

**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**

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Pursuant to notice duly and properly given, the First Regular Joint Quarterly Meeting of the Board of Directors of the Colorado River Water Conservation District (CRWCD) and of the Colorado River Water Conservation District acting by and through its Colorado River Water Projects Enterprise was held on Tuesday and Wednesday January 21-22, 2020 at the offices of the Colorado River Water Conservation District, 201 Centennial Street, Glenwood Springs, Colorado.

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**Directors present during all or part of the meeting:**

David H. Merritt, President	Martha Whitmore, Vice President
Tom Alvey	Tom Gray
Steve Acquafresca	Rebie Hazard
John Ely	Doug Monger
Alden Vanden Brink	Stan Whinnery
Karn Stiegelmeier	Kathy Chandler-Henry

**Directors not present:**

Mike Ritschard	Marc Catlin
William S. Trampe	

**Others present during all or part of the meeting:**

Andrew A. Mueller, General Manager, CRWCD  
Peter Fleming, General Counsel, CRWCD  
John Currier, Chief Engineer, CRWCD  
Audrey Turner, Chief of Operations, CRWCD  
Jason Turner, Senior Counsel, CRWCD  
Laurie DePaolo, Executive Assistant, CRWCD  
Jim Pokrandt, Director, Community Affairs, CRWCD  
Ray Tenney, Deputy Chief Engineer, CRWCD  
Dave Kanzer, Deputy Chief Engineer, CRWCD  
Don Meyer, Sr. Water Resources Engineer, CRWCD  
Ian Philips, Chief Accountant, CRWCD  
Mike Eytel, Sr. Water Resources Specialist, CRWCD  
Hunter Causey, Sr. Water Resources Engineer, CRWCD  
Zane Kessler, Director of Government Relations, CRWCD  
Luci Wilson, Accountant, CRWCD  
Lorra Nichols, Paralegal, CRWCD  
Alesha Fredrick, Director of Information & Outreach, CRWCD  
Gracie Wright, Contract Administrator/Information Specialist, CRWCD  
Eleanor Hasenbeck, Water Policy & Communications Fellow, CRWCD  
Eric Kuhn, Author and Pursuer of Leisure  
Diane Johnson, Eagle River Water & Sanitation District  
Ted Kowalski, The Walton Family Foundation  
Heather Sackett, Aspen Journalism  
Maria Pastore, Colorado Springs Utilities

<sup>1</sup>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.

Scott Hummer, Water Division 6  
Orla Bannan, Western Resource Advocates  
Drew Peternell, Trout Unlimited  
Sarah Porterfield, Trout Unlimited  
Angie Fowler, SGM Consulting  
Jackie Brown, Tri-State Generation & Transmission  
Bob Hurford, Colorado Water Division 4  
Jason Ulman, Colorado Water Division 4  
Cliff Thompson

**Quorum.**

President Merritt found a quorum and called the meeting to order at 9:00 a.m.

**Review Meeting Agenda and Objectives.**

Andy Mueller requested the addition of Appointment of Jason Turner as the Colorado River District representative to the Colorado River Basin Roundtable as agenda 11. l. with Service Anniversaries Recognition being re-lettered as agenda item 11. m. Director Alvey moved, seconded by Director Whinnery, to approve the agenda as amended. Motion carried unanimously sly.

**Presentation and Report of Directors' Credentials for Mesa, Moffat, Routt and Saguache Counties.**

Andy Mueller reported that executed credentials for directors from Mesa (Acquafresca), Moffat (Gray), Routt (Monger), and Saguache (Hazard) Counties have been received by the River District. (The credentials are attached as Appendices A.-D.).

**Election of Board Officers.**

**Election of President:**

Director Alvey moved, seconded by Director Acquafresca, to nominate and elect Director Merritt as president and Director Whitmore as vice president for 2020. Motion carried unanimously.

**Appointment of Committees for 2020.**

President Merritt provided background information regarding appointments to the Executive Committee which, historically, has rotated among counties within basin and sub-basin groups of counties and includes the President as chairman. The Executive Committee, consistent with historical rotation among counties, for 2020 is composed of directors from Delta, Eagle, Gunnison, Mesa and Moffat Counties as well as the Board President. Other committee assignments are made by the President and Vice President.

**Consent Agenda.**

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

- a. Designation for Posting Notices.
- b. Reappointment of General Manager, General Counsel and Treasurer.
- c. Approval of Minutes and Actions Taken:
  - i. Minutes of Fourth Regular Joint Quarterly Meeting, October 15-16, 2019.
- d. Acceptance of Treasurer's Reports, Check Registers, and Financials for General, Capital, and Enterprise Funds for September and October 2019.

**Confirmation of Assistant Secretary.**

Andy Mueller reported that Audrey Turner has been named Chief of Operations for the River District and requested confirmation of her designation as assistant secretary. Director Vanden Brink moved, seconded by Director Chandler-Henry, to confirm Audrey Turner as assistant secretary. Motion carried unanimously.

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**General Counsel’s Report – Executive Session.**

Peter Fleming reported that the following matters qualify for discussion in Executive Session pursuant to C.R.S. §§ 24-6-402(4)(b)(legal advice) and (e)(negotiations):

- a. Matters Proposed for Executive Session:
  - i. Wolford 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.

Director Alvey 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.*

**Public Comment.**

No comments were received.

**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:

- a. Matters Proposed for Executive Session:
  - i. Wolford 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.

Mr. Fleming also reported that President Merritt was not present during the discussion of agenda item 7. a.i. and Eric Kuhn was present during a portion of the discussion of agenda item 7.a.vi.

Director Alvey moved, seconded by Director Whinnery, to confirm the Board’s intent to maintain the conditional portion of the West Divide Project water rights and direct staff to take the steps necessary to complete the appropriation in a reasonably expedient and efficient manner, consistent with Colorado law, and to direct counsel and staff, in consultation with West Divide Water Conservancy District, to file an application seeking a finding of reasonable diligence for the conditional portions of the West Divide Project water rights. Motion carried unanimously.

Director Acquafresca moved, seconded by Director Hazard, to confirm the Board’s intent to maintain the conditional portion of the Wolford Mountain Reservoir Refill water right and direct staff to take the steps

necessary to complete the appropriation in a reasonably expedient and efficient manner, consistent with Colorado law and direct counsel and staff to file an application seeking a finding a reasonable diligence for the conditional portion of the Wolford Mountain Reservoir Refill water right. Motion carried unanimously.

Director Monger moved, seconded by Director Whinnery, to authorize counsel to enter into a stipulation with the City of Northglenn in Case No. 18CW3159, Water Division 1. Motion carried unanimously.

Director Stiegelmeier moved, seconded by Director Vanden Brink, to approve 2020 special counsel rate increases. Motion carried unanimously.

Peter Fleming referred the Board to General Counsel's 2020 goals and objectives and invited Board comments.

**Discussion with Ted Kowalski, Colorado River Initiative Lead and Senior Program Officer with the Walton Family Foundation.**

Ted Kowalski provided an overview of some of the Walton Family Foundation's work in the Colorado River Basin including supporting flexible water management in the Upper Basin that enables farmers and ranchers to realize additional value from their water rights without buy and dry, encouraging funding to support Colorado's Water Plan, assist in eliminating the structural deficit in the Lower Basin and increase funds to encourage agricultural and urban water conservation and promote on-the ground river restoration throughout the basin.

**General Manager's Report.**

**Update on CRWCD Long Term Financial Condition:**

Andy Mueller reported that staff has continued to study the River District's long term fiscal structural deficit and major factors contributing to the deficit. Some of those factors are declining oil, gas and mineral revenues, the Gallagher Amendment, and TABOR limitations. These factors result in limiting the River District's ability to address and assist with possible West Slope water project construction, agricultural efficiency improvements, and recreation and environmental issues as well as ongoing protection of West Slope water. Mr. Muller then requested Board discussion on the possibility of a ballot initiative on the 2020 ballot potentially increasing the River District's mill levy by .248 mills for a total mill levy of .500 mills. Extensive Board discussion led to staff being directed to conduct additional research on a potential ballot question and present the results at the April 2020 quarterly meeting.

**Drought Contingency Planning and Demand Management Update:**

It was reported that the Colorado Water Conservation Board (CWCB) demand management workgroups have met approximately once or twice. The workgroups are tasked with examining elements of a potential demand management program. River District staff members and Board members participate in several of the workgroups.

**Colorado River Basin Hydrology Short Term Forecast for 2020:**

Dave Kanzer and Don Meyer reported that snowpack through the Upper Colorado River Basin is currently average to slightly above average, however because of dry soil conditions, inflows into Lake Powell are projected to be 82% of average.

**Phreatophyte Control Report on Current State of the Science:**

Mike Eytel provided a report regarding current science on the effectiveness of phreatophyte removal on reducing consumptive water use in the Colorado River Basin. Current information points to the necessity of more studies to better understand the amount of water being consumed by phreatophytes, a more accurate methodology to estimate water savings, and the impact of other factors such as evapotranspiration, temperature, and soil conditions.

**Phase III Risk Study Update:**

John Currier referred the Board to his memo updating Phase III Risk Study activities including additional work being conducted in the Gunnison River Basin as well as the Yampa River Basin for 2020.

**Water Bank Workgroup Update:**

It was reported that the final report on the “Study Impacts Associated with a Potential Upper Basin Demand Management Program” is anticipated in early April 2020.

**Approval of Joint Funding Agreement, re: USGS Gaging:**

Director Whinnery moved, seconded by Director Chandler-Henry, to authorize 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, also delegate authority to 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. Motion carried unanimously.

**Approval of Contract with Lurline Underbrink-Curran, re: CRCA Implementation Matters:**

Director Whitmore moved, seconded by Director Hazard, to authorize the General Manager, with review and approval by the General Counsel to amend a contract with Lurline Underbrink-Curran for CRCA implementation consultation and authorize her continuing work for up to an additional eighteen-month time period and up to an additional \$15,000 in expenditures. Motion carried unanimously.

**Discussion of Health Insurance Policy:**

Audrey Turner reminded the Board of its discussion during the October 2019 quarterly meeting of rising health insurance premiums for 2020 and impacts to staff. Staff is continuing to research options for future insurance coverage.

**General Manager’s 2020 Goals and Objectives:**

Andy Mueller referred the Board to General Manager’s 2020 goals and objectives and invited Board comments.

**Appointment of Jason Turner as Colorado River District Representative on the Colorado River Basin Roundtable:**

Director Alvey moved, seconded by Director Whinnery, to appoint Jason Turner as the Colorado River District representative on the Colorado River Basin Roundtable. Motion carried unanimously.

**Service Anniversary Recognitions:**

John Currier expressed the River District’s appreciation to Dave Kanzer for his 25 years of service to the District. Mr. Currier then expressed the River District’s appreciation to Ray Tenney for his 30 years of service to the District.

**Directors’ Basin Update and/or Concerns.**

Director Gray reported that he received a proposal from a property owner near Elkhead Reservoir to purchase approximately 5 acres owned by the River District for a permanent driveway easement to the owner’s property. The Board requested an update at a future meeting. Director Monger requested a presentation by West Slope Water Quality Control commissioners at a future meeting.

*President Merritt recessed the meeting at 4:36 p.m.*

*Wednesday, January 22, 2020*

*President Merritt found a quorum and reconvened the meeting at 8:29 a.m.*

**Annual Policy Discussion.**

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

**Procedural Discussion Regarding Instream Flow Policy:**

Andy Mueller reminded the Board of its unanimous adoption of the River District's Instream Flow Policy at the July 2018 quarterly meeting and the Board's subsequent discussions of policy revisions in 2019. In the triennial review process, the policy would be up for review and discussion until 2021. A review of meeting minutes did not find formal direction from the Board regarding early review of the policy resulting in a staff recommendation that the Board not revisit this policy until its normal review year of 2021. The Board accepted staff's recommendation.

**Aging Infrastructure:**

By consensus, staff was directed to include language in the policy section of the policy advocating for full funding by the state for the Colorado Water Plan while reinforcing the River District's role in West Slope project development and remove obsolete data from the background section from the policy.

**Colorado River Compacts:**

No substantive changes were recommended.

**Colorado's Entitlement to Colorado River Basin Water:**

No substantive changes were recommended to the current policy; however, staff was directed to examine the possibility of combining this policy with the Colorado River Compacts Policy, and to also examine the potential combination of other River District policies.

**Interstate Water Marketing:**

No substantive changes were recommended.

**State Funding: Water Projects and Programs:**

By consensus, staff was directed to include language in the background and discussion section of the policy referencing the continuing decline of severance tax revenues thereby reducing funding options for water projects and programs.

**Transmountain Diversions:**

No substantive changes were recommended.

**Division Engineer's Report: Bob Hurford, Division 4 Engineer and Jason Ullman, Assistant Division 4 Engineer.**

Bob Hurford reported that water supply conditions within Division 4 are currently at 100% of average. He also reviewed the decrees, exchanges, and accounting that dictate the operations of Taylor Park Reservoir. The April-July runoff into the reservoir is projected to be 86% of normal.

**External Affairs.**

**Information and Outreach Committee Report:**

Alesha Frederick reported that the External Affairs team reviewed the 2020 work plan with the Committee including the following six pillars that describe some of the River District's functions. The pillars will be utilized in messaging efforts to River District constituents.

1. The Colorado River District works to protect West Slope water and keep it on the West Slope.
2. The Colorado River District works to ensure western Colorado communities have safe and reliable drinking water supplies.
3. The Colorado River District works to protect West Slope water for West Slope farmers and ranchers in order to sustain local food production.
4. The Colorado River District works to protect fish and wildlife by maintaining river levels and water quality.
5. The Colorado River District works to mitigate increasingly unpredictable water supplies and droughts.
6. The Colorado River District works to help farmers and ranchers modernize irrigation.

Education and outreach activities for 2020 include 13 State of River workshops throughout the District, the annual water seminar in Grand Junction, 3-4 webinars throughout the year, 8 newsletters, and a leave-behind printed product that highlights CRWCD work.

**State Affairs:**

**HB20-1159: CONCERNING THE AUTHORITY OF THE STATE ENGINEER TO CONFIRM THE EXTENT OF USES OF WATER IN EXISTENCE ON THE DATE OF AN INSTREAM FLOW APPROPRIATION.**

**Recommended Position: Support.**

Director Whitmore moved, seconded by Director Alvey, to **support HB20-1159**. Motion carried unanimously.

**HB20-1157: CONCERNING THE COLORADO WATER CONSERVATION BOARD'S AUTHORITY TO USE WATER THAT A WATER RIGHT OWNER VOLUNTARILY LOANS TO THE BOARD FOR INSTREAM FLOW PURPOSES.**

**Recommended Position: Support.**

Director Stiegelmeier moved, seconded by Director Chandler-Henry, to **support HB20-1157**. Motion carried unanimously.

**HB20-1037: CONCERNING THE COLORADO WATER CONSERVATION BOARD'S AUTHORITY TO AUGMENT STREAM FLOWS WITH ACQUIRED WATER RIGHTS THAT HAVE BEEN PREVIOUSLY DECREED FOR AUGMENTATION USE.**

**Recommended Position: Support with savings clause included.**

Director Monger moved, seconded by Director Chandler-Henry, to **support HB20-1037** with the River District requested savings clause included. Motion carried unanimously.

**HB20-1072: CONCERNING A REQUIREMENT THAT THE UNIVERSITY OF COLORADO STUDY POTENTIAL USE OF EMERGING TECHNOLOGIES TO MORE EFFECTIVELY MANAGE COLORADO'S WATER SUPPLY.**

**Recommended Position: Support.**

Director Monger moved, seconded by Director Alvey, to **support HB20-1072**. Motion carried unanimously.

**HB20-1097: CONCERNING THE ABILITY TO USE WATER THAT HAS BEEN ADJUDICATED FOR MUNICIPAL USE IN AN INTERCONNECTED TREATED MUNICIPAL WATER SUPPLY SYSTEM IF THE HISTORICAL CONSUMPTIVE USE OF THE WATER RIGHT HAS ALREADY BEEN QUANTIFIED IN A PREVIOUS CHANGE OF THE WATER RIGHT.**

**Recommended Position: Monitor/Refer to Colorado Water Congress subcommittee for additional discussion.**

Director Gray moved, seconded by Director Chandler-Henry, to **monitor HB20-1097**. Motion carried unanimously.

**HB20-1095: CONCERNING THE AUTHORITY OF A LOCAL GOVERNMENT'S MASTER PLAN TO INCLUDE POLICIES TO IMPLEMENT STATE WATER PLAN GOALS AS A CONDITION OF DEVELOPMENT APPROVALS.**

**Recommended Position: Support.**

Director Monger moved, seconded by Director Stiegelmeier, to **support HB20-1095**. Motion carried unanimously.

**SB20-008: CONCERNING THE ENHANCEMENT OF PENALTIES FOR CRIMINAL VIOLATIONS OF WATER QUALITY LAWS.**

**Recommended Position: Monitor.**

Director Stiegelmeier moved, seconded by Director Hazard, to **monitor SB20-008**. Motion carried unanimously.

**SB20-024: CONCERNING THE INCLUSION OF PUBLIC INPUT IN THE DEVELOPMENT OF A STATE WATER RESOURCES DEMAND MANAGEMENT PROGRAM.**

**Recommended Position: Support.**

Director Whitmore moved, seconded by Director Hazard, to **request an amendment to SB20-024** clarifying that the bill is not a mandate for the CWCB to develop a demand management program. Motion carried unanimously.

**SB20-048: CONCERNING A STUDY TO CONSIDER THE STRENGTHENING OF THE PROHIBITION ON SPECULATIVE APPROPRIATIONS OF WATER.**

**Recommended Position: Support.**

Director Acquafresca moved, seconded by Director Stiegelmeier, to **support SB20-048** with the caveat that irrigated agricultural stakeholders are included in the proposed work group to explore ways to strengthen the current anti-speculation law. Motion carried unanimously.

**Federal Affairs:**

Zane Kessler referred the Board to the following outline of some of the River District federal priorities for 2020.

- 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.

**Project Operations and Updates. (Enterprise Matters).**

**Wolford Mountain Reservoir:**

**Approval of Continuing Services Agreement with Raindrop Water, re: Potable Water Deliveries:**

Director Alvey moved, seconded by Director Stiegelmeier, to authorize the General Manager to enter into a two-year continuing services agreement with Raindrop Water after approval of General Counsel, in an amount not to exceed \$80,000 for domestic water deliveries to Wolford Mountain Reservoir. Motion carried unanimously.

**Approval of Contracts with Eco-Rx, Inc., re: Weed Control:**

Director Alvey moved, seconded by Director Stiegelmeier, to approve contracts with Eco-Rx in amounts not to exceed \$42,000 and \$24,000 respectively, for weed management at Wolford and Elkhead Reservoirs.



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Motion carried unanimously.

**Water Marketing Policy:**

**Approval of Water Marketing Rates for 2020:**

Ian Philips reviewed the District's Water Marketing Policies. Under the Policies, contracts executed after 2006 are subject to annual price increases. Those increases are limited to the Consumer Price Index (CPI) plus the New Growth Index (NGI). For 2020, the amount is 1.90% for the CPI and 1.56% for the NGI, for a total of 3.46%. For 2020, staff recommended a 1.90% increase.

Director Monger moved, seconded by Director Acquafresca, to approve a 1.90% price increase for 2020. Motion carried unanimously.

**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.**

**Adjourn.**

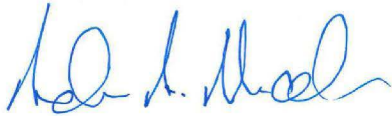
There being no other business before the Board, President Merritt adjourned the meeting at 11:32 a.m.



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David H. Merritt, President

ATTEST:



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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.*



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Peter Fleming, General Counsel