311.00
0997859	9/18/2019	[UMB] UMB WMR - \$2,011.57 (\$1500 Patrol	2,755.04
0997857	9/18/2019	[SANDYS] SANDY'S OFFICE	100.94
0997855	9/18/2019	[PITSTP] THE PIT STOP #2 express detail, #3 car wash	133.15
0997854	9/18/2019	[LEXISBENDER] MATTHEW Legal materials	1,449.55
0997856	9/18/2019	[RICOH] RICOH USA, INC	11.61
0997852	9/18/2019	[MERRITTD] DAVID H MERRITT CWC CONVENTION 8/20-8/22	766.29
0997851	9/18/2019	[GWS-CBN] CITY OF GLENWOOD	75.00
0997850	9/18/2019	[ALPINE] ALPINE TECHNOLOGIES, Non contract hours - 5.25, Int	4,042.30

Colorado River Water Conservation District

Check Register from 9/01/2019 to 10/31/2019

1 GEN - BOC

Check/EFT	Date	Vendor / Description	Check / Payment
0997889	10/09/2019	[VGA] VOTOUPAL GOVERNMENTAL September	1,000.00
0997888	10/09/2019	[GRAYT] TOM R GRAY SEMINAR/CRWCD BUDGET	197.85
0997887	10/09/2019	[ALVEYT] THOMAS M ALVEY CRWCD BUDGET WORKSHOP	73.08
0997886	10/09/2019	[SANDYS] SANDY'S OFFICE	206.49
0997885	10/09/2019	[KUHN] RICHARD E KUHN 2019 Seminar Speaker - mileage	106.72
0997890	10/09/2019	[WTR STRAT] WATER STRATEGIES September	1,500.00
0997883	10/09/2019	[RITSCHARDM] MICHAEL D SEMINAR/CRWCD BUDGET	206.48
0997882	10/09/2019	[WHITMOREM] MARTHA P SEMINAR/CRWCD BUDGET	93.38
0997881	10/09/2019	[STIEGELMEIERK] KARN SEMINAR/CRWCD BUDGET	215.76
0997880	10/09/2019	[FILEFIND] FILE FINDERS LTD	45.00
0997879	10/09/2019	[MERRITTD] DAVID H MERRITT SEMINAR/CRWCD BUDGET	555.56
0997878	10/09/2019	[GWS-CBN] CITY OF GLENWOOD	75.00
0997877	10/09/2019	[BISHOP] BISHOP-BROGDEN	996.67
0997876	10/09/2019	[ASPENRADIO] ASPEN PUBLIC River Report	340.00
0997884	10/09/2019	[NELCO] NELCO 2019 W2/1099	72.44
EFT7a0419b	10/11/2019	[EYTELM] MICHAEL A EYTEL 9/18-9/24	573.64
EFTe0849ed	10/11/2019	[POKRANDTJ] JAMES E POKRANDT 7/26-10/3	1,896.08
EFT101519	10/15/2019	[24HOURFLEX] 24HOURFLEX	70.00
EFT0156	10/15/2019	[24HOURFLEX] 24HOURFLEX SC	30.00
EFT2e94042	10/16/2019	[DEPAOLOL] LAURIE J DePAOLO 10/14/19	74.02
EFT5385904	10/16/2019	[CITRIX] LOGMEIN USA, INC.	312.50
EFTa344ff88	10/16/2019	[FREDERICKA] ALESHA L 9/17-9/27	94.85
EFTbf34533	10/16/2019	[POKRANDTJ] JAMES E POKRANDT 8/15/19	68.44
0997906	10/17/2019	[UMB] UMB WMR - \$266.63	844.64
0997905	10/17/2019	[RIVERIA] RIVERSIDE IMPORT #2 oil change, #3 oil change,	392.91
0997904	10/17/2019	[RICOH] RICOH USA, INC	24.35
0997902	10/17/2019	[SPYKERM] MEREDITH M SPYKER June Voluntary Life Refund	17.82
0997901	10/17/2019	[LEXISBENDER] MATTHEW 2019-2020 CO Evid Courtroom Ma	256.27
0997900	10/17/2019	[CURRAN] LURLINE U CURRAN 9/1-9/30	941.84
0997899	10/17/2019	[LBD] LEARNING BY DOING, INC. 2019 Monitoring program	2,984.00
0997903	10/17/2019	[QUILL] QUILL Pens, sugar, bowls	32.59
0997897	10/17/2019	[HVZ] HVZ DESIGN Design work from 8/7-9/26	723.75
0997896	10/17/2019	[MRP] GLOBAL RETIREMENT 7/1-9/30	1,250.00
0997895	10/17/2019	[CA14032] DIETZE & DAVIS, PC CRCA	4,182.50
0997894	10/17/2019	[CMU] COLORADO MESA Seminar room rental, food and	8,757.65
0997893	10/17/2019	[CO INTER] COLORADO WD6-19CW	37.00
0997892	10/17/2019	[ALPINE] ALPINE TECHNOLOGIES, Non contract hours - 22 (Offic	5,640.00
0997898	10/17/2019	[KARP] KARP, NEU, HANLON, P.C. Personnel matters	423.00
EFT0156	10/22/2019	[24HOURFLEX] 24HOURFLEX SC	30.00
EFT0156	10/22/2019	[24HOURFLEX] 24HOURFLEX SC	29.01
0997910	10/23/2019	[WESTPU] THOMSON REUTERS-	1,656.93
0997909	10/23/2019	[QUILL] QUILL Easel x2	76.46
0997907	10/23/2019	[FAMILYA] FAMILY FARM ALLIANCE Upper Colorado River Basin "Wa	500.00
0997908	10/23/2019	[KARP] KARP, NEU, HANLON, P.C. Personnel Matter	429.47
EFT	10/24/2019	Pay period ending 10/14/2019	136,061.90
eft11288915	10/24/2019	[ICMA457] ICMA - 457 (Oct PR)	20,286.07
eft11289878	10/24/2019	[ICMAIRA] ICMA - ROTH IRA (Oct	1,650.00

Colorado River Water Conservation District

Check Register from 9/01/2019 to 10/31/2019

1 GEN - BOC

Check/EFT	Date	Vendor / Description	Check / Payment
eft11290910	10/24/2019	[ICMARHS] ICMA - RHS (Oct PR)	3,965.28
eft11291875	10/24/2019	[ICMA401] ICMA (Oct PR)	21,116.05
eft62441975	10/24/2019	[IRS] INTERNAL REVENUE	51,695.53
eft7904252	10/24/2019	[CODEPREV] COLORADO DEPT OF	7,544.06
eft9d94670a	10/24/2019	[USBANKHSA] US BANK (Oct PR)	8,213.70
EFT1703326	10/25/2019	[VISA] VISA-PINNACLE BANK OF ORDER FOR KWA PUMP PLANT	10,947.56
EFT1703326	10/25/2019	[VISA] VISA-PINNACLE BANK OF	313.78
EFT1703326	10/25/2019	[VISA] VISA-PINNACLE BANK OF CRCA - \$53.96	1,512.76
EFT0524683	10/25/2019	[KANZERD] DAVID A KANZER 8/15-8/22	729.69
EFT0156	10/25/2019	[24HOURFLEX] 24HOURFLEX ME	416.67
EFT102519	10/25/2019	[VISA] VISA-PINNACLE BANK OF RESCORE TRIPOD	10,191.94
EFT73048db	10/28/2019	[WILSONL] LUCI L WILSON 10/20-10/23	647.55
eft7945488	10/28/2019	[CITRIX] LOGMEIN USA, INC. GoTo Webinar	1,200.00
eft14347607	10/29/2019	[CENLINK] CENTURYLINK	647.14
eftb7743f3a4	10/29/2019	[PHILIPSI] IAN PHILIPS 10/20 - 10/23 Exp Rpt	567.78
0997924	10/30/2019	[VERIZON] VERIZON WIRELESS 9/16-10/15..Kobe \$60.01	1,254.35
0997911	10/30/2019	[BONFIRE] BONFIRE COFFEE 5 lbs garage blend..5 lbs moch	134.16
0997912	10/30/2019	[MONGERD] DOUGLAS B. MONGER FOURTH QUARTERLY MEETING	145.00
0997913	10/30/2019	[STIEGELMEIERK] KARN FOURTH QUARTERLY MEETING	105.56
0997914	10/30/2019	[CHANDLERHENRYK] KATHY FOURTH QUARTERLY MEETING	69.60
0997915	10/30/2019	[WHITMOREM] MARTHA P FOURTH QUARTERLY MEETING	187.92
0997916	10/30/2019	[METLIFE] METLIFE - GROUP	4,358.48
0997917	10/30/2019	[RITSCHARDM] MICHAEL D FOURTH QUARTERLY MEETING	110.20
0997918	10/30/2019	[HAZARDR] REBIE S HAZARD FOURTH QUARTERLY MEETING	175.16
0997920	10/30/2019	[WHINNERYS] STANLEY W FOURTH QUARTERLY MEETING	203.00
0997921	10/30/2019	[ACQUAFRESCAS] STEVEN J FOURTH QUARTERLY MEETING	104.40
0997922	10/30/2019	[GRAYT] TOM R GRAY FOURTH QUARTERLY MEETING	148.48
0997923	10/30/2019	[TWRIV] TWO RIVERS PARK November	6,927.56
0997925	10/30/2019	[TRAMPEW] WILLIAM S TRAMPE FOURTH QUARTERLY MEETING	60.90
Total Checks:			832,931.39

GO BACK

COLORADO RIVER WATER CONSERVATION DISTRICT

TREASURER'S REPORT
CAPITAL PROJECTS FUND

September 30, 2019

CASH AND EQUIVALENTS AS OF: 08/31/19

BOC-GLENWOOD - CHECKING	\$761,955.40
COLOTRUST PRIME	\$82,529.03
COLOTRUST PLUS	\$2,092,187.86
PEAKS	\$21,242.46
INVESTMENTS	<u>\$1,000,000.00</u>

TOTAL \$3,957,914.75

DEPOSITS:

BOC-GLENWOOD - CHECKING	44,516.68
COLOTRUST PRIME	136.99
COLOTRUST PLUS	3,760.48
PEAKS	<u>41.90</u>

TOTAL 48,456.05

DISBURSEMENTS:

BOC-GLENWOOD - CHECKING	0.00
COLOTRUST PRIME	0.00
COLOTRUST PLUS	0.00
PEAKS	<u>0.00</u>

TOTAL 0.00

INVESTMENTS:

NET INCREASE/[DECREASE]	<u>0.00</u>
-------------------------	-------------

TOTAL 0.00

CASH AND EQUIVALENTS AS OF: 09/30/19

\$4,006,370.80

SUMMARY:

BOC-GLENWOOD - CHECKING	\$806,472.08
COLOTRUST PRIME	82,666.02
COLOTRUST PLUS	2,095,948.34
PEAKS	21,284.36
INVESTMENTS	<u>1,000,000.00</u>

SUMMARY TOTAL AS OF: 09/30/19 \$4,006,370.80

Signature

Date

ROGER D. MAGGARD, TREASURER
COLORADO RIVER WATER
CONSERVATION DISTRICT

COLORADO RIVER WATER CONSERVATION DISTRICT

TREASURER'S REPORT
ANALYSIS OF INVESTMENTS
CAPITAL PROJECTS FUND

September 30, 2019

	BALANCE 08/31/19	ADDITIONS (PURCHASED)	DELETIONS (MATURED)	BALANCE 09/30/19
TREASURIES & DISCOUNT AGENCIES				
FHLB #31308Q30	\$1,000,000.00			1,000,000.00
TOTAL INVESTMENTS	<u>\$1,000,000.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$1,000,000.00</u>

SUMMARY:

Additions	0.00
Deletions	<u>\$0.00</u>
NET INCREASE/(DECREASE)	<u>\$0.00</u>

COLORADO RIVER WATER CONSERVATION DISTRICT

**TREASURER'S REPORT
CAPITAL PROJECTS FUND**

October 31, 2019

CASH AND EQUIVALENTS AS OF: **09/30/19**

BOC-GLENWOOD - CHECKING	\$806,472.08	
COLOTRUST PRIME	\$82,666.02	
COLOTRUST PLUS	\$2,095,948.34	
PEAKS	\$21,284.36	
INVESTMENTS	<u>\$1,000,000.00</u>	
 TOTAL		 \$4,006,370.80

DEPOSITS:

BOC-GLENWOOD - CHECKING	150.62	
COLOTRUST PRIME	126.67	
COLOTRUST PLUS	3,681.57	
PEAKS	<u>96.94</u>	
 TOTAL		 4,055.80

DISBURSEMENTS:

BOC-GLENWOOD - CHECKING	15,925.88	
COLOTRUST PRIME	0.00	
COLOTRUST PLUS	0.00	
PEAKS	<u>0.00</u>	
 TOTAL		 15,925.88

INVESTMENTS:

NET INCREASE/[DECREASE]	<u>0.00</u>	
 TOTAL		 <u><u>0.00</u></u>

CASH AND EQUIVALENTS AS OF:	10/31/19	<u><u>\$3,994,500.72</u></u>
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SUMMARY:

BOC-GLENWOOD - CHECKING	\$790,696.82
COLOTRUST PRIME	82,792.69
COLOTRUST PLUS	2,099,629.91
PEAKS	21,381.30
INVESTMENTS	<u>1,000,000.00</u>

SUMMARY TOTAL AS OF:	10/31/19	<u><u>\$3,994,500.72</u></u>
-----------------------------	-----------------	-------------------------------------

Signature

Date

ROGER D. MAGGARD, TREASURER
COLORADO RIVER WATER
CONSERVATION DISTRICT

COLORADO RIVER WATER CONSERVATION DISTRICT

TREASURER'S REPORT
ANALYSIS OF INVESTMENTS
CAPITAL PROJECTS FUND

October 31, 2019

	BALANCE 09/30/19	ADDITIONS (PURCHASED)	DELETIONS (MATURED)	BALANCE 10/31/19
TREASURIES & DISCOUNT AGENCIES				
FHLB #31308Q30	\$1,000,000.00			1,000,000.00
TOTAL INVESTMENTS	<u>\$1,000,000.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$1,000,000.00</u>

SUMMARY:

Additions	0.00
Deletions	<u>\$0.00</u>
NET INCREASE/(DECREASE)	<u>\$0.00</u>

Balance Sheet
Colorado River Water Conservation District
For 9/30/2019

Unaudited Page: 1

	This Year	Last Year	Change
02 Capital Project Fund			
Assets			
02-00-1001.000 Capital Project -BoC	806,472.08	981,234.52	(174,762.44)
02-00-1002.000 Peaks - CPO	21,284.36	49,629.86	(28,345.50)
02-00-1009.000 Undeposit Funds	0.00	0.00	0.00
02-00-1010.000 Wells Fargo /Colotrust -0100	0.00	0.00	0.00
02-00-1011.000 CSAFE - 5604 - Omid	0.00	0.00	0.00
02-00-1015.000 Capital ColoTrust Prime	82,666.02	80,861.44	1,804.58
02-00-1016.000 Capital ColoTrust Plus	2,095,948.34	2,045,326.01	50,622.33
02-00-1020.000 Investments-All	1,000,000.00	1,000,000.00	0.00
02-00-1021.000 Allowance For Investments	(47,390.00)	(41,190.00)	(6,200.00)
02-00-1022.000 Accum. Amortization	0.00	0.00	0.00
02-00-1023.000 Accrued Interest	9,405.00	9,405.00	0.00
02-00-1200.000 Accounts Receivable	0.00	0.00	0.00
02-00-1300.000 Prepaid Expenses	0.00	0.00	0.00
02-00-1599.000 Assets	0.00	0.00	0.00
02-00-1999.000 Excess Funds Transfer from GEN	0.00	0.00	0.00
02-01-1990.000 Internal Balances	0.00	(8,543.84)	8,543.84
Total Assets	3,968,385.80	4,116,722.99	(148,337.19)
Liabilities and Net Assets			
02-00-2000.000 Accounts Payable	10,000.00	0.00	10,000.00
02-00-2001.000 Encumbrance Payable	0.00	0.00	0.00
Total Liabilities	10,000.00	0.00	10,000.00
02-00-3010.000 Fund Balances	4,039,283.36	4,170,678.79	(131,395.43)
Change in Net Assets	(80,897.56)	(53,955.80)	(26,941.76)
Total Liabilities and Net Assets	3,968,385.80	4,116,722.99	(148,337.19)

FOR INTERNAL USE ONLY

Income Statement
Colorado River Water Conservation District
For 9/30/2019

Unaudited

Page: 1

Capital Project Fund	M-T-D Actual \$	Y-T-D Actual \$	Annual Budget \$	YTD % Budget
Revenues				
4110. Investment Interest	4,082.01	62,071.20	74,750.00	83.04
4120. Miscellaneous Income	0.00	0.00	0.00	0.00
4130. Management Fee	0.00	0.00	0.00	0.00
4201. NEPA Cost Reimbursements	0.00	0.00	0.00	0.00
4900. Excess Funds Transfer	0.00	0.00	200,000.00	0.00
Total Revenues	4,082.01	62,071.20	274,750.00	22.59
Expenses				
5212. Education Assistance	0.00	0.00	0.00	0.00
5312. Meeting Expense	0.00	0.00	0.00	0.00
6013. Special Counsel	0.00	0.00	0.00	0.00
6014. Legal Engineering	0.00	0.00	0.00	0.00
6015. Legal Litigation / Adr	0.00	0.00	0.00	0.00
6016. Miscellaneous Legal/Materials	0.00	0.00	0.00	0.00
6017. Legal Contingency	0.00	0.00	0.00	0.00
6101. Project Assistance	0.00	72,705.35	174,070.00	41.77
6105. Investment/Banking Services	0.00	0.00	0.00	0.00
6201. Office Supplies	0.00	0.00	0.00	0.00
6310. Computers - Licenses/Software & Services	5,265.00	5,804.93	7,500.00	77.40
6500. Bldg Construction/Remodel	0.00	17,565.84	18,750.00	93.68
6501. Office Equipment	0.00	0.00	6,500.00	0.00
6502. Computer Equipment	3,190.53	5,448.88	12,000.00	45.41
6503. Office Reconfiguration	0.00	0.00	0.00	0.00
6600. Bad Debt Expense	0.00	0.00	0.00	0.00
7011. Ruedi Water	0.00	16,532.76	16,533.00	100.00
7108. Contingency Planning Implementation (Water Banking)	0.00	0.00	0.00	0.00
9000. Fleet Vehicle Acquisition	0.00	24,911.00	30,000.00	83.04
Total Expenses	8,455.53	142,968.76	265,353.00	53.88
Excess Revenue Over (Under) Expenditures	(4,373.52)	(80,897.56)	9,397.00	(860.89)

Balance Sheet
Colorado River Water Conservation District
For 10/31/2019

Unaudited

	This Year	Last Year	Change
02 Capital Project Fund			
Assets			
02-00-1001.000 Capital Project -BoC	790,696.82	973,073.86	(182,377.04)
02-00-1002.000 Peaks - CPO	21,381.30	49,702.86	(28,321.56)
02-00-1009.000 Undeposit Funds	0.00	0.00	0.00
02-00-1010.000 Wells Fargo /Colotrust -0100	0.00	0.00	0.00
02-00-1011.000 CSAFE - 5604 - Omid	0.00	0.00	0.00
02-00-1015.000 Capital ColoTrust Prime	82,792.69	81,000.14	1,792.55
02-00-1016.000 Capital ColoTrust Plus	2,099,629.91	2,049,352.74	50,277.17
02-00-1020.000 Investments-All	1,000,000.00	1,000,000.00	0.00
02-00-1021.000 Allowance For Investments	(47,390.00)	(41,190.00)	(6,200.00)
02-00-1022.000 Accum. Amortization	0.00	0.00	0.00
02-00-1023.000 Accrued Interest	9,405.00	9,405.00	0.00
02-00-1200.000 Accounts Receivable	0.00	0.00	0.00
02-00-1300.000 Prepaid Expenses	0.00	0.00	0.00
02-00-1599.000 Assets	0.00	0.00	0.00
02-00-1999.000 Excess Funds Transfer from GEN	0.00	0.00	0.00
02-01-1990.000 Internal Balances	0.00	(6,363.64)	6,363.64
Total Assets	3,956,515.72	4,114,980.96	(158,465.24)
Liabilities and Net Assets			
02-00-2000.000 Accounts Payable	50,000.00	0.00	50,000.00
02-00-2001.000 Encumbrance Payable	0.00	0.00	0.00
Total Liabilities	50,000.00	0.00	50,000.00
02-00-3010.000 Fund Balances	4,039,283.36	4,170,678.79	(131,395.43)
Change in Net Assets	(132,767.64)	(55,697.83)	(77,069.81)
Total Liabilities and Net Assets	3,956,515.72	4,114,980.96	(158,465.24)
FOR INTERNAL USE ONLY			

Income Statement
Colorado River Water Conservation District
For 10/31/2019

Unaudited

Page: 1

Capital Project Fund	M-T-D Actual \$	Y-T-D Actual \$	Annual Budget \$	YTD % Budget
Revenues				
4110. Investment Interest	4,055.80	66,127.00	74,750.00	88.46
4120. Miscellaneous Income	0.00	0.00	0.00	0.00
4130. Management Fee	0.00	0.00	0.00	0.00
4201. NEPA Cost Reimbursements	0.00	0.00	0.00	0.00
4900. Excess Funds Transfer	0.00	0.00	200,000.00	0.00
Total Revenues	4,055.80	66,127.00	274,750.00	24.07
Expenses				
5212. Education Assistance	0.00	0.00	0.00	0.00
5312. Meeting Expense	0.00	0.00	0.00	0.00
6013. Special Counsel	0.00	0.00	0.00	0.00
6014. Legal Engineering	0.00	0.00	0.00	0.00
6015. Legal Litigation / Adr	0.00	0.00	0.00	0.00
6016. Miscellaneous Legal/Materials	0.00	0.00	0.00	0.00
6017. Legal Contingency	0.00	0.00	0.00	0.00
6101. Project Assistance	50,000.00	122,705.35	174,070.00	70.49
6105. Investment/Banking Services	0.00	0.00	0.00	0.00
6201. Office Supplies	0.00	0.00	0.00	0.00
6310. Computers - Licenses/Software & Services	1,517.65	7,322.58	7,500.00	97.63
6500. Bldg Construction/Remodel	0.00	17,565.84	18,750.00	93.68
6501. Office Equipment	0.00	0.00	6,500.00	0.00
6502. Computer Equipment	4,408.23	9,857.11	12,000.00	82.14
6503. Office Reconfiguration	0.00	0.00	0.00	0.00
6600. Bad Debt Expense	0.00	0.00	0.00	0.00
7011. Ruedi Water	0.00	16,532.76	16,533.00	100.00
7108. Contingency Planning Implementation (Water Banking)	0.00	0.00	0.00	0.00
9000. Fleet Vehicle Acquisition	0.00	24,911.00	30,000.00	83.04
Total Expenses	55,925.88	198,894.64	265,353.00	74.95
Excess Revenue Over (Under) Expenditures	(51,870.08)	(132,767.64)	9,397.00	(1,412.87)

Colorado River Water Conservation District

Check Register from 9/01/2019 to 10/31/2019

3 CPO - BOC

Check/EFT	Date	Vendor / Description	Check / Payment
Report Criteria... 1/10/2020 @ 3:58 PM			
Form:	Check Register - Check Register		
Sort by	ActivityDate		
activity dates:	From: 9/01/2019 To: 10/31/2019		
0995086	10/23/2019	[MINNESOTA] MINNESOTA L-75	Final Payment 10,000.00
Total Checks:			10,000.00

GO BACK

COLORADO RIVER WATER CONSERVATION DISTRICT TREASURER'S REPORT ENTERPRISE FUND

September 30, 2019

CASH AND EQUIVALENTS AS OF:

8/31/19

CASH ON HAND	\$200.00	
BANK OF THE WEST-PETTY CASH-2163	\$1,052.96	
BOC-GLENWOOD - CHECKING	\$7,038,982.04	
COLOTRUST PRIME	\$2,890,921.22	
COLOTRUST PLUS	\$3,138,281.76	
CSAFE-5610	\$3,189,392.04	
PEAKS	\$37,446.44	
INVESTMENTS	\$13,687,083.50	
TOTAL		\$29,983,359.96

DEPOSITS:

CASH ON HAND	0.00	
BANK OF THE WEST-PETTY CASH-2163	0.00	
BOC-GLENWOOD - CHECKING	432,982.66	
COLOTRUST PRIME	4,798.61	
COLOTRUST PLUS	5,640.73	
CSAFE-5610	5,808.68	
PEAKS	27,580.14	
TOTAL		476,810.82

DISBURSEMENTS:

CASH ON HAND	0.00	
BANK OF THE WEST-PETTY CASH-2163	840.00	
BOC-GLENWOOD - CHECKING	1,866,498.08	
COLOTRUST PRIME	0.00	
COLOTRUST PLUS	0.00	
CSAFE-5610	0.00	
PEAKS	0.00	
TOTAL		1,867,338.08

INVESTMENTS:

NET INCREASE/(DECREASE)	0.00	
TOTAL		0.00

CASH AND EQUIVALENTS AS OF:

09/30/19

\$28,592,832.70

SUMMARY:

CASH ON HAND	\$200.00
BANK OF THE WEST-PETTY CASH-2163	\$212.96
BOC-GLENWOOD - CHECKING	\$5,605,466.62
COLOTRUST PRIME	\$2,895,719.83
COLOTRUST PLUS	\$3,143,922.49
CSAFE-5610	\$3,195,200.72
PEAKS	\$65,026.58
INVESTMENTS	\$13,687,083.50

SUMMARY TOTAL AS OF:

09/30/19

\$28,592,832.70

Signature

Date

ROGER D. MAGGARD, TREASURER
COLORADO RIVER WATER
CONSERVATION DISTRICT

COLORADO RIVER WATER CONSERVATION DISTRICT

**TREASURER'S REPORT
ANALYSIS OF INVESTMENTS
ENTERPRISE FUND**

September 30, 2019

	BALANCE 8/31/2019	ADDITIONS (PURCHASED)	DELETIONS (MATURED)	BALANCE 9/30/2019
TREASURIES & DISCOUNT AGENCIES				
CCB Utah#20033ASX5	\$245,000.00			\$245,000.00
CapOne #14042ON22	\$245,000.00			\$245,000.00
CapOne #14042REA5	\$245,000.00			\$245,000.00
Discover #254672M39	\$245,000.00			\$245,000.00
Amer. Express #02587DM70	\$245,000.00			\$245,000.00
FHLB #3130A8NRO	\$500,000.00			\$500,000.00
FFCB #3133EFH59	\$500,000.00			\$500,000.00
FFCB #3133EGLFO	\$1,030,000.00			\$1,030,000.00
FNMA #3136G3CL7	\$500,000.00			\$500,000.00
FNMA #3136G3CFO	\$500,000.00			\$500,000.00
FFCB #3133EFF28	\$500,000.00			\$500,000.00
FHLMC #3134G8NK1	\$500,000.00			\$500,000.00
FHLMC Step #3134G8VZ9	\$1,000,000.00			\$1,000,000.00
FNMA #3136G3ZY4	\$999,000.00			\$999,000.00
USTreas #912828T67	\$988,080.00			\$988,080.00
FHLB #310A9PD7	\$500,000.00			\$500,000.00
FNMA #3134G9L70	\$500,000.00			\$500,000.00
FFCB #313EGTN5	\$1,000,000.00			\$1,000,000.00
Goldman Sachs #38148PJK4	\$245,000.00			\$245,000.00
Ally Bank #02006L2J1	\$245,000.00			\$245,000.00
Sallie Mae #795450A21	\$245,000.00			\$245,000.00
Amer. Express FSB #02587CEM8	\$245,000.00			\$245,000.00
Synchrony Bank #87165HRY8	\$135,003.50			\$135,003.50
First Bank Highland #319141JVO	\$110,000.00			\$110,000.00
CitiBank #17312QJ34	\$245,000.00			\$245,000.00
UBS Bank #90348JCW8	\$125,000.00			\$125,000.00
Morgan Stanley #61690UEH9	\$245,000.00			\$245,000.00
Morgan Stanley #61760AVS5	\$245,000.00			\$245,000.00
TIAA #87270BU6	\$245,000.00			\$245,000.00
Morton Community #619165HZ9	\$245,000.00			\$245,000.00
Wells Fargo #949763YH#	\$245,000.00			\$245,000.00
FFCB #3133EKNE2	\$625,000.00			\$625,000.00
TOTAL INVESTMENTS	\$13,687,083.50	\$0.00	\$0.00	\$13,687,083.50

SUMMARY:

Additions	\$0.00
Deletions	0.00
NET INCREASE/(DECREASE)	\$0.00

COLORADO RIVER WATER CONSERVATION DISTRICT
TREASURER'S REPORT
ENTERPRISE FUND

October 31, 2019

CASH AND EQUIVALENTS AS OF:

9/30/19

CASH ON HAND	\$200.00	
BANK OF THE WEST-PETTY CASH-2163	\$212.96	
BOC-GLENWOOD - CHECKING	\$5,605,466.62	
COLOTRUST PRIME	\$2,895,719.83	
COLOTRUST PLUS	\$3,143,922.49	
CSAFE-5610	\$3,195,200.72	
PEAKS	\$65,026.58	
INVESTMENTS	\$13,687,083.50	
TOTAL		\$28,592,832.70

DEPOSITS:

CASH ON HAND	0.00	
BANK OF THE WEST-PETTY CASH-2163	1,000.00	
BOC-GLENWOOD - CHECKING	66,254.12	
COLOTRUST PRIME	4,437.24	
COLOTRUST PLUS	5,522.37	
CSAFE-5610	5,769.40	
PEAKS	1,533,766.69	
TOTAL		1,616,749.82

DISBURSEMENTS:

CASH ON HAND	0.00	
BANK OF THE WEST-PETTY CASH-2163	135.00	
BOC-GLENWOOD - CHECKING	279,570.17	
COLOTRUST PRIME	0.00	
COLOTRUST PLUS	0.00	
CSAFE-5610	0.00	
PEAKS	1,345,372.17	
TOTAL		1,625,077.34

INVESTMENTS:

NET INCREASE/(DECREASE)	(155,000.00)	
TOTAL		(155,000.00)

CASH AND EQUIVALENTS AS OF:

10/31/19

\$28,429,505.18

SUMMARY:

CASH ON HAND	\$200.00
BANK OF THE WEST-PETTY CASH-2163	\$1,077.96
BOC-GLENWOOD - CHECKING	\$5,392,150.57
COLOTRUST PRIME	\$2,900,157.07
COLOTRUST PLUS	\$3,149,444.86
CSAFE-5610	\$3,200,970.12
PEAKS	\$253,421.10
INVESTMENTS	\$13,532,083.50

SUMMARY TOTAL AS OF:

10/31/19

\$28,429,505.18

Signature

Date

ROGER D. MAGGARD, TREASURER
COLORADO RIVER WATER
CONSERVATION DISTRICT

COLORADO RIVER WATER CONSERVATION DISTRICT

**TREASURER'S REPORT
ANALYSIS OF INVESTMENTS
ENTERPRISE FUND**

October 31, 2019

	BALANCE 9/30/2019	ADDITIONS (PURCHASED)	DELETIONS (MATURED)	BALANCE 10/31/2019
TREASURIES & DISCOUNT AGENCIES				
CCB Utah#20033ASX5	\$245,000.00			\$245,000.00
CapOne #14042ON22	\$245,000.00			\$245,000.00
CapOne #14042REA5	\$245,000.00			\$245,000.00
Discover #254672M39	\$245,000.00			\$245,000.00
Amer. Express #02587DM70	\$245,000.00			\$245,000.00
FHLB #3130A8NRO	\$500,000.00		500,000.00	\$0.00
FFCB #3133EFH59	\$500,000.00			\$500,000.00
FFCB #3133EGLFO	\$1,030,000.00			\$1,030,000.00
FNMA #3136G3CL7	\$500,000.00			\$500,000.00
FNMA #3136G3CF0	\$500,000.00			\$500,000.00
FFCB #3133EFF28	\$500,000.00			\$500,000.00
FHLMC #3134G8NK1	\$500,000.00			\$500,000.00
FHLMC Step #3134G8VZ9	\$1,000,000.00		1,000,000.00	\$0.00
FNMA #3136G3ZY4	\$999,000.00			\$999,000.00
USTreas #912828T67	\$988,080.00			\$988,080.00
FHLB #310A9PD7	\$500,000.00			\$500,000.00
FNMA #3134G9L70	\$500,000.00			\$500,000.00
FFCB #313EGTN5	\$1,000,000.00			\$1,000,000.00
Goldman Sachs #38148PJK4	\$245,000.00			\$245,000.00
Ally Bank #02006L2J1	\$245,000.00			\$245,000.00
Sallie Mae #795450A21	\$245,000.00			\$245,000.00
Amer. Express FSB #02587CEM8	\$245,000.00			\$245,000.00
Synchrony Bank #87165HRY8	\$135,003.50			\$135,003.50
First Bank Highland #319141JVO	\$110,000.00			\$110,000.00
CitiBank #17312QJ34	\$245,000.00			\$245,000.00
UBS Bank #90348JCW8	\$125,000.00			\$125,000.00
Morgan Stanley #61690UEH9	\$245,000.00			\$245,000.00
Morgan Stanley #61760AVS5	\$245,000.00			\$245,000.00
TIAA #87270BU6	\$245,000.00			\$245,000.00
Morton Community #619165HZ9	\$245,000.00			\$245,000.00
Wells Fargo #949763YH#	\$245,000.00			\$245,000.00
FFCB #3133EKNE2	\$625,000.00			\$625,000.00
EnerBank #29278TMD9	\$0.00	245,000.00		\$245,000.00
FFCB #3133EK2U9	\$0.00	1,100,000.00		\$1,100,000.00
TOTAL INVESTMENTS	\$13,687,083.50	\$1,345,000.00	\$1,500,000.00	\$12,187,083.50

SUMMARY:

Additions	\$1,345,000.00
Deletions	1,500,000.00
NET INCREASE/(DECREASE)	(\$155,000.00)

Balance Sheet

Colorado River Water Conservation District

For 9/30/2019

Unaudited

	This Year	Last Year	Change
04 Enterprise Fund			
Assets			
04-00-1000.000 Cash Box	200.00	200.00	0.00
04-00-1001.000 Peaks - ENT	65,026.58	15,845.09	49,181.49
04-00-1002.000 Petty Cash	212.96	2,048.12	(1,835.16)
04-00-1003.000 Cash In Bank-BoC -Checking	5,605,466.62	3,908,980.02	1,696,486.60
04-00-1004.000 Alpine Bank	0.00	0.00	0.00
04-00-1009.000 Undeposited Fund	0.00	0.00	0.00
04-00-1010.000 Wells Fargo /Colotrust -0100	0.00	0.00	0.00
04-00-1011.000 CSAFE - 5603 - Elkhead Escrow	0.00	0.00	0.00
04-00-1012.000 Csafe-5601	3,195,200.72	3,119,172.41	76,028.31
04-00-1013.000 Aim-0045	0.00	0.00	0.00
04-00-1014.000 RESTRICTED CWCB/ELKHEAD PAYMENT	0.00	0.00	0.00
04-00-1015.000 Enterprise ColoTrust Prime	2,895,719.83	2,832,506.75	63,213.08
04-00-1016.000 Us Bank Money Market	0.00	0.00	0.00
04-00-1017.000 Enterprise ColoTrust Plus	3,143,922.49	3,067,989.01	75,933.48
04-00-1020.000 Investments-All	13,687,083.50	14,072,083.50	(385,000.00)
04-00-1021.000 Allowance For Investments+-	(343,002.94)	(279,875.21)	(63,127.73)
04-00-1022.000 Accum Amortization Investments	2,856.75	2,609.86	246.89
04-00-1023.000 Accrued Interest	193,569.34	278,928.05	(85,358.71)
04-00-1200.000 Accounts Receivable	108,098.80	171,255.53	(63,156.73)
04-00-1205.000 Housing Notes Receivable	80,784.68	107,290.07	(26,505.39)
04-00-1206.000 Deferred Revenue	(3,252.23)	(3,936.92)	684.69
04-00-1225.000 Allowance Housing Forgiveness	(49,642.66)	(52,007.66)	2,365.00
04-00-1300.000 Prepaid Expenses	0.00	0.00	0.00
04-00-1400.000 ST Invest In Sales-Type Lease	2,761,482.50	2,584,111.51	177,370.99
04-00-1401.000 LT Investment Sales-Type Lease	1,451,027.94	4,212,510.43	(2,761,482.49)
04-00-1500.000 Land	3,091,477.22	3,091,477.22	0.00
04-00-1501.000 Vehicles	237,079.86	237,079.86	0.00
04-00-1502.000 Dam Projects	65,480,581.78	64,845,874.48	634,707.30
04-00-1503.000 Recreation Area	1,151,704.49	1,151,704.49	0.00
04-00-1504.000 Equipment	181,383.34	82,566.34	98,817.00
04-00-1505.000 Reservoir Co Stock	2,589,382.67	2,527,344.30	62,038.37
04-00-1506.000 Computer Equipment	13,166.74	10,750.03	2,416.71
04-00-1507.000 Office Building	1,499,009.77	1,499,009.77	0.00
04-00-1508.000 Software/Upgrade	0.00	0.00	0.00
04-00-1509.000 Equipment/Tools	0.00	0.00	0.00
04-00-1510.000 GWS Office Building	0.00	0.00	0.00
04-00-1511.000 Water Treatment Plant	0.00	0.00	0.00
04-00-1520.000 Construction In Progress	0.00	0.00	0.00
04-00-1599.000 Assets in Fixed Assets Fund	0.00	0.00	0.00
04-00-1601.000 A/D-Vehicles	(181,271.71)	(159,667.13)	(21,604.58)
04-00-1602.000 A/D-Dam Project	(14,244,245.49)	(13,349,350.88)	(894,894.61)
04-00-1603.000 A/D-Recreation Area	(549,388.85)	(513,317.83)	(36,071.02)
04-00-1604.000 A/D-Furniture & Fixtures	(80,958.03)	(77,672.67)	(3,285.36)
04-00-1605.000 A/D-Office Equipment	(9,271.00)	(9,271.00)	0.00
04-00-1606.000 A/D-Computer Equipment	(9,832.07)	(9,073.07)	(759.00)
04-00-1607.000 A/D-Office Building	(307,702.17)	(264,823.01)	(42,879.16)
04-00-1608.000 A/D-Software/Upgrade	0.00	0.00	0.00
04-00-1609.000 A/D-Equipment/Tools	0.00	0.00	0.00
04-00-1610.000 A/D-GWS Office Building	(19,401.00)	(19,401.00)	0.00
04-00-1611.000 A/D-Water Treatment Plant	(13,724.12)	(13,724.12)	0.00
04-00-1620.000 Accumulated Depreciation	(921,910.26)	(921,910.26)	0.00
04-00-1700.000 Reservoir Company Stock	0.00	0.00	0.00
04-00-1800.000 Ruedi Reservoir CA03053 (5000 AF)	2,905,136.00	3,128,608.00	(223,472.00)
04-00-1801.000 Ruedi Reservoir CA00034 (500AF)	104,896.40	119,881.60	(14,985.20)
04-00-1802.000 Ruedi Reservoir CA00036 (700AF)	146,854.96	167,834.24	(20,979.28)
04-00-1803.000 Ruedi Reservoir CA02027 (530AF)	184,830.76	204,286.64	(19,455.88)
04-01-1990.000 Internal Balances	(1,039.59)	(391,818.39)	390,778.80
04-06-1501.001 WMP Vehicles	6.22	6.22	0.00
Total Assets	94,041,520.80	95,376,104.39	(1,334,583.59)
Liabilities and Net Assets			
04-00-2000.000 Accounts Payable	270,026.43	153,500.36	116,526.07
04-00-2001.000 Encumbrance Payable	0.00	0.00	0.00

Balance Sheet

Colorado River Water Conservation District

For 9/30/2019

Unaudited

	This Year	Last Year	Change
04-00-2005.000 Project Faciliation Passthrough	0.00	0.00	0.00
04-00-2011.000 FICA/Mdcr Payable	9,281.93	8,848.09	433.84
04-00-2019.000 RHS -Payable	0.00	0.00	0.00
04-00-2021.000 Accrued Vacation Payable	116,753.86	111,296.70	5,457.16
04-00-2101.000 Note/Contract Payable - Short Term	0.00	0.00	0.00
04-00-2110.000 Deferred Water Revenue	615,831.04	571,339.28	44,491.76
04-00-2120.000 Accrued Interest Payable	0.00	0.00	0.00
04-00-2201.000 N/P Cwcb - Wolford	0.00	0.00	0.00
04-00-2202.000 N/P CWCB - Elkhead	0.00	0.00	0.00
04-00-2203.000 Long Term Ruedi Contracts Payable	0.00	0.00	0.00
Total Liabilities	1,011,893.26	844,984.43	166,908.83
 04-00-3000.000 EXTRAORDINARY MAINTENANCE	 0.00	 0.00	 0.00
04-00-3010.000 Net Position	90,525,876.68	91,524,673.21	(998,796.53)
Change in Net Assets	2,503,750.86	3,006,446.75	(502,695.89)
 Total Liabilities and Net Assets	 94,041,520.80	 95,376,104.39	 (1,334,583.59)

FOR INTERNAL USE ONLY

Income Statement
Colorado River Water Conservation District
For 9/30/2019

Unaudited

Page: 1

Enterprise Fund	M-T-D Actual \$	Y-T-D Actual \$	Annual Budget \$	YTD % Budget
Revenues				
4110. Investment Interest	45,366.68	344,547.45	450,500.00	76.48
4120. Rent & Misc. Income	4,944.92	43,896.07	58,600.00	74.91
4130. Management Fee	278.42	2,772.68	5,000.00	55.45
4140. Other Fees & Rec Area	14,497.81	28,774.38	45,000.00	63.94
4150. Project Contribution (other)	0.00	0.00	0.00	0.00
4160. Grants	9,280.82	32,165.81	111,655.00	28.81
4200. Elkhead OM&R Reimbursements	0.00	129,055.17	129,055.17	100.00
4201. NEPA Cost Reimbursements	0.00	0.00	0.00	0.00
4300. Joint Venture Income	0.00	0.00	5,000.00	0.00
4301. Sale Of Capital Asset	0.00	0.00	0.00	0.00
4303. Sale Of Water	22,100.00	1,566,056.74	1,566,057.00	100.00
4304. Denver Water	0.00	3,000,000.00	3,000,000.00	100.00
4305. Water Application/Change	400.00	4,000.00	5,000.00	80.00
4306. Up-Front Sale Of Water	0.00	0.00	0.00	0.00
4307. Project Contributions	10,000.00	1,486,873.65	3,548,915.00	41.90
4308. Federal Contributions	0.00	0.00	0.00	0.00
Total Revenues	106,868.65	6,638,141.95	8,924,782.17	74.38
Expenses				
5000. Contingency Salaries	0.00	0.00	0.00	0.00
5001. Salaries	74,224.58	744,827.52	810,552.82	91.89
5004. Accrued Vacation Adjustment	0.00	0.00	15,000.00	0.00
5010. Accrued Vacation	0.00	0.00	0.00	0.00
5011. Fica/Medicare	4,954.65	53,483.67	57,996.61	92.22
5014. Unemployment	210.63	2,120.96	2,459.63	86.23
5016. Workers Compensation Insurance	0.00	8,204.14	5,628.42	145.76
5115. Disability Insurance	293.72	2,764.54	4,020.41	68.76
5118. Health Insurance	9,822.24	95,931.93	128,573.63	74.61
5120. Cafeteria Plan-Employer	0.00	0.00	0.00	0.00
5121. Cafeteria Plan-Administration	17.50	156.25	200.00	78.13
5122. Retirement - 457 Matching	60.00	6,820.58	6,820.00	100.01
5123. Retirement - Employer	7,279.28	74,020.83	79,169.25	93.59
5124. Retirement - Administration	312.50	937.50	1,250.00	75.00
5125. RHS- Employer Contribution	(0.02)	12,119.83	18,650.00	64.99
5211. Employee Housing	0.00	375.00	375.00	100.00
5212. Education Assistance	18.75	456.25	500.00	91.25
5220. Overhead-C	0.00	0.00	1,250.00	0.00
5310. Travel	2,888.40	30,696.85	48,367.00	63.47
5311. Registration	74.09	7,016.72	9,083.00	77.25
5312. Meeting Expense	98.37	2,673.73	5,150.00	51.92
5313. Travel Contingency	0.00	0.00	0.00	0.00
6000. Directors Fees	737.50	2,668.75	4,500.00	59.31
6001. Education/Professional Development	135.75	2,433.78	3,500.00	69.54
6012. Legal Notice	0.00	0.00	750.00	0.00
6013. Special Counsel	1,313.70	7,593.42	14,250.00	53.29
6014. Legal Engineering	0.00	1,820.35	6,750.00	26.97
6015. Legal Litigation / Adr	0.00	0.00	35,000.00	0.00
6016. Miscellaneous Legal/Materials	717.77	5,484.67	6,250.00	87.75
6017. Legal Contingency	0.00	0.00	5,000.00	0.00
6020. Washington Counsel/Lobbyist	375.00	3,375.00	4,500.00	75.00
6021. Colorado Lobbyist	458.33	4,124.97	6,000.00	68.75
6022. Education Assistance To Others	0.00	2,325.00	3,000.00	77.50
6023. External Affairs -C	0.00	0.00	333.00	0.00
6024. Education Programs	3,451.38	16,154.07	44,346.00	36.43
6025. Water Policy Survey	0.00	7,375.00	7,375.00	100.00
6026. Education Supplies	609.52	609.52	1,875.00	32.51
6102. Consultant	0.00	0.00	0.00	0.00
6103. Accounting Consultant	0.00	905.62	1,500.00	60.37
6104. Audit	0.00	4,725.00	4,725.00	100.00
6105. Investment/Banking Services	5.50	55.62	150.00	37.08
6110. Admin Services/Expenses-C	100.56	489.54	2,000.00	24.48
6150. Assessments	4,650.16	49,331.69	63,725.30	77.41
6200. Postage	5.34	318.70	300.00	106.23
6201. Office Supplies	200.21	2,081.35	3,500.00	59.47
6202. Telephone	773.19	6,850.81	10,500.00	65.25
6203. Printing	0.00	0.00	0.00	0.00
6204. Insurance	0.00	7,113.35	7,113.00	100.00

Income Statement
Colorado River Water Conservation District
For 9/30/2019

Unaudited

Enterprise Fund	M-T-D Actual \$	Y-T-D Actual \$	Annual Budget \$	YTD % Budget
6205. Records	11.25	56.25	100.00	56.25
6210. Lease Equipment	202.20	2,165.73	3,000.00	72.19
6211. Equipment Repairs	0.00	0.00	0.00	0.00
6301. Subscriptions	69.84	465.58	900.00	51.73
6302. Dues / Memberships	0.00	5,351.50	7,550.00	70.88
6310. Computer Licenses/Software & Services	1,431.75	13,229.97	17,000.00	77.82
6320. Small Office Equipment	0.00	8.12	150.00	5.41
6330. Utilities	2,176.36	19,047.21	30,000.00	63.49
6340. Vehicle Maintenance	2,980.92	14,553.31	17,000.00	85.61
6350. Roads/Buildings Maintences	0.00	0.00	0.00	0.00
6401. Cleaning/Janitorial	1,265.00	4,675.00	5,700.00	82.02
6402. Small Tools/Supplies	728.45	19,275.04	35,000.00	55.07
6403. Water System Operation	3,350.00	34,479.64	40,000.00	86.20
6410. Recreation Area O&M	10,230.00	55,895.93	115,000.00	48.61
6411. Dam/Project Maintenance	168.50	714,825.83	760,000.00	94.06
6412. Weed Control WMP	0.00	49,648.90	64,264.00	77.26
6413. Water Quality - In House	0.00	0.00	0.00	0.00
6414. USGS Gaging - Water Quality	11,663.14	48,115.75	78,398.00	61.37
6415. USGS Streamflow Gaging	3,552.29	14,654.82	23,878.00	61.37
6416. Dam & Reservoir OM&R Contingency	0.00	0.00	50,000.00	0.00
6417. RD Facilities OM&R	347.75	2,020.25	65,000.00	3.11
6418. Dam Deformation	0.00	46,867.86	110,000.00	42.61
6500. Bldg Construction/Remodel	0.00	9,531.97	16,000.00	59.57
6600. Bad Debt Expense	0.00	1,672.05	1,672.00	100.00
6602. Surveying & Mapping	0.00	0.00	0.00	0.00
6603. Archeology	0.00	0.00	0.00	0.00
6604. Water Marketing (Modeling)	0.00	0.00	0.00	0.00
6720. Equipment	0.00	135.98	150.00	90.65
7001. USGS Guaging	3,250.74	19,910.76	28,351.00	70.23
7002. Water Quality	0.00	457.00	500.00	91.40
7009. WMP Weather Station (CoAgMet)	0.00	2,000.00	2,000.00	100.00
7010. Vehicle & asset upgrades for WMP	0.00	0.00	5,000.00	0.00
7011. Watershed Management	63.20	72,693.62	134,000.00	54.25
7012. Ruedi Contract-(700) Capital	0.00	0.00	0.00	0.00
7013. Ruedi Contract-(5,000) O&M	0.00	17,650.00	17,650.00	100.00
7014. Ruedi Contract-(530) Capital	0.00	0.00	0.00	0.00
7015. Ruedi Contract-(500) O&M	0.00	1,765.00	1,765.00	100.00
7016. Ruedi Contract-(5,000) Capital	0.00	0.00	0.00	0.00
7017. Ruedi Contract-(530) O&M	0.00	1,870.90	1,871.00	99.99
7018. Ruedi Contract-(700) O&M	0.00	2,471.00	2,471.00	100.00
7020. Hydro Plant	0.00	0.00	0.00	0.00
7021. Old Dillon Reserv. Enlargement	0.00	0.00	0.00	0.00
7022. Elkhead Dam & Reservoir Op.	6,498.00	51,331.44	50,000.00	102.66
7023. Elkhead Net	0.00	0.00	0.00	0.00
7100. Projects	0.00	0.00	0.00	0.00
7101. River Mou	0.00	0.00	0.00	0.00
7102. 15-Mile Reach/Recovery Program	0.00	0.00	0.00	0.00
7103. Vail Ditch	0.00	6,700.00	6,700.00	100.00
7104. WR & Project Development	0.00	1,530.81	1,531.00	99.99
7105. Op. Wetland & Other Mitigation	0.00	0.00	15,000.00	0.00
7106. Mitigation Maintenance	0.00	6,600.00	38,000.00	17.37
7107. Mitigation Contingency	0.00	0.00	0.00	0.00
7110. River Projects Contingency	0.00	10,000.00	10,000.00	100.00
7120. Elkhead Ops Contingency	0.00	0.00	0.00	0.00
7200. Ruedi 15 MR PBO Compliance	0.00	26,166.13	26,166.00	100.00
7201. Fisheries/Stocking	0.00	0.00	0.00	0.00
7202. Elkhead Fish Screen	0.00	0.00	0.00	0.00
7203. Annual Assessment	0.00	25,919.58	33,350.00	77.72
7204. Special Assessment	0.00	0.00	0.00	0.00
7500. Cooperative Management	21,164.41	233,651.52	255,000.00	91.63
7510. RCPP	77,819.74	1,313,039.49	3,245,859.00	40.45
7600. Technical Study - Risk Management	2,985.60	115,514.64	175,000.00	66.01
8000. Principal - CWCB (Elkhead)	0.00	0.00	0.00	0.00
8001. Interest - CWCB (Elkhead)	0.00	0.00	0.00	0.00
8002. Amortization Expense	0.00	0.00	0.00	0.00
9000. Acquisition	0.00	0.00	0.00	0.00
9010. Depreciation	0.00	0.00	1,000,000.00	0.00
9020. Gain/Loss Of Disposal	0.00	0.00	0.00	0.00
Total Expenses	263,747.74	4,134,391.09	7,922,964.07	52.18

Income Statement
Colorado River Water Conservation District
For 9/30/2019

Unaudited

Page: 3

Enterprise Fund	M-T-D	Y-T-D	Annual	YTD %
	Actual \$	Actual \$	Budget \$	Budget
Excess Revenue Over (Under) Expenditures	<u>(156,879.09)</u>	<u>2,503,750.86</u>	<u>1,001,818.10</u>	<u>249.92</u>

Balance Sheet

Colorado River Water Conservation District

For 10/31/2019

Unaudited

	This Year	Last Year	Change
04 Enterprise Fund			
Assets			
04-00-1000.000 Cash Box	200.00	200.00	0.00
04-00-1001.000 Peaks - ENT	253,421.10	51,325.42	202,095.68
04-00-1002.000 Petty Cash	1,077.96	1,928.12	(850.16)
04-00-1003.000 Cash In Bank-BoC -Checking	5,392,150.57	3,424,504.96	1,967,645.61
04-00-1004.000 Alpine Bank	0.00	0.00	0.00
04-00-1009.000 Undeposited Fund	0.00	0.00	0.00
04-00-1010.000 Wells Fargo /Colotrust -0100	0.00	0.00	0.00
04-00-1011.000 CSAFE - 5603 - Elkhead Escrow	0.00	0.00	0.00
04-00-1012.000 Csafe-5601	3,200,970.12	3,125,133.81	75,836.31
04-00-1013.000 Aim-0045	0.00	0.00	0.00
04-00-1014.000 RESTRICTED CWCB/ELKHEAD PAYMENT	0.00	0.00	0.00
04-00-1015.000 Enterprise ColoTrust Prime	2,900,157.07	2,837,365.28	62,791.79
04-00-1016.000 Us Bank Money Market	0.00	0.00	0.00
04-00-1017.000 Enterprise ColoTrust Plus	3,149,444.86	3,074,029.10	75,415.76
04-00-1020.000 Investments-All	13,532,083.50	14,072,083.50	(540,000.00)
04-00-1021.000 Allowance For Investments+-	(343,002.94)	(279,875.21)	(63,127.73)
04-00-1022.000 Accum Amortization Investments	2,856.75	2,609.86	246.89
04-00-1023.000 Accrued Interest	193,569.34	278,928.05	(85,358.71)
04-00-1200.000 Accounts Receivable	217,177.40	174,595.13	42,582.27
04-00-1205.000 Housing Notes Receivable	80,647.51	107,010.51	(26,363.00)
04-00-1206.000 Deferred Revenue	(3,252.23)	(3,936.92)	684.69
04-00-1225.000 Allowance Housing Forgiveness	(49,642.66)	(52,007.66)	2,365.00
04-00-1300.000 Prepaid Expenses	0.00	0.00	0.00
04-00-1400.000 ST Invest In Sales-Type Lease	2,761,482.50	2,584,111.51	177,370.99
04-00-1401.000 LT Investment Sales-Type Lease	1,451,027.94	4,212,510.43	(2,761,482.49)
04-00-1500.000 Land	3,091,477.22	3,091,477.22	0.00
04-00-1501.000 Vehicles	237,079.86	237,079.86	0.00
04-00-1502.000 Dam Projects	65,480,581.78	64,906,989.74	573,592.04
04-00-1503.000 Recreation Area	1,151,704.49	1,151,704.49	0.00
04-00-1504.000 Equipment	181,383.34	181,383.34	0.00
04-00-1505.000 Reservoir Co Stock	2,589,382.67	2,527,344.30	62,038.37
04-00-1506.000 Computer Equipment	13,166.74	13,166.74	0.00
04-00-1507.000 Office Building	1,499,009.77	1,499,009.77	0.00
04-00-1508.000 Software/Upgrade	0.00	0.00	0.00
04-00-1509.000 Equipment/Tools	0.00	0.00	0.00
04-00-1510.000 GWS Office Building	0.00	0.00	0.00
04-00-1511.000 Water Treatment Plant	0.00	0.00	0.00
04-00-1520.000 Construction In Progress	0.00	0.00	0.00
04-00-1599.000 Assets in Fixed Assets Fund	0.00	0.00	0.00
04-00-1601.000 A/D-Vehicles	(181,271.71)	(159,667.13)	(21,604.58)
04-00-1602.000 A/D-Dam Project	(14,244,245.49)	(13,349,350.88)	(894,894.61)
04-00-1603.000 A/D-Recreation Area	(549,388.85)	(513,317.83)	(36,071.02)
04-00-1604.000 A/D-Furniture & Fixtures	(80,958.03)	(77,672.67)	(3,285.36)
04-00-1605.000 A/D-Office Equipment	(9,271.00)	(9,271.00)	0.00
04-00-1606.000 A/D-Computer Equipment	(9,832.07)	(9,073.07)	(759.00)
04-00-1607.000 A/D-Office Building	(307,702.17)	(264,823.01)	(42,879.16)
04-00-1608.000 A/D-Software/Upgrade	0.00	0.00	0.00
04-00-1609.000 A/D-Equipment/Tools	0.00	0.00	0.00
04-00-1610.000 A/D-GWS Office Building	(19,401.00)	(19,401.00)	0.00
04-00-1611.000 A/D-Water Treatment Plant	(13,724.12)	(13,724.12)	0.00
04-00-1620.000 Accumulated Depreciation	(921,910.26)	(921,910.26)	0.00
04-00-1700.000 Reservoir Company Stock	0.00	0.00	0.00
04-00-1800.000 Ruedi Reservoir CA03053 (5000 AF)	2,905,136.00	3,128,608.00	(223,472.00)
04-00-1801.000 Ruedi Reservoir CA00034 (500AF)	104,896.40	119,881.60	(14,985.20)
04-00-1802.000 Ruedi Reservoir CA00036 (700AF)	146,854.96	167,834.24	(20,979.28)
04-00-1803.000 Ruedi Reservoir CA02027 (530AF)	184,830.76	204,286.64	(19,455.88)
04-01-1990.000 Internal Balances	306.13	(121,339.02)	121,645.15
04-06-1501.001 WMP Vehicles	6.22	6.22	0.00
Total Assets	93,988,480.43	95,379,738.06	(1,391,257.63)
Liabilities and Net Assets			
04-00-2000.000 Accounts Payable	148,836.82	122,001.43	26,835.39
04-00-2001.000 Encumbrance Payable	0.00	0.00	0.00

Balance Sheet

Colorado River Water Conservation District

For 10/31/2019

Unaudited

	This Year	Last Year	Change
04-00-2005.000 Project Faciliation Passthrough	0.00	0.00	0.00
04-00-2011.000 FICA/Mdcr Payable	9,281.93	8,848.09	433.84
04-00-2019.000 RHS -Payable	0.00	0.00	0.00
04-00-2021.000 Accrued Vacation Payable	116,753.86	111,296.70	5,457.16
04-00-2101.000 Note/Contract Payable - Short Term	0.00	0.00	0.00
04-00-2110.000 Deferred Water Revenue	615,831.04	571,339.28	44,491.76
04-00-2120.000 Accrued Interest Payable	0.00	0.00	0.00
04-00-2201.000 N/P Cwcb - Wolford	0.00	0.00	0.00
04-00-2202.000 N/P CWCB - Elkhead	0.00	0.00	0.00
04-00-2203.000 Long Term Ruedi Contracts Payable	0.00	0.00	0.00
Total Liabilities	890,703.65	813,485.50	77,218.15
04-00-3000.000 EXTRAORDINARY MAINTENANCE	0.00	0.00	0.00
04-00-3010.000 Net Position	90,525,876.68	91,524,673.21	(998,796.53)
Change in Net Assets	2,571,900.10	3,041,579.35	(469,679.25)
Total Liabilities and Net Assets	93,988,480.43	95,379,738.06	(1,391,257.63)

FOR INTERNAL USE ONLY

Income Statement

Colorado River Water Conservation District

For 10/31/2019

Unaudited

Page: 1

Enterprise Fund	M-T-D Actual \$	Y-T-D Actual \$	Annual Budget \$	YTD % Budget
Revenues				
4110. Investment Interest	50,355.64	394,903.09	450,500.00	87.66
4120. Rent & Misc. Income	4,857.42	48,753.49	58,600.00	83.20
4130. Management Fee	0.00	2,772.68	5,000.00	55.45
4140. Other Fees & Rec Area	16,701.60	45,475.98	45,000.00	101.06
4150. Project Contribution (other)	0.00	0.00	0.00	0.00
4160. Grants	0.00	32,165.81	111,655.00	28.81
4200. Elkhead OM&R Reimbursements	0.00	129,055.17	129,055.17	100.00
4201. NEPA Cost Reimbursements	0.00	0.00	0.00	0.00
4300. Joint Venture Income	0.00	0.00	5,000.00	0.00
4301. Sale Of Capital Asset	0.00	0.00	0.00	0.00
4303. Sale Of Water	74,800.00	1,640,856.74	1,566,057.00	104.78
4304. Denver Water	0.00	3,000,000.00	3,000,000.00	100.00
4305. Water Application/Change	400.00	4,400.00	5,000.00	88.00
4306. Up-Front Sale Of Water	0.00	0.00	0.00	0.00
4307. Project Contributions	77,397.26	1,564,270.91	3,548,915.00	44.08
4308. Federal Contributions	0.00	0.00	0.00	0.00
Total Revenues	224,511.92	6,862,653.87	8,924,782.17	76.89
Expenses				
5000. Contingency Salaries	0.00	0.00	0.00	0.00
5001. Salaries	71,564.15	816,391.67	810,552.82	100.72
5004. Accrued Vacation Adjustment	0.00	0.00	15,000.00	0.00
5010. Accrued Vacation	0.00	0.00	0.00	0.00
5011. Fica/Medicare	4,511.74	57,995.41	57,996.61	100.00
5014. Unemployment	201.49	2,322.45	2,459.63	94.42
5016. Workers Compensation Insurance	0.00	8,204.14	5,628.42	145.76
5115. Disability Insurance	293.72	3,058.26	4,020.41	76.07
5118. Health Insurance	9,822.24	105,754.17	128,573.63	82.25
5120. Cafeteria Plan-Employer	0.00	0.00	0.00	0.00
5121. Cafeteria Plan-Administration	17.50	173.75	200.00	86.88
5122. Retirement - 457 Matching	59.66	6,880.24	6,820.00	100.88
5123. Retirement - Employer	7,016.14	81,036.97	79,169.25	102.36
5124. Retirement - Administration	0.00	937.50	1,250.00	75.00
5125. RHS- Employer Contribution	0.01	12,119.84	18,650.00	64.99
5211. Employee Housing	0.00	375.00	375.00	100.00
5212. Education Assistance	0.00	456.25	500.00	91.25
5220. Overhead-C	0.00	0.00	1,250.00	0.00
5310. Travel	2,368.42	33,065.27	48,367.00	68.36
5311. Registration	527.50	7,544.22	9,083.00	83.06
5312. Meeting Expense	273.10	2,946.83	5,150.00	57.22
5313. Travel Contingency	0.00	0.00	0.00	0.00
6000. Directors Fees	0.00	2,668.75	4,500.00	59.31
6001. Education/Professional Development	0.00	2,433.78	3,500.00	69.54
6012. Legal Notice	86.56	86.56	750.00	11.54
6013. Special Counsel	1,800.67	9,394.09	14,250.00	65.92
6014. Legal Engineering	0.00	1,820.35	6,750.00	26.97
6015. Legal Litigation / Adr	5,472.00	5,472.00	35,000.00	15.63
6016. Miscellaneous Legal/Materials	571.82	6,056.49	6,250.00	96.90
6017. Legal Contingency	0.00	0.00	5,000.00	0.00
6020. Washington Counsel/Lobbyist	375.00	3,750.00	4,500.00	83.33
6021. Colorado Lobbyist	458.33	4,583.30	6,000.00	76.39
6022. Education Assistance To Others	166.25	2,491.25	3,000.00	83.04
6023. External Affairs -C	0.00	0.00	333.00	0.00
6024. Education Programs	192.17	16,346.24	44,346.00	36.86
6025. Water Policy Survey	0.00	7,375.00	7,375.00	100.00
6026. Education Supplies	906.43	1,515.95	1,875.00	80.85
6102. Consultant	0.00	0.00	0.00	0.00
6103. Accounting Consultant	196.87	1,102.49	1,500.00	73.50
6104. Audit	0.00	4,725.00	4,725.00	100.00
6105. Investment/Banking Services	5.56	61.18	150.00	40.79
6110. Admin Services/Expenses-C	759.37	1,248.91	2,000.00	62.45
6150. Assessments	4,650.16	53,981.85	63,725.30	84.71
6200. Postage	53.04	371.74	300.00	123.91
6201. Office Supplies	221.59	2,302.94	3,500.00	65.80
6202. Telephone	738.18	7,588.99	10,500.00	72.28
6203. Printing	0.00	0.00	0.00	0.00
6204. Insurance	(46.11)	7,067.24	7,113.00	99.36

Income Statement

Colorado River Water Conservation District

For 10/31/2019

Unaudited

Page: 2

Enterprise Fund	M-T-D Actual \$	Y-T-D Actual \$	Annual Budget \$	YTD % Budget
6205. Records	22.50	78.75	100.00	78.75
6210. Lease Equipment	162.46	2,328.19	3,000.00	77.61
6211. Equipment Repairs	0.00	0.00	0.00	0.00
6301. Subscriptions	52.25	517.83	900.00	57.54
6302. Dues / Memberships	128.75	5,480.25	7,550.00	72.59
6310. Computer Licenses/Software & Services	1,766.22	14,996.19	17,000.00	88.21
6320. Small Office Equipment	29.54	37.66	150.00	25.11
6330. Utilities	1,848.04	20,895.25	30,000.00	69.65
6340. Vehicle Maintenance	1,448.58	16,001.89	17,000.00	94.13
6350. Roads/Buildings Maintences	0.00	0.00	0.00	0.00
6401. Cleaning/Janitorial	560.00	5,235.00	5,700.00	91.84
6402. Small Tools/Supplies	523.26	19,798.30	35,000.00	56.57
6403. Water System Operation	670.00	35,149.64	40,000.00	87.87
6410. Recreation Area O&M	6,952.55	62,848.48	115,000.00	54.65
6411. Dam/Project Maintenance	4,138.08	718,963.91	760,000.00	94.60
6412. Weed Control WMP	0.00	49,648.90	64,264.00	77.26
6413. Water Quality - In House	0.00	0.00	0.00	0.00
6414. USGS Gaging - Water Quality	0.00	48,115.75	78,398.00	61.37
6415. USGS Streamflow Gaging	0.00	14,654.82	23,878.00	61.37
6416. Dam & Reservoir OM&R Contingency	0.00	0.00	50,000.00	0.00
6417. RD Facilities OM&R	1,164.92	3,185.17	65,000.00	4.90
6418. Dam Deformation	8,439.88	55,307.74	110,000.00	50.28
6500. Bldg Construction/Remodel	0.00	9,531.97	16,000.00	59.57
6600. Bad Debt Expense	0.00	1,672.05	1,672.00	100.00
6602. Surveying & Mapping	0.00	0.00	0.00	0.00
6603. Archeology	0.00	0.00	0.00	0.00
6604. Water Marketing (Modeling)	0.00	0.00	0.00	0.00
6720. Equipment	0.00	135.98	150.00	90.65
7001. USGS Guaging	0.00	19,910.76	28,351.00	70.23
7002. Water Quality	0.00	457.00	500.00	91.40
7009. WMP Weather Station (CoAgMet)	0.00	2,000.00	2,000.00	100.00
7010. Vehicle & asset upgrades for WMP	0.00	0.00	5,000.00	0.00
7011. Watershed Management	63.46	72,757.08	134,000.00	54.30
7012. Ruedi Contract-(700) Capital	0.00	0.00	0.00	0.00
7013. Ruedi Contract-(5,000) O&M	0.00	17,650.00	17,650.00	100.00
7014. Ruedi Contract-(530) Capital	0.00	0.00	0.00	0.00
7015. Ruedi Contract-(500) O&M	0.00	1,765.00	1,765.00	100.00
7016. Ruedi Contract-(5,000) Capital	0.00	0.00	0.00	0.00
7017. Ruedi Contract-(530) O&M	0.00	1,870.90	1,871.00	99.99
7018. Ruedi Contract-(700) O&M	0.00	2,471.00	2,471.00	100.00
7020. Hydro Plant	0.00	0.00	0.00	0.00
7021. Old Dillon Reserv. Enlargement	0.00	0.00	0.00	0.00
7022. Elkhead Dam & Reservoir Op.	1,107.17	52,438.61	50,000.00	104.88
7023. Elkhead Net	0.00	0.00	0.00	0.00
7100. Projects	0.00	0.00	0.00	0.00
7101. River Mou	0.00	0.00	0.00	0.00
7102. 15-Mile Reach/Recovery Program	0.00	0.00	0.00	0.00
7103. Vail Ditch	0.00	6,700.00	6,700.00	100.00
7104. WR & Project Development	0.00	1,530.81	1,531.00	99.99
7105. Op. Wetland & Other Mitigation	0.00	0.00	15,000.00	0.00
7106. Mitigation Maintenance	0.00	6,600.00	38,000.00	17.37
7107. Mitigation Contingency	0.00	0.00	0.00	0.00
7110. River Projects Contingency	0.00	10,000.00	10,000.00	100.00
7120. Elkhead Ops Contingency	0.00	0.00	0.00	0.00
7200. Ruedi 15 MR PBO Compliance	0.00	26,166.13	26,166.00	100.00
7201. Fisheries/Stocking	0.00	0.00	0.00	0.00
7202. Elkhead Fish Screen	0.00	0.00	0.00	0.00
7203. Annual Assessment	8,260.99	34,180.57	33,350.00	102.49
7204. Special Assessment	0.00	0.00	0.00	0.00
7500. Cooperative Management	5,428.83	239,080.35	255,000.00	93.76
7510. RCPP	331.64	1,313,371.13	3,245,859.00	40.46
7600. Technical Study - Risk Management	0.00	115,514.64	175,000.00	66.01
8000. Principal - CWCB (Elkhead)	0.00	0.00	0.00	0.00
8001. Interest - CWCB (Elkhead)	0.00	0.00	0.00	0.00
8002. Amortization Expense	0.00	0.00	0.00	0.00
9000. Acquisition	0.00	0.00	0.00	0.00
9010. Depreciation	0.00	0.00	1,000,000.00	0.00
9020. Gain/Loss Of Disposal	0.00	0.00	0.00	0.00
Total Expenses	156,362.68	4,290,753.77	7,922,964.07	54.16

Income Statement
Colorado River Water Conservation District
For 10/31/2019

Unaudited

Page: 3

Enterprise Fund	M-T-D	Y-T-D	Annual	YTD %
	<u>Actual \$</u>	<u>Actual \$</u>	<u>Budget \$</u>	<u>Budget</u>
Excess Revenue Over (Under) Expenditures	<u>68,149.24</u>	<u>2,571,900.10</u>	<u>1,001,818.10</u>	<u>256.72</u>

Colorado River Water Conservation District

Check Register from 9/01/2019 to 10/31/2019

2 ENT - BOC

Check/EFT	Date	Vendor / Description	Check / Payment
Report Criteria... 1/10/2020 @ 3:58 PM			
Form:	Check Register - Check Register		
Sort by	ActivityDate		
activity dates:	From: 9/01/2019 To: 10/31/2019		
0996662	9/04/2019	[BAY VALVE] BAY VALVE SERVICE, Task #1 - \$1,750..	4,210.00
0996663	9/04/2019	[GRANDP] GRAND POWER Hand dryer in day use restroom	285.00
0996664	9/04/2019	[JUB] JUB ENGINEERS, INC. Task 30 CM - West Lateral Phas	1,711.76
0996665	9/04/2019	[NAWC] NORTH AMERICAN	4,000.00
0996666	9/04/2019	[NWSPLY] NORTHWEST RANCH	344.56
0996667	9/04/2019	[PARTS] PARTS CITY AUTO	7.98
0996668	9/04/2019	[TWRIV] TWO RIVERS PARK	2,918.27
0996669	9/04/2019	[YVEA] YAMPA VALLEY ELECTRIC	158.00
0996678	9/09/2019	[WASTEMGT] WASTE	293.92
EFT1433841	9/09/2019	[CENLINK] CENTURYLINK	161.19
0996679	9/11/2019	[WOLFCAMP] WOLFORD July ANS	8,000.00
0996677	9/11/2019	[RENEGADE] RENEGADE OFF 2014 F-150 REPAIR	1,318.58
0996676	9/11/2019	[MTNPKS] MOUNTAIN PARKS	2,234.37
0996674	9/11/2019	[EES] ENVIRONMENTAL DOWNHOLE CAMERA RENTAL	421.35
0996675	9/11/2019	[MARINE] MARINE DIVING Removal, water blasting, epoxy	61,500.00
0996672	9/11/2019	[DEZURIK] DEZURIK, INC 30" BUTTERFLY VALVE WOLFORD	30,757.00
0996671	9/11/2019	[CROWLEY] CROWLEY MARINE Oil for patrol boat	178.00
0996670	9/11/2019	[BUCKEYE] BUCKEYE WELDING	26.00
0996673	9/11/2019	[ECORXINC] ECO-RX, INC Weed treatment	25,385.35
EFT0242045	9/12/2019	[VERIZON] VERIZON WIRELESS	39.02
0996680	9/18/2019	[BOSTWICK] BOSTWICK PARK Reimbursement Req #9	31,220.76
0996681	9/18/2019	[FMCRC] FIRE MOUNTAIN CANAL & Reimb Req #6	312,500.29
0996682	9/18/2019	[HYDROS] HYDROS CONSULTING	15,571.00
0996683	9/18/2019	[JUB] JUB ENGINEERS, INC. Task 30 'CM - West Lateral Pha	4,348.71
0996684	9/18/2019	[KTOWN] K-TOWN CARQUEST	29.94
0996685	9/18/2019	[KLEENW] KLEEN AS A WHISTLE August - x4	880.00
0996686	9/18/2019	[RAINDROP] RAINDROP WATER	5,025.00
0996687	9/18/2019	[RENEGADE] RENEGADE OFF F150 rear pinion seal	262.38
0996688	9/25/2019	[GRANDINT] GRAND COUNTY	40.00
0996694	10/02/2019	[YVEA] YAMPA VALLEY ELECTRIC 8/12-9-12	142.00
0996693	10/02/2019	[TWRIV] TWO RIVERS PARK October	2,918.27
0996692	10/02/2019	[RIGNET] RIGNET August	63.20
0996690	10/02/2019	[COLORIV] COLORADO RIVER	7,819.00
0996689	10/02/2019	[BBC] BBC RESEARCH &	74,526.01
0996691	10/02/2019	[GRANDP] GRAND POWER New lights in storage loft and	800.00
EFT1434333	10/08/2019	[CENLINK] CENTURYLINK	160.75
0996705	10/09/2019	[WOLFCAMP] WOLFORD Aug ANS	8,000.00
0996695	10/09/2019	[ALPMTR] ALPINE MOTOR SPORTS Ranger service and new roof	422.87
0996696	10/09/2019	[BUCKEYE] BUCKEYE WELDING	26.00
0996697	10/09/2019	[CCDC] CRAWFORD CLIPPER	3,760.00
0996698	10/09/2019	[KLEENW] KLEEN AS A WHISTLE Strip, clean & wax tiles	945.00
0996699	10/09/2019	[MTNPKS] MOUNTAIN PARKS	1,722.55
0996700	10/09/2019	[NWSPLY] NORTHWEST RANCH	583.45

Colorado River Water Conservation District

Check Register from 9/01/2019 to 10/31/2019

2 ENT - BOC

Check/EFT	Date	Vendor / Description	Check / Payment
0996701	10/09/2019	[SGM] SCHMUESER, GORDON,	6,356.00
0996702	10/09/2019	[TOWER] THE TOWER COMPANY, Vacuum Breaker (x3) and 3/8 Ba	268.50
0996703	10/09/2019	[USGS] DOI - USGS W&S - Flushing Flow Study #2..	4,001.93
0996704	10/09/2019	[WASTEMGT] WASTE	295.58
EFT0242045	10/15/2019	[VERIZON] VERIZON WIRELESS	39.02
0996714	10/17/2019	[RIGNET] RIGNET September	63.20
0996713	10/17/2019	[RENEGADE] RENEGADE OFF Tundra oil change	50.14
0996712	10/17/2019	[RAINDROP] RAINDROP WATER September water haul	3,350.00
0996711	10/17/2019	[PROVIDENCE] PROVIDENCE Kasco 4400HD100 Deicers	1,403.23
0996706	10/17/2019	[ALPMTR] ALPINE MOTOR SPORTS Oil change on Artic Cat ATV	151.59
0996709	10/17/2019	[HYDROS] HYDROS CONSULTING	2,985.60
0996708	10/17/2019	[COLORIV] COLORADO RIVER	1,019.49
0996707	10/17/2019	[APPLEGATE] APPLGATE GROUP,	1,449.97
0996710	10/17/2019	[IPC] INDEPENDENT PROPANE	118.23
0996715	10/23/2019	[GRANDINT] GRAND COUNTY	40.00
0996716	10/23/2019	[PARTS] PARTS CITY AUTO	167.76
0996720	10/30/2019	[JUB] JUB ENGINEERS, INC. Task 50 'Water Admin'	367.48
0996719	10/30/2019	[GRANDP] GRAND POWER	550.00
0996721	10/30/2019	[RENEGADE] RENEGADE OFF Compressor service	74.45
0996717	10/30/2019	[BBC] BBC RESEARCH &	16,028.07
0996718	10/30/2019	[GTG] GOOD TO GO Pump vault x 5 - add water	1,750.00
0996722	10/30/2019	[TWORIV] TWO RIVERS PARK November	2,918.27
Total Checks:			659,166.04

6. Confirmation of Assistant Secretary

NO MATERIAL AVAILABLE

**7. General Counsel's Report
Confidential Memo –
January 2020**

NO MATERIAL AVAILABLE

8. Public Comment

(not limited to legal matters)

NO MATERIAL AVAILABLE



COLORADO RIVER DISTRICT
PROTECTING WESTERN COLORADO WATER SINCE 1937

**ATTORNEY REPORT
JOINT QUARTERLY MEETING
GENERAL and ENTERPRISE
January 2020**

TO: CRWCD BOARD OF DIRECTORS

FROM: PETER C. FLEMING, GENERAL COUNSEL *PCF*
JASON V. TURNER, SENIOR COUNSEL

Dear Directors:

This report identifies matters for discussion at the January 21-22, 2020, joint quarterly meeting of the River District and its Enterprise. A separate Confidential Report addresses confidential matters. The information in this report is current as of January 9, 2020 and will be supplemented as necessary before or at the Board meeting.

I. EXECUTIVE SESSION.

The following is a list of matters that qualify for discussion in executive session pursuant to C.R.S. §§ 24-6-402(4)(b) and (e).

- A. Woford Mountain Reservoir and Ritschard Dam Operations (an Enterprise Matter).
- B. CRCA Implementation Matters.
- C. Upper Colorado River Wild and Scenic Alternative Management Plan.
- D. Colorado River District Conditional Water Rights.
- E. Application of the United States of America for the Taylor Park Reservoir Refill Right/Exchange, Case No. 11CW31, Water Division 4.
- F. Colorado River Compact, Interstate, International, and Intrastate Negotiation Matters, including Demand Management.
- G. Fair Campaign Practices Act.

II. GENERAL MATTERS.

- A. Fair Campaign Practices Act.**

Update only. Strategic Initiative: 1 (outreach and advocacy) and 12 (financial sustainability).

Election season will arrive soon. It is possible that the River District may take positions on ballot issues and possible that the River District may submit a ballot question itself. The confidential report contains a brief summary of the requirements of the Fair Campaign Practices Act as it relates to possible election/ballot issues or questions.

We recommend that the Board discuss this subject in executive session.

B. Approval of Special Counsel Rate Increases.

We propose that the Board approve the 2020 rates for special counsel. Strategic Initiative: 12A (financial stability).

The River District uses special counsel for various legal matters. The River District's special counsel policy requires that the Board approve all special counsel and rate increases for special counsel. We have received new rate schedules for 2020 for some of the River District's approved special counsel.

Karl Kumli of Dietz and Davis, P.C., has proposed an increase of \$15 per hour to \$335.00 per hour. The last time Mr. Kumli raised his rate was in 2018. Shoshana Rosenthal of Karp Neu Hanlon, P.C. will increase her rate to \$210.00 per hour. All other attorneys at that firm that regularly work on River District matters will remain at \$235.00 per hour for River District work. Graham Gilbert of the law firm Snell & Wilmer, LLP has proposed an increase of \$10 per hour to \$300 per hour. To date, Mr. Gilbert's fees have been split equally between the River District and the Upper Yampa District for his work on the Water Horse Resources Project in Utah. Considering our special counsels' expertise and the current legal market we believe that these increases are reasonable.

We request that the Board approve the 2020 rates for Special Counsel.

C. General Counsel's 2020 Goals and Objectives.

No action requested. Strategic Initiatives are identified in the individual goals and objectives.

I have set forth below a proposed list of General Counsel Goals and Objectives for 2020 based on the Board's input from its annual General Counsel evaluation and review at the October 2019 quarterly meeting, as well as subsequent developments.

1. Continue Implementation of the Colorado River Cooperative Agreement (CRCA). *Strategic Initiatives: 5A (Shoshone Permanency), 5C (River District's TMD policy), and 7D (alternative funding for water infrastructure).*

- a. Work with other Blue River Decree parties to push for successful adjudication of the Green Mountain Reservoir Administrative Protocol.

- b. Negotiate and recommend to the River District potential amendments to the CRCA to address relatively minor technical issues, as well as potential substantive matters that may warrant revision.
- c. Provide leadership on the West Slope investigation contemplated by the CRCA to fully explore all methods to preserve the Shoshone Call Flows.
- d. Convene and implement the West Slope Fund Management Committee to manage the investments and disbursement criteria for income to the West Slope Fund.

2. Work to ensure satisfactory implementation of actions contemplated by the Windy Gap Firing Project IGA. *Strategic Initiatives: 5C (River District's TMD policy), 8E (consistent with IBCC Conceptual Framework), 9A (wise and efficient use of Colorado's water resources).*

- a. Work with Northern Water's Municipal Subdistrict to amend the Windy Gap Water Rights to incorporate the terms of the IGA.
- b. Work with all stakeholders to secure funding and authorizations necessary to implement the Windy Gap Connectivity Channel in a manner that protects overall West Slope interests and is consistent with applicable law.
- c. Support permits for the Windy Gap Firing Project as necessary to secure and protect the West Slope's interests in the WGFP IGA.

3. Assist staff on development of a strategic water rights development plan. *Strategic Initiatives: 2A (outreach to assist constituents in consumptive and non-consumptive water needs), 3A (increase local storage), 4A (full use for benefit of River District's inhabitants without overdevelopment), and 7B (use of River District's conditional rights to meet identified needs).*

- a. Advise River District staff and Board on legal strategy regarding development of River District's conditional water rights.
- b. Assist staff's refinement of strategic plan on development of conditional water rights.

4. Advise staff and Board on all legal matters related to Woford Mountain Reservoir and Ritschard Dam. *Strategic Initiatives: 12A (financial stability) and 13 (asset management).*

- a. Proactively address risk management and consultant contract matters related to dam settlement and embankment issues, and other operational and maintenance matters.
- b. Advise staff and Board on legal matters related to the upcoming transfer of forty-percent interest in Woford Mountain Reservoir and Ritschard Dam to Denver Water by helping the Board and staff prepare for the orderly transfer of an ownership interest to Denver Water and proactively assisting staff to plan for a collaborative future ownership relationship with Denver.

5. Work with River District technical and external affairs staff to increase overall River District presence and outreach in Water Divisions 4 and 6. *Strategic Initiatives: 1C (inform community leaders on water matters), 1E (outreach), 2A (assist constituents with water needs), 2B (partnerships with local constituents), 6.D (agricultural water use).*

- a. Participate in meetings in those locations and assist River District constituents on matters such as re-authorization of the 1975 Taylor Park Reservoir Exchange Agreement and renegotiation of the stipulation and decree in Taylor Park Reservoir exchange decree in Case No. 11CW31.
- b. Engage with water users such as the UVWUA on demand management, provide input to RBWCD concerning the proposed Wolf Creek Reservoir, and other White River Basin water matters.
- c. Protect interests of River District constituents related to water rights administration and instream flows. Provide leadership on resolution of the instream flows v. pre-existing uses dispute (CRS Section 37-92-102(3)(b)) by advising the Board and staff with respect to a legislative solution and, if necessary, potential litigation.

6. Advise the River District Board, and work closely with River District staff and other entities (including the State of Colorado and the Upper Colorado River Commission), on matters related to the Drought Contingency Plan, and renegotiation of the 2007 Interim Guidelines. Advise the River District Board and staff on Water Bank Work-Group tasks and contracts, and implementation of the State Water Plan. Maintain and protect the River District's positions regarding the development and implementation of a possible Colorado River basin demand management program. *Strategic Initiatives: 3 (hydrologic uncertainty), 4 (Colorado River supplies), 5 (TMDs), 6 (agricultural water use).*

- a. Expand knowledge, participation, and advice to the Board on interstate compact matters and other matters related to interstate Colorado River negotiations.
- b. Related to these items, advise the River District on the potential scope and extent of State Engineer rules and regulations related to the 1922 and 1948 Colorado River Compacts.
- c. Protect the West Slope's interests by helping the River District proceed with caution on matters related to demand management as it impacts West Slope agriculture.

7. Assist River District technical staff and advise the Board on negotiations related to implementation of the Eagle River MOU. *Strategic Initiatives: 4A (full use without risk of overdevelopment), 5 (TMDs), 7 (project development), and 9 (wise and efficient use of water).*

8. Provide leadership and assist River District staff on implementation of RCPP Grants, including the Gunnison Basin Projects. *Strategic Initiatives: 2 (outreach), 3D (cost-effective water efficiency), 7D (aging infrastructure), 9A (efficient water use), 10B (water quality).*

9. Provide leadership and assist River District staff on achieving a resolution of the pending Colorado Springs Blue River System diligence case that provides the best possible result for the River District and its West Slope constituents. *Strategic Initiatives: 5.C (transmountain diversions).*

The above list should not necessarily be interpreted as a “priority” list for legal staff. There are numerous ongoing tasks and activities that command legal staff’s time on an ongoing basis. Often, those items (such as the day-to-day litigation of water court cases, assisting staff on legislative matters, etc.) require substantial attention from legal staff. In addition, it should be anticipated that the goals and objectives may change throughout the year as priorities shift due to unforeseen circumstances or actions by others. Finally, it is possible that in some cases, General Counsel’s goals and objectives should be discussed with the Board in executive session, if necessary, to protect the confidentiality of attorney-client communications and matters subject to negotiation.

III. RIVER DISTRICT WATER MATTERS.

A. Wolford Mountain Reservoir and Ritschard Dam Operations (an Enterprise Matter.)

Update only. Strategic Initiatives: 12 (Financial Sustainability) and 13 (Asset Management).

River District technical and legal staff continue to meet periodically with Denver Water regarding the upcoming termination of Denver Water’s lease of 15,000 acre feet at Wolford Mountain Reservoir and related matters, including the settlement of Ritschard Dam. Following the lease termination, the River District will be required to convey to Denver a 40% ownership interest in the reservoir.

This matter is discussed in the Confidential Report. The Board may wish to discuss this matter in executive session.

B. Colorado River Cooperative Agreement – Implementation Issues.

We may request Board action on matters related to the Shoshone Permanency investigations following discussion in executive session. Strategic Initiatives: 5A (Shoshone permanency), 5C (transmountain diversions), and 9A (wise and efficient water use).

1. *Denver Water v. Boulder County*, Case No. 19CV30350, District Court, Boulder County (re: 1041 Regulations).

This litigation concerns Denver’s argument that the construction of its Gross Reservoir Enlargement Project (located in Boulder County) is exempt from Boulder County’s 1041 permitting process. We have been monitoring the litigation because a number of West Slope “CRCA benefits” are triggered upon Denver’s acceptance of permits for the construction of its

Gross Reservoir Enlargement Project. In addition, Denver’s argument could be viewed as a broad challenge to counties’ 1041 permitting authority.

The Boulder County District Court entered a ruling on December 27th that Denver’s proposed Gross Reservoir Enlargement Project is not exempt from Boulder County’s 1041 Permit process. Denver had sued Boulder County, alleging that the Gross Reservoir Enlargement Project is exempt from the County’s 1041 permit process under the “zoned land exemption” of the 1041 statute. That exemption provides that any development or activity on land which, as of the 1041 Act’s effective date (May 17, 1974), “has been zoned by the appropriate local government for the use contemplated by such development or activity” does not require a 1041 permit. Denver argues that Gross Reservoir was located within the County’s zoned flood regulatory area, where “utility facilities such as dams... shall be permitted” prior to the 1974 effective date of the 1041 law, and therefore, the Gross Reservoir Enlargement Project does not require a 1041 permit. Denver also argued that, because the underlying zoning category, Forestry District, did not prohibit dams in 1974, the enlargement is exempt from 1041 authority.

The district court found that the evidence supports the County’s position that the Zoned Land Exemption does not apply, and that the Moffat Expansion Project is subject to Boulder County’s permitting authority and regulatory process. Denver has indicated that it intends to appeal the ruling.

2. Green Mountain Reservoir Administrative Protocol.

We are working with the other Blue River Decree parties to finalize language for a proposed amendment of the Green Mountain Reservoir Administrative Protocol Agreement and a proposed amended water rights application to be filed in the Division 5 Water Court. The Green Mountain Reservoir Administrative Protocol is intended to resolve long-standing disputes regarding the administration of water rights during the reservoir’s fill season. The parties filed a joint water court application in 2013 to adjudicate Articles I, II, and III of the Protocol. The parties also filed a joint petition in the Federal District Court under that court’s retained jurisdiction of the Blue River Decree to confirm that the entirety of the Protocol (Articles I through IV) are consistent with the Blue River Decree. Article IV of the Administrative Protocol provides the methodology to calculate the volume of replacement water provided by the Cities to satisfy their replacement obligation after the reservoir’s fill season.

Subsequent to the 2013 filings, the Federal District Court refused to exercise jurisdiction over a separate matter related to the Blue River Decree. Thus, due to the apparent refusal of the Federal District Court to exercise jurisdiction over the Petition, the parties have agreed to seek a determination from the Division 5 Water Court as to the entirety of the Administrative Protocol. The proposed changes to the Protocol Agreement and the Division 5 Water Court application are necessary to address those changed circumstances. No changes are proposed to the Protocol itself.

While the parties have reached agreement of the basic path forward, we continue to negotiate the language of the proposed amendments to the Protocol Agreement and Water Court application. It is possible that we may have final language for consideration by the Board in the next few weeks.

3. Potential CRCA Amendments.

We continue to work with other West Slope CRCA signatories and Denver Water on potential CRCA Amendments to address relatively minor “clean-up” edits, as well as potential amendments related to Denver’s CRCA reuse obligations. A meeting to discuss these items is set for January 17th, so we may have a more substantive update for the River District Board meeting.

4. Shoshone Permanency.

We continue to examine mechanisms to achieve permanency of the Shoshone Call Flows. There have been some substantive developments on this matter that we wish to discuss with the Board in executive session.

The Board may wish to discuss these issues and other CRCA Implementation matters in executive session.

C. Upper Colorado River Wild and Scenic Alternative Management Plan.

We may seek Board direction regarding negotiation matters related to finalization of the “provisional” sections of the Wild and Scenic Alternative Management Plan. Strategic Initiatives: 5C (transmountain diversions), 7A (basin consumptive and non-consumptive needs).

Mike Eytel and Peter Fleming have been dedicating significant time on negotiation matters related to the Upper Colorado River Wild and Scenic Alternative Management Plan. The Stakeholder Group (“SG”) driven plan originated with River District-lead meetings that began around 2007. The SG consists of a wide-range of water interests, including the River District, local water conservancy districts, water providers, land-owners, local governments, and Front Range transmountain diverters. The goal of the SG is to protect the “outstandingly remarkable values” (ORVs) of the Upper Colorado river segments running from Gore Canyon (just downstream of Kremmling) to No Name (just upstream of Glenwood Springs) without the necessity of a formal federal Wild and Scenic designation or suitability determination by the BLM and Forest Service.

The SG submitted its proposed alternative management plan to the BLM and Forest Service in January 2012. In 2015, the federal agencies issued records of decision that adopted the SG Plan as an alternative management plan, in lieu of a finding that the river segments are “suitable” for formal designation under the Wild and Scenic Rivers Act. Key provisions of the SG Plan include (1) objective “ORV Indicators” intended as a standardized value to maintain the river’s ORVs, (2) long-term protection measures, (3) cooperative/voluntary protective measures, and (4) Resource Guides that inform SG actions and determinations but are not intended as a formal pass/fail test for success of the SG Plan. The SG Plan provides for a provisional-period during which the SG tasked itself with resolving issues that were not fully resolved prior to the deadline for consideration of the plan by the federal agencies.

There were, and continue to be, significant disputes amongst the SG regarding the negotiation of the plan and its continued implementation – but that is to be expected considering the diverse interests of the stakeholders. However, overall, the SG Plan has been very successful, and the River District should be rightfully proud of its role in the development and implementation

of the Plan. The Plan's provisional-period is set to terminate this year. Thus, some dormant issues have reappeared and have caused heightened disputes amongst the stakeholders.

The primary disputed issues are the finalization of certain provisional Resource Guides, and more generally, the extent of restrictions that the SG Plan place on the use of its Resource Guides (with respect to the ability of a stakeholder to raise concerns about the status of an ORV). The Front Range entities argue that the SG Plan provides strict limits on how Resource Guides can be referenced by the SG and other entities. Other interest groups (including the West Slope Water Users group lead by the River District) maintain that the plan was not intended to be so restrictive, and that generally, it is poor public policy to muzzle the use of public information, such as the Resource Guides. We have worked closely with other Stakeholders, including the Local Government and conservation groups to develop compromise language that we hope will resolve this significant dispute.

The Board may wish to discuss this subject in executive session.

D. Colorado River District Conditional Water Rights (*General and Enterprise Matters*).

We anticipate Board direction or action pending discussion of this matter in executive session. Strategic Initiatives: 4.A. (Colorado River supplies) and 7.B. (River District conditional water rights).

1. West Divide Project Water Rights.

An application for reasonable diligence is due in April of 2020 for the remaining conditional components of the West Divide Project: Avalanche Canal and Siphon (30 c.f.s. with 0.014 c.f.s. available for use within the Crystal River basin), Dry Hollow Feeder Canal (250 c.f.s.), Dry Hollow Reservoir (45,000 acre feet), Four Mile Canal and Siphon (50 c.f.s. Four Mile Creek Diversion and 50 c.f.s. Three Mile Creek Diversion), Horsethief Canal Headgates 1-5 (750 c.f.s. in the aggregate), Kendig Reservoir (15,450 acre feet), Kendig Reservoir First Enlargement (2,610 acre feet), West Divide Canal (300 c.f.s.), and West Mamm Creek Reservoir (6,500 acre feet).

2. Wolford Mountain Reservoir Refill Right (an Enterprise matter).

In 2000, the River District was awarded a refill storage right for Wolford Mountain Reservoir in the amount of 30,000 acre feet; 15,895 acre feet of which was decreed absolute for recreational, piscatorial, and flood control purposes leaving 14,105 acre feet conditional for recreational, piscatorial, and flood control purposes, while 30,000 acre feet remained conditional for all of the other decreed beneficial uses. In 2013, the water court decreed 12,856 acre feet absolute for all the beneficial uses decreed to the reservoir. Currently 14,105 acre feet remains conditional for recreation, piscatorial, and flood control purposes, and 17,144 acre feet remains conditional for all other decreed uses. An application for reasonable diligence is due at the end of January 2020 for the remaining conditional portions of the refill storage right.

Failure to file timely diligence applications for the above water rights will result in cancellation of the conditional water rights.

These matters and other River District conditional water rights are discussed in the Confidential Report. We request that the Board discuss these matters in executive session.

E. Application of the United States of America for the Taylor Park Reservoir Refill/Exchange, Case No. 11CW31, Water Division 4.

We may seek Board direction or possible action, depending on any developments prior to the Board meeting. Strategic Initiatives: 7A (basin consumptive and non-consumptive needs).

Case No. 11CW31 involved an application by the United States to make absolute the remaining conditional portion of the Taylor Park Reservoir Refill Right, originally decreed in Case No. 86CW203 (sometimes called the Taylor Park Exchange). The River District participated as an “objector in support” of the application. A stipulated consent decree was entered by the Division 4 Water Court in 2016. Unfortunately, a dispute occurred (primarily between the United States and Taylor Placer, Ltd./Cockrell) in the dry summer of 2018 regarding Taylor Park Reservoir operations under the stipulated decree. Since that time, we have actively participated in negotiations with the United States, the Upper Gunnison District, and Taylor Placer, Ltd. to resolve the dispute about how to operate the reservoir in very dry years like 2018.

The primary focus of the negotiations is how to adjust summer releases from the reservoir in dry years in order achieve set winter-season storage targets. The stipulated decree provides that the releases from the reservoir during the winter season are driven by the winter storage targets. In general, Taylor Placer would like to see higher winter season storage releases in order to protect the Taylor River fishery. While the other parties (including the River District) also wish to protect the fishery, they want to ensure sufficient operational flexibility to address other purposes of the reservoir, such as irrigation season demands and summer recreational flows.

We believe that the parties are close to resolving the dispute. It is possible that we may seek further Board direction or potentially formal action, depending on any developments prior to the Board meeting.

The Board may wish to discuss this matter in executive session.

F. C.R.S. § 39-92-102(3)(b)—Instream Flows and Protection of Pre-existing Uses.

Update only – potential Board action during State Affairs portion of the Board meeting. Strategic Initiative: 2.A (basin outreach), 6.D (agricultural water use).

We attended the Colorado Water Conservation Board’s (“CWCB”) November 2019 meeting in Denver to provide the River District’s perspective on the administration of instream flows and pre-existing uses pursuant to C.R.S. Section 37-92-102(3)(b). Overall, the discussion was positive and the CWCB staff was directed to coordinate with the Department of Natural Resources (“DNR”), the River District, Southwestern Water Conservation District, and Colorado Cattlemen’s Association to resolve the issue.

The Board previously directed River District staff and counsel to resolve the Section 102(3)(b) issue, either by administrative means, legislation, or litigation. At the CWCB meeting, we requested that the CWCB support or not oppose legislative language to clarify that the State

Engineer has the authority to determine the extent of undecreed pre-existing uses and to administer instream flows as subject to such pre-existing uses. After the CWCB meeting, River District staff negotiated statutory language with the Department of Natural Resources, including the State Engineer and CWCB Director that we believe resolved the issue. While the negotiated language will achieve the same goal, it is different than the language previously discussed with the River District. For reference, the River District's original proposed statutory amendment from last year and language that we worked toward with DNR appear below. (Note, due to edits requested by the Office of Legislative Counsel to comply with its Legislative Drafting Manual, the new language is slightly different than the final language discussed with DNR):

(Original Proposal)

Any such appropriation shall be subject to the present uses or exchanges of water being made by other water users pursuant to appropriation or practices in existence on the date of such appropriation, ~~whether or not previously confirmed by court order or decree.~~ AS DETERMINED BY THE STATE ENGINEER OR APPLICABLE DIVISION ENGINEER IN ACCORDANCE WITH C.R.S. 37-92-502(2)(A), REGARDLESS OF WHETHER SUCH USES OR EXCHANGES ARE CONFIRMED BY COURT ORDER OR DECREE. ANY SUCH DETERMINATION BY THE STATE ENGINEER OR APPLICABLE DIVISION ENGINEER SHALL BE REVIEWABLE BY THE WATER COURT ON A DE NOVO BASIS.

(New Proposal Based on Consensus Language with DNR)

UPON A CLAIM MADE TO THE STATE ENGINEER FOR ADMINISTRATION PURSUANT TO 37-92-102(3)(B), THE STATE ENGINEER SHALL CONFIRM THE EXTENT OF THE CLAIMED UNADJUDICATED USE OR EXCHANGE OF WATER BEING MADE PURSUANT TO APPROPRIATION OR PRACTICES IN EXISTENCE ON THE DATE OF APPROPRIATION OF AN INSTREAM FLOW WATER RIGHT. THE STATE ENGINEER'S CONFIRMATION IS REVIEWABLE BY THE WATER COURT ON A DE NOVO BASIS. NOTHING IN THIS ARTICLE SHALL REQUIRE, OR PROHIBIT, A WATER USER FROM SEEKING WATER COURT CONFIRMATION OR ADJUDICATION OF ANY SUCH PREEXISTING USES OR EXCHANGES.

The River District's original proposal would have amended the CWCB's instream flow statute (section 37-92-102(3)), which we believe would directly address the subject. However, DNR felt strongly that a legislative change is more appropriate in section 37-92-502, which outlines some of the State and Division Engineer's administrative authorities and responsibilities. In this situation, we believe that the consensus of all the parties involved outweighs a disagreement about the specific statutory location of the clarifying language. We hope to have a copy of the proposed bill (and perhaps an introduced bill) by the time of the Board meeting.

G. Application of the City of Northglenn, Case No. 18CW3159, Water Division 1.

We request that the Board authorize counsel to stipulate to a proposed decree in the Application of the City of Northglenn, Case No. 18CW3159, Water Division 1. Strategic Initiative: 5C (TMDs).

We filed a statement of opposition in November of 2018 to an augmentation plan filed by the City of Northglenn. Northglenn sought to replace out of priority diversions to its Croke Reservoir from a number of sources, including its interest in the Berthoud Pass Ditch and Tunnel, a transmountain diversion from Grand County. We filed a statement of opposition to ensure that the use of the Berthoud Pass Ditch and Tunnel is consistent with the decree for that water right, and that the water right was not expanded to the detriment of water rights and water users in Water Division No. 5. Following discussions with opposing counsel, Northglenn opted to remove the Berthoud Pass Ditch and Tunnel water right as a claimed source of supply in this case. Thus, the River District's concerns with this specific application have been addressed. A copy of the proposed stipulation is included as Attachment A to this memo.

We recommend that the Board authorize counsel to enter into a stipulation with the City of Northglenn in Case No. 18CW3159, Water Division 1 consistent with the terms of the stipulation included with the Board materials.

H. Colorado River Compact, Intra-State, Interstate, and International Negotiation Matters, including Demand Management.

Updates only. Strategic Initiatives: 4 (Colorado River Water Supplies), 6 (Agricultural Water Use), and 8 (Colorado Water Plan – compact risk and conceptual framework).

1. Lake Powell Pipeline.

In October, we reported that the Utah Board of Water Resources withdrew its application for FERC license for the Lake Powell Pipeline, stating in part that it will “pursue permits for the water supply pipeline and appurtenances for the benefit of Southern Utah with the appropriate agencies of the U.S. Department of the Interior (“DOI”).” In December, the Bureau of Reclamation announced that it would act as the lead permitting agency for the project, and thus would take on the lead NEPA review duties. Importantly, Reclamation also stated that it plans to complete the NEPA process within one-year, which is somewhat difficult to envision.

We will continue to monitor this project and will inform the Board about significant developments and likely provide River District comments on the NEPA documents.

2. Drought Contingency Planning and Demand Management.

Andy Mueller's public memo contains an update on interstate and intrastate planning and work-groups related to the DCP and Demand Management.

The Board may wish to discuss these and other sensitive negotiation and legal issues related to compact and interstate matters in executive session.

Attachments:

- A. Water Division 1, 18CW3159, City of Northglenn, 12/13/2019 Proposed Stipulation with CRWCD

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ATTACHMENT A TO
QUARTERLY ATTORNEY REPORT
JOINT - JANUARY 2020

DISTRICT COURT, WATER DIVISION NO. 1, STATE OF COLORADO Court Address: 901 9 th Avenue, Greeley, CO 80631-1113 Mailing Address: P.O. Box 2038, Greeley, CO 80632-2038	▲ COURT USE ONLY ▲ Case No: 18CW3159 Division: 1 Courtroom: 1
CONCERNING THE APPLICATION FOR WATER RIGHTS OF: THE CITY OF NORTHGLENN IN JEFFERSON, WELD, BOULDER AND ADAMS COUNTIES.	
<i>Attorneys for Applicant, City of Northglenn:</i> Donald E. Frick, No. 39406 Whitney Phillips, No. 51533 Fischer, Brown, Bartlett & Gunn P.C. 1319 East Prospect Road Fort Collins, Colorado 80525 Phone Number: (970) 407-9000 ext. 218 FAX Number: (970) 407-1055 E-mail: donfrick@fbgpc.com whitneyphillips@fbgpc.com <i>Attorneys for Opposer, the Colorado River Water Conservation District:</i> Peter C. Fleming, #20805 Jason V. Turner, #35665 Phone #: (970) 945-8522 Fax #: (970) 945-8799 E-mail: pfleming@crwcd.org jturner@crwcd.org	
STIPULATION WITH THE COLORADO RIVER WATER CONSERVATION DISTRICT	

Applicant, the City of Northglenn (hereinafter “Applicant”), by and through its undersigned attorneys, and Opposer, the Colorado River Water Conservation District, (hereinafter “Opposer”), by and through its undersigned attorneys, hereby stipulate and agree as follows:

1. Opposer hereby consents to the entry of a decree in the form of the proposed Findings of Fact, Conclusions of Law, and Decree of the Water Court dated November 12, 2019 (hereinafter "Proposed Decree"), a copy of which is attached hereto as Exhibit A. Opposer will not object to the entry of any modified form of the Proposed Decree ultimately entered by the Water Court so long as its terms and conditions are no less restrictive than those contained in the Proposed Decree and are not otherwise inconsistent with this Stipulation.

2. Applicant hereby agrees not use or seek to use, as part of any decree entered in this case, water diverted from the Berthoud Ditch and Tunnel as a source of augmentation.

3. Opposer shall remain on the Certificate of Service in this case; shall be provided with a copy of all pleadings and additional proposed rulings and decrees, in this case; and shall be provided with a copy of any proposed ruling and decree at the time such ruling or decree is submitted to the Court, to ensure compliance with this Stipulation.

4. Opposer's continued participation in this matter shall be limited to ensuring that the ruling and decree ultimately entered herein by the Water Court are in conformity with the provisions of this Stipulation.

5. The parties shall bear their own costs and fees in this matter.

6. This Stipulation is entered into by way of compromise and settlement of this litigation. Any agreement of the undersigned parties for entry of a proposed draft decree shall not be construed as concurrence by these parties beyond the decree adjudicated herein with any findings of fact or conclusions of law contained therein or with the legal theories or the engineering methodologies used by either party in arriving at this Stipulation, and nothing contained in the proposed draft decree shall be binding on either party in any proceeding other than the current proceeding and any subsequent proceeding involving the same rights adjudicated herein.

7. This Stipulation shall bind and benefit the parties hereto, their successors and assigns. This Stipulation shall be enforceable as an agreement between the parties or as an Order of the Court.

8. The parties hereto represent and affirm the signatories to this Stipulation are legally authorized to bind the parties.

9. Applicant and Opposer hereby move the Court to enter an order approving this Stipulation, and Applicant agrees to file such a motion.

DATED this _____ day of _____, 20____.

FISCHER, BROWN, BARTLETT & GUNN, P.C.

By: _____
Donald E. Frick, No. 39406
Whitney Phillips, No. 51533
ATTORNEYS FOR APPLICANT
CITY OF NORTHGLENN

COLORADO WATER CONSERVATION DISTRICT

By: _____
Peter C. Fleming, #20805
Jason V. Turner, #35665
ATTORNEYS FOR OPPOSER
COLORADO RIVER WATER
CONSERVATION DISTRICT

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9.b.i. Summary of Action Items from Executive Session –

No Material Available

10. Discussion with Ted Kowalski, Walton Family Foundation

NO MATERIAL AVAILABLE



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COLORADO RIVER DISTRICT

PROTECTING WESTERN COLORADO WATER SINCE 1937

MEMORANDUM

TO: BOARD OF DIRECTORS, CRWCD

FROM: ANDY MUELLER, GENERAL MANAGER

SUBJECT: 2020 FIRST QUARTERLY MEETING, GENERAL MANAGER'S REPORT

DATE: JANUARY 3, 2020

ACTIONS:

h. Request delegated authority to the General Manager to enter into a joint funding agreement ("JFA") with the USGS, subject to review and approval by legal counsel, in the amount of \$555,597 to engage in cooperative water gauging and sampling activities in 2020. The water quality and quantity monitoring activities as defined in the USGS JFA would commit the River District to the amount of \$555,597; this is consistent with the adopted 2020 budget. Delegated authority is also requested for the General Manager to enter into agreements, subject to review and approval by legal counsel, with cooperating partners for reimbursement of some of the USGS gauging and sampling activities, estimated to be a total of \$105,000.

i. Staff requests that the Board authorize the General Manager, with review and approval by the General Counsel to amend Ms. Underbrink Curran's contract for CRCA Implementation consultation to authorize her continuing work for up to an additional eighteen-month time period and up to an additional \$15,000 in expenditures.

a. Update on CRWCD Long Term Fiscal Condition.

ACTION: *No action requested, just direction.*

STRATEGIC INITIATIVE(S): 12. Financial Sustainability: *The above strategic initiatives cannot be achieved without financial sustainability. The River District enjoys a diversified tax base for its Governmental Funds, which helps to reduce the impacts of dramatic downturns in its overall assessed valuation. Over the long-term, the Enterprise Fund is intended to be self-sustaining, managing the River District's business-type activities.*

Staff continues to study the District's long term fiscal structural deficit. As was the case when we discussed this issue last February, there is no immediate financial crisis, but there continues to be significant reason to be concerned about the long-term financial health of the General Fund and

the Enterprise Fund. Our memo from February of 2019, which is attached hereto and accessible in the electronic format **by clicking at this link**, contains a detailed explanation and analysis of our District's long-term financial issues and I would encourage you to review it, if you are so inclined. For the purposes of this update, I will just briefly summarize the issues driving this continuing conversation and provide a recommended course of action for the Board to discuss.

District General Fund revenue has been relatively flat since 2012. During the same period expenses in the District General Fund have climbed at an average rate of 3% per year (our preliminary numbers show actual expenses in 2019 were down 7% compared to 2018 largely due to reductions in the size of staff, travel expenses, and outside legal fees). While we are committed to keeping expenses in check, inflation, health insurance expenses, and wage pressure are likely to continue to cause our expenses to increase for the foreseeable future. Due to a variety of factors, the District revenues are likely to decrease in the near future. As explained in greater detail in the attached February 2019 memorandum, District General Fund tax revenues are predicted to be hit by the trifecta of declining oil, gas and coal related tax revenue, the impacts of the Gallagher Amendment and continuing impacts of the Taxpayer Bill of Rights (TABOR).

By way of update to the February 2019 memorandum, below is an update on these three critical factors affecting our District revenue forecast:

- Oil, Gas, and Coal Related Tax Revenue. The majority of the District's oil and gas tax revenue is generated from gas production in the Piceance Basin. Gas prices have been hovering around \$2.00 an MMBTU and are not predicted to increase any time soon due to a growing glut of natural gas production. At that price, the Piceance Basin is likely to remain an uncompetitive field and we should expect the continued decline in production and attendant tax revenue. Unfortunately, even a potential Coos Bay export facility and pipeline is unlikely to alter the economics of the Piceance Basin. Our coal production and related coal fired power plants are still facing an accelerated decommissioning being driven by market and regulatory forces far beyond the boundaries of the District. A sector that recently generated almost a quarter of our District tax revenue has already decreased to 11% and is reasonably predicted to continue its quick decline over the next twenty years.
- Gallagher Amendment. The District avoided significant financial damage from the projected significant drop in the Gallagher Amendment-required Residential Assessment Rate (RAR) in 2019 which was only reduced from 7.20 to 7.15%, leading to a reduction in revenues of only \$60,000 rather than the initially-projected \$370,000 reduction. The relief came from the unanticipated surge in the value of oil production in Weld County during the valuation period which singlehandedly drove up the value of non-residential taxable property and managed to balance out the significant growth in the metropolitan Front Range residential valuation. Unfortunately, such relief is unlikely to be permanent. As you will recall, the Gallagher Amendment requires the RAR to be reset by the legislature every two years based upon the relative statewide value of residential and non-residential taxable properties. Recent market analysis indicates that many of the oil producers in northeastern Colorado are carrying a heavy debt load and are finding it very difficult to compete with oil being produced elsewhere in the world including the Permian Basin in West Texas and

New Mexico. With crude oil prices hovering below \$60 a barrel (even with the recent flare up with Iran) it is likely that we will see much more modest growth in the value of Colorado oil production, and we may even see a decline if producers are forced into liquidation by their lenders. Meanwhile, the double digit increases in the Front Range metropolitan housing valuation are expected to slow a bit, but given the well documented pent up demand for additional housing in the metro area as well as recent predictions that 90 percent of new residents to the state are expected to settle in the metropolitan Front Range, it is likely we will continue to see comparatively lopsided residential growth between the metro Front Range and our District. There are recent predictions by DOLA that we may see only a modest decrease in the RAR in the 2021 valuation period, however DOLA's early forecasts are almost always far off the mark.

- **TABOR Impacts.** The Taxpayer Bill of Rights (TABOR) contains both a tax rate limitation and a revenue limitation. The District has been fiscally impacted by both limitations. In setting the mill levy rate for taxes collected in 2020, you will recall from our September Budget workshop and our discussion at the October fourth quarterly board meeting that the revenue limitation will again affect our revenues in 2020. In order to stay within the permissible level of revenue growth, you took action consistent with past practice to provide a tax credit by temporarily reducing our mill levy from our maximum cap of .252 mils down to an effective temporary mill levy of .234. This mill levy reduction in 2020 will result in approximately \$140,000 in uncollected revenue. This reduction in revenue collected will cause a compounded loss of District revenue in the future due to the TABOR limit related to future revenue growth. An additional impact of the TABOR revenue cap is that we are unable to accept grants into the General Fund from the State of Colorado and/or local governments to assist our water users with their projects.

Without some form of voter approved relief from these factors, it is likely that within the next few years the River District will be forced to further reduce our ability to assist our constituents and partners throughout the District in the development and restoration of important projects and it is likely that we will need to continue to reduce the workforce at the District.

To compound our fiscal predicament, the Enterprise Fund is facing its own suite of challenges which are set forth in greater detail in the attached memorandum from February of 2019. On January 2nd, 2020, we received our last lease payment from Denver Water for Wolford Mountain Reservoir. Denver Water is required to pay approximately 46% of operation, maintenance and repairs going forward but that number is predicted to be approximately \$500,000 per year, significantly less than the \$3,000,000 in annual lease payments we have been receiving over the last 25 years. The cessation of lease payments poses two distinct problems for the Enterprise. First, due to TABOR imposed limitations on grant revenue, the District's ability to accept state and local government grant funds into its Enterprise fund on behalf of our water users who lack the legal capacity to directly receive these funds will precipitously decrease to a level that we are unable to provide meaningful assistance in this manner. It is through the leveraging of state and local grant funds that we have achieved significant success on behalf of many of our constituents. Second, the Enterprise has been carrying 25% or approximately \$700,000 - \$800,000, per year of the overhead expenses of the District, which we believe is in-line with the time spent by River District staff on

Enterprise matters. Unless we reallocate a significant portion of the overhead to the General Fund (which could impact Enterprise staff support), the Enterprise's cash & equivalents (which is close to \$25,000,000 today) is expected to be depleted by 2040. Any significant capital repair costs of Enterprise assets would only accelerate this unfortunate financial predicament.

In February of 2019, the Board and staff had a robust discussion regarding potential methods of remedying our financial situation. Many of the options discussed are set out in the attached February 2019 memorandum. Additional, creative ideas were put forth and discussed. It was clear from that discussion that certain potential remedies, i.e. a "de-Gallagher" question or a "de-Bruce" question standing alone were not enough to fix the District's fiscal structural deficit in a meaningful long-term manner. Since the February meeting, both at our subsequent quarterly meetings and in individual conversations with Directors, I have received significant input and many thoughtful comments. Based upon those discussions, I recommend that the Board consider pursuing the following course of action:

I recommend that the Board consider placing a question on the ballot in November 2020 which would request our voters' approval of a tax increase to restore our mill levy to .5 mills and request the voters' permission, consistent with the provisions of TABOR, to exempt the District revenue stream from the revenue growth limitations contained therein.

My recommendation comes after much analysis, thought and input from a wide variety of our constituents, partners, Board members and staff. There are many reasons I recommend this approach, but I will highlight just a few:

- The impact to our average home owner in the District will be approximately \$8.63 per year. Less than 72 cents per month. Significantly less than a cup of coffee or a single beer each month. As you might expect, the average by county varies significantly based upon the value of the taxpayer's home, but it is an increase of approximately \$1.90 per year per \$100,000 in assessed valuation for homeowner. Even with a .5 mill, the Colorado River District would be the lowest or close to the lowest taxing entity on every tax bill in our 15-county district.
- The proposal will bring in approximately 4.9 million dollars in additional revenue to the District on an annual basis. While the individual tax impact is relatively small, the collective power of all our taxpayers in the 15-county district is significant and will allow us to have much greater success at accomplishing our mission to protect and develop West Slope water.
- There is a documented need for additional funding for water projects within our state and particularly within our District boundaries. Our roundtables, our staff, and the Colorado Water Plan have identified key projects in all corners of our District that are on hold due to lack of funding. The need for project funding straddles all sectors of our water user community: productive agriculture, aging infrastructure, conservation and efficiency projects, watershed health and water quality projects and healthy river projects. For years, the District has served as an effective advocate and catalyst for our water users' project development, but we have consistently relied upon the federal and state government to fund those projects. In recent years, private foundations and environmental organizations have

also brought significant money to the water project world. Being at the table, even with great ideas and talented staff, without funding has meant that our District and our water users have less say in which projects are prioritized and how they are implemented. Adding our revenue to the collaborative approach means that more of what is important to our constituents will be accomplished and it means that the District will be able to further the goals and objectives of our water users. Having these funds available to meaningfully help fund the protection and development of West Slope water will help restore the District's ability to meet the vision of our founders.

- The "de-Brucing" part of this question will remedy the significant issue posed relating to our ability to collect state and local grant funds and spend them on our constituents' projects. It will also assist the District in remedying the problem we face due to increases in healthcare, inflation and wage pressure.
- Use of increased revenue would be subject to the specific terms of any ballot measure and future Board discretion. However, my suggestion is that for the foreseeable future, the Board consider allocating the lion's share, perhaps a minimum of \$4 million per year of this additional revenue to project development with our water user partners throughout the District and that the remaining revenue, approximately \$700,000 - \$800,000, would be utilized by the District to fix its fiscal structural deficit and help correct the financial course of the Enterprise by reallocating a portion of overhead and staff costs from the Enterprise to the General Fund if those costs can reasonably be attributed to General Fund items. Recognizing that our District's expenses are likely to continue to escalate due to inflation, healthcare and wage pressure, I anticipate that the River District would utilize some of the funds, perhaps the additional revenues accrued through the "de-Brucing" part of the proposed ballot question to cover those anticipated increases in cost.
- This approach is a straightforward approach which the voters' right to approve a tax increase and grant an exemption from the TABOR revenue cap.

I do not request formal action now. Instead, my recommendation is intended to spur discussion and further direction from the Board with respect to whether this concept is potentially supportable and if so, what additional information you would like staff to collect and present to the Board over the next few meetings to help you in formulating your preferred course of action. I do not anticipate requesting formal Board action until July or August of this year. Among the items the Board may want to discuss and request additional information are the following:

- Whether there is likely public support for such a strategy;
- The advisability of putting a sunset provision on a ballot question;
- Direct staff to identify projects which are of the type which would be funded so our voters have additional certainty in what the money will be spent on.
- What is the permissible wording of such a ballot question?
- The continued investigation of other approaches to address the River District's financial future.

I look forward to a lively and informative discussion on this issue at our meeting.

b. Drought Contingency Planning and Demand Management Update.

APPLICABLE STRATEGIC INITIATIVE(S):

4. Colorado River Supplies:

4. A. The River District will advocate for full use of its Colorado River Basin water supplies for the benefit of the District's inhabitants, without undue risk of overdevelopment.

4. B. The River District will advocate for full protection and preservation of water rights perfected by use prior to the effective date of the 1922 Compact and thereby excluded from curtailment in the event of compact administration.

4. C. The River District will continue to study mechanisms, such as a Compact Water Bank and Contingency Planning that include demand management, drought operations of CRSP reservoirs, and water supply augmentation to address the risk of overdevelopment.

4. D. The River District will work with the State Engineer's Office and other interested parties to develop an equitable mechanism for potential compact administration.

6. Agricultural Water Use:

6. A. The River District will continue to study the concept of a voluntary and compensated compact water bank in collaboration with other stakeholders to best preserve western Colorado agriculture.

6. B. The River District will explore alternative transfer methods that allow agricultural water users to benefit from the value of their water rights without the permanent transfer of the rights, and without adverse impacts to the local communities and the regional economy.

6. C. Although the River District recognizes that some reductions in demands of agricultural water rights may be necessary to protect existing water uses in the basin, the District will work to ensure that the burden of demand reduction is shared across all types of water use sectors, and that agricultural water rights, and agriculture itself, are not injured.

6. D. The River District will protect the integrity of senior agricultural water rights within Colorado's prior appropriation system, recognizing the potential risks to those rights posed by the constitution's municipal right of condemnation.

8. Colorado's Water Plan:

8. B. The River District will work with the, Southwest Water Conservation District, the Southwest Basin Roundtable and the three Basin Roundtables that comprise the District to achieve a consistent West Slope perspective related to contingency planning and compact administration risk matters.

8. E. The River District will work to ensure that the IBCC Conceptual Framework is honored and fairly implemented.

There is not much to discuss at the interstate level with respect to continuing drought contingency discussions. Of note, however, is that while it is still predicted that in 2020 the Lower Basin will engage in its first ever mandatory reduction of use under their drought contingency agreements, recent hydrologic predictions from the Bureau indicate that the April revision to the 24 month study may predict that levels in Lake Mead will be higher than the trigger elevation for the lowest level of Drought Contingency Plan (DCP) storage, meaning that the Lower Basin may escape mandatory reductions of use under their new DCP.

Here in Colorado, the CWCB workgroups continue to meet occasionally and with the recently held first meeting of the Law and Policy workgroup, all of the CWCB workgroups have met once or twice. The CWCB is in the process of retaining contractors who can assist the workgroups. Most of the workgroups have focused on identifying issues and reaching a consensus on what direction they would like to give the consultants once they are hired. Many of the workgroups have focused on a literature review as the first step to be pursued by contractors so that the workgroups are not reinventing a wheel that has already been studied. At your Board meeting, I will ask staff members who are on workgroups to report specific information on what is occurring in their particular groups.

At the District level, we continue to look at demand management with some skepticism and we are continuing to ask the state and others to evaluate the true need for this program in light of other actions that may be implemented on the river that would have a similar or larger impact with less potential cost to our West Slope communities. As you are aware, we were successful in obtaining a \$315,000 WaterSmart grant from the Bureau of Reclamation to assist us in three aspects of our District's efforts related to demand management: continuing phases of our risk study, the Water Bank Work Group Secondary Economic Impact Study and our District focused stakeholder group.

c. **UCRC and CRWUA December Meeting Updates.**

APPLICABLE STRATEGIC INITIATIVE(S):

3. Climate and Hydrologic Uncertainty: Climate and hydrologic uncertainty should be a major driver of what the River District does in the mid- to long-term. The impacts to precipitation are not clear. However, the overwhelming evidence indicates a warming and increasingly variable climate. Hotter temperatures will certainly result in increased demands for agricultural and municipal water supplies due to longer and warmer growing seasons. Patterns of snowpack accumulation and runoff will change. Runoff is projected to occur earlier and quicker, and there will be an earlier return to possibly lower base flows after runoff. These factors will stress storage supplies. On a local and regional basis, storage supplies may prove inadequate.

4. Colorado River Supplies: Colorado may be closer to full use of its Colorado River supplies than commonly thought. Absent good planning, education, outreach, and mitigation measures to address regional water supply issues, Colorado risks overdevelopment of its Colorado River supplies to the detriment of existing water users. At some level of additional development, all existing uses junior to the compact (more than 500,000 acre feet) are at risk of curtailment under compact administration. The River District's will work on Colorado River Basin contingency planning and compact risk management, both related to low reservoir levels at Lake Powell that threaten power generation and the ability to meet Colorado River Compact obligations, be reflected in the Colorado Water Planning efforts.

The Upper Colorado River Commission (UCRC) met in late November for a work meeting and again for their formal meeting in Las Vegas during the Colorado River Water Users Association (CRWUA) annual meeting in mid-December. Much of the workgroup meeting was focused on the terms, scope and timing of hiring contractors for UCRC's planned work studying the feasibility of an Upper Basin demand management program. This effort is largely funded by an \$800,000

grant from the Bureau of Reclamation and is focused on demand management, not interim guideline research. The UCRC has not, as of the date of this memorandum, reached a point where successful bidders have been identified and hired.

The UCRC business meeting in Las Vegas was interesting for those of us who like the minutia of Colorado River water policy. Commissioner Mitchell proposed a resolution thanking Eric Kuhn for his service as chair on the UCRC Engineering Advisors committee. Eric recently stepped down from that position. The resolution was unanimously supported by the Commission and several of the Commissioners personally thanked Eric for his hard work and valuable contributions. There were interesting and relevant presentations on the current state of climate change science in the basin, a report on the Upper Colorado and San Juan endangered fish recovery programs and an update from the National Park Service on the status of the Colorado River in the Grand Canyon.

CRWUA was well attended by users throughout the basin. Many of the panels and presentations were informative and well done. The primary take away from the meeting is that the Bureau intends to utilize 2020 to study just how well the 2007 Interim Operating Guidelines for the Coordinated Operation of Lakes Powell and Mead worked. Commissioner Burman and even Secretary Bernhardt encouraged water users, the states and other interested stakeholders to take this time before any renegotiations occur to truly focus on assessing what worked and what did not work in those guidelines. We anticipate being an active party in that assessment and will keep you informed and seek your input as that process moves forward.

With respect to the negotiation of the post 2026 Interim Guidelines, there were some positive comments from some Lower Basin representatives that indicate a willingness to look at potentially significant modifications to the operating guidelines which may help preserve/restore the levels in Lake Powell depending upon how they are implemented. I participated in a panel with several people representing Lower Basin water users, native American tribes and environmental organizations regarding their thoughts on the upcoming Interim Guidelines discussions. The panel discussion was largely focused on what steps and structure might be needed if climate change continues to impact the flow of the river.

d. Colorado River Basin Hydrology Short Term Forecast for 2020.

Please see attached memo (accessed in the electronic packet by clicking here).

e. Phreatophyte Control Report on Current State of the Science.

Please see attached memo (accessed in the electronic packet by clicking here).

f. Phase III Risk Study Update.

APPLICABLE STRATEGIC INITIATIVE(S):

3. Climate and Hydrologic Uncertainty: Climate and hydrologic uncertainty should be a major driver of what the River District does in the mid- to long-term. The impacts to precipitation are not clear. However, the overwhelming evidence indicates a warming and increasingly variable

climate. Hotter temperatures will certainly result in increased demands for agricultural and municipal water supplies due to longer and warmer growing seasons. Patterns of snowpack accumulation and runoff will change. Runoff is projected to occur earlier and quicker, and there will be an earlier return to possibly lower base flows after runoff. These factors will stress storage supplies. On a local and regional basis, storage supplies may prove inadequate.

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6. Agricultural Water Use: *Most West Slope agricultural water use is senior to the Colorado River Compact. As Colorado nears full development of its Colorado River system water there will be pressure for temporary and permanent conversion of senior agricultural water rights to other uses. The Colorado River Compact Water Bank may provide a mechanism to protect agricultural water uses.*

In October 2019, the Board extended the Phase III Risk Study contract through 2020 and increased the contract amount with the funding to be provided primarily by water user entities within the various basins. The purpose was to allow the West Slope Basin Roundtables and other water user entities to conduct additional "down scaling" work to better answer basin and sub-basin specific questions arising from the general Phase III study results.

The Gunnison Basin initiated additional work. The Upper Gunnison River Water Conservancy District (UGRWCD) requested additional analysis with focus on how a full or partial curtailment would specifically impact water users within the UGRWCD. The Gunnison Basin Roundtable (GBRT) requested similar work for the other sub-basins within the Gunnison River Basin. These tasks are nearing completion. Hydros Consulting, Inc. conducted a webinar with UGRWCD staff just before Christmas and a similar webinar will be scheduled with GBRT leadership as soon as possible, with the expectation of additional outreach and reporting to both the UGRWCD Board of Directors and the GBRT.

We wish to express our gratitude to the Gunnison Basin entities that have funded this addition work including the UGRWCD, the North Fork Water Conservancy District, Grand Mesa Water Conservancy District and Uncompahgre Valley Water Users Association.

We anticipate that additional Phase III work in the Yampa – White Basins will be scoped and take place in the 1st quarter of 2020. This work will be funded by entities within the Yampa – White Basins. At the time of this memorandum no specific additional work has been scoped by the

Southwestern Basin Roundtable (SWBRT). As the SWBRT meets the week before the River District Board meeting, we may have an update at the board meeting on potential additional Phase III work for the Southwest basin.

g. Water Bank Workgroup Update.

Please see attached memo (accessed in the electronic packet by clicking here).

h. Approval of Joint Funding Agreement, re: USGS Gaging.

Please see attached memo (accessed in the electronic packet by clicking here).

i. Approval of Contract with Lurline Underbrink Curran, re: CRCA Implementation Matters.

APPLICABLE STRATEGIC INITIATIVE(S):

5. Transmountain Diversions (TMD): The River District was created to protect West Slope interests in the face of transmountain diversions. That role continues today and will likely persist with increased pressure for further Front Range use of Colorado River supplies. The IBCC Conceptual Framework presented in Colorado's Water Plan sets forth seven principles to guide development of any potential new transmountain diversion. The River District will have a leadership role in evaluating any new TMD proposal in the context of the IBCC Conceptual Framework and the District's current policy on transmountain diversions.

The River District recognizes that certain existing water right control points on West Slope streams are critical to maintaining West Slope supplies and limiting transmountain diversions and will pursue protection of those water rights. A key provision to the Colorado River Cooperative Agreement pertains to the Shoshone Outage Protocol, which maintains river flows in the event of unscheduled outages of the power plant. The CRCA also provides for an investigation of an acquisition of the power plant and water rights in order to permanently protect the Shoshone Call and the resulting essential river flow.

Pursuant to a contract authorized under my predecessor, the District has been utilizing and benefiting from the involvement of former Grand County Manager, Lurline Underbrink Curran in our ongoing CRCA implementation matters. In her former position, Ms. Underbrink Curran was intimately involved in the negotiations of the CRCA. She has been extremely helpful as one of the few non-lawyer, non-engineers in our ongoing discussions regarding implementation. Ms. Underbrink Curran's original contract was executed almost three years ago and as amended, authorized up to \$25,000 in payments. We have reached the limit on the General Manager's authority and we still have need for Ms. Underbrink Curran's assistance and involvement.

I am requesting that the Board authorize the General Manager, with review and approval by the General Counsel to amend Ms. Underbrink Curran's contract for CRCA Implementation consultation, to authorize her continuing work for up to an additional eighteen-month time period and up to an additional \$15,000 in expenditures.

j. Discussion of Health Insurance Policy.

Please see attached memo (accessed in the electronic packet by clicking [here](#)).

k. General Manager's 2020 Goals and Objectives.

Please see attached memo (accessed in the electronic packet by clicking [here](#)).

l. Service Anniversaries Recognition.

We have two milestone service anniversaries in January, Dave Kanzer with 25 years, and Ray Tenney at 30 years. Both employees have made very significant contributions to the District's mission during their tenure and the recognition is well deserved.



MEMORANDUM
FEBRUARY 11, 2019

TO: BOARD OF DIRECTORS

FROM: ANDY MUELLER, GENERAL MANAGER
IAN PHILLIPS, CHIEF ACCOUNTANT
AUDREY TURNER, ADMINISTRATIVE CHIEF
JOHN CURRIER, CHIEF ENGINEER
LUCI WILSON, ACCOUNTANT

SUBJECT: CRWCD LONG TERM BUDGET DISCUSSION [GO BACK](#)

ACTION: *No Action, just Board direction with respect to budget actions.*

STRATEGIC INITIATIVE(S): *12. Financial Sustainability: The above strategic initiatives cannot be achieved without financial sustainability. The River District enjoys a diversified tax base for its Governmental Funds, which helps to reduce the impacts of dramatic downturns in its overall assessed valuation. Over the long-term, the Enterprise Fund is intended to be self-sustaining, managing the River District's Business-Type Activities.*

I. INTRODUCTION

We appreciate your willingness to devote the better part of a day to a discussion of the District's long term financial health. As a starting point for the conversation, we want to stress that there is not an immediate financial crisis in the District and that the District is currently in solid fiscal health. As many of you are aware, since 2012 the District General Fund revenues have remained relatively flat while our expenses, have climbed at an average rate of approximately 3% per year. This presents what has been referred to as our District's own "structural deficit." Unlike the Lower Basin, we would like to correct our structural deficit before we create a crisis with significant consequences for the District and its constituents.

In the 2019 budget planning cycle, in an effort to prevent the structural deficit from running the District into immediate deficit spending, the District management team and Board instituted several cost saving budget measures:

1. The District temporarily put the grant program on hold, reducing expenditures between \$150,000 and \$250,000 per year;
2. The District instituted an early retirement incentive program aimed at reducing the number of full time employees by 3 to 4 positions before 2020 for a reduction in expenses of approximately \$300,000 to \$400,000;
3. The District reduced its fleet of vehicles by two vehicles seeking a 25% reduction in maintenance costs;

201 Centennial Street / PO Box 1120 • Glenwood Springs, CO 81602

(970) 945-8522 • (970) 945-8799 Fax

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4. The District adopted a projected 2020 budget containing a 15% across the board reduction in expenses.

As will be discussed below, these efforts are needed but they do not present a long term fix to the District's financial issues. Should the structural issues discussed below not be remedied in the future, the District will need to make additional significant cuts in personnel, programs and services in the future. The reduction in force and a permanent cessation of the grant program will have a very real and significant impact on the District's ability to protect, conserve and develop the water resources of the District for our constituents.

II. THE GALLAGHER AMENDMENT

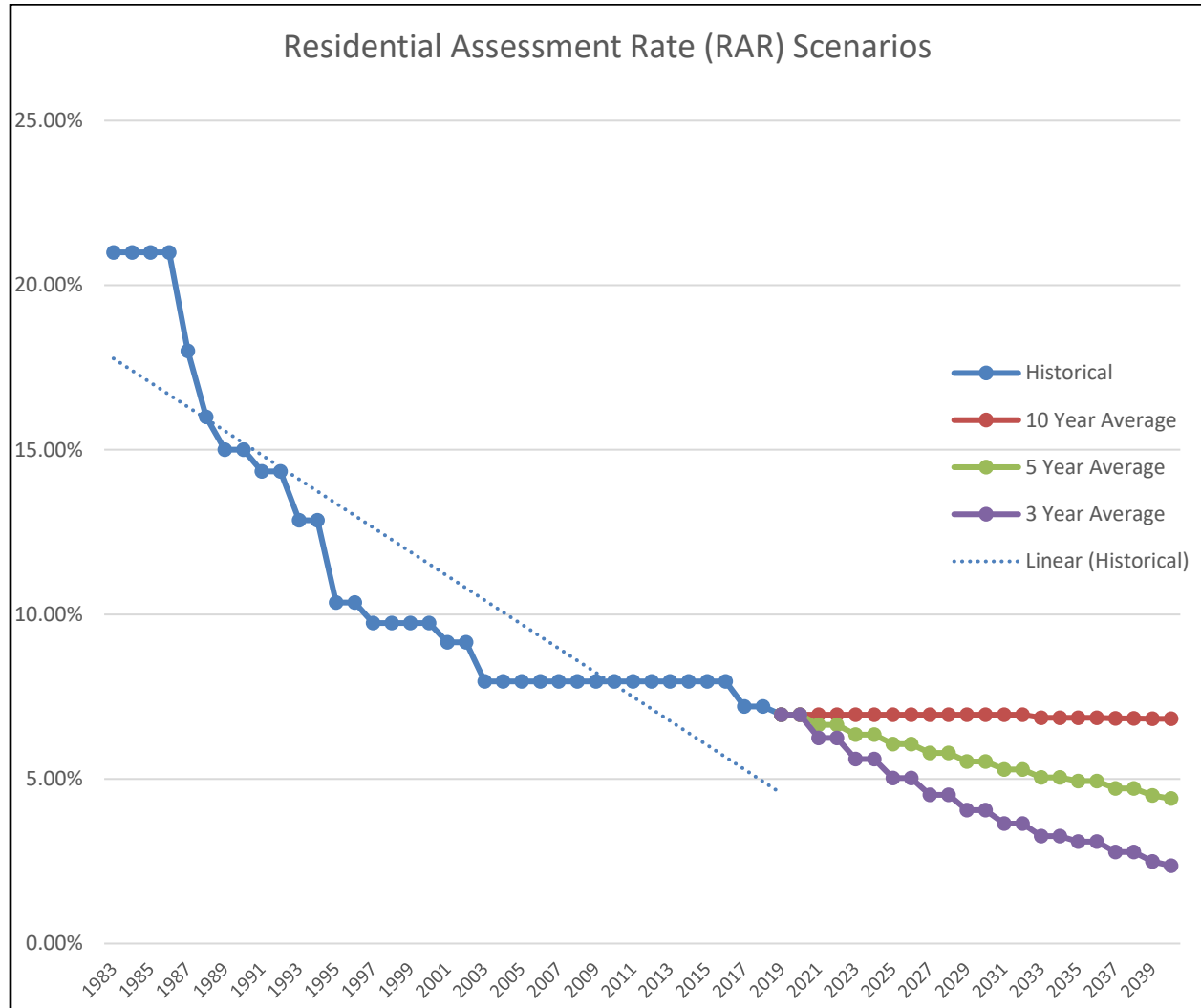
In 1982, the electorate of Colorado approved Section 3(1)(b) of article X of the Colorado Constitution (the Gallagher amendment). Pursuant to the Gallagher amendment the General Assembly enacted C.R.S. § 39-1-104.2. These two sections of law require a bi-annual adjustment in the state wide residential assessment ratio (RAR) in order maintain a consistent relationship between the total assessed value of statewide residential property compared to statewide non-residential property at a ratio of approximately 45% residential and 55% non-residential. In theory, this amendment was designed to keep the burden of state taxes equitably spread between residential and non-residential properties. However, since 1982 the growth in the value of residential properties has outstripped that of non-residential properties and in 1992 our electorate enacted the TABOR amendment which has been interpreted by our legislature to prevent it from raising the RAR. What has resulted is a significant downward trend in the residential ratio. In 1982, when the Gallagher amendment was enacted the RAR was set at over 21%; today the RAR sits at 7.2% (See, Figure 1 below).

For our District, the key to the RAR is that it is set every two years based upon the statewide relative growth between residential and non-residential properties. Since 1982 there have been several periods where the residential growth within our primarily rural district did not keep up with the statewide residential growth which is often fueled by the residential growth in the metropolitan Front Range. As has been widely noted, the economic recovery since the Great Recession has been concentrated in urban areas while the economies of many rural areas have lagged. Our District is no exception to this trend. Residential growth statewide during the last ten years has proceeded at a rate of 3.01% while within our District we have seen a growth rate closer to .093%. The net effect is that when the state lowers the RAR due to residential growth on the Front Range, our District usually experiences a significant reduction in revenue.

For most of 2018, based upon projections from the Department of Local Affairs (DOLA) we anticipated that the Gallagher Amendment would result in an annual reduction of revenue of approximately \$370,000 or approximately 8% of our General Fund revenue due to a reduction in the RAR from 7.20% to a projected RAR of 6.11%. In January, DOLA revised its draft estimate and we now anticipate a reduction of approximately \$77,000 based upon a projected RAR of 6.95% (DOLA cautions that this is only an estimate and that it is likely to change before the final number is determined in April). While it appears that the District and other similar local districts which are dependent upon property tax revenue will avoid a significant hit from Gallagher in 2020,

it is reasonable to predict that the Gallagher amendment and the declining RAR will continue to negatively impact the District in the future.

FIGURE 1:



In Figure 1, we have mapped the historic trend in RAR reduction and projected out three scenarios based upon the ten, five and three year average growth in state wide residential and non-residential valuations. You will note that the three year average decline in RAR is closest to the average historic trend which is shown as the dotted light blue line. We believe that the three year trend in RAR is the “most probable” future faced by our District if we do nothing. While we may avoid immediate irreparable harm in 2020, the future trends in the RAR portend significant harm to our District’s revenue stream.

As you have read in memos from Chris and Zane over the past six months, our General Assembly did convene an interim committee to study remedies to the problem posed by Gallagher and the related impacts from TABOR. While the committee did study several solutions, none of them seem

realistic in today's political climate and one of the most promising (regionalization of the RAR) of them appears to pose an even greater potential to harm our District's revenue stream than the status quo.

The downward trend in RAR has recently had an even greater impact on our District due to the decline in valuation and tax revenue coming from fossil fuel extraction and the related decline in energy production. This issue is addressed in greater detail below, but it is important to point out that as the assessed value of energy production declines in our District, our residential property values become a greater percentage of our overall tax base and if the residential net valuation continues to decline due to the statewide reduction in RAR, the Gallagher amendment will have an exaggerated negative impact on our revenues.

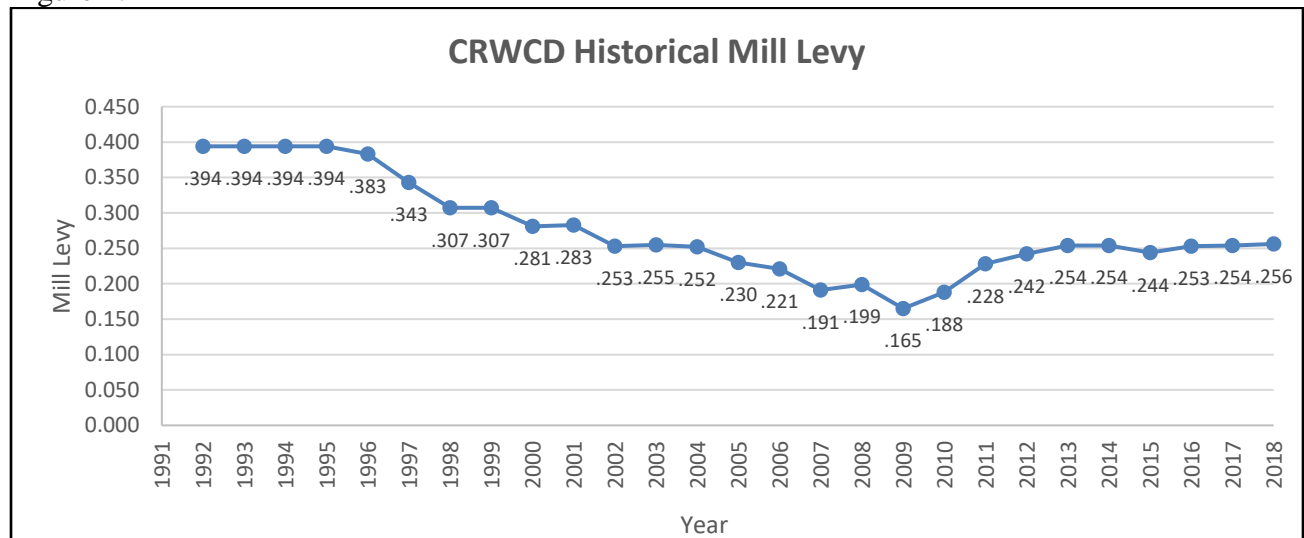
Many rural special districts have sought relief from the effects of Gallagher at the ballot box. The vast majority have been successful. Approaches have ranged from getting voter approval to freeze a district's RAR, to authorizing the district governing body to adjust its mill levy as necessary to offset the decline in the RAR, to raising the district's authorized mill levy.

III. Taxpayer Bill of Rights (TABOR)

TABOR is a complex piece of constitutional law enacted by the electorate in 1992.ⁱ For the purposes of our discussion, we will try to focus on two limitations it contains: 1. The "tax rate limitation" or "mill levy limitation" and, 2. The "revenue limitation". Both of these caps have historically and will continue to impact the District's revenue stream.

The tax rate cap is probably the most well understood limitation on our District's finances. Pursuant to TABOR, our District cannot raise its tax rate without voter approval. Due to the revenue cap contained in TABOR, our revenues are not permitted to grow beyond a rate equal to inflation plus local growth. In times where the growth in net assessed valuation within the District grows greater than this permitted factor, the District has provided a credit to taxpayers in the form of a temporary reduction in its authorized mill levy. In 1937, the General Assembly gave the District Board the authority to set its mill levy up to 2.5 mills. Today, largely because of TABOR, our mill levy is capped at .252 mills. We have not been able to uncover the complete historical record of our District's mill levy rate, however, Figure 2 below depicts the District's effective mill levy rate since 1992.

Figure 2.

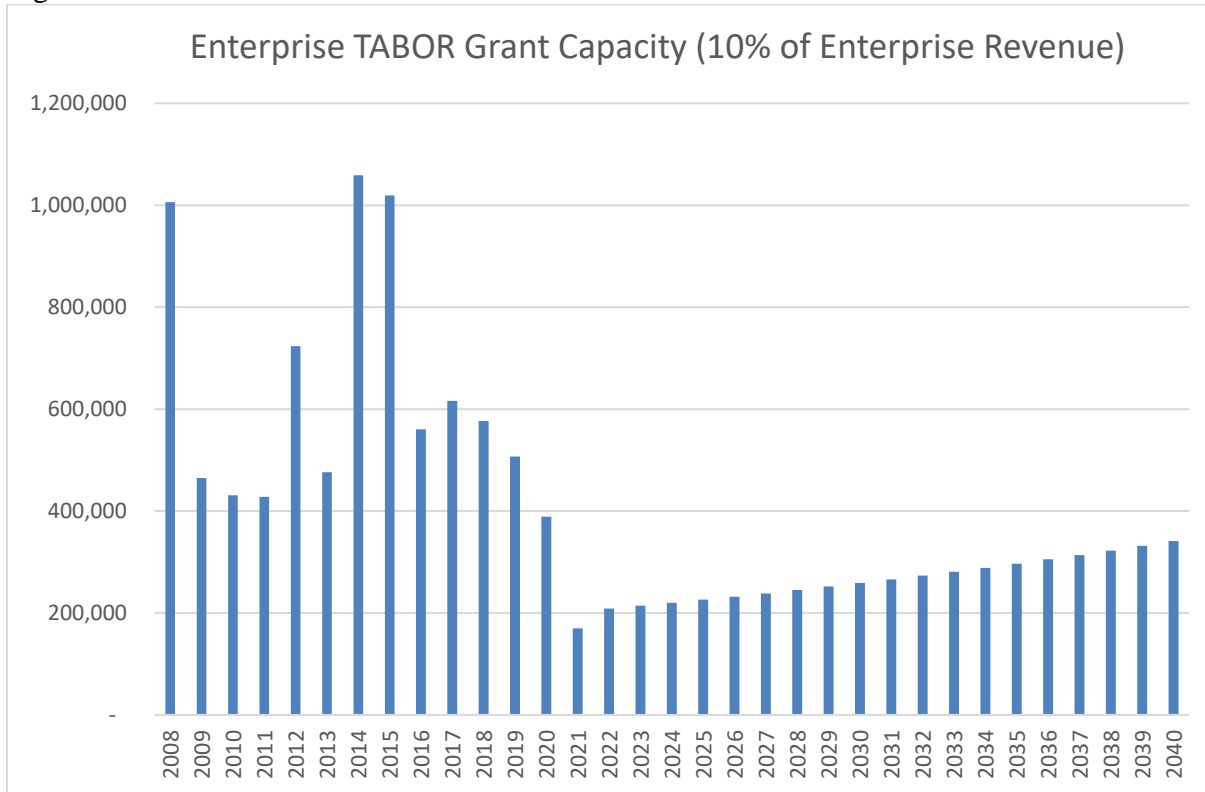


Between 1992 and 2005 the District reduced its mill levy from .394 to .252 in order to avoid violating the TABOR revenue cap. By permanently reducing its mill levy during these times, our District's tax rate was permanently ratcheted down and may not be raised above that rate without a vote of the electorate. In 2005, the District Board, in keeping with statewide interpretation of TABOR instituted the use of a temporary tax credit in order to prevent any further permanent reduction in the District's mill levy. That temporary tax credit was largest in 2010 and due to a slowdown in economic activity in the District was eliminated by 2014. Under TABOR, unless a majority of our electors vote to raise our mill levy it is capped at .252 (with only small temporary upward adjustments due to prior year tax abatements and/or refunds, which explains why the effective mill levy for 2018 was .256). This tax rate cap has impacts in years like 2014 when but for the tax rate cap, TABOR's revenue cap would have allowed our tax rate to increase by growth plus inflation to a rate of .291. The net effect of the TABOR tax rate cap is that in times of moderate to high inflation and growth, our District's revenues are prevented from growing with that inflation plus growth factor. The resultant effect of these caps has been and threatens to continue to be a diminishing of the District's ability to provide services to our growing population and to our ability to successfully achieve our mission of developing and protecting our District's water resources.

In addition to impacting our District's ability to truly keep pace with the growth in our District's net valuation, TABOR's revenue cap has an additional impact on the River District's ability to assist our constituents. Contained within the definition of "revenue" are grants from state and/or local governments. It is the revenue cap on our General Fund which keeps us in most years from accepting state or other local government grants into our General Fund. With respect to our Enterprise, we do have the ability to accept grants so long as the total amount does not exceed 10% of our total Enterprise revenue. (See, Endnote i). Over the past twenty years, primarily due to revenue from the Denver lease payments for Wolford, we have had reasonable "TABOR capacity" in our Enterprise and we have been able to accept state grants to assist our local constituent water users on major projects by doing so. Unfortunately the TABOR capacity of our Enterprise will be

greatly diminished as a result of cessation of lease payments from Denver in mid-2020. Figure 3 below depicts the historic and future Enterprise revenue and TABOR capacity.

Figure 3.



As the Board is aware, much of our District's best work in recent years has been performed by acting as a catalyst for our local water users. We have been able to create an outside impact for our water users through leveraging outside funding, often state grants, to assist our water users in everything from the Gunnison basin selenium and salt reduction effort, to acting as fiscal agents for water plan funding grants in the Yampa, White and Green Basin Roundtable, to leading the charge in a cloud seeding program. Our ability to continue to lead through these types of partnerships is tremendously impacted by the TABOR revenue cap.

Local governments throughout Colorado have adopted a variety of mechanisms to modify the negative impacts of TABOR. Some governments have asked voters to for authority to raise their mill levy and exempt their revenue stream from the revenue/spending limitations contained in TABOR. Other government bodies have sought out and received voter approval to remove the revenue/spending limitations contained in TABOR and other governments have sought limited exemptions from TABOR to allow them to accept state and local grants that are in excess of the revenue/spending caps in TABOR.

IV. DECLINE IN ENERGY RELATED REVENUES

Our General Fund at the District does not have a diversified income stream. Over 97% of our revenue is derived from tax on real property which includes the value of fossil fuel reserves and production as well as the value of the related coal fired power plants. Over the decades, this has meant that our District's assessed valuations, like many other public entities, has been subject to same variation as the local real property and energy sectors. Over the last ten years, we have seen a significant downward trend in the assessed valuation of oil and gas and coal within our District. See, Figures 4 and 5.

Figure 4.

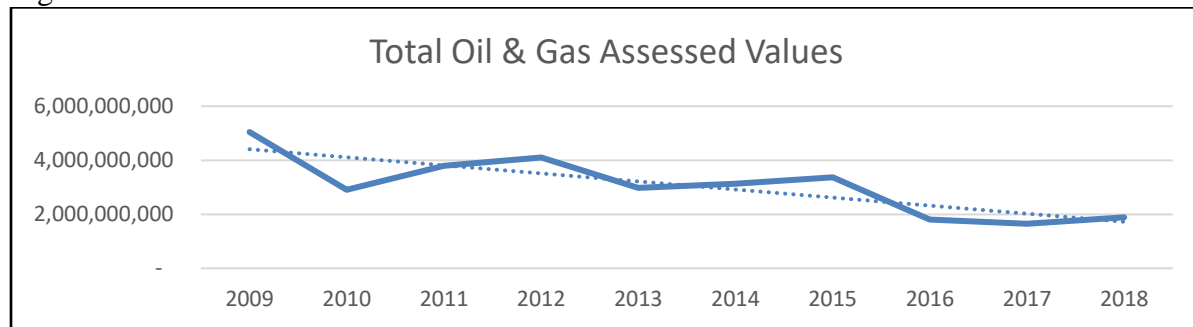
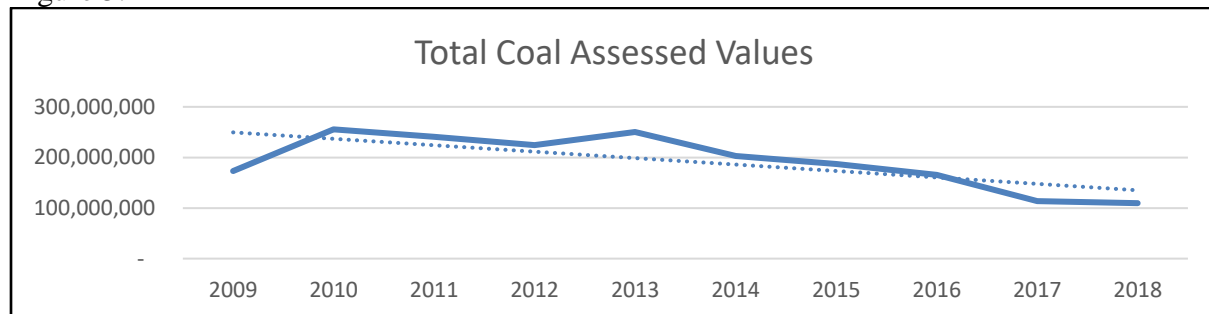


Figure 5.



Over the last ten years we have seen the contributions to the District's tax revenue from oil, gas and coal production go from a high of 24% in 2013 to a low of 11% in 2018. It appears that market forces have combined with a significant national, state and local trend toward renewable energy production that poses a risk to the long-term viability of coal fired power plants within the District. The Governor currently is calling for Colorado's electric energy sector to be 100% renewable by 2040, Xcel Energy is planning for a 100% renewable future by 2050, and even some of our local West Slope co-ops such as Holy Cross and DMEA are planning to be 100% renewable within a few decades. The owners of the Craig stations and the Hayden electric plants have all announced plans for partial or complete decommissioning of these plants in the foreseeable future.

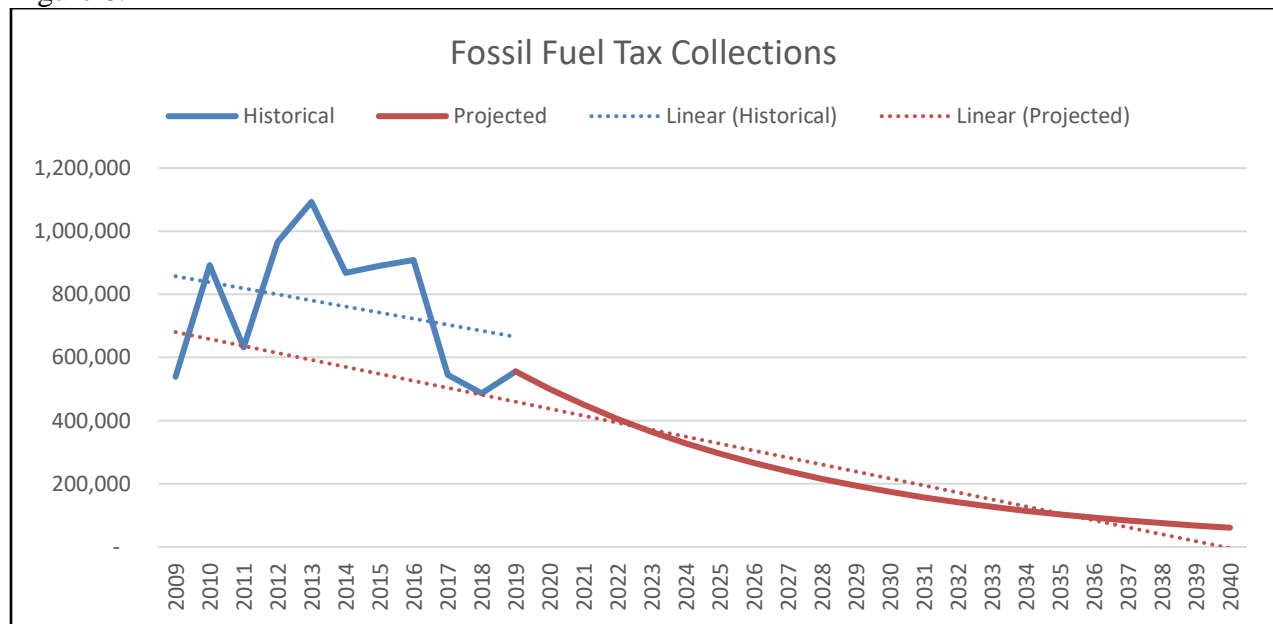
The Piceance Basin is the District's largest source of tax revenue from oil and gas production. The production in the basin largely comes from natural gas. The current and likely future supply of natural gas on the global market appears unlikely to decrease anytime in the near future and unfortunately, there have been major reserves, such as the Permian Basin in Texas and New Mexico which have come on line in the last few years that can get their product to market easily and produce natural gas at much cheaper cost than the Piceance Basin. There are major reasons to

be concerned that the downward trend in tax revenue coming from oil and gas production in the District will continue for the foreseeable future.

Without wading into the hotly charged political debate around climate change and the motivation for these power companies and governments to be setting goals around reduction in fossil fuel energy production, it is important for those of us who are charged with the financial stability and success of the District to recognize the potential if not likely impacts these discussions and actions will have upon our District's revenue. Essentially, we must plan for the worst case scenario from a revenue perspective. If we project the recent declining trend into the future, combined with pronouncements like those of Governor Polis and Xcel Energy, we can see a time in the relatively near future where we will receive very little to no significant revenue from this sector of our economy. See, Figure 6.

In light of the significant challenges to District's future tax and revenue picture created by Gallagher and TABOR the decline of a significant property tax sector, will likely compound existing revenue challenges at the District. If we were a private enterprise, our fiscal advisors would tell us that we need to consider diversifying our income stream in order to weather likely future economic storms.

Figure 6.



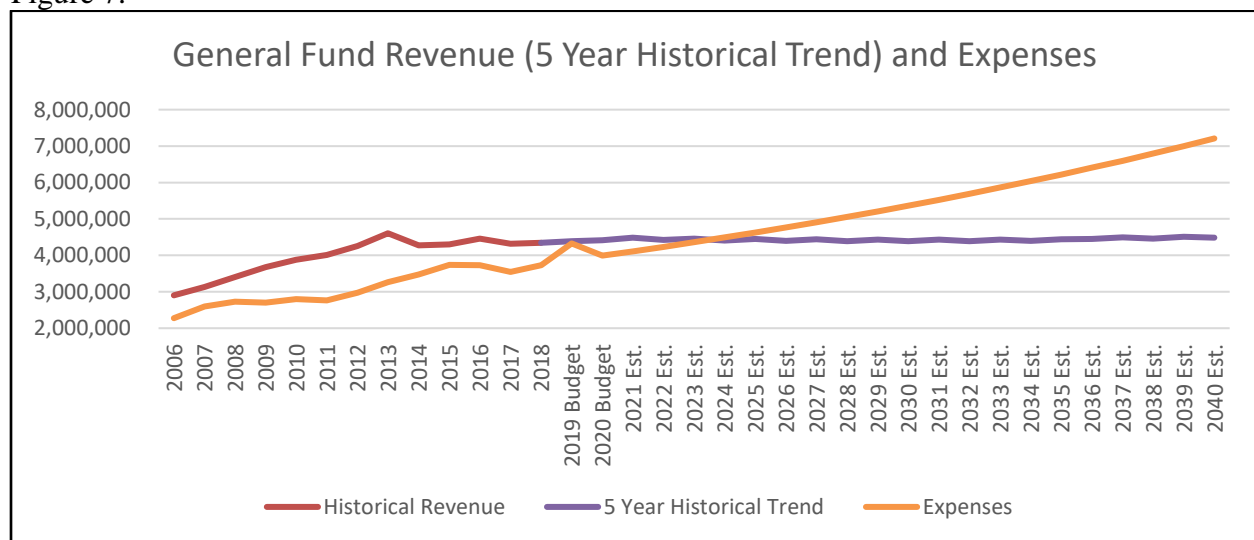
V. EXPENSE TRENDS WITHIN THE DISTRICT

As referenced in the introduction, the District management team has kept growth in expenses to a rate of 3% over the last eleven years. The rate is only slightly higher than inflation over the same period (2.36%). The increase in expenses is driven largely by the increase in costs related to employee compensation including and especially the costs of non-monetary compensation including health insurance. The increase in expenses in our employee benefits has been between

4 and 5% during this ten year period, significantly below the national, state and local trends in the increase in the cost of health insurance. District management eliminated a position in 2018 (Deputy General Manager), and is pursuing the reduction of three to four more full time positions in 2019. While these reductions are necessary, they do not present a long term remedy due to the fact that expenses will continue to increase at a greater rate than revenues due to the combined impact of TABOR and Gallagher.

In Figure 7 below you will find what we believe to be the most probable scenario in terms of growth in District revenue versus growth in District expenses if no action is taken to seek relief from the combined impact of TABOR and Gallagher. Figure 7 uses our the historical five year growth rates for both state wide residential growth (6.10%) and local growth (.718%) and assumes a steady District mill levy of .252 mills to project out into the future. At our meeting on Friday, we can model different growth rates in revenue to show the impact of increased local growth and/or the potential relief offered by removing the constraints of Gallagher and/or TABOR on the District revenue stream.

Figure 7.



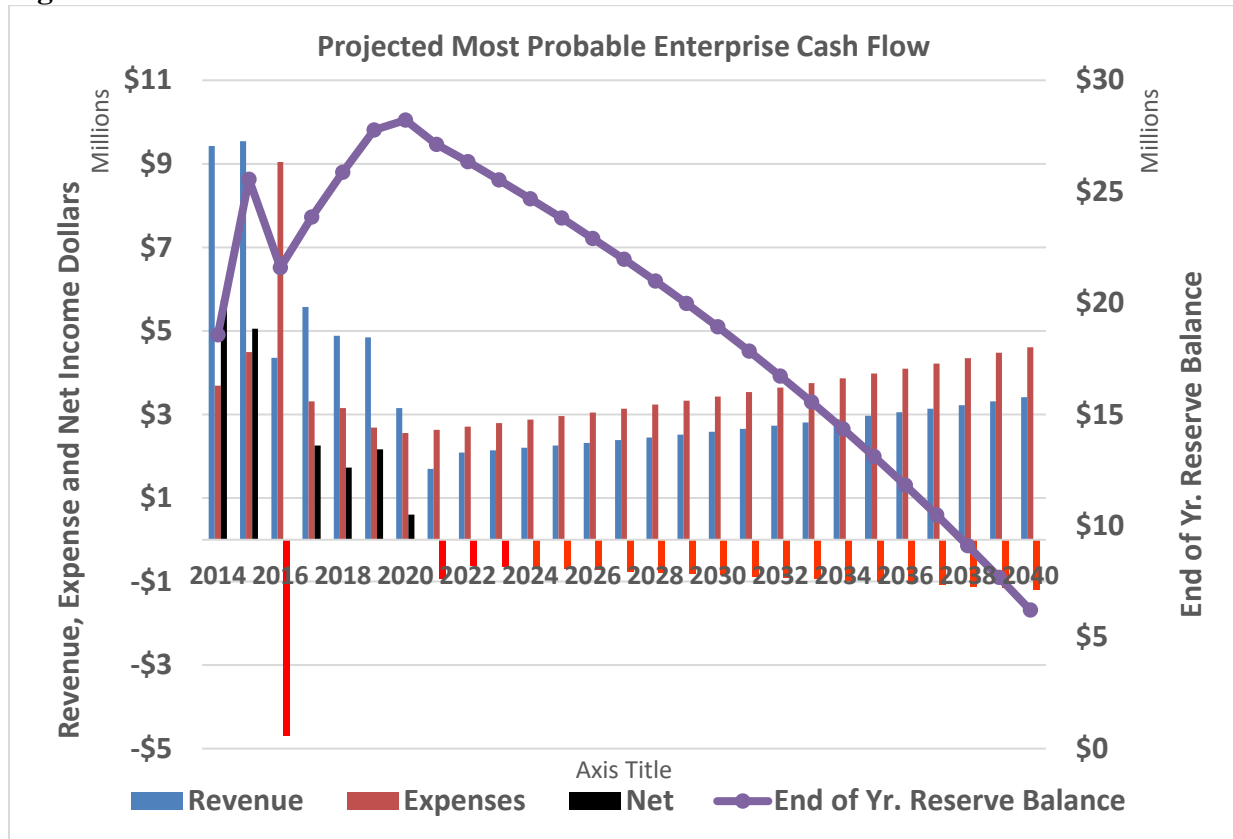
VI. THE ECONOMIC FUTURE OF THE ENTERPRISE

ENTERPRISE OPERATIONS.

After Denver Water's final \$1.5M lease payment in January 2020, without new revenue sources, Enterprise operations likely will start to run in the red and spending down cash reserves. This is dramatically depicted in Figure 8 where cash reserves are essentially depleted by 2040. In this figure the projections assume;

1. No growth in contracted M&I water volume,
2. 3% annual growth water contract revenue, and
3. 3% growth in Enterprise expenses.

Figure 8.



What are the options for reversing this dire trend so the Enterprise operates in the black?

1. Reduce operation, maintenance and replacement expenses.
2. Reduce personnel cost allocated to the Enterprise.
3. Creatively increase water marketing.

Each of these is discussed briefly below:

Reduce operation and maintenance expenses.

We will always be looking for ways to responsibly manage OM&R expenses. The fact, however, is that it is very difficult to significantly reduce these costs while striving to maintain fully functional, safe, permit compliant facilities.

Reduce personnel cost allocated to the Enterprise.

Currently most River District personnel costs are allocated 25% to the Enterprise and 75% to the General Fund. Certain personnel costs such as the Wolford caretakers are appropriately allocated

100% to the Enterprise. Overall, 30% of the River District personnel cost is allocated to the Enterprise. In the 2019 budget this totals \$1.17M or, effectively, 7 FTEs, 2 caretakers at Wolford and 5 Glenwood staff. If the Enterprise were a standalone operation and effectively walled off from General Fund operation these personnel costs could and would likely be reduced.

BUT there is an obvious General Fund impact. Shifting personnel cost away from the Enterprise back to the General Fund simply exacerbates General Fund solvency issues.

Creatively increase water marketing.

The volume of water (Acre Feet) available and contracted from the marketing pool is summarized in the following table:

Figure 9.

Source	Available	Contracted	Pending	Remaining	Right of Refusals	Remaining w/ ROR & Pending
Wolford	8,100	3,038	0	5,062		5,062
Ruedi*	11,413	5,263	0	6,150	900	5,250
Eagle Park	432	254	0	178		178
Elkhead**	4,457	100	0	4,357		4,357
TOTAL AF	24,402	8,655	0	15,747	900	14,847

The historical marketing trends are shown in the Figure 10 below. Wolford contracts have decreased since 2009. Ruedi contracts have been flat or decreased since 2013. The exception is the one year lease of 3,500 AF to the CWCB at the end of 2018 for in-channel uses on the FryingPan.

Staff believes that growth in the M&I sector will be slow in the foreseeable future for several reasons: 1) Municipal entities that could benefit from either Ruedi or Wolford water are already well situated for the foreseeable future through existing Ruedi and Wolford contracts and, 2) energy demands are expected to remain modest or potentially decline as the principal use for our marketing pool by industry has been for frac water and ancillary uses. Again, absent some large scale industrial demand (historically oil shale development) demands are expected to be flat.

There is a growing trend and acceptance for paying market rates for in-channel water. Evidence is the 3,500 AF lease to the CWCB as well as prices paid for various non-diversion agreements in recent years. Staff recommends that the Enterprise pursue creative ways to monetize our marketable yield for in-channel beneficial uses while preserving our ability to meet M&I demands when they arise. As depicted in the table shown above as Figure 9, there is sufficient volume in the marketing pool to do both. Figure 11 depicts a break even situation (variation on figure 8) in the Enterprise with additional water marketing. The amount of additional water marketing revenue required ranges from \$623,000 in 2022 to \$1,200,000 in 2040.

Figure 10.

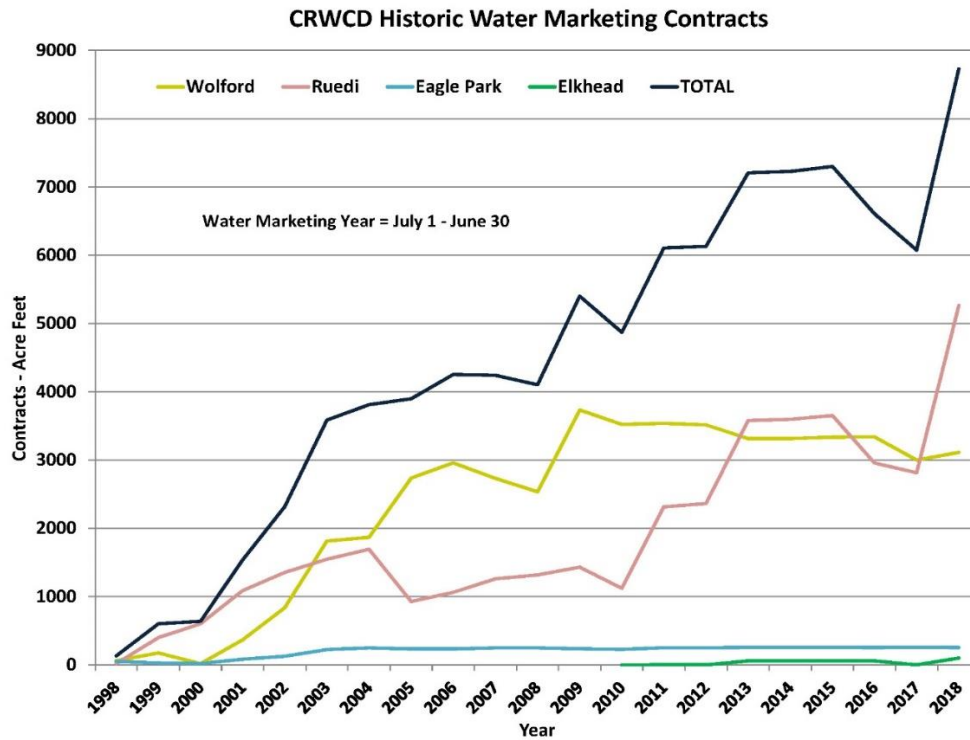
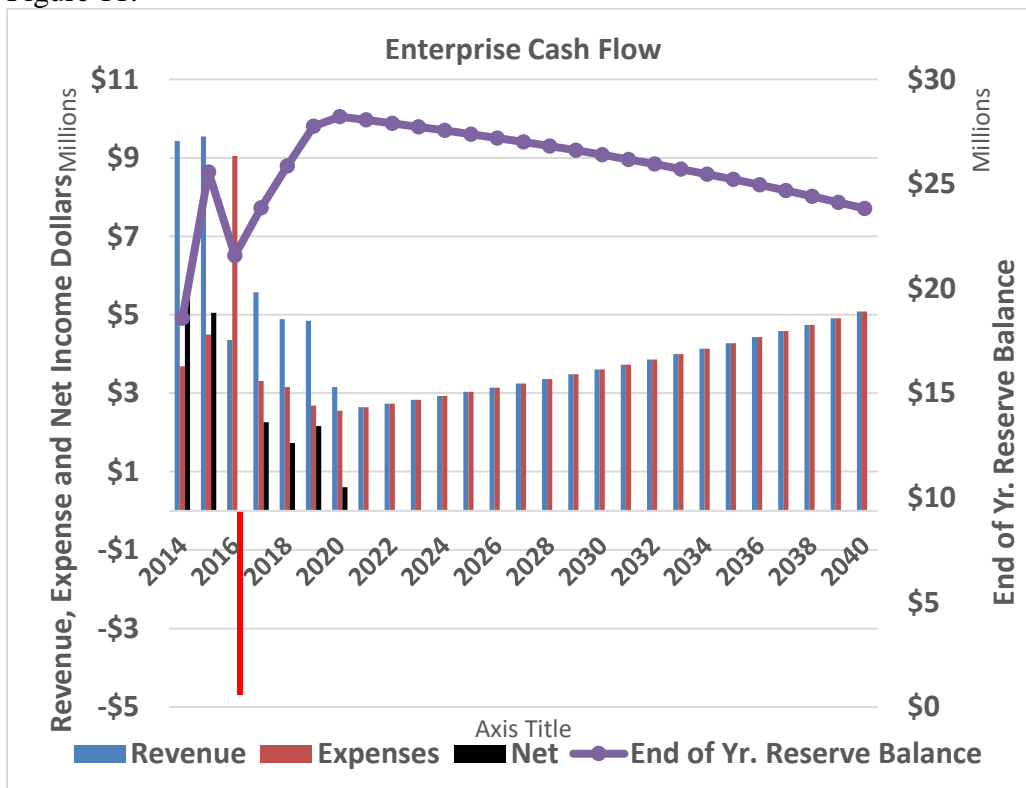


Figure 11.



Currently staff is discussing some creative in-channel contracts and will, when the time is ripe, be bringing one or more of these to the Board for further discussion.

VII. STRATEGIES FOR THE FUTURE

The purpose of this memorandum was not to depress our dedicated Board members. We are hoping to use this memorandum and our presentation during the Board meeting to stimulate a discussion regarding potential remedies to these long term financial issues and, if deemed appropriate by the Board, to receive preliminary direction regarding potential ballot questions in 2019 or beyond. There are several areas that we believe the Board should explore at our workshop. These include but are not limited to the following:

1. Ballot question to mitigate the impacts of Gallagher
 - a. Ask the voters to set the RAR permanently for the District;
 - b. Ask the voters to authorize the Board to adjust the mill levy annually to offset the impacts of a reduced RAR; or
 - c. Ask the voters to raise the mill levy.
2. Ballot question to mitigate the revenue/spending limitation and/or tax rate cap in TABOR
 - a. Ask the voters to remove the revenue/spending limitation of TABOR;
 - b. Ask the voters to raise the District mill levy and remove the revenue limitation; or
 - c. Ask the voters to remove the revenue/spending limitation only as it applies to state grant funding.
3. A ballot question containing a mix of A and B above.
4. Form a Sub-district in the headwaters counties to fund certain activities related to River Health, increased irrigation efficiency and conservation.
5. Consider seeking legislative authority in the future to diversify the District's tax revenue in light of decreasing revenue from energy production and the Gallagher amendment.
 - a. Is sales tax authority an option?
 - b. Lodging tax?
 - c. Bottle tax?
 - d. Sin tax?
6. Take no affirmative action and direct District management to continue to reduce expenditures and workforce (and related service to our constituents) to accommodate reduction in revenue.

Staff will have financial and demographic information related to these options to present to the Board in order to inform the discussion.

We look forward to a lively discussion on Friday. Thank you.

ⁱ The Colorado Constitution was amended to include TABOR in 1992. TABOR's stated purpose is to restrain the growth of government by limiting revenue, spending, and debt incurred by local and state governments. Colo. Const., Art. X, Section 20(1). TABOR is applicable to "Districts". Districts are defined as: "...the state or any local government, excluding enterprises. *Id.* at Section 20 (2)(b). TABOR requires each local government to establish a revenue and spending base, based on past revenue and spending, and then monitor any year-to-year growth in that base. A district's "fiscal year spending" is only allowed to increase at the same rate as inflation plus annual local growth. Any additional increase in revenue, spending or debt beyond the established base by a local government requires approval of the voters. Any "frivolous Revenue collected, kept, or spent illegally" over the previous four years must be refunded with 10% annual interest. *Id.*

"Fiscal year spending" is defined as "all district expenditures and reserve increases except, as to both, those for refunds made in the current or next fiscal year or those from gifts, federal funds, collections for another government, pension contributions by employees and pension fund earnings, reserve transfers or expenditures, damage awards or property sales." *Id.* at (2)(e). Although the language of TABOR speaks to distinct limits on "Fiscal year spending" (e.g., Section 20(7) is titled "Spending limits"), the Colorado Municipal League believes that those provisions are better read in the context of annual fiscal year revenue limitations instead of spending limits. *See*, CML's A Guide to the Taxpayers Bill of Rights (1999) ("CML") at 16. The justification for this interpretation is that, under TABOR, fiscal year spending equates each dollar of spending with a dollar of revenue. *See*, Section 20 (2)(e). In other words, each dollar of revenue received by a district during the fiscal year is considered fiscal year spending under TABOR. Therefore, the River District carefully tracks all revenue collected to ensure that, where applicable, its fiscal year spending limitations under TABOR are not exceeded.

As noted above, the definition of "districts" under TABOR does not include enterprises. TABOR defines an enterprise as : "...a government owned business authorized to issue its own revenue bonds and receiving under 10% of annual revenue in grants from all Colorado state and local governments combined." *Id.* at (2)(d). TABOR does not define "grants."



COLORADO RIVER DISTRICT

PROTECTING WESTERN COLORADO WATER SINCE 1937

MEMORANDUM

TO: BOARD OF DIRECTORS
FROM: DAVE “DK” KANZER, P.E. & DON MEYER, P.E.
SUBJECT: COLORADO RIVER BASIN WATER SUPPLY CONDITIONS UPDATE GO BACK
DATE: JANUARY 6, 2020

***NO ACTION:** Informational status report on water supply conditions for Colorado River Basin
No action is requested*

STRATEGIC INITIATIVE(S):

3. B. The River District will engage in support efforts aimed at understanding climate change and how it may affect water supplies.

3. C. The River District will engage in and support water supply planning efforts, local and regional, which include adapting to climate change impacts.

This memorandum provides a description of Colorado River Basin (CRB) water supply conditions for the current water year (2020) with some detailed information on River District sub-basin outlooks and brief reviews.

Colorado River Basin Hydrology and 2020 Water Supply Outlook

At the beginning of the new decade, Colorado River Basin hydrologists are cautiously optimistic with good snowpack conditions in the Upper Basin, (**Figure 1**), and decreased demands in the Lower Basin. However, poor regional soil moisture conditions are tempering water supply expectations after a very hot and dry summer and fall 2019. In fact, recent drought monitor reports still categorize much of southern and western Colorado as being under moderate to severe drought conditions (<https://droughtmonitor.unl.edu/CurrentMap/StateDroughtMonitor.aspx?CO>).

However, although it is early in the snowpack accumulation season, it appears that the ‘flash drought’ conditions that had affected a large portion of the Basin may be fading, with the hydro-climatic pendulum swinging back towards center, hopefully bringing near average water supply conditions to the CRB. Snow-water equivalent (SWE) levels are at average to above average levels, as compared to the last 30 years. Aside from Lake Powell, reservoir storage conditions are also in good shape. Additional details are provided below for specific sub basins and facilities in the River District.

Early winter snow conditions at individual Snotel sites in the Colorado River Basin as a percent of average are shown in the **left** panel of **Figure 2**. As a result of legacy soil moisture deficits

January 6, 2020

middle panel, Figure 2), the total water year unregulated inflow volume into Lake Powell was projected to be below average at 5.9 MAF or 82% of the long term average April-July runoff based upon preliminary (January 1) snowpack conditions. There is significant uncertainty as conditions can change rapidly as we enter into the heart of snowpack development season. The Colorado Basin River Forecast Center (CBRFC) April-July Water Supply Forecasts for January, **at right in Figure 2** continue to reflect average and below average runoff at various nodes, with Powell runoff volume predicted to be 85 percent of average (based upon Ensemble Streamflow Prediction model January 3, 2020).

Based upon USBR operational projections for Lakes Powell and Mead (December 2019 24-month study) suggests that there will be a 8.23 MAF release from Glen Canyon Dam at Lake Powell for Water Year 2020, as governed by the Interim Guidelines. This operation is a result of Lake Powell being in the “Upper Balancing Tier” and Drought Contingency Plan (Tier 0) operations in the Lower Basin (241 MAF of decreased deliveries from Lake Mead for downstream contractors and Mexico). This is a significant change from the previous five years of 9.0 MAF releases. However, by agreement, this provisional release schedule will be re-assessed and there may be an “April adjustment” after considering the April 1, 2020 inflow forecast.

Additional, updated information and relevant updates may be available and presented at the Board meeting, as appropriate.

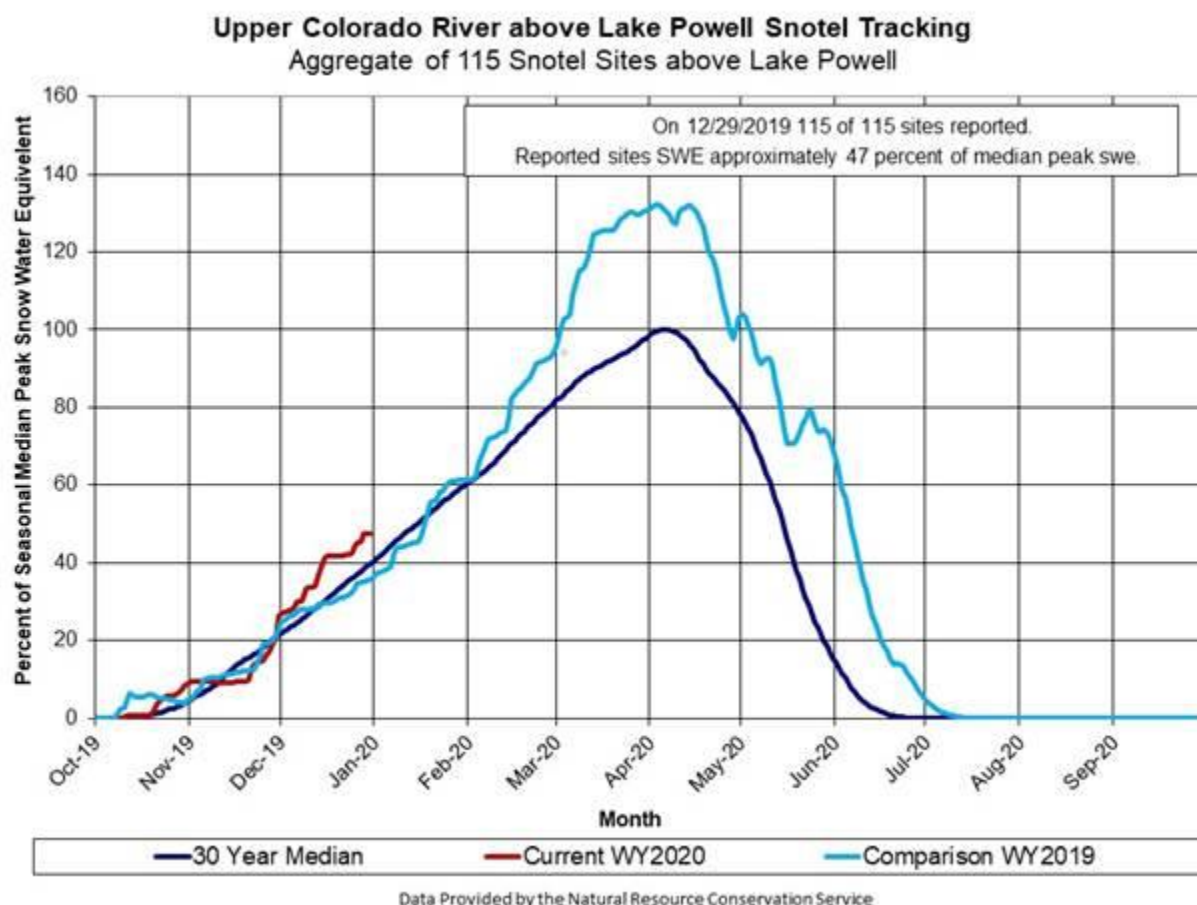


Figure 1: Graph of Snow Water Equivalent above Lake Powell as Compared to Water Year 2019 and 30-year median

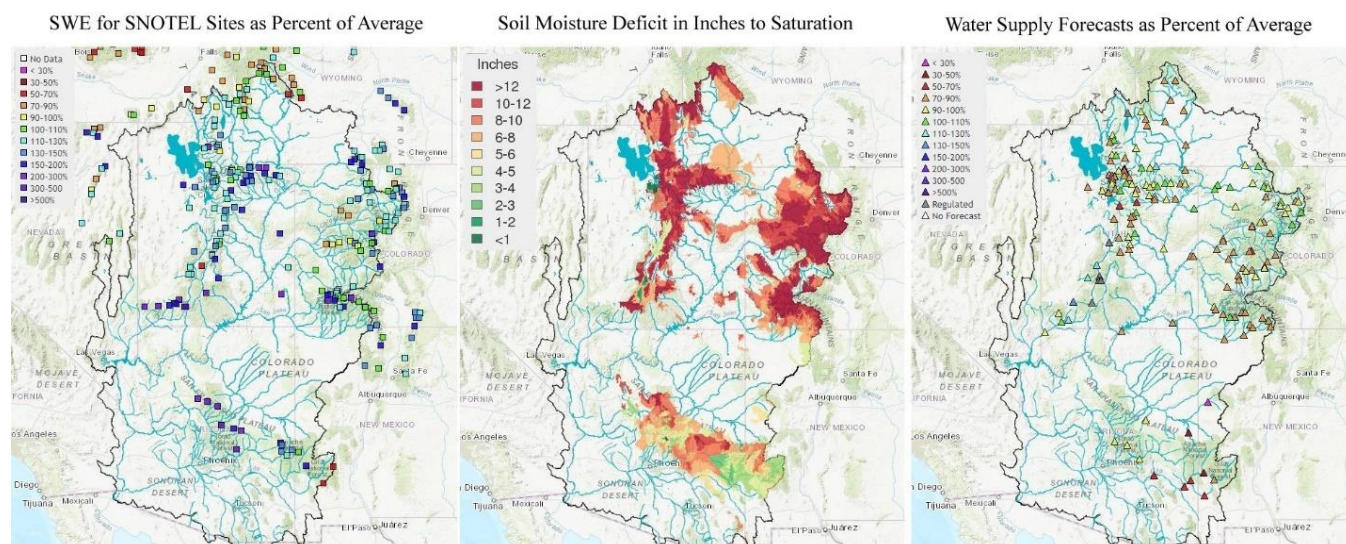


Figure 2: Elements of early season water supply conditions for the Colorado River Basin as shown from left to right by snowpack, or snow water equivalent (SWE), basin moisture, or soil moisture deficit, and resulting water supply forecasts for early January (cbrfc.noaa.gov)

Temperature and Precipitation Outlook

Looking forward, the three-month outlook for temperature and precipitation (**Figure 3**) is a bit uncertain for the CRB and western Colorado with a tilt towards warmer than average conditions throughout the lower portions of the Basin and a propensity for wetter conditions to the northern sections of the CRB (Climate Prediction Center; December 19, 2019).

Maybe the best outlook is from northern California, where much of that state’s water supply arises, in the Sierra. The balance of water supplies for southern California comes from the CRB and since California has the largest allotment of Colorado River basin water, the outlook for California’s water supply conditions can strongly influence the CRB and related reservoir operations.

With good projections for the Sierra snowpack, current outlooks suggest that there should not be a return to drought conditions in 2020 as shown in **Figure 4 – Seasonal Drought Outlook**. If this pans out, significantly decreased deliveries from Lake Mead may continue under the Drought Contingency Plan (DCP). In 2019, California consumed less Colorado River Water than any time since 1950 (total draw of 3.86 of 4.4 MAF allocation). Such enhanced conservation was made possible in part by good water supplies in the California Water Project that imports water from the Sierra, as well as aggressive conservation under “Tier 0” of the DCP.

Now in effect as of the first of the year, DCP reductions from Arizona, Nevada and the Republic of Mexico (totaling 241,000 acre-feet of decreased releases in 2020), should further help to stabilize Lake Mead water storage levels.

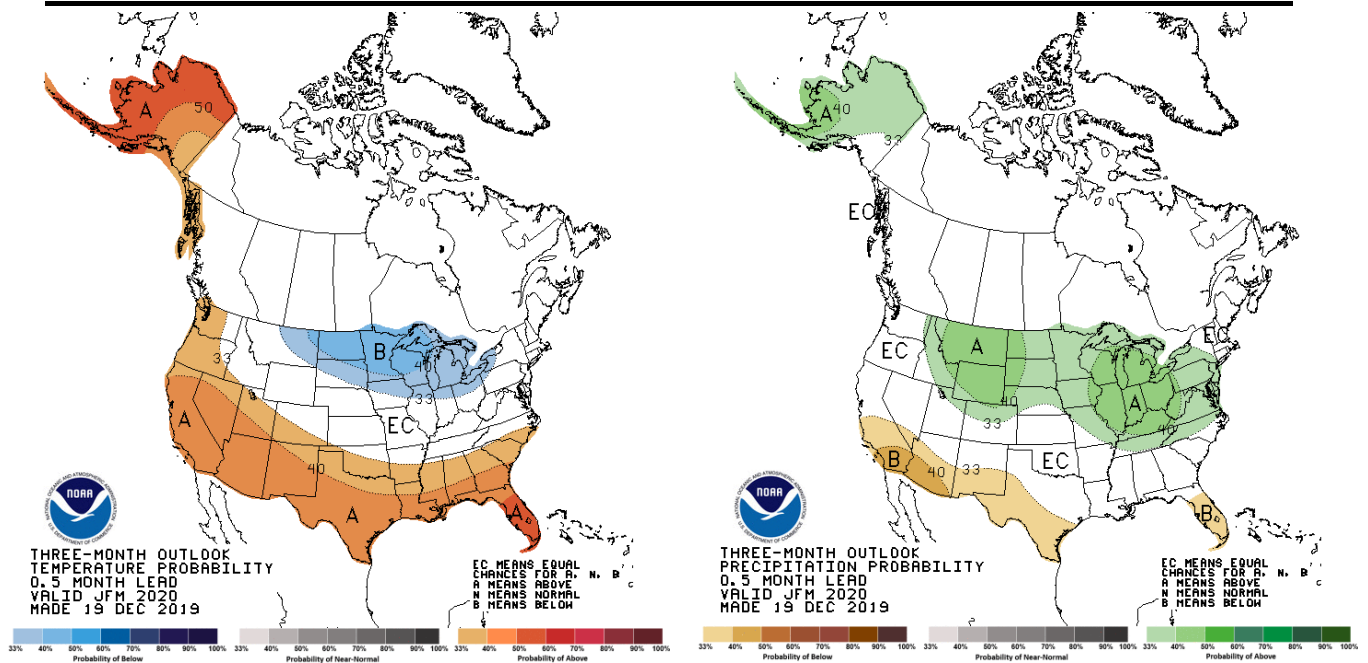


Figure 3: NOAA Three Month Temperature and Precipitation Outlook

U.S. Seasonal Drought Outlook

Drought Tendency During the Valid Period

Valid for December 19, 2019 - March 31, 2020
Released December 19, 2019

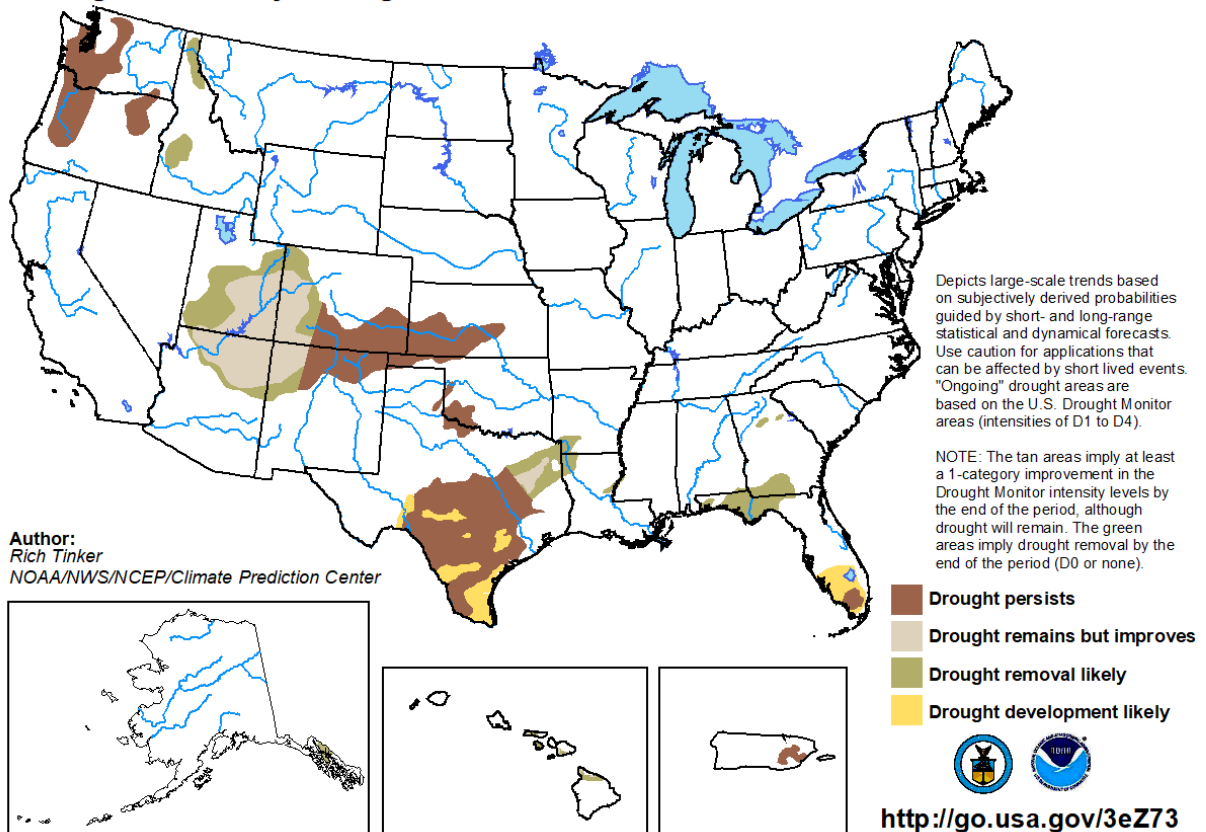


Figure 4: Seasonal Drought Outlook for US

Upper Colorado River Basin within Colorado and Wolford Operations

The dry summer and fall of 2019 caused concerns for the upcoming runoff season throughout the basin, but with return to more average precipitation, the planning models are suggesting near normal inflow conditions to the north and below average conditions to the south for important basin reservoir storage facilities. **Figure 5** shows a return to average streamflow conditions on the Colorado River near Cameo, with reduced flows during recent cold spells.

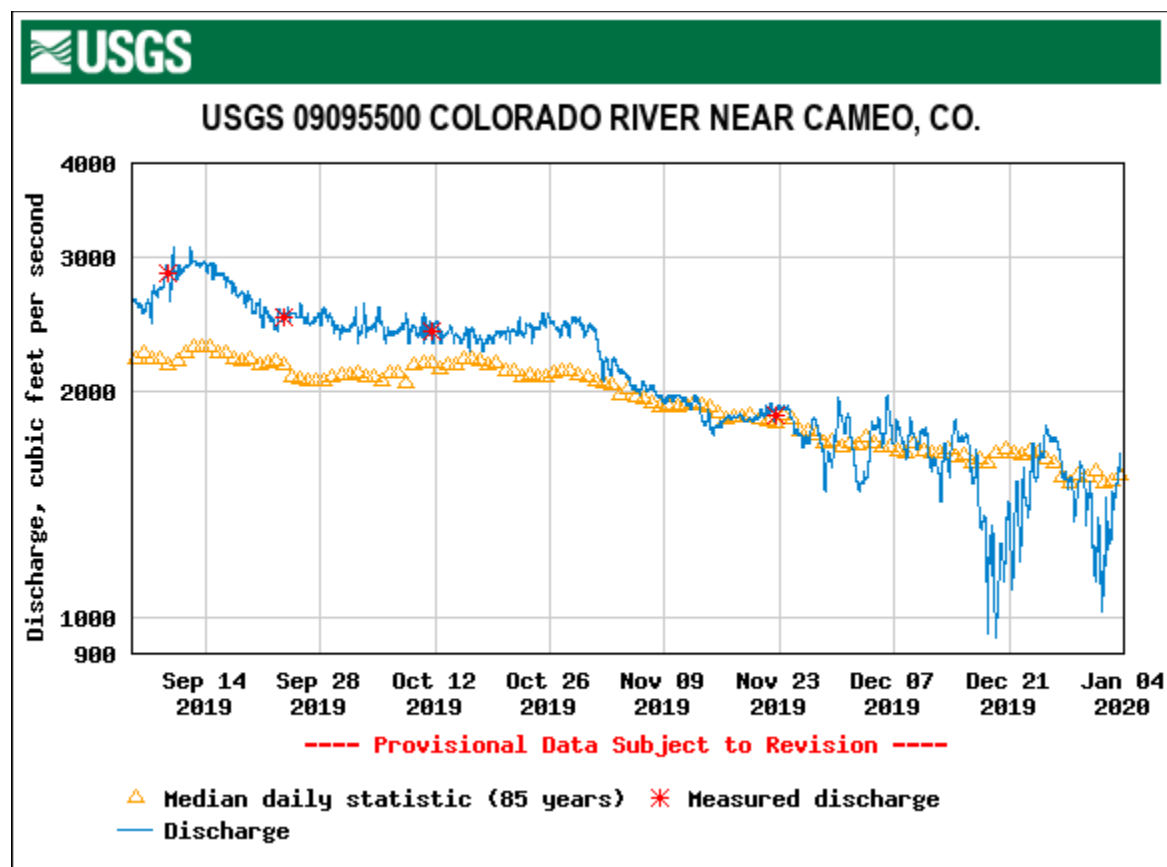


Figure 5: Colorado River Stream flows in cubic feet per second near Cameo in blue compared to median flows shown by triangles (USGS)

The current snowpack levels in the Muddy Creek Basin above Wolford Reservoir, as shown in **Figure 6**, are comparable to 2019 and above those of 2018 for this point in time (1/3/20). At this early stage the CBRFC predicts an unregulated runoff volume of 104 percent of average into Wolford. Unregulated runoff volumes above Dotsero and Cameo are predicted to be only 93 and 71 percent of average, respectively.

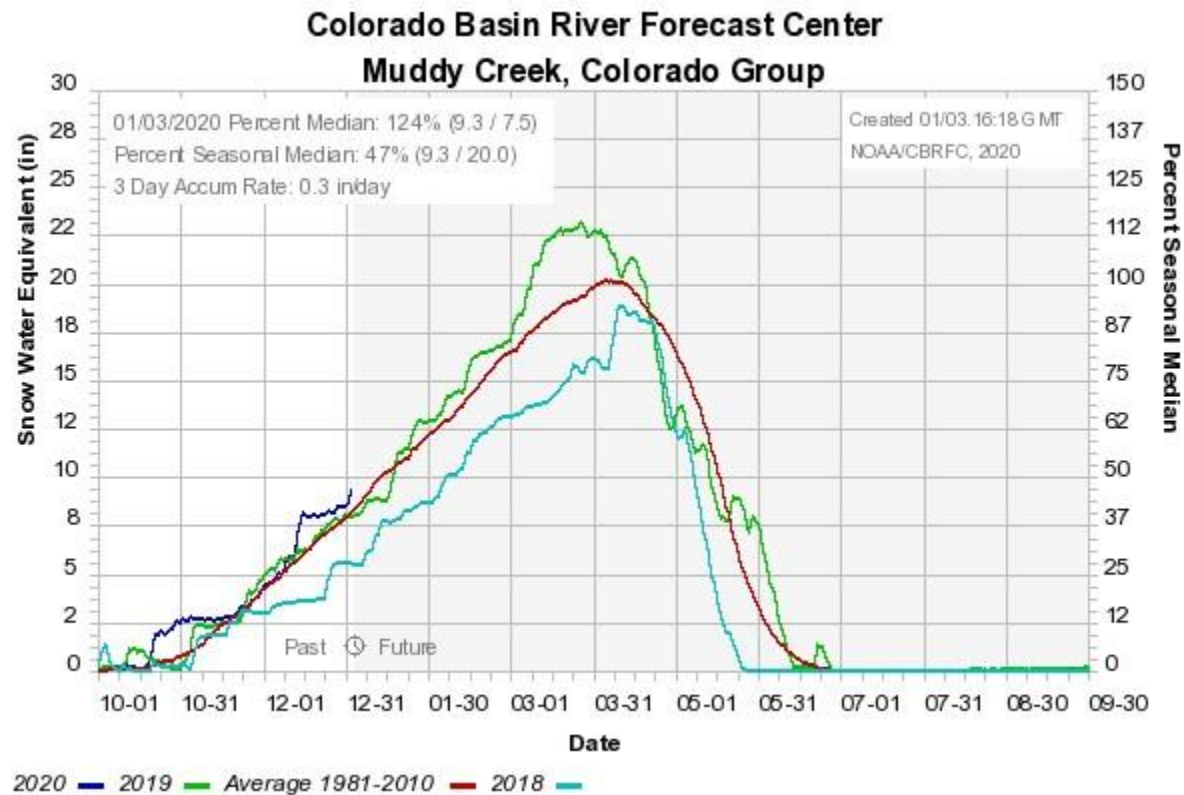


Figure 6: Muddy Creek Basin Snowpack Levels as Measured by NRCS Snotel Stations

Looking back to 2019, Wolford Mountain Reservoir operations are shown in **Figure 7**. April-July runoff volume was 68,700 acre-feet or 127 percent of average, more than sufficient to fill the half-empty reservoir and to spill for 53 days, allowing for multiple extraordinary maintenance activities. This is contrasted sharply with 2018 reservoir levels that were drawn down in late July and had a shorter ‘spill season’.

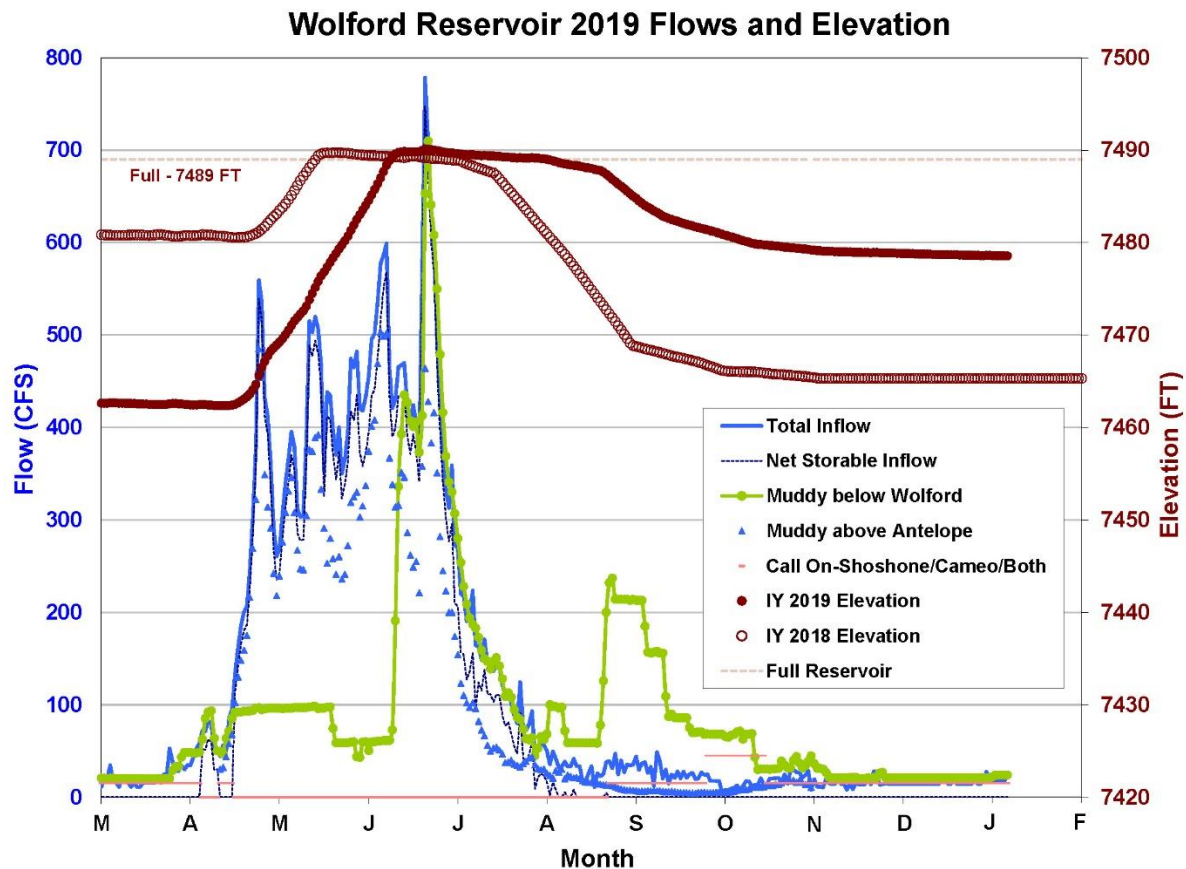


Figure 7: 2019 Wolford Mountain Reservoir Operations (Colorado River District)

Yampa River Basin and Elkhead Reservoir

The current snowpack in Elkhead Creek Basin, above Elkhead Reservoir, is way ahead of 2018 and about 130% of median as shown in **Figure 8**. Currently, the CBRFC predicts an unregulated runoff volume of 101 percent of average into Elkhead Reservoir.

Overall, the Yampa River Basin snowpack conditions are slightly better than Elkhead Creek, with the CBRFC predicting 101 percent of average runoff volume at Deerlodge Park (1/6/20).

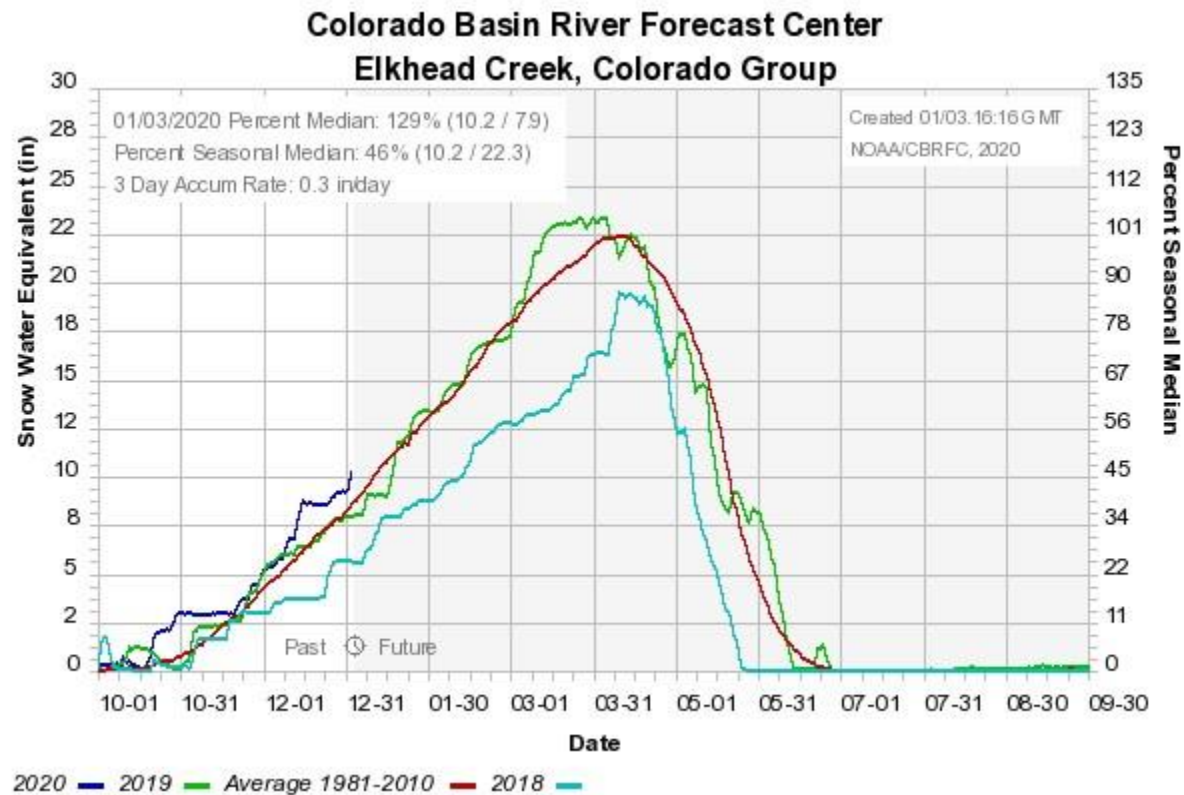


Figure 8: Elkhead Creek Basin Snowpack (as measured by NRCS Snotel)

Figure 6 shows how Elkhead Reservoir operations played out in 2019. The observed April through July inflow volume was 86,300 acre-feet or 118 percent of average. Releases were made in the late season to support flow levels in the lower Yampa River.

Figure 7 shows recent gaged flows at Yampa River near Maybell with near average winter flow levels as compared to the long term (103 years) median at this location.

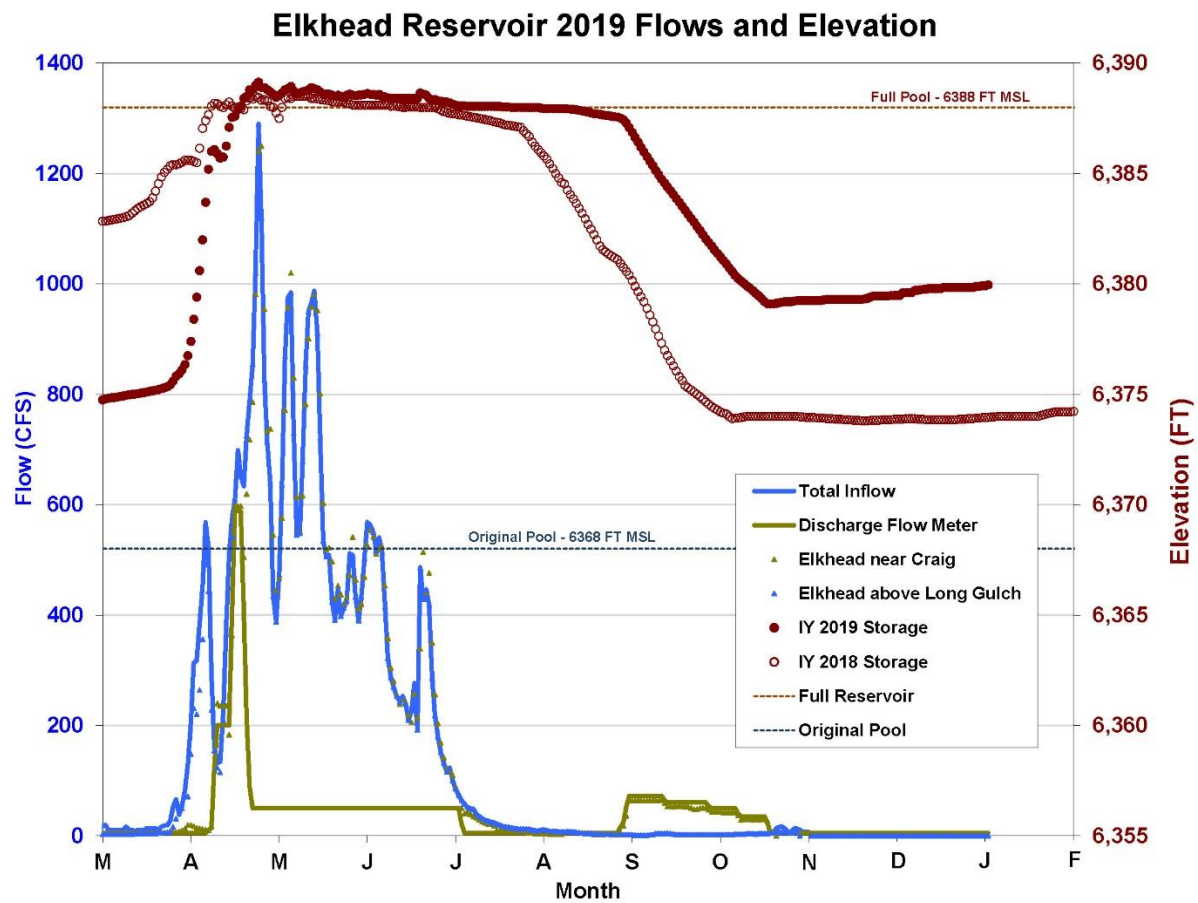


Figure 6: 2019 Elkhead Reservoir Operations (Colorado River District)

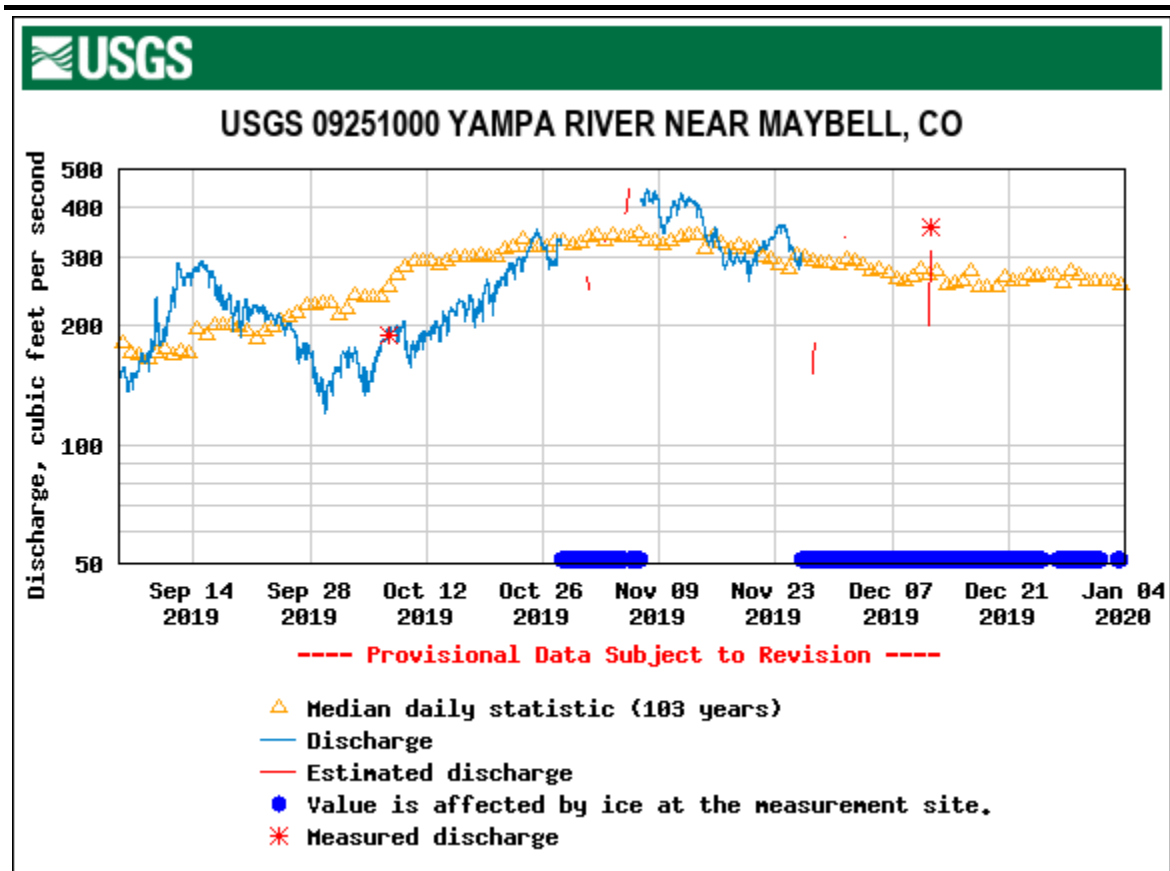


Figure 7: Yampa River Streamflows near Maybell (shown in blue line) are near normal as compared to the long term (103 year) median flows (shown by triangles).

Gunnison River Hydrology and Reservoir Operations

After a near miraculous recovery from record low reservoir storage lows, due to above average snowpack levels in 2019, and with near average snowpack conditions to date in the West Elk and Collegiate Mountains (as shown in **Figure 8**), the Aspinall Unit (1/6/20 forecast of unregulated inflow of 87%) and Upper Basin reservoirs are projected to operate in the normal ranges in 2020 at this early juncture, suggesting a near full supply for Gunnison water users in 2020.

Looking back at the 2019 water year, **Figure 9** shows Gunnison River annual streamflow hydrograph above Grand Junction at Whitewater. This seasonal plot reflects late runoff, peak enhancement operations from Aspinall Unit (pursuant to the ‘Record of Decision’ flows) and above average base flows into the winter season.

High reservoir conditions and average hydrology continue to help support above average flow conditions near the mouth of the River, above Grand Junction, through the present, with higher than average releases for this time of year. This is shown in **Figure 10**.

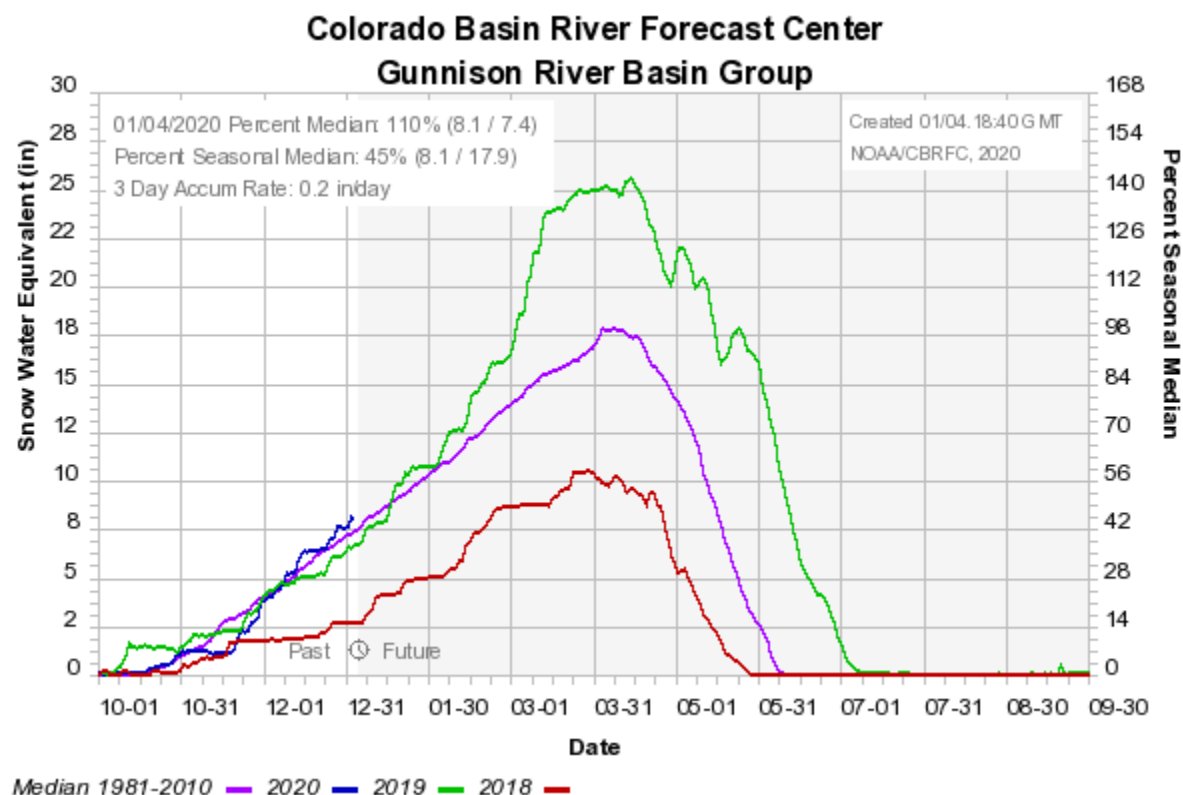


Figure 8: Current snowpack conditions for 2020 (as shown in blue) in the Gunnison River Basin are tracking along the long term (approximately 30 year) median levels as shown by an index of 12 NRCS Snotel sites

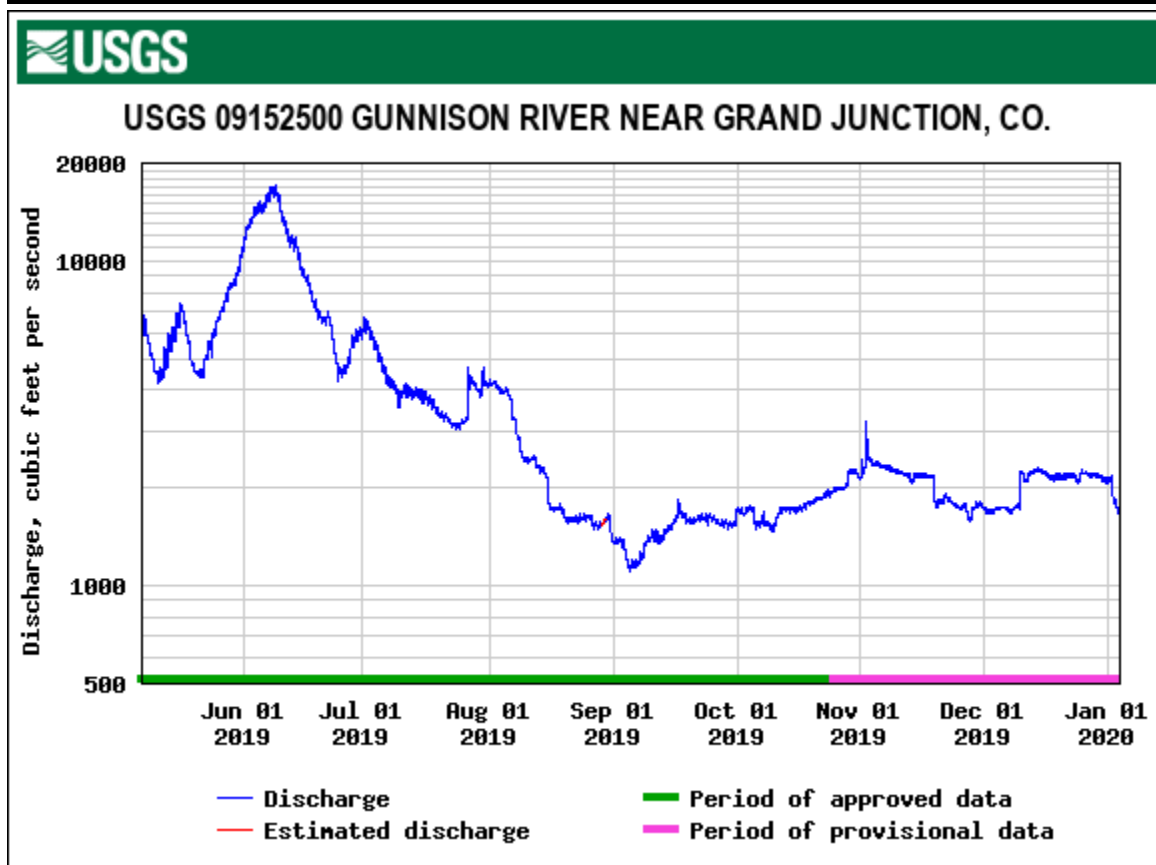


Figure 9: Water Year Operations for 2019 were characterized by high peak and baseflows as shown by Gunnison River stream flows near at Whitewater, Colorado near Grand Junction.

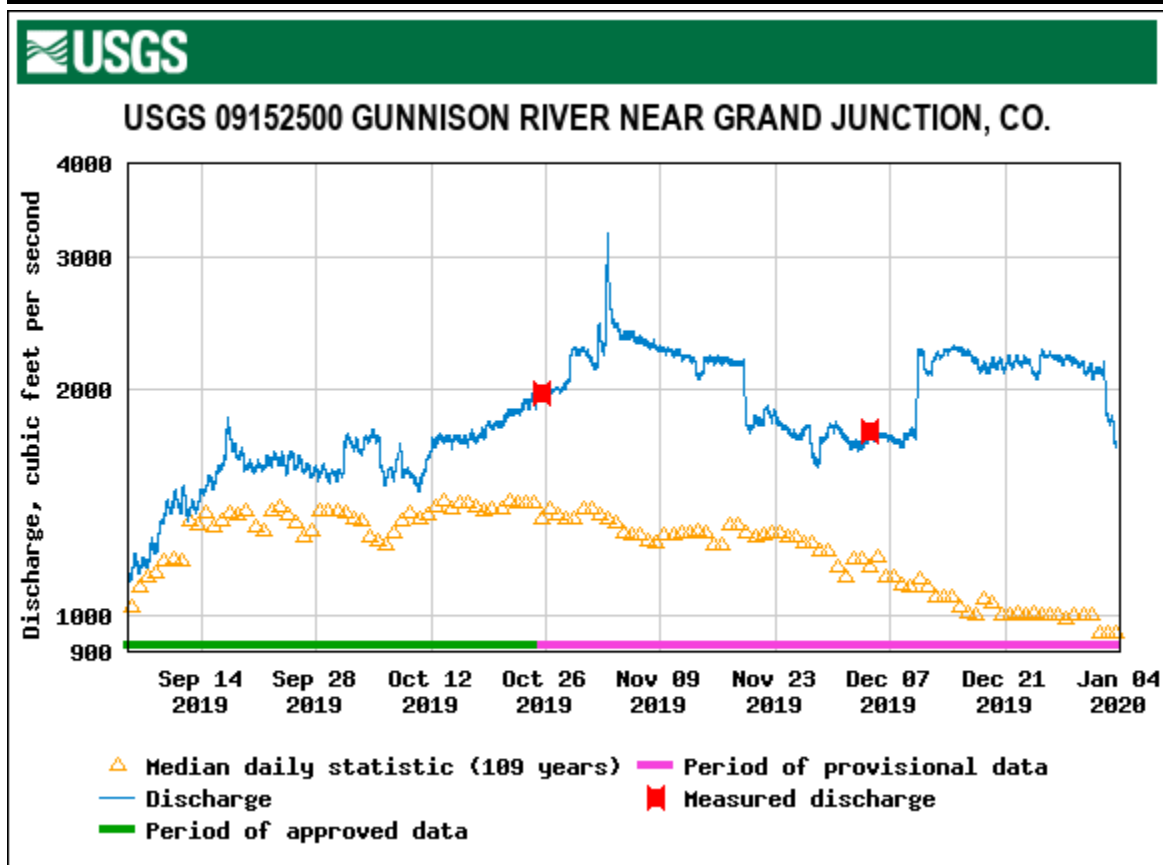


Figure 10: Stream flows in the Gunnison River at Whitewater near Grand Junction (shown in blue) continue to be above the long term (109 years) median levels (orange triangles)



COLORADO RIVER DISTRICT

PROTECTING WESTERN COLORADO WATER SINCE 1937

MEMORANDUM

TO: BOARD OF DIRECTORS, CRWCD
ANDY MUELLER, GENERAL MANAGER
JOHN CURRIER, CHIEF ENGINEER

FROM: MIKE EYTEL, SENIOR WATER RESOURCE SPECIALIST *ME*

SUBJECT: PHREATOPHYTE CONTROL AND THE PARADOX PLANT (TAMARISK) GO BACK

DATE: JANUARY 10, 2020

ACTIONS:

No action requested. This report is provided as an update to the Board of Directors on the current status of phreatophyte control as a way to increase water supply.

STRATEGIC INITIATIVE(S):

- 1. Outreach and Advocacy
- 3. Climate and Hydrologic Uncertainty
- 4. Colorado River Supplies:
- 9. Water Efficiency and Conservation
- 10. Water Quality

Removing phreatophytes from riparian areas, and thereby reducing consumptive use, is commonly considered an effective method of increasing water supply. But how effective is it really? This memorandum reviews the “state of the science” with a focus on tamarisk. As an invasive species, tamarisk has received most of the phreatophyte removal attention in the Colorado River Basin over the past 70 years. In summary basin-wide scale tamarisk removal may slightly increase water supplies but the amounts are slight compared to the overall consumptive use in the Colorado River Basin.

Background

Phreatophytes are deep-rooted plants that access a substantial portion of their water needs from the phreatic zone or groundwater. Generally associated with riparian corridors, phreatophytes are adaptable and may also be found in uplands and in areas with marginal soils. These types of plants are capable of developing tap roots 20 - 30 feet or greater in length depending on depth to groundwater. There are more than seventy plant species classified as *phreatophytes* such as pickleweed, rabbitbrush, salt grass, alfalfa, cottonwood, willow, greasewood, salt cedar (aka

amarisk), and Russian olive. This memorandum deals primarily with Tamarisk aka “the paradox plant,” since tamarix is the most prevalent invasive phreatophyte in the Colorado River Basin.

Like kudzu in the south, the “tamarix” genus (50 – 60 species) or “tamarisk” was introduced to the United States in the early 19th century from Eurasia as an ornamental shrub for windbreaks, shade, and erosion control. It was commonly planted for erosion control during the dust bowl. There are both evergreen and deciduous species in the U.S. The deciduous species are often referred to as a “paradoxical plant” from its selection theory and longevity, as it disperses many offspring (seeds) and can live for more than 100 years. Tamarix is highly drought tolerant, tolerates saline soils, and uses both surface and groundwater. These traits allow Tamarix to take advantage of environmental stressors and anthropogenically modified hydrology in the arid west to out-compete native vegetation.¹ Since its introduction into the arid southwest, tamarix now occupies more than 250,000 acres in the Colorado River Basin.²

Water saved by Tamarisk Removal

“Tamarisk” has often been villainized for its rampant thirst for water. Early studies grossly overstated high rates of evapotranspiration (ET) up to 4 - 7 acre-feet per acre with little consideration of native fauna ET. Not to mention lower ET's were often measured but also given little consideration. This left the impression that clearing tamarisk would yield large volumes of water. The plants basin wide ET was often compared to the annual consumptive use of three times the household use of Los Angeles.³ Estimates in 1961, in Arizona, California, New Mexico, Nevada, Utah, and Colorado were that phreatophytes consume between 10 - 12 million acre-feet annually.⁴ These studies led the way for the water salvage eradication of tamarix effort from the 1950's through the 1980's.

What these early studies all failed to note was ET rates are highly variable and dependent on many external factors, like water availability, elevation, temperature, soil morphology, and climatic conditions. All of which are difficult to accurately measure in the field. As methods to estimate ET improved, so did our understanding of overall riparian water consumption on a basin wide scale. These newer studies show basin-wide ET is relatively constant regardless of prevalence of tamarix.⁵ In certain upland areas, removal of Tamarix along with revegetation of more xeric plant types may yield a small amount of salvage water, even though replacement in riparian areas generally results in minimal or no water savings once native vegetation is reestablished. Any water supply gained by large scale removal of tamarix is temporary and nearly the same once native revegetation is established.

¹ Invasion and Restoration of Western Rivers Dominated by Tamarix. Hisham N El Waer. USDA Forest Service RMRS-GTR-377. 2018.

² Tamarix Coalition. Colorado River Basin Tamarisk and Russian Olive Assessment. December 2009.

³ Millar, H. 2004. When aliens attack. Sierra July/August 30–39, 63.

⁴ Blaney, H. 1961. Consumptive Use and Water By Phreatophytes in Western United States. USDA.

⁵ Nagler, P. L., R. Scott, C. Westenburg, J. Cleverly, E. Glenn, and A. Huete. 2005b. Evapotranspiration on western U.S. rivers estimated using the enhanced vegetation index from MODIS and data from eddy covariance and Bowen ratio flux towers. Remote Sensing of Environment 97:337–351.

Yes, large scale phreatophyte removal will yield some water. However, the results are generally costly, temporary, and difficult to predict. Restoration costs vary widely and are largely dependent on the width and density of tamarisk infestation. Revegetation costs range from \$0 for natural regeneration up to \$1,500 per acre for major restoration efforts. Saline soils can significantly increase revegetation costs. The Colorado River Basin Water Supply and Demand Study in 2012 cited conversion of 60,000 acres of tamarisk at a cost of \$400 per acre could yield up to 30,000 acre-feet annually. This is a relatively small amount of water, considering the over-use in the lower Colorado River Basin,⁶ and the extent of invasion of tamarisk within the Colorado River Basin.

Conclusion

A better understanding of tamarix water budget and its effect on the environment has ushered in a new era for tamarix. No longer demonized for its thirst, tamarix is now looked at for its value to the ecosystem in some areas. Tamarix provides valuable ecosystem services to various species within its habitat.⁷ Current scientific thought is there are some populations of tamarix which are detrimental and should be eradicated, while other populations should be supported. From a water supply perspective in the Upper Colorado River Basin any restoration efforts related to tamarix removal and riparian restoration should focus on site specific areas where the habitat and ecosystem have been negatively impacted and should not be driven by the desire to increase yield in the system. In functioning ecosystems with tamarix present doing nothing may be the right solution. Ultimately tamarix removal is another tool in the toolbox for water demand reductions. However, the decision to remove tamarix is more an issue about invasive species mitigation rather than salvaging water.

⁶ Bureau of Reclamation. Colorado River Basin Water Supply and Demand Study. Table 2. Summary of Representative Options.

⁷ Sher, Quigley 2013. Tamarix. A Case Study of Ecological Change In The American West.



COLORADO RIVER DISTRICT

PROTECTING WESTERN COLORADO WATER SINCE 1937

MEMORANDUM

TO: BOARD OF DIRECTORS, CRWCD

FROM: MIKE EYTEL, SR WATER RESOURCE SPECIALIST GO BACK

SUBJECT: UPDATE ON WATER BANK WORKGROUP ACTIVITIES RELATED TO THE SECONDARY ECONOMIC IMPACTS OF DEMAND MANAGEMENT STUDY

DATE: JANUARY 10, 2020

ACTION: *No Action Required.*

STRATEGIC INITIATIVE(S):

4.C.) Colorado River Supplies - Continue to study mechanisms, such as Compact Water Bank and Contingency Planning that include demand management...

6.A) Agricultural Water Use – Continue to study the concept of a voluntary and compensated water bank in collaboration with other stakeholders to best preserve western Colorado agriculture.

6.B) Agricultural Water Use – Explore alternative transfer methods that allow agricultural water users to benefit from the value of their water rights with the permanent transfer of the rights, and without adverse impacts to the local communities and regional economy.

6.C) Agricultural Water Use – Work to ensure that the burden of demand reduction is shared across all types of water use sectors, and that agricultural water rights, and agriculture itself, are not injured.

Background:

The Colorado River District has been an active participant and leader in the Colorado River Water Bank Work Group (WBWG) and is currently managing a 2019 Cost Share Agreement in support of a *Study of Impacts Associated with a Potential Upper Basin Demand Management Program with BBC Research & Consulting*. “This is a landscape level assessment of the scale of potential secondary economic impacts from a potential demand” management program in Western Colorado.

Update:

- 1) The River District has entered into a contract with Key Communications, LLC to develop a website dedicated to the current secondary economic impact study and the Colorado River Water Bank Work Group web page.
- 2) BBC and the steering committee are currently reviewing the Draft Report and preparing comments. The final report is due in early April 2020.
- 3) Second round of basin focus group meetings is currently slated for early 2020.
- 4) Developing a short list of next steps for analysis including developing and analyzing a wide range of potential demand management scenarios. The WBWG is also addressing the location and crop type of a potential demand management program.



COLORADO RIVER DISTRICT

PROTECTING WESTERN COLORADO WATER SINCE 1937

MEMORANDUM

TO: BOARD OF DIRECTORS, CRWCD

FROM: DAVE 'DK' KANZER, P.E., DEPUTY CHIEF ENGINEER GO BACK

SUBJECT: AUTHORIZATION REQUEST: USGS JOINT FUNDING AGREEMENT FOR 2020

DATE: JANUARY 2, 2020

ACTIONS: *Request delegated authority to the General Manager to enter into a joint funding agreement ("JFA") with the USGS, subject to review and approval by legal counsel, in the amount of \$555,597 to engage in cooperative water gauging and sampling activities in 2020. The water quality and quantity monitoring activities as defined in the USGS JFA would commit the River District to the amount of \$555,597; this is consistent with the adopted 2020 budget. Delegated authority is also requested for the General Manager to enter into agreements, subject to review and approval by legal counsel, with cooperating partners for reimbursement of some of the USGS gauging and sampling activities, estimated to be a total of \$105,000.*

STRATEGIC INITIATIVE(S):

- 2. A. The River District will increase its outreach efforts with water organizations and other local organizations in the Gunnison, White and Yampa River basins. The goal will be to use River District resources to help those basins address their consumptive and non-consumptive water needs.*
- 3. C. The River District will engage in and support water supply planning efforts, local and regional, which include adapting to climate change impacts.*
- 7. A. The River District will work proactively with District constituents and basin roundtables to better quantify and refine both the consumptive and non-consumptive water needs, in amount, location and timing, throughout the District, including projected needs that may result from climate change.*
- 7. C. The River District will look for opportunities where its efforts are needed as a catalyst to help in-District interests plan for and meet their water needs in a manner that is consistent with the District's compact contingency planning goals and objectives.*
- 10. A. The River District will proactively convene and facilitate, as needed, local stakeholder groups to address local and regional water quality concerns to protect against regulatory actions.*

Background

For almost 30 years, the Colorado River District has been cooperating with the USGS and local partners to collect, analyze and publish water quality and quantity data across the River District to

Subject: Authorization Request: USGS Joint Funding Agreement for 2020

January 2, 2020

Page 2 of 2

support water resource planning, management and to inform decision making. These USGS data products are highly valued by water resource managers and water users across the District and west wide because they are publicly-available, unbiased, data that are subject to rigorous, state-of-the-art, quality-controlled and peer-reviewed protocols.

The CRD-USGS cooperative water program continues to be the largest such program in the State of Colorado and it represents the largest single River District budget item, programmed to be \$555,597 in 2020 calendar year (this includes stream gaging, water quality sampling and continuous monitoring of temperature and specific conductivity at different locations across the River District).

All cooperative monitoring and assessment activities are detailed in annual Joint Funding Agreements (JFAs) that specify the cost, frequency, location, parameters collected, and technologies employed. The JFAs also summarize the cost-sharing details (i.e., the USGS generally provides about 30% of total funding and the River District and partners provide the rest of the funding – approximately 70% of total).

The cooperative monitoring programs are reviewed every year to ensure that CRD strategic initiative objectives are being met and help constituent groups (*e.g.*, conservancy districts, watershed groups and local governments) understand and manage their water resources. All major tributary sub-basins in the Colorado River District have active groups that coordinate water resource data collection efforts to increase efficiency and reduce redundancy.

Specifically, River District staff works directly with groups in the Upper and Lower Gunnison, the middle Colorado River, the Roaring Fork, the Eagle, the White and the Yampa River Basins to optimize and to leverage USGS monitoring in these areas. Such coordination efforts have resulted in significant contributions from these interested stakeholder group participants. These cooperative funding partnerships should exceed \$105,000 in 2020. Partnerships in the Eagle River watershed make up almost two-thirds of this amount.

Proposed 2020 USGS Joint Funding Agreement Details

In 2020, the total cost of USGS activities as outlined in the JFA is \$793,871 with a cost share of \$238,273 being provided by the USGS, which is approximately one third of the annual total program expenditures. This makes the ‘customer cost’ equal to \$555,597; this is further offset by contributing partners who have committed to provide approximately \$105,000 in 2020, providing approximately 20% of the total ‘customer cost’. The River District’s enterprise and general funds are due to pick up the balance of JFA activities of about \$450,600, this represents about 51% of the total annual program costs.

The financial details and specific monitoring and assessment activity details are reflected in the 2020 JFA and associated program spreadsheet tables; this information is summarized below. Additional detailed information is available for your review upon request.

Summary of CY2020 Joint Funding Agreements between the Colorado River Water Conservation District and the
U.S. Geological Survey

PROJECT	PERIOD COVERED	TOTAL	CRWCD	USGS	GWSP
PROGRAM TOTALS		\$793,871	\$555,597	\$207,097	\$31,176
Data Collection Programs					
General Program					
CRWCD - Streamflow gages	Jan-Dec 2020	\$68,159	\$46,837	\$14,139	\$7,183
CRWCD - Water quality network	Jan-Dec 2020	\$23,273	\$16,193	\$7,080	\$0
Upper Gunnison River Basin Program:					
Streamflow gages	Jan-Dec 2020	\$14,846	\$9,290	\$3,591	\$1,965
Water quality network	Jan-Dec 2020	\$28,000	\$20,048	\$7,952	\$0
Lower Gunnison and North Fork Gunnison Basins Selenium and Water Quality Program:	Jan-Dec 2020	\$93,274	\$66,593	\$26,681	\$0
Colorado River Basin Salinity and Selenium Trend Monitoring:	Jan-Dec 2020	\$20,875	\$14,805	\$6,070	\$0
White River Program:					
Streamflow gages	Jan-Dec 2020	\$37,337	\$23,569	\$7,898	\$5,870
Water quality network	Jan-Dec 2020	\$17,210	\$12,320	\$4,889	\$0
Sediment	Jan-Dec 2020	\$8,203	\$5,873	\$2,330	\$0
Water Temperature Network:	Jan-Dec 2020	\$10,619	\$7,478	\$3,141	\$0
Yampa River Basin Streamgaging and Water-Quality Program:					
Streamflow gages	Jan-Dec 2020	\$4,445	\$2,650	\$0	\$1,795
Water quality network	Jan-Dec 2020	\$55,077	\$39,143	\$15,934	\$0
Roaring Fork River Basin Streamgaging and Water-Quality Program:					
Streamflow gages	Jan-Dec 2020	\$35,560	\$22,510	\$13,050	\$0
Water quality network	Jan-Dec 2020	\$28,282	\$20,251	\$8,031	\$0
Eagle River Basin Streamgaging and Water-Quality Program:					
Streamflow gages	Jan-Dec 2020	\$35,560	\$27,488	\$889	\$7,183
Water quality network	Jan-Dec 2020	\$129,751	\$92,694	\$37,057	\$0
subtotal		\$610,471	\$427,742	\$158,732	\$23,996
Enterprise Program					
Streamflow gages	Jan-Dec 2020	\$69,612	\$47,105	\$15,327	\$7,180
Water quality network	Jan-Dec 2020	\$113,788	\$80,750	\$33,038	\$0
subtotal		\$183,400	\$127,855	\$48,365	\$7,180



COLORADO RIVER DISTRICT

PROTECTING WESTERN COLORADO WATER SINCE 1937

MEMORANDUM

TO: BOARD OF DIRECTORS, CRWCD
ANDY MUELLER, GENERAL MANAGER

FROM: AUDREY TURNER

SUBJECT: HEALTH INSURANCE POLICY REVIEW GO BACK

DATE: JANUARY 3, 2020

ACTIONS:

Informational update only. No action is requested of the Board at this time.

STRATEGIC INITIATIVE(S):

11. A. River District Staff Resources: *The River District will seek to be an attractive and competitive employer in the region, state, and water community. This includes maintaining, to the best of its ability, a highly competitive compensation package and supporting the work-life balance that is valued by the District and its employees.*

Update Since October

In October 2019, I provided the Board with a rather grim update on our 2020 health insurance premium increase. The Western Slope Health Care Group (WSHCG) experienced an extraordinarily high claims year which resulted in the River District receiving a 23.6% increase in premiums. With that large premium increase, the overall health insurance budget exceeded the Board's policy of 5%/year average increase. Per the Board's policy which is attached to this memo as Exhibit A, the General Manager determines how to distribute the cost increase (i.e., the amount that exceeds a 5% annual average annual increase) among the employees. The first step was to eliminate the River District's customary annual contribution to employee's Health Savings Accounts (HSA). However, additional premium savings were still needed. District Management determined that the River District would continue to cover one hundred percent of the premium expense for employees on the lowest cost plan. We then created a progressive premium cost-share formula for dependent coverage which took into consideration the cost of dependents' premiums and the employee's annual salary.

Employees were provided their individual projected premium cost-share in late November and were able to make dependent coverage and plan changes for 2020. The projected employee premium cost-share ranged from \$866 to \$3,600 per year. In addition to the premium expense, the family deductible on the High Deductible Health Plan (HDHP) is \$5,000 per year. Employees on the HDHP pay 100% of medical costs until the deductible is met and then the insurance pays expenses over the deductible. If employees elect one of the higher cost traditional PPO plans, the

additional employee premium contribution is up to \$4,542 per year depending on the plan and level of coverage. With the new premium cost-share information, we had a few employees who voluntarily removed their spouses who have coverage available through their employers. With the elimination of the District HSA contribution and the voluntary removal of several spouses we anticipate the total River District premium expense increase in 2020 will fall within the budgeted amount.

Background Information & Development of Current Policy

It's no secret that rising health insurance costs have been a challenge for employers and individuals nationwide over the last two decades, and the River District, being located in a region with some of the nation's most expensive healthcare, is no exception. In the late 1990s, the River District worked with several other local special districts to form the Western Slope Health Care Group (WSHCG). By joining forces, WSHCG was able to negotiate with insurance carriers as a large employer which historically has had lower cost as the risk is spread across more members. Participation in the WSHCG has been very beneficial for the River District and has likely saved us from double digit premium increases every year that we would have experienced in the small group market.

In 2010, staff worked with the Board President and Vice President to develop a policy on the health insurance budget where previously the Board reviewed and approved specifics of health insurance on an annual basis. Several options were explored and presented but ultimately in January 2011, the Board adopted a policy of allowing for a 5% average increase in the health insurance budget per employee using a 5-year running average. If, in any given year, the increase causes the 5% average to be exceeded, the General Manager must take actions to keep the District's cost increases within the 5% by distributing the cost increase amongst the employees.

Since the adoption of the policy in 2011, there have been several actions implemented to mitigate premium increases. WSHCG has increased deductibles, offered lower cost alternatives such as a telemedicine option, and increased stop-loss amounts. Internally, the District has decreased the health savings account contributions to employees over the years and we implemented a premium contribution of \$150/month for dependents over 19 in 2011.

During the last ten years, the District has kept the average increase to the health insurance budget at 5%. As mentioned above, we have had to make changes to maintain that number. In the same ten-year period, employees (assuming family insurance coverage and not taking into account the employee contribution for dependents over 19) have experienced a 14% average increase in out-of-pocket costs through increased deductibles and decreased HSA contributions.

The WSHCG average premium increase over the last ten years has been 7.5%.

Looking Ahead

As we've discussed with the Board for the last two years, WSHCG is facing an uncertain future. With challenges brought by being in the most expensive region for health care costs in the nation while continuing to offer a reasonably quality health plan for employees, WSHCG has not been able to attract more districts. In fact, membership has declined over the last several years for a

variety of reasons. The executive committee of WSHCG will be meeting very regularly in early 2020 to determine the next steps for the group with the hopes of providing individual districts plenty of time to make decisions for 2021.

I don't anticipate health insurance to become any less volatile or challenging. The Board has long recognized that offering affordable, quality health coverage to our employees is critical to meeting our strategic initiatives in offering a competitive and comprehensive benefits package. It is likely that as 2021 approaches, the District will be faced with a significant increase in health insurance costs that will greatly exceed the Board's current cost containment policy. If and when such increases occur, it may be appropriate for the Board to revisit its policy.

Adopted: January 18, 2011

COLORADO RIVER WATER CONSERVATION DISTRICT

EMPLOYEE HEALTH INSURANCE POLICY

The River District Board recognizes that attracting and retaining excellent employees is essential to accomplishing the mission of the River District. Successfully attracting and retaining quality employees requires that the District offer competitive compensation packages to its employees. A competitive total compensation package includes an accessible health insurance program and the financial participation in that program by the District. The health insurance market is an extremely volatile market primarily characterized by unpredictable but steep increases in cost. This market condition causes uncertainty to the River District in its budget forecasting and financial planning abilities and more importantly poses a threat to the ability of the District to accomplish its core mission. The policy reflects both the commitment to providing a competitive total compensation package to the employees as well as containing the cost of that compensation package to protect the core mission of the River District.

It is the responsibility of the General Manager to determine the best method of assuring the availability of a health insurance plan for the employees of the District, while assuring the fiscally responsible operation of the District. Therefore, River District Board believes that it is advisable to provide policy guidance to the General Manager and the River District personnel staff with respect to the provision of a health insurance program and the financial participation of the District in that program.

Policy Implementation

- The Board has set a percentage of annual increase in the health insurance budget that is acceptable, using a 5-year running average, of 5%, and if the increase goes above 5%, then the General Manager determines how to distribute the cost increase among the employees. This can be done by employee premium contributions, a decrease in the River District HSA contributions, etc.



COLORADO RIVER DISTRICT

PROTECTING WESTERN COLORADO WATER SINCE 1937

MEMORANDUM

TO: BOARD OF DIRECTORS, CRWCD

FROM: ANDY MUELLER

SUBJECT: GENERAL MANAGER 2020 GOALS AND OBJECTIVES GO BACK

DATE: JANUARY 1, 2020

I continue to have numerous goals and priorities and for 2020 I attempted to distill these many goals into a few, relatively straightforward goals which reflect the Board's priorities as expressed in the Strategic Plan.

1. Goal: Develop and implement long term financial viability plans for both the Enterprise and General Funds.

APPLICABLE STRATEGIC INITIATIVES: 12.A. Financial Sustainability and 13. Asset Management.

- a. Continue work with key District administrative staff to develop an accurate body of information related to the fiscal future of the River District and the impact that constitutional financial constraints place on the ability of the District to meet its mission.
- b. Develop and implement a systematic method to communicate the financial implications of constitutional constraints on the District's core mission to District constituents.
- c. Collaborate with engineering and administrative staff to develop a comprehensive, forward thinking business model for water marketing from the Enterprise's pool of assets.
- d. Strengthen and enhance the District's culture and practice regarding the wise and frugal use of taxpayer funds.
- e. I will work closely with District staff to ensure clear, concise, accurate and consistent understanding and communication regarding our District's fiscal future. In doing so I will provide leadership and regular, professional feedback and communication to all team members.

2. Goal: Continue to provide statewide and basin-wide leadership on Colorado River supplies and operations.

***APPLICABLE STRATEGIC INITIATIVES:
4.A. through 4.D. Colorado River Supplies;***

5.A. through 5.C. Trans Mountain Diversions; and

6.A. Agricultural Water Use

- a. Provide leadership and direction in the Upper Basin on Interim Guideline renegotiations.
- b. Continue to support the District's work on the Risk Study and the Secondary Economic Impact Study and the development of accurate and unbiased information so that the River District retains its position as a trusted source and valued participant in these ongoing matters.
- c. Continue involvement in the Upper Basin DCP planning efforts focusing our efforts on CRSP Reservoir reoperation protocols and water supply augmentation.
- d. Provide structure and leadership to a West Slope-wide discussion regarding a Demand Management Program in a manner that fosters open and respectful communication with a goal of reaching a consensus on West Slope priorities.
- e. Develop and strengthen collaborative working relationships with our intra and interstate partners in the basin.

3. Goal: Provide leadership for the West Slope effort to implement the provisions of the CRCA related to the permanency of the Shoshone Flows.

APPLICABLE STRATEGIC INITIATIVE: 5.A. Trans Mountain Diversions

- a. Continue to explore, evaluate and implement all alternatives available to the West Slope including collaboration with a wide range of partners.
- b. Work collaboratively with the General Counsel to create a viable path forward for progress in this matter.
- c. Develop necessary coalition of allies for successful completion of this goal.

4. Goal. Increase River District activities and participation in outlying basins.

APPLICABLE STRATEGIC INITIATIVE: 2.A. and 2.B. Outreach in All Basins

- a. Assist, direct and coordinate staff efforts in an outreach effort, and program identification and development in the Yampa, White, Green and Gunnison River Basins.
- b. Provide support and direction in a collaborative manner to staff engaged in efforts in the Yampa, White, Green, Gunnison and Uncompahgre Basins through frequent communication, and encourage staff to identify and develop cost-effective opportunities and methods to expand our presence and focus in these basins.
- c. Lead efforts to secure input and involvement from water users from all basins in the development of a possible Demand Management program in the state.

5. Goal: Provide direction and leadership to District staff as we continue to transition the District workforce and optimize our impact through more efficient, team driven efforts.

APPLICABLE STRATEGIC INITIATIVES: 11.A. and 11.B. River District Staff Resources

- a. Continue to restructure work assignments and organizational hierarchy to enhance flexibility and optimization of our team members' assets and knowledge as the District faces the retirement and replacement of long-time employees.
- b. Continue the development of 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. Model and encourage cross departmental communication and the strengthening and development of a willingness to identify areas and efforts where employees can provide unique skills and knowledge to assist other team members in accomplishing their goals and projects.
- c. Develop and support staff in innovative methods of achieving our District's mission and strategic goals.
- d. Provide a sense of stability and security among employees through frequent professional and positive communications. Strive to be accessible to all employees so that they are properly supported and engaged in fulfilling work.

6. Goal: Provide leadership in the development of data to better understand the impacts of climate and hydrologic uncertainty and to develop efforts within the District, State and Basin to mitigate the effects of variable climate.

APPLICABLE STRATEGIC INITIATIVE: 3.A. Climate and Hydrologic Uncertainty

- a. Assist in the collation, synthesis and distribution of study results addressing this issue.
- b. Develop opportunities to identify and financially support efforts at further development of unbiased data on this issue.
- c. Work with local communities within the District to assist in the development of plans related to firm water supply considering climate change and uncertain hydrology in the Colorado River.
- d. Support staff efforts to identify water users who may be particularly vulnerable to variable climate and support staff efforts to assist those constituents in developing and implementing plans to address these issues.

7. Goal: Increase Constituent awareness and knowledge of who the River District is and Why we are important for the future of the West Slope.

APPLICABLE STRATEGIC INITIATIVES: 1.A. through 1.E. Outreach and Advocacy

- a. Lead our reconstituted External Affairs department to a whole new level of education and outreach with our constituents through a multitude of platforms. In doing so, create an environment on the EA team that encourages respectful, creative and cost-effective problem solving.
- b. Continue communication with the fifteen Boards of County Commissioners and assure that one or more District staff meet with each Board during the year.
- c. Continued personal and active engagement in elected official educational outreach program for the District.

- d. Participate in most of the District's State of the River presentations and the District Seminar and the additional civic group outreach efforts being initiated this year.
- e. Assist our Director of Governmental Relations with advocacy efforts at the state and federal levels.

12. Directors' Basin Updates and/or Concerns

NO MATERIAL AVAILABLE



COLORADO RIVER DISTRICT

PROTECTING WESTERN COLORADO WATER SINCE 1937

MEMORANDUM

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

FROM: JIM POKRANDT

SUBJECT: 2020 POLICIES REVIEW GO BACK

DATE: JANUARY 3, 2020

Requested Action: Review and adoption of River District Policies in the 2020 cycle.

Strategic Initiatives: -1B: Timely and Accurate Public Information-4A and 4B: Colorado River Supplies -7: Water Needs/Project Development

The Board's adopted practice is to review approximately one-third of the River District's 19 policy statements on a rotating three-year basis. The process starts each January. For a complete list of River District policies, refer to our web site: www.coloradoriverdistrict.org/policies/

A policy must be on the Board's agenda for at least two quarterly meetings before you take final action to adopt or re-adopt the policy.

Below and attached are six policies due for triennial review in 2020. Staff's recommended revisions for these policies are shown in "track changes" format.

- Aging Infrastructure,
- Colorado River Compacts,
- Colorado's Entitlement to Colorado River Basin Water,
- Interstate Water Marketing,
- State Funding: Water Projects and Programs, and
- Transmountain Water Diversions

Note that discussion of the **Instream Flow Policy** is covered in a separate memo from the General Manager.



COLORADO RIVER DISTRICT

PROTECTING WESTERN COLORADO WATER SINCE 1937

MEMORANDUM

TO: BOARD OF DIRECTORS, CRWCD

FROM: ANDY MUELLER, GENERAL MANAGER

SUBJECT: COLORADO RIVER DISTRICT INSTREAM FLOW POLICY GO BACK

DATE: JANUARY 8, 2020

ACTIONS: *No action requested at this time.*

STRATEGIC INITIATIVE(S):

7. A. Water Needs/Project Development. *The River District will work proactively with District constituents and basin roundtables to better quantify and refine both the consumptive and non-consumptive water needs, in amount, location and timing, throughout the District, including projected needs that may result from climate change.*

In July of 2018, this Board unanimously adopted the attached policy regarding instream flows. It is the policy of this Board to review policies on a triennial basis. Under this procedural policy the Instream Flow Policy should not be up for review and discussion until 2021, unless the Board takes formal action to review it sooner. As you will recall, the Board has discussed potential revisions to the 2018 instream flow policy at several recent meetings, including January 2019, just six months after the Board unanimously approved the existing policy language. From our review of the minutes, there was no formal direction from the Board regarding this early review/revision process.

Staff spent considerable time between Board meetings in 2019 working potential revisions to the language of our existing policy. The Board spent considerable time at each of our quarterly board meetings doing the same. No consensus was reached on revisions to the existing policy language.

Given the unanimous approval of this Board in July of 2018, it is staff's recommendation that the Board not revisit this policy until it comes up for review under our existing procedural policy in 2021. Should the Board disagree with this recommendation, and desire to continue to discuss revisions to this policy in 2020, we would ask the Board pass a motion with clear direction to staff as to what portions of the policy should receive revision and focus.

Adopted July 16, 2014
Adopted July 18, 2017

GO BACK

Aging Infrastructure

Colorado River Water Conservation District Policy Statements:

The Colorado River District supports federal and state appropriations and programs that encourage investment in capital maintenance, including extraordinary maintenance, to address and maintain – and upgrade where possible - the full function and benefit of Colorado’s aging water infrastructure. A comprehensive inventory of Colorado’s water-related infrastructure is a requisite first step to responsibly managing and maintaining these historical investments. Streamlining of the permitting process for capital maintenance is just one appropriate mechanism to encourage infrastructure maintenance.

Background & Discussion:

Water supply and delivery infrastructure provide Colorado with essential water supply for agriculture, drinking water, recreational opportunities, power generation and more. This infrastructure is often also an important component of flood control. Many of these systems, including those within the River District, were built 50 to 100 years ago and require increasing resources for maintenance, repair or replacement.

As these systems age, the corresponding increase in the frequency and cost of extraordinary maintenance needs often exceeds the financial capabilities of the responsible end-users. Financial assistance programs are essential to address the needs of Colorado’s aging water infrastructure and to ensure the continuance of its many benefits and should be prioritized among public investments.

~~According to the American Society of Civil Engineers (ASCE) in 2013, the average age of the 84,000 dams in the country is 52 years old. The Association of State Dam Safety Officials estimates that it will require an investment of \$21 billion to repair these aging, yet critical, high-hazard dams. ASCE grades the condition of America’s dams D+ or ‘poor’. The U.S. Bureau of Reclamation estimates its backlog of “deferred maintenance” at \$3 billion.~~

~~A dedicated, comprehensive system of planning and investment will be required to ensure the continued viability and safety of our current water infrastructure, as well as investments to meet future water demands.~~

Assistance programs should include grant and loan programs to encourage and assist capital maintenance programs and regulatory permitting programs that facilitate and reward infrastructure repairs and rehabilitations.

Adopted July 19, 2005
Revised and readopted April 2008
Revised and readopted July 2011
Revised and readopted April 2014
Revised and readopted April 2017

GO BACK

Colorado River Compacts

Colorado River Water Conservation District Policy Statements:

The Colorado River Compacts of 1922 and 1948 must be enforced, protected and defended from legal challenge or amendment unless all seven basin states agree to the terms of any proposed change. The seven basin states must reconcile differences in Compact interpretation in a mutually acceptable manner.

The Colorado River Water Conservation District (River District) recognizes that the Colorado River is a highly variable system, and this hydrologic variability is forecast to become more frequent and more pronounced in the future. Therefore, the State of Colorado, in cooperation with the other three upper division states, must implement compact compliance strategies to be fully prepared for periods of extended droughts that minimize impacts to existing uses and minimize the potential for shortages and disruptions to present and future West Slope economies.

New Colorado River water uses must be developed in a manner that minimizes the risk of compact curtailment to existing users.

The River District shall lead efforts to analyze the risk and risk factors of compact curtailment. Such ~~analysis~~ analyses shall explore early warning signs of possible curtailment and recommend alternative avoidance and mitigation responses.

The River District shall lead the effort to inventory and maximize the efficient use of water supplies exempt from compact administration to ensure western Colorado retains and can capitalize on the full benefit of pre-compact water rights.

Background & Discussion:

The State of Colorado is signatory to the 1922 Colorado River Compact and the 1948 Upper Colorado River Basin Compact. The 1922 and 1948 Compacts, along with the 1944 International Treaty with Mexico, other federal laws, and United States Supreme Court decisions comprise the “Law of the River.” The diversion of Colorado River water for consumptive beneficial uses within the State of Colorado is subject to, and limited by, provisions of the Law of the River.

Today, it is clear that the 1922 Compact negotiators allocated a greater amount of water than is reliably available. employed a limited and unnaturally wet hydrologic record in their deliberations; resulting in allocation of a greater than sustainable quantity of Colorado River water. This and other unresolved technical and legal issues result in conflicting interpretations of the 1922 Compact. Resolution of unresolved Colorado River compact issues, such as the Mexican Treaty

obligation and the accounting of Lower Basin tributaries, will be challenging, time consuming, and costly. However, the cost of inaction is even greater.

~~The primary purposes of both compacts are to provide legal certainty regarding how much water each state can develop, to allow states to develop their water resources when the water is needed, and to preclude the interstate application of the prior appropriation doctrine. The Colorado River Compacts protect Colorado from downstream states claiming prior (senior) use of the Colorado River that would preclude Colorado's eventual development of its full consumptive use entitlement.~~

~~There are, however, disputes about the interpretation of the language of the compacts. These include conflicting language allocating the river's waters: "in perpetuity to the Upper Basin and to the Lower Basin, respectively, the exclusive beneficial consumptive use of 7,500,000 acre feet of water per annum" (*Article III(a)*) and the requirement that "the States of the Upper Division will not cause the flow of the river at Lee Ferry to be depleted below an aggregate of 75,000,000 acre feet for any period of ten consecutive years."(*Article III(d)*) Interbasin differences also include unresolved issues between the Upper and Lower Basin states regarding respective water delivery obligations to the Republic of Mexico. Failure of the seven basin states to harmonize the terms, conditions and interpretation of the compacts by mutual agreement invites unilateral federal intervention to resolve these differences and legal proceedings that will be protracted, divisive, and exceptionally expensive.~~

~~Colorado must continue to improve and refine technical data regarding existing Colorado River uses within the state and throughout the Colorado River Basin, including a consistent and common method for calculating consumptive uses among the four Upper Basin states. Additionally, more and better science must be developed regarding historical Colorado River flows and periodic, sustained droughts, including refinement of paleo hydrology studies and the potential impacts of climate variability on basin wide hydrology.~~

~~The Colorado River Compact of 1922 expressly grandfathers water uses which pre-date the compact, protecting them from being curtailed when compact administration occurs. Therefore, full legal protection, along with efficient use, including by exchange, is of paramount importance regarding these strategic water rights.~~

The River District's involvement should include an active education program of its constituents, as well as other affected parties, regarding the issues involved, the importance of water storage and conservation, and the consequences of inaction.

Adopted October 21, 2008
Revised and readopted July 2011
Revised and readopted April 2014
Readopted April 2017

GO BACK

Colorado's Entitlement to Colorado River Basin Water

[Note: No proposed changes](#)

Colorado River Water Conservation District Policy Statements:

The Colorado River Water Conservation District (River District) supports and will remain involved in statewide efforts to better determine Colorado's current use and remaining development potential of its Colorado River compact entitlement. Further, the River District will advocate for legislation, policies and programs that protect Colorado's existing uses of Colorado River basin waters and permit responsible development of Colorado's remaining water entitlement without increasing the risk of compact curtailment to existing water users.

The River District believes the impacts of a curtailment of water rights to meet Colorado's obligations under the 1922 and 1948 compacts would cause significant harm to the welfare of the state; therefore, the first priority must be to avoid curtailment. Accordingly, all Colorado River water users and the State of Colorado must work cooperatively to minimize the risk of curtailment. Additionally, in anticipation of possible compact curtailment, strategies to offset the inevitable impacts must be developed.

Background & Discussion:

The Colorado River Compact of 1922 and the Upper Colorado River Basin Compact of 1948 allocate Colorado River basin water for consumptive uses to ~~Colorado and the other~~ the basin states. There is considerable uncertainty, however, regarding the specific amount ~~of Colorado River entitlement~~ allocated to each Upper Basin state.

Curtailment of Colorado River water uses to meet the 1922 Compact requirements is projected to impact all or nearly all post-compact Colorado River water uses. As additional water development in Colorado occurs, the risk of reaching or exceeding our compact entitlement increases. Due to the anticipated magnitude of any interstate curtailment, this risk will likely be shared by all post-compact water users in Colorado ~~regardless of seniority of water rights~~. The risks to the West Slope posed by the potential acquisition of pre-compact water rights by non-West Slope interests and dry-up of associated agricultural lands must be addressed. Further, the future effects of and uncertainty surrounding climate change represent additional risk and challenges regarding determination and management of Colorado's remaining Colorado River entitlement and must be addressed.

Adopted July 19, 2005
Revised and readopted April 2008
Revised and readopted July 2011
Revised and readopted April 2014
Readopted April 2017

GO BACK

Interstate Water Marketing

~~Note: No changes proposed for 2020~~

Colorado River Water Conservation District Policy Statements:

The Colorado River Water Conservation District (River District) opposes any proposal to market Colorado River water between the states of the Upper Colorado River Basin and Lower Colorado River Basin without the unanimous consent of all seven states. The District also opposes marketing of Compact-related waters among states of the Upper Colorado River Basin without similar, unanimous consent of the Upper Basin states.

Background & Discussion:

The State of Colorado is signatory to the 1922 Colorado River Compact and the 1948 Upper Colorado River Basin Compact. The 1922 and 1948 compacts, along with the 1944 International Treaty with Mexico, a number of other federal laws, and United States Supreme Court decisions comprise the “Law of the River.” The diversion of Colorado River water for consumptive beneficial uses within the State of Colorado is subject to, and limited by, provisions of the Law of the River.

The Colorado River Compacts of 1922 and 1948 protect Colorado from downstream states claiming prior (senior) use that would preclude Colorado’s eventual development of its full entitlement. Accordingly, the compacts must be protected and defended from legal challenge or amendment unless all seven basin states agree to the terms of any proposed change. Any non-consensual proposal to market water between basins may represent an abrogation of the 1922 Compact.

The primary purposes of both compacts are to provide legal certainty regarding how much water each state can develop, to allow states to develop their water resources when the water is needed, and to preclude the interstate application of the prior appropriation doctrine. These, and other, benefits of the compacts outweigh any short-term benefit that may accrue to one state from interstate marketing of its compact-allocated water.

~~Periodically, individuals have proposed water development projects in Colorado that would provide water to Lower Basin states permanently or for a defined period of time. One such proposal was the Roan Creek Project. This project, to be located near DeBeque, CO proposed to perfect Chevron Oil’s conditional water rights, decreed for eventual oil shale production, by leasing the water to Las Vegas for 50 years or until such time as Chevron required the water for in-state use. Additionally, at least one Upper Basin state has, in the past, proposed selling a portion of its compact entitlement to lower basin interests through a binding commitment to forego development~~

of a specified portion of its entitlement, in essence transferring a portion of its entitlement for lower basin states to develop.

~~Adopted July 19, 2005 Revised and readopted April 2008 Revised and readopted July 2011
Revised and readopted April 2014 Readopted April 2017~~

Under most interpretations of the compacts, the upper basin states do not have a clearly quantified allocation. Therefore, one upper basin state selling a portion of its unquantified entitlement is problematic, at best. At worst, it introduces lower basin interests into any eventual resolution of ambiguities in the 1948 Upper Colorado River Basin Compact and changes allegiances within the Upper Basin when negotiating ambiguities in the 1922 Compact.

In the lower basin of the Colorado River, interstate water storage agreements and consensual water marketing among states of the lower basin have been an important tool to manage limited supplies of and increasing demands for Colorado River water. Because of the structure and operation of the Colorado River, consistent with the Colorado River Compact of 1922, the River District fully supports water marketing among the lower basin states of the Colorado River contingent upon their mutual agreement.

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State Funding: Water Projects and Programs

Colorado River Water Conservation District Policy Statements:

The Colorado River Water Conservation District (River District) believes the State of Colorado has an important role and responsibility in water planning, protection and assisting water development. This role includes financial assistance, including grants and loans, to project proponents.

The River District advocates that Colorado establish reliable and sustainable revenue resources to achieve the above goals. The State of Colorado must protect revenues dedicated for water projects and programs for their statutorily intended uses (i.e., no more transfers to the General Fund) and develop dedicated revenue sources that provide for consistent and predictable annual appropriations.

~~Additionally, the River District believes all state water-related projects and programs should be evaluated, prioritized and funded on a common and consistent basis (i.e., eliminate the current, uncertain and erratic Tier II funding category).~~

Background & Discussion:

~~As of 2017,~~ severance tax and federal mineral leasing (FML) revenues have been the predominant sources of funding for water projects and programs supported and administered by the Colorado Water Conservation Board (CWCB). Historically, all or a portion of these funds have been subject to transfer to the state's General Fund for non-water related expenditure.

Annual severance tax and FML revenues are largely determined by world energy prices, which fluctuate dramatically year-to-year and are extremely difficult to forecast reliably. These fluctuations and lack of dependable forecasts leads to unreliable budgeting and challenging fiscal management. State assistance to water projects and programs is too important to remain reliant on such unpredictable and erratic revenue sources.

~~Additionally, the state currently relegates certain, vital water programs into an unreliable "Tier II" funding category. Currently, water programs dependent on Tier II funding include the Native Species Conservation Trust Fund, Aquatic Nuisance Species (ANS) prevention and inspections, the Forest Restoration and Wildfire risk mitigation grant program, and the Water Supply Reserve Account (WRSA) that supports basin roundtables' activities and individual basin's priority projects and programs. These programs are too important to Colorado to be designated as Tier II funding subject to appropriation only after other water-related programs have been fully funded. Budgeting decisions on these programs should be on an equal footing as other vital water programs of the state.~~

In 2019, Colorado voters approved Proposition DD to allow limited sports gambling. Tax revenues, after allocations to prevention programs and administration, will be dedicated to projects and initiatives proscribed in Colorado's Water Plan. Revenues were estimated to be about \$16 million annually, although recent reports are that the amount will be less in the first

several years. The Colorado River District position is that DD is only a downpayment on Colorado's Water Plan funding and that adoption of additional permanent funding should be a statewide priority.

Adopted March 16, 2000
Revised & readopted July 19, 2005
Revised and readopted April 16, 2008
Revised and readopted July 2011
Revised and readopted April 2017

[GO BACK](#)

Transmountain Water Diversions

Colorado River Water Conservation District Policy Statements:

The Colorado River Water Conservation District (River District) believes there is no current or reasonably foreseeable need for new transmountain diversion projects. Transmountain diversion of Colorado River water results in adverse economic, environmental, and recreational impacts to the basin of origin. Front Range water demands can be met through a combination of better groundwater management, conservation, reuse, system interconnections, re-operations, and in-basin transfers and exchanges.

Nevertheless, transmountain diversion proposals are likely to persist. Accordingly, the River District will continue its historical willingness to examine fairly and thoroughly all project proposals and to work with willing project proponents to determine if an acceptable project can be developed that provides genuine benefits to both the receiving and exporting basins. In any examination of potential new transmountain diversion projects, the River District, at a minimum, will insist on adherence to the seven principals enumerated in the “IBCC Conceptual Framework” as described in Colorado’s Water Plan, 2015.

The River District will advocate for and pursue full water-related mitigation for every transmountain project. Present and future West Slope water uses, including environmental and recreational needs, must be recognized and protected.

The River District will ensure that mitigation conditions on existing transmountain diversion projects are honored and upheld for the protection of in-basin water users and local environments. Additionally, the River District will advocate that the transmountain diverted waters be efficiently used and fully reused to extinction wherever allowed by law.

Transmountain diversion projects seeking re-operations that result in an expansion of historical use must consult with the basin from which water is being diverted. Alternative re-operation regimes should include those that protect and benefit both the diverter and the basin-of-origin.

Background:

Most of the Colorado’s water is on the western side of the Continental Divide, while Colorado’s population lives predominantly along the Front Range on the state’s eastern slope. As a result, Colorado has dozens of water projects that divert water from the Colorado River basin across the Divide. These projects range from small projects diverting a few hundred acre feet of water per year to the Colorado-Big Thompson (C-BT) Project, which diverts an average of more than 220,000 acre feet annually. On average, a total of roughly 500,000 acre feet of Colorado River Basin water is transmountain diverted annually in Colorado.

Transmountain diversion of water is 100% consumptive for the basin-of-origin. As such, transmountain diversion projects, especially larger transmountain diversions, often have unique and significant impacts on the basin from which the water is diverted. Therefore, water diverted across the Continental Divide must be used, reused whenever legally allowable, and be integrated into an overall program of water conservation.

The primary goal of the River District is the protection of existing water uses and preservation of future economic opportunities for the residents of Western Colorado. The River District is committed to meeting the present and future water needs of its residents.

The River District supports the House Bill 05-1177 process that resulted in the 2015 Colorado's Water Plan, especially the basin-by-basin review and identification of both consumptive and non-consumptive water needs and potential supply alternatives. Additionally, the District participated with the Interbasin Compact Committee (IBCC) formed by HB 1177 that developed the consensus criteria that any new transmountain diversion proposal should follow to ensure adequate local input, protection of local authorities, acceptance of hydrologic risk by the proponent, and full mitigation. These criteria are formalized as the "IBCC Conceptual Framework" for new water project development in Colorado's Water Plan, 2015.

~~Additionally, the River District has been involved in and is committed to several cooperative efforts designed to address or meet specific, identified Front Range water supply problems. Presently, these include:~~

- ~~• The Eagle River Memorandum of Understanding which seeks to identify and develop additional Eagle River water supplies for both East Slope (Colorado Springs and Aurora, and Denver) and Eagle River basin water users in a manner acceptable to West Slope interests;~~
- ~~• The Douglas County Water Resource Authority Denver Water River District collaborative water supply investigation addressing water supply needs of the Authority's members in Douglas and Arapahoe Counties, as well as the more recent "WISE" water project to share reusable water supplies from Denver and Aurora with the southern metro area;~~
- ~~• Implementation of the Colorado River Cooperative Agreement.~~

~~The River District acknowledges that any or all these efforts may result in additional transmountain water diversions, but any such diversion will be accomplished only with the acceptance and involvement and to the mutual benefit of East Slope and West Slope interests.~~

Western Colorado's economy is increasingly dependent on tourism-related construction and recreational industries that rely on adequate stream flows and healthy river systems. As such, adequate protections for all Western Colorado water uses, including non-consumptive environmental and recreational uses, benefit the entire state.

GO BACK

14. External Affairs



COLORADO RIVER DISTRICT

PROTECTING WESTERN COLORADO WATER SINCE 1937

MEMORANDUM

TO: BOARD OF DIRECTORS, CRWCD

FROM: ZANE KESSLER, DIRECTOR OF GOVERNMENT RELATIONS

SUBJECT: STATE LEGISLATIVE AFFAIRS GO BACK

DATE: JANUARY 2, 2020

ACTIONS:

- *Staff requests you establish bi-weekly telephone meetings during the Colorado legislative session.*
- *Adopt positions on legislation of interest (to be provided at the meeting)*
- *Provide direction and input on anticipated legislation*

STRATEGIC INITIATIVE(S):

- *1.A, 1.B Outreach and Advocacy*

Returning to the traditional second Wednesday of the New Year, the Colorado General Assembly will open the 2nd Regular Session of the 72nd General Assembly on Wednesday, January 8, adjourning no later than midnight May 7. Colorado Democrats continue to enjoy the majority in both the House and Senate and, of course, the Governor's office.

West Slope House members will be in positions of leadership and influence again in 2020. Representative KC Becker (D-HD13) will continue to serve as Speaker of the House, and Senator Kerry Donovan (D-SD5) will chair the Senate Agriculture Committee while Representative Dylan Roberts (D-HD26) will chair the House Rural Affairs and Agriculture Committee.

The full slate of River District legislators is below:

House District	Name	River District Counties
HD 13	Rep. KC Becker (D)	Grand
HD26	Rep. Dylan Roberts (D)	Eagle and Routt
HD54	Rep. Matt Soper (R)	Mesa and Delta
HD55	Rep. Janice Rich (R)	Mesa (Clifton, Fruitvale, Grand Junction, Orchard Mesa and Redlands)
HD57	Rep. Perry Will (R)	Garfield, Rio Blanco and Moffat

HD58	Rep. Marc Catlin (R)	Montrose
HD59	Rep. Barbara McLachlan (D)	Gunnison, Hinsdale and Ouray
HD61	Rep. Julie McCluskie (D)	Summit, Pitkin, Gunnison and Delta
HD62	Rep. Donald Valdez (D)	Saguache

Senate District	Name	River District Counties
SD5	Sen. Kerry Donovan (D)	Delta, Eagle, Gunnison, Hinsdale and Pitkin
SD6	Sen. Don Coram (R)	Montrose and Ouray
SD7	Sen. Ray Scott (R)	Mesa
SD 8	Sen. Bob Rankin (R)	Garfield, Rio Blanco, Moffat, Routt, Grand and Summit
SD 35	Sen. Larry Crowder (D)	Saguache

2020 Legislative Outlook:

There are no printed bills available as of the date of this memo. Water bills introduced as of Monday, January 20 will be distributed at the Board meeting and action will be requested. In the meantime, below is a list of anticipated water legislation and the landscape for the 2020 legislative session.

1) Clarifying Legislation Pertaining to Administration of Section 37-92-102(3)(b)

As you know, River District staff attended the CWCB meeting in Denver on November 21st to provide background and discuss possible solutions to the issues presented by the State's interpretation of Section 37-92-102(3)(b). In concert with the Colorado Cattlemen's Association and the Southwestern Water Conservation District, we asked the Department of Natural Resources to work with us to reach agreement on a legislative solution.

Following the CWCB meeting in November, Andy, Peter, Jason and I have been in conversations with staff at the Department of Natural Resources (DNR) about a potential legislative fix. Those conversations have been productive, and we hope to have a draft bill for your review at the January Board meeting.

Staff appreciates the State's willingness to work with us to provide certainty for West Slope water users and we are encouraged by the desire we've seen from all parties to move forward in a cooperative manner.

2) Interim Water Resources Review Committee (WRRC) Bills

During the 2019 interim, the WRRC held five meetings and took two field trips. The WRRC met with a broad range of water users and government officials, including local water providers, water policy experts, state water planners, and concerned citizens. The committee

received briefings on major water issues affecting the state, including demand management and drought contingency plans in the Colorado River Basin.

The committee also drafted legislation about two additional topics on which the committee has received briefings in previous years, including water well inspectors and speculation under Colorado water law. As you know, the WRRC recommended the following four bills for consideration in the 2020 legislative session.

Bill A – Require Public Input on Water Demand Management Program.

(Sens. Coram/Donovan/Bridges/Sonnenberg and Reps Arndt/Catlin/Saine/Titone)

Bill A requires the Colorado Water Conservation Board and the Water Resources Review Committee to involve the public and provide opportunities for public comment before adopting a Colorado River demand management program. This process is similar to that used for the Colorado Water Plan under Senate Bill 14-115.

Bill B – Study Emerging Technologies for Water Management.

(Reps. Arndt/Saine/Catlin/Roberts/Titone; Sens. Sonnenberg/Bridges/Coram/Donovan)

Bill B directs the University of Colorado, in collaboration with the Colorado Water Institute at Colorado State University, to conduct feasibility studies and pilot deployments of new and emerging technologies that have the potential to improve water management.

Bill C – Add Water Well Inspectors Identify High-Risk Wells.

(Reps. Saine/Titone and Sens. Sonnenberg/Coram)

Bill C establishes a minimum staffing level for the state's well inspection program and directs the Board of Examiners of Water Well Construction and Pump Installation Contractors to promulgate rules for identifying high-risk wells that should be prioritized for inspection.

Bill D - Study Strengthening Water Anti-Speculation Laws.

(Sens. Donovan/Coram/Bridges and Reps. Roberts/Catlin/Arndt/Titone)

Bill D requires the Executive Director of the Department of Natural Resources to convene a work group during the 2020 interim to explore ways to strengthen anti-speculation within Colorado water law. The work group is required to provide a written report to the WRRC by August 15, 2021.

3) Other Possible Legislation

Revisiting Colorado's Instream Flow Loan Program: Rep. Roberts has indicated that he is interested in introducing a revised version of the instream flow loan program expansion bill (HB19-1218) that failed to make it through the Senate last session.

We have not received a final draft as of the date of this memo, but the versions reviewed by staff have all included the concessions requested by the River District and other West Slope stakeholders last session.

Consistent with our discussion at the October board meeting, the drafts we've reviewed seek to:

- a) Expand the number of years within a 10-year period that a renewable loan may be exercised from 3 years to 5 years, but for no more than 3 consecutive years, and allows a loan to be renewed for up to 2 additional 10-year periods.
- b) Authorize the approval of a nonrenewable, expedited loan that may be exercised for no more than one year.
- c) Expand the board's ability to use loaned water for instream flows to improve the natural environment to a reasonable degree pursuant to a decreed instream flow water right held by the CWCB.

Instream Flow Augmentation: Staff expects to see a revised version of last year's instream flow augmentation bill, HB19-1271, that also failed to pass the Senate Agriculture Committee last session. A draft of this bill circulated in August included the savings clause negotiated by the River District last session. As a reminder, the District's support for HB19-1271 was contingent upon the savings clause language.

Proposition DD Revenue Distribution: Proposition DD, approved by the voters in November of 2019, allocated some money derived from wagering on sporting events to the newly created water plan implementation cash fund. This potential measure would make the expenditure of money from the water plan implementation cash fund subject to certain allocation requirements. These requirements would apply to all revenue directed to the water plan implementation cash fund, including money derived from Proposition DD, general fund appropriations, and any other source of money directed to the fund.

Note on Sports Betting Revenues: The Division of Gaming expects sports betting, which starts in Colorado in May, to generate a meager \$1.5 - \$1.7 million in tax revenue in the 2020-21 fiscal year, which begins on July 1. If correct, that amount would not be enough to reach the threshold under which funds would be transferred to the water plan implementation cash fund.

Water Funding in the Budget

Governor Polis released his proposed budget to the Joint Budget Committee on November 1st. In his opening pages, he highlighted last year's General Fund Appropriation of \$10 million to the State Water Plan (SB19-212). The budget recommends transferring the remaining \$5 million from the of Capital Construction Fund (capital reversions) to the Severance Tax Perpetual Base Fund for implementation of the Colorado Water Plan. This \$5 million transfer, combined with a \$5 million General Fund transfer, continues last year's precedent of a \$10 million investment for water needs.

General Fund/Budget Outlook: The General Fund ended FY 2018-19 with an estimated 11.3 percent reserve, \$452.4 million above the 7.25 percent statutory reserve. TABOR refunds are expected to be returned to taxpayers via income tax rate reductions and local government reimbursements for property tax exemptions. According to the December 2019 Economic and Revenue Forecast, in FY 2019-20 the General Fund is expected to end the year with an 8.8 percent reserve, \$184.0 million above the 7.25 percent statutory reserve. TABOR refunds are expected in FY 2019-20 as well.

Assessed Valuations: Assessed values increased 17.0 percent statewide between 2018 and 2019. Statewide assessed values are expected to increase 3.4 percent in 2020, mainly based on growth in oil and gas production. If the December forecast holds true, statewide assessed values are expected to increase 8.6 percent following the next reassessment of properties. The forecast also indicates a modest decrease in the residential assessment rate from 7.15 percent to 7.13 percent. It is important to note, however, that forecasts in the past have been significantly off-target, especially this far out.

Economic Outlook: Economic activity is expected to continue to expand in the U.S. and Colorado in 2020 and 2021, though at a slower pace as labor markets continue to tighten. Ongoing job gains, rising wages, and moderate consumer spending continue to sustain the economic expansion. Business activity remains elevated.

Several clouds have emerged on the horizon. Trade tensions and slower global economic demand continue to hamper manufacturing, the energy industry, and export activity. Additionally, higher wages and slower economic activity are expected to put mounting downward pressure on business profits. Risks remain skewed to the downside as both the state and national economies move further into the late stages of economic expansion.



COLORADO RIVER DISTRICT

PROTECTING WESTERN COLORADO WATER SINCE 1937

MEMORANDUM

TO: BOARD OF DIRECTORS, CRWCD

FROM: ZANE KESSLER

SUBJECT: FEDERAL AFFAIRS UPDATE GO BACK

DATE: JANUARY 2, 2020

ACTIONS: *No specific action requested with this memo; however, as always, Board direction and priority-setting welcomed.*

STRATEGIC INITIATIVE(S):

1.B Outreach and Advocacy

7. Water Needs/Project Development

River District Priorities in 2020:

In the coming year, the River District will establish and maintain close working relationships with relevant delegation offices, both in DC and appropriate field offices. Staff will monitor water-related legislative and administrative proposals for potential impact to West Slope water users and leverage the District's membership/involvement in national and west-wide organizations to secure their assistance on issues of importance.

Generally, the River District will focus its efforts on issues, both regulatory and legislative, that uniquely or disproportionately affect western Colorado. In keeping with past practices, we generally will not champion nationwide issues on an individual basis, though we may add our voice to larger campaigns when appropriate.

Priorities issues for the coming year include:

- U.S. Bureau of Reclamation Colorado River Basin Study
- Authorizing/Funding for Control of Aquatic Nuisance (Invasive) Species
- Infrastructure Opportunities and Financing
- Watershed and Forest Health Funding
- Tax Exemption for Water Conservation Rebates
- Water Rights Protection Act
- Endangered Species Recovery Implementation Programs

- *Colorado River Basin Appropriation*
 - *Legislative Changes to Authorized Annual Spending*
- Abandoned Mine Reclamation
 - *Superfund Programmatic Funding for Abandoned Mines (ex. Gold King)*
 - *Good Samaritan Legislation*
- Regulatory Changes due to Climate Variability
- Watershed and Forest Health
- Land & Water Conservation Fund Funding
- Waters of the United States Rule Promulgation
- NRCS Funding
 - EQIP/RCPP
 - Manual Snow Course Measurement

Appropriations Update:

In a surprise outburst of bi-partisan enthusiasm, the House and Senate passed two legislative packages that together comprised all 12 fiscal year 2020 funding bills. The domestic priorities and international assistance appropriations minibus, which contained Agriculture, Energy-Water, and Interior-Environment appropriations for FY2020, passed the House 297-120 and the Senate by a 71-23 vote.

The \$1.4 trillion deal increased spending for most federal energy and environmental agencies before the December 20th funding deadline. The effort largely steered clear of new policy riders, although several add-on environmental and land provisions from past years were maintained – including a \$60MM boost to the Land and Water Conservation Fund thanks to Sen. Gardner.

Representatives Neguse, Crow, DeGette, and Perlmutter voted for the passage of the measure in the house, while Representatives Tipton, Buck and Lamborn voted against the bill. Both Senator Bennet and Senator Gardner voted for the measure. The bill provides a total of \$1.68 billion, to fund the Bureau of Reclamation. This is \$115 million above the FY2019 enacted level. It also provides \$2.68 billion to the U.S. Army Corps of Engineers for construction, \$3.79 billion for operations and maintenance, and \$210 million for its regulatory program.

The bill also contains additional funding for Reclamation's "Water conservation and Delivery" program. Reclamation is directed to dedicate \$20 million of this additional funding to projects that: "shall be for water conservation activities in areas that are experiencing extended drought conditions. These water conservation activities shall include well construction and irrigation related structural or other measures, programs and projects that result in conservation of other surface water or groundwater, or improve water system efficiency, resiliency, reliability, delivery, and conveyance." Reclamation is directed to report back to the Committee on Appropriations within 180 days on how this funding will be directed.

Other Federal Updates:

Platte River Recovery Implementation Program Extended

The Platte River Recovery Implementation Program Cooperative Agreement has been extended through the end of 2032. Interior Secretary David Bernhardt signed an amendment to the agreement along with Colorado Governor Jared Polis, Nebraska Gov. Pete Ricketts and Wyoming Gov. Mark Gordon on December 30th. The program provides compliance for four species under the Endangered Species Act (ESA) for new and existing water-related projects in the Platte River Basin, including the Colorado-Big Thompson Project.

Sen. Bennet Introduces Bipartisan Aquatic Invasive Species Legislation

On December 4, Sen. Michael Bennet introduced the Stop the Spread of Invasive Mussels Act of 2019 along with Sen. Steve Daines (R-Mont.), and Sen. Jon Tester (D-Mont.). This new legislation aims to slow the movement of aquatic invasive species, like zebra and quagga mussels, into Colorado, Montana, and other Western States. The Stop the Spread of Invasive Mussels Act would:

- Provide the Bureau of Reclamation explicit authority to partner with states and municipalities to fund watercraft inspection and decontamination stations;
- Provide all federal agencies who participate in the Aquatic Nuisance Species Task Force the same authorities to limit the movement of invasive species into and out of U.S. waters, eliminating problematic differences between the various agencies
- Ensure that at-risk basins are eligible and prioritized for watercraft inspection and decontamination funding.

Western Water Security Act

On October 28th, Senators Tom Udall (D-N.M.) and Martin Heinrich (D-N.M.), introduced S. 2718, the Western Water Security Act of 2019. Among other things, the bill increases authorized WaterSMART appropriations to \$650,000,000 (an increase of \$180,000,000) and extends the list of entities that can apply for WaterSMART funding to include “nonprofit conservation organizations.” Eligible applicants were previously limited to State, Tribes, irrigation districts, water districts and regional or local authorities with water or power delivery authority.

S. 2718 also extends and modifies the Reclamation State Emergency Drought Relief Act and provides financial assistance for eligible water projects “to assist Western States and Tribal governments to address drought-related impacts to water supplies or any other immediate water-related crisis or conflict, including through voluntary, temporary, and compensated programs to reduce water demands for the purpose of increasing water available in a system or reducing water supply-demand imbalances.”

Water Optimization for the West Act

On November 21, the Water Oceans and Wildlife Subcommittee Ranking Member Tom McClintock, **Rep. Tipton** and several other republican members introduced the "Water

Optimization for the West Act". The bill encompasses a number of western water issues. It extends the WIIN Act authorizations through 2025 and authorizes \$134 million in funding for each year 2021-2025. These provisions include the Water Supply Permitting Coordination Act, which designates the Bureau of Reclamation as the lead permitting agency for projects involving the Bureau of Reclamation, and **Rep Tipton's Water Rights Protection Act**. The bill will likely face opposition from the House Majority as it contains some contentious California water items along with a number of provisions intended to streamline regulatory environmental reviews.

Water Conservation Rebate Tax Parity Act

On November 20, House Ways and Means Chairman Thompson released a draft of the Growing Renewable Energy and Efficiency Now (GREEN) Act. The draft legislation is intended to be a comprehensive approach to tackling climate change by using the tax code to extend and expand renewable energy uses and reduce greenhouse gas emissions. Section 305 of the GREEN Act contains the exact language of H.R. 2313, which is the bipartisan **Water Conservation Rebate Tax Parity Act** introduced in April 2019 by Congressman Huffman and Congressman Gosar, which would change federal tax law, clarifying that rebates for water conservation and water runoff management improvements are not taxable income. This would ensure that homeowners do not pay income tax when they receive the rebates. If passed, the IRS would treat water conservation rebates in the same manner as they currently treat energy conservation rebates for insulation, Energy Star-certified windows and doors, and energy efficient appliances.

Water Resources Development Act

On November 19, the House Transportation and Infrastructure Subcommittee on Water Resources and Environment conducted a hearing on WRDA. The hearing focused on including resiliency in the 2020 WRDA bill. Both Republicans and Democrats expressed a desire to move a WRDA bill forward in 2020. Most of the Democratic members of the committee noted the importance of developing infrastructure, both manmade and natural, which is responsive to climate change. Republican committee members also discussed the importance of water infrastructure that is disaster resilient but focused their comments on the need to deliver projects efficiently and with local stakeholder engagement. On January 9, the House of Representatives will turn to preparing their version of the 2020 WRDA bill by holding a hearing in the House Transportation and Infrastructure Committee.

15. Division Engineers' Report

Water Division 4

NO MATERIAL AVAILABLE

16. Project Operations & Updates



COLORADO RIVER DISTRICT

PROTECTING WESTERN COLORADO WATER SINCE 1937

GO BACK

MEMORANDUM

TO: BOARD OF DIRECTORS, CRWCD

FROM: HUNTER CAUSEY, P.E.

SUBJECT: ELKHEAD AND WOLFORD MOUNTAIN RESERVOIRS CONTRACT REQUESTS

DATE: JANUARY 3, 2020

ACTIONS:

Staff requests Board authorization for General Manager to enter into the following contracts after approval by General Counsel for:

- 1. Domestic water delivery with Raindrop Water, Inc. for a two-year continuing services agreement in the amount not to exceed \$80,000;*
- 2. Weed management at Wolford Mountain Reservoir with Eco-Rx, Inc. for \$42,000; and*
- 3. Weed management at Elkhead Reservoir with Eco-Rx, Inc. for \$24,400.*

STRATEGIC INITIATIVE(S):

13. Asset Management

Domestic Water Delivery

Domestic water at Wolford Mountain Reservoir for the Recreation Area and shop is hauled to two storage tanks elevated on a hill west of the Recreation Area. Water is ordered by River District staff according to use and annual cleaning of the tanks is included in the agreement. Staff requests authorization to enter into a two-year continuing services agreement with Raindrop Water, Inc. for \$80,000.

Weed Management

Eco-Rx, Inc. provides weed management at Wolford Mountain and Elkhead Reservoirs for lands and shoreline including the wetland mitigation areas associated with the reservoirs. Target species are tamarisk and Canada thistle and other species, as encountered. Staff requests authorization to enter into two one-year agreements for weed control services: one for \$42,000 for Wolford Mountain Reservoir and one for \$24,400 for Elkhead Reservoir.



COLORADO RIVER DISTRICT

PROTECTING WESTERN COLORADO WATER SINCE 1937

GO BACK

MEMORANDUM

TO: BOARD OF DIRECTORS, CRWCD
ANDY MUELLER, GENERAL MANAGER

FROM: IAN PHILIPS, CHIEF ACCOUNTANT
DON MEYER, SR. WATER RESOURCES ENGINEER

SUBJECT: WATER MARKETING

DATE: JANUARY 7, 2020

ACTIONS:

Staff requests that the Board approve the 2019 Water Contract Pricing and recommends an increase of 1.90 %.

STRATEGIC INITIATIVE(S): 6. *Agricultural Water Use*
7. *Water Needs/Project Development*
12. *Financial Sustainability*

BACKGROUND

In 2006, the Board changed the District's water marketing policy to allow annual price increases up to the 'Denver-Aurora-Lakewood' (FKA 'Denver-Boulder-Greeley') Consumer Price Index (CPI) plus New Growth Index (NGI), a measure of annual property value stemming from new growth. Contracts entered subsequent to the policy change allow for this annual increase. Prior contracts are limited to increases based on CPI every five years and only for the operation and maintenance (O&M) component of the fee. These prices were last updated in 2018 and are therefore due for review next in 2023.

Last year the CPI and NGI were 3.0% and 1.45% respectively, totaling 4.45%, and the Board approved a 3.0% increase. This year the CPI and NGI are 1.90% and 1.56% respectively for a total of 3.46%. We remain concerned about the cost-impact of price increases to our customers, as such, staff's recommendation is an increase equal to only the CPI of 1.9%.

In January of 2019, the Colorado Water Conservation Board contracted for 3,500 acre-feet of Ruedi supply (one-year contract) for the anchor-ice in the Fryingpan River. In September of 2019, the Colorado Water Trust contracted for 328.6 acre-feet of Ruedi supply (one-year contract) for

the 15-Mile Reach. These two contracts alone, brought in over \$250,000 to the Enterprise Fund, and accounted for over 15% of the water sales revenue in 2019. Due to the high, late runoff in the summer of 2019, there was little interest or need for in-channel uses (such as environmental enhancement). In 2020 staff will continue to explore water marketing opportunities and will keep the Board informed of opportunities that may be developed.

CURRENT AND RECOMMENDED PRICING

Current and 2020 recommended pricing are shown in the following table:

Post-2006 Contract Pricing			
	Current	Recommended Increase	Proposed 2020
Blue River	\$ 1,122.50	1.90%	\$ 1,143.50
Colorado River above Roaring Fork – Ag	\$ 148.75	1.90%	\$ 151.50
Colorado River above Roaring Fork	\$ 373.50	1.90%	\$ 380.50
Colorado River below Roaring Fork – Ag	\$ 45.00	1.90%	\$ 46.00
Colorado River below Roaring Fork	\$ 194.25	1.90%	\$ 198.00
Eagle River	\$ 1,496.00	1.90%	\$ 1,524.50
Eagle River – Ag	\$ 448.00	1.90%	\$ 456.50
Elkhead Reservoir	\$ 191.25	1.90%	\$ 194.00
Elkhead Reservoir – Ag	\$ 32.00	1.90%	\$ 32.75
<i>Identified Source</i> Colorado River above Roaring Fork – M&I	\$ 560.50	1.90%	\$ 571.25
<i>Identified Source</i> Colorado River above Roaring Fork - Ag	\$ 222.75	1.90%	\$ 227.00
<i>Identified Source</i> Colorado River below Roaring Fork – M&I	\$ 291.50	1.90%	\$ 297.00
<i>Identified Source</i> Colorado River below Roaring Fork - Ag	\$ 67.25	1.90%	\$ 68.50
In-Channel – Identified Source: Wolford	\$ 222.75	1.90%	\$ 227.00
In-Channel – Identified Source: Ruedi	\$ 67.25	1.90%	\$ 68.50

AVAILABLE SUPPLIES

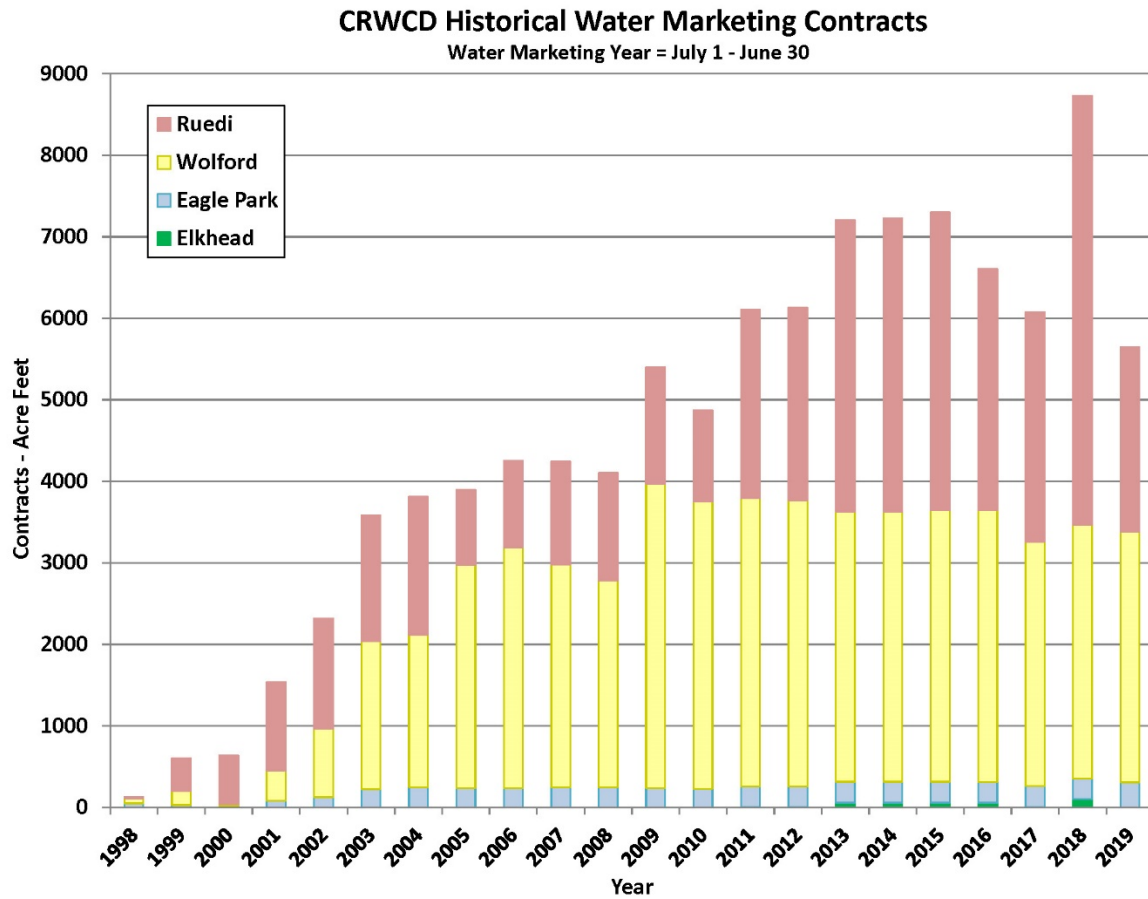
Current available and remaining supplies in acre-feet for contracting are shown below. The Ruedi amount shown in the table does not reflect the additional 4683.5 acre-feet of Ruedi water supplies purchased from Reclamation by the General Fund in 2013 to fully contract Ruedi Round II water as that water was purchased with Capital Fund monies and are therefore not currently an Enterprise asset.

Source	Available	Contracted	Pending	Remaining	Right of Refusals	Remaining w/ ROR & Pending
Wolford	8,100	3,076	0	5,024		5,024
Ruedi	6,730	2,263	0	4,467	900	3,567
Eagle Park	432	307	0	125		125
Elkhead	4,457	0	0	4,457		4,457
TOTAL	19,719	5,646	0	14,073	900	13,173

HISTORICAL CONTRACTING

The following graph shows the amount of water contracted over time from the Enterprise' dedicated water marketing pools in Elkhead, Wolford, Eagle Park and Ruedi. The spike at the end of the graph was primarily caused by single year contracts including the 3,500 acre-feet Ruedi in-channel contract to the CWCB and a 100 acre-feet Elkhead contract to Colowyo Coal Company. Both contracts have expired. New long-term contracts in 2019 include 500 acre-feet of Ruedi supply (Caerus Piceance, LLC and Colorado Water Trust) and 50 acre-feet of Eagle River supply (Town of Minturn).

Without single year in-channel leasing, the volume leased under long-term contracts has generally remained flat, or slightly declined. Long-term Wolford contracts have gradually declined since 2009. Similarly, long-term Ruedi contracts have been declining since 2015.



17. Future Meetings

(listed on the Agenda)