

**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 20, 2020

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 October 20, 2020 via Zoom.

Directors participating 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
William S. Trampe	Stan Whinnery
Karn Stiegelmeier	Kathy Chandler-Henry
Mike Ritschard	Marc Catlin
Alden Vanden Brink	

Others participating 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
Brendon Langenhuizen, Sr. Water Rights Engineer, 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
Lyzzi Borkenhagen, Administrative Assistant, CRWCD
Jackie Brown, Tri-State Generation & Transmission
Orla Bannan, Western Water Advocates
Laura Spann, Southwestern Water Conservation District
Maria Pastore, Colorado Springs Utilities
Doug Jeavons, BBC Research & Consulting

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

Kathrine Duncan
Martha Moore
Dennis Webb, The Daily Sentinel

Quorum.

President Merritt found a quorum and called the meeting to order at 8:33 a.m.

Review Meeting Agenda and Objectives.

Peter Fleming recommended the addition of the White River Storage Project/Wolf Creek Reservoir as agenda item 3.a.vi. and Eagle Park Reservoir Company Appointment as agenda item 9.c. The Board accepted the recommendations.

Consent Agenda.

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

Approval of Minutes and Actions Taken:

- a.
 - i. Minutes of Third Regular Joint Quarterly Meeting, July 21, 2020.
 - ii. Minutes of Special Joint Meeting, Teleconference, September 1, 2020.
- b. Review and Acceptance of Treasurer's Reports, Check Registers and Financials for January-May 2020.

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) (a) property (b)(legal advice) and (e)(negotiations).

- i. Wolford Mountain Reservoir and Ritschard Dam Operations. (An Enterprise Matter).
- ii. CRCA Implementation Matters.
- iii. Application of Colorado Springs Utilities, Case No. 15CW3019, Water Division 5
- iv. Homestake Reservoir Compact Release Pilot Project.
- v. Colorado River Compact, Interstate, International, and Intrastate Negotiation Matters, including Demand Management.
- vi. Application of the Rio Blanco Water Conservancy District, White River Storage Project, Case No. 14CW3043, Water Division 6.

Director Whitmore moved, seconded by Director Stiegelmeier, 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 10:49 a.m.

General Counsel's Report – Public Session.

Peter Fleming reported that during Executive Session, the Board provided guidance to staff and General Counsel on the following matters:

- i. Wolford Mountain Reservoir and Ritschard Dam Operations. (An Enterprise Matter).
- ii. CRCA Implementation Matters.
- iii. Application of Colorado Springs Utilities, Case No. 15CW3019, Water Division 5
- iv. Homestake Reservoir Compact Release Pilot Project.
- v. Colorado River Compact, Interstate, International, and Intrastate Negotiation Matters, including Demand Management.
- vi. Application of the Rio Blanco Water Conservancy District, White River Storage Project, Case No. 14CW3043, Water Division 6.

Mr. Fleming also reported President Merritt was not present during the discussion of agenda item 3.a.i. and there were no action items as a result of Executive Session and Public Session.

General Manager's Report.

Ballot Initiative Update (President Merritt):

Andy Mueller reported that he has presented information on the River District's ballot initiative and fiscal implementation plan to various entities and organizations when requested. President Merritt thanked board members for their efforts to inform constituents about the ballot initiative. He also noted the initiative has been endorsed by approximately 50 organizations including city councils, boards of county commissioners, chambers of commerce, environmental groups, cattlemen's groups and other water entities.

Drought Contingency Planning and Drought Management Update:

Mr. Mueller relayed that the Upper Colorado River Commission is making progress to initiate a demand management study. He also reported that the CWCB held a workshop on demand management feasibility that included reports from the CWCB's demand management workgroups. River District staff were participants in several of the workgroups. There is also concern about funding for future pilot projects due to the state's budget crisis.

Water Bank Workgroup Economic Study Update:

It was reported that the Water Bank Workgroup has issued the final Upper Basin Demand Management Economic Study in Western Colorado. The River District has participated in the workgroup since its inception.

Colorado River Basin Hydrology:

Dave Kanzer and Don Meyer reported that drought conditions are continuing throughout the basin with above average temperatures and below average precipitation forecast for the next three months in the Upper Colorado River Basin.

Directors' Updates/Concerns.

President Merritt announced his retirement from the River District Board effective January 2021. Director Acquafresca reported there is heightened concern regarding the recent purchase of irrigated farms in the Grand Valley by a New York hedge fund. Concern has been expressed that the water rights associated with these farms will be sold or leased for other uses. Other concerns expressed by directors included ongoing drought impacts, increased tourism resulting in heavy usage of public lands, large fires and heavy smoke, and continued impacts from COVID-19.

Presentation of Upper Basin Demand Management Economic Study in Western Colorado by Doug Jeavons, BBC Research & Consulting.

Doug Jeavons provided highlights of the Upper Basin Demand Management Economic Study in Western Colorado. The study team met twice with stakeholder groups from each of the four major river basins in western Colorado and based on that input, developed two scenarios to evaluate potential demand management program economic impacts on western Colorado.

Scenario 1 was based on 125,000 af of consumptive use reductions from western Colorado over a five-year period and would support a 500,000 af demand management storage account in the CRSP reservoirs (the size of storage account authorized by the Drought Contingency Plan agreements between the seven states and the federal government). Scenario 2 was based on an annual reduction of 25,000 af in western Colorado agricultural water usage from each of the four major river basins. Scenario 2 would potentially support a 2 million af demand management program within the Upper Colorado River Basin (the size of storage account indicated by the River District's Risk Study as more likely needed to make a meaningful difference in forestalling a compact compliance event). Under both scenarios, there are negative impacts to production related jobs and support industries, as well as increased hay prices and decreased livestock inventory on the West Slope.

Questions and concerns raised by the Board included the recovery time of fallowed ground as well as future production levels of that ground and the impact of reduced return flows as a result of fallowing.

CRWCD 2021 Budget Workshop.

Andy Mueller informed the Board that the draft 2021 General Fund budget could undergo substantial modifications if the District's ballot initiative 7A is passed. Another change being contemplated is to change the allocation ratio of expenses between the General Fund and Enterprise Fund. Mr. Mueller also stated that if 7A is passed, the increased funds would not be used to increase River District staff.

Ian Philips provided an overview of the River District's budgets and funding mechanisms. The General Fund is the administrative fund and covers approximately 75% of District staff and Board activities. It is funded principally through property taxes.

The Capital Projects Fund has been funded in part by unspent General Fund monies transferred at the end of each fiscal year as well as earned interest. This fund covers fleet vehicle purchases, computers, and building improvements and has, in the past, provided the funds for the Grants Program.

Colorado River Water Projects Enterprise Budget.

The Enterprise Fund covers the operations of Wolford Mountain Reservoir, the River District's Eagle Park Reservoir water supplies, Elkhead Reservoir, and the River District's Ruedi Reservoir supplies and other qualifying Enterprise activities. It is funded through water sales, rental income, occasional grants and cooperative projects.

Mr. Mueller reminded the Board of its upcoming budget hearing scheduled for December 3.

External Affairs.

Information and Outreach Update:

Alesha Frederick provided a summary of external affairs activities that included continuation of the virtual Water with Your Lunch series, the annual water seminar that had 532 registrants and was held virtually this year, five State of the River webinars, press releases, and increased digital presence on several media platforms.

State Affairs:

Zane Kessler reported that no interim committee meetings have been held due to COVID-19. There have been conversations with stakeholder groups that may lead to legislation related to recreational enhancements, possibly involving RICD's in the upcoming legislative session. There has also been an anti-speculation law workgroup formed to examine ways to strengthen anti-speculation laws. Peter Fleming is participating in that workgroup.

Federal Affairs:

Mr. Kessler reported that Congressional focus has mainly been on COVID-related issues including reaching agreement on a COVID relief package.

Project Operations and Updates.

Wolford Mountain Reservoir:

Hunter Causey reported that Ritschard Dam underwent a dam risk assessment by an expert panel with a report on the assessment expected soon. He also reported that several maintenance activities on the dam have been completed with additional work to be scheduled in 2021.

Colorado River District's Appointment to Eagle Park Reservoir Company Board:

Director Alvey moved, seconded by Director Trampe, to appoint Peter Fleming as the River District representative to the Eagle Park Reservoir Company board and authorize the General Manager and General Counsel to designate an alternate representative if necessary. Motion carried unanimously.

Future Meetings.

- a. Special Joint Meeting/CRWCD 2021 Budget Hearing, **December 3, 2020.**
- b. First Regular Joint Quarterly Meeting, **January 19-20, 2021.**
- c. Second Regular Joint Quarterly Meeting, **April 20-21, 2021.**
- d. Third Regular Joint Quarterly Meeting, **July 20-21, 2021.**
- e. Fourth Regular Joint Quarterly Meeting, **October 19-20, 2021.**
- f. Other Meetings:
 - i. CWC Winter Event, **TBD, 2021.**

Personnel Review Matters (Executive Session).

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 Whitmore moved, seconded by Director Alvey, 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 4:16 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 1.5% commencing in January 2021. Motion carried unanimously.

Ratification.

Director Whitmore moved, seconded by Director Acquafresca, to ratify a motion approving the consent agenda listed under agenda item 2. Motion carried unanimously.

Adjourn.

There being no more business before the Board, President Merritt adjourned the meeting at 4:21 p.m.



Martha Whitmore, 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