

STATE OF COLORADO

Colorado Water Conservation Board Department of Natural Resources

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SUMMARY MINUTES AND RECORD OF DECISIONS

November 18-19, 2008*

Final and Approved January 27, 2009

Bill Ritter, Jr.
Governor

Harris D. Sherman
DNR Executive
Director

Jennifer L. Gimbel
CWCB Director

Dan McAuliffe
CWCB Deputy Director

A regular meeting of the Colorado Water Conservation Board (CWCB) was convened at the Timbers Hotel, 4411 Peoria Street, Denver, CO. The meeting was called to order by Chair, Travis Smith. Seven voting members were present at the call to order, so a quorum was present (at least 6 required). Voting members present were Chair Travis Smith, Vice Chair Geoff Blakeslee, Carl Trick, Bruce Whitehead, Keith Catlin, Eric Wilkinson, and Reed Dils. Non-voting, *Ex-Officio* members present or represented were CWCB Director Jennifer Gimbel, Deputy Attorney General Casey Shpall, State Engineer Dick Wolfe, Alex Davis, representing the Executive Director of Natural Resources, and Tom Remington, Director of the Division of Wildlife. Barbara Biggs, Harris Sherman, and Attorney General John Suthers arrived after the call to order.

Note: While the Board's consideration of agenda items does not always follow the sequence indicated by the agenda numbers, these minutes are listed in agenda item order for easier reference.

Tuesday, November 18, 2008

Call to Order 8:15 a.m.

1. Review and Approval of Agenda

Tape 1, Track 1 00:01:41 – 00:05:59

Action: A motion was made by Geoff Blakeslee and seconded by Keith Catlin to approve the November 2008 Agenda with the following amendments: a) delete items # 14e, f, and h from Executive Session because these items have been settled; b) remove items #18 and #19 because these items have been settled; and c) add an agenda item regarding the Rio Grande Initiative to be discussed after agenda item #7. The motion was approved unanimously (7-0).

*A complete record of the meeting has been made in electronic form using an MP2 format. The recording and the associated written materials are the only legal record of the meeting. These written summaries are intended only as an aid to research and a guide to the tapes. The motions described herein may not represent a verbatim transcription. Agenda items are presented in numerical order, according to the Agenda for the meeting. Disk numbers and approximate locations are identified for the beginning and end of each agenda item. The complete record of this meeting is available at the CWCB during regular office hours. Arrangements to make copies of the tapes or written transcripts of specific agenda items may be produced at the requestor's expense. Notes from the meeting for identification of times and tapes for specific agenda items can also be reviewed at the CWCB offices. Voting tallies are based on members present for voting. Members recusing themselves are identified. Board members occasionally leave the meeting, but the original meeting notes typically indicate whether or not a particular Board Member was present.

during a specific agenda item.

2. Review and Approval of Meeting Minutes –

- a. September 16-17, 2008 Board Meeting
- b. July 22-23, 2008 Board Meeting Minutes Correction

Tape 1, Track 1 00:06:00 – 00:07:56

Action: A motion was made by Eric Wilkinson and seconded by Keith Catlin to approve the September 16-17, 2008 Meeting Minutes, with the following changes: Strike the words “and motion” from Agenda item #6, and strike the word “unanimously” from agenda item #22t because the vote was 7-1 (not a unanimous vote). The motion was approved unanimously (7-0).

3. Approve and/or Remove Items from Consent Agenda

Tape 1, Track 1 00:07:57 – 00:09:57

Action: A motion was made by Bruce Whitehead and seconded by Geoff Blakeslee to approve Consent Agenda Items 1a, 1b, 1d, 2a, and 2b, and to discuss Consent Agenda Item 1c at the end of the Board meeting. The motion was approved unanimously (7-0).

Consent Agenda 1c, Case No. 4-08CW081: Application of U.S. Energy Corp.

Tape 1, Track 1 06:36:28 – 06:42:47

Action: After further discussion of this item, motion was made by Bruce Whitehead and seconded by Reed Dils to approve Consent Agenda Item 1c. The motion was approved unanimously (8-0).

4. Future Board Meeting Dates

- a. January 27-28, 2008 Hilton Garden Inn (in connection with Colorado Water Congress)
- b. March 17-18, 2009 The Radisson Hotel & Conference Center, Longmont
- c. May 19-20, 2009 Pueblo
- d. July 21-22, 2009 The Elevation Hotel, Crested Butte (in connection with The Colorado Water Workshop)
- e. September 15-16, 2009 Steamboat Springs
- f. November 17-18, 2009 Denver

Tape 1, Track 1 00:09:58 – 00:11:19

Action: A motion was made by Carl Trick and seconded by Reed Dils to approve the Board meeting dates as listed. The motion was approved unanimously (7-0).

5. Stream and Lake Protection Section – Notice of 2009 Instream Flow Recommendations in Water Divisions 2, 4, 5, and 6

Tape 1, Track 1 00:11:20 – 00:16:53

Action: Informational item only. No action was required.

6. Stream and Lake Protection Section – Instream Flow Rules Revisions

Tape 1, Track 1 00:16:54 – 00:43:20

Action: A motion was made by Eric Wilkinson and seconded by Geoff Blakeslee to approve staff recommendation as presented to the Board, with the modifications to Rule 6, Paragraph 6f.2, and Paragraph 6i.3)b, and to Policy #19 Procedures, Paragraph d and e. The motion was approved unanimously (7-0).

7. Intrastate Water Management & Development Section – Water Supply Reserve Account Grant Applications:

a. Happy Scenes Water System #1, Inc. – Water System Upgrade

Tape 1, Track 1 00:43:21 – 00:48:37

Action: A motion was made by Bruce Whitehead and seconded by Reed Dils to approve staff recommendation that the Board fund up to \$50,000 from the Southwest Basin Account to help install treatment and pump equipment, contingent on resolution of the item in the issues/additional needs section of the Board memo. The motion was approved unanimously (7-0).

b. La Plata Archuleta Water District – Water System Master Planning

Tape 1, Track 1 00:48:38 – 00:55:24

Action: A motion was made by Bruce Whitehead and seconded by Eric Wilkinson to approve staff recommendation that the Board fund up to \$100,000 from the Southwest Basin Account to help implement the La Plata Archuleta Water District Water System Master Plan, contingent on resolution of the item in the issues/additional needs section of the Board memo. The motion was approved unanimously (7-0).

c. San Luis Valley Irrigation District – Rio Grande Reservoir Multi-Use Rehabilitation – Refinement and Enhancement of Reservoir Reoperation and Optimization Model

Tape 1, Track 1 00:55:25 – 00:57:25

Action: A motion was made by Eric Wilkinson and seconded by Geoff Blakeslee to approve staff recommendation that the Board fund up to \$100,000 from the Rio Grande Basin Account to help implement the refinement and enhancement of reservoir reoperation and optimization model, contingent on resolution of the item in the issues/additional needs section of the Board memo. The motion was approved unanimously (6-0). Board Chair Travis Smith did not vote on this agenda item.

d. Grand Valley Anglers Chapter of Trout Unlimited and Federation of Fly Fishers – Battlement Reservoir #3 Dam Reconstruction

Tape 1, Track 1 00:57:26 – 01:06:45

Action: A motion was made by Reed Dils and seconded by Bruce Whitehead to approve staff recommendation that the Board fund up to \$80,000 from the Colorado River Basin Account to help complete the Battlement Reservoir #3 Dam Reconstruction project contingent on documentation from DWR supporting the new water right use and a revised scope of work, budget, and schedule for the project. The motion was approved unanimously (7-0).

e. Upper Gunnison River Water Conservancy District – Lake San Cristobal Outlet Modification Project

Tape 1, Track 1 01:06:45 – 01:12:49

Action: A motion was made by Keith Catlin and seconded by Carl Trick to approve staff recommendation that the Board fund up to \$120,960 from the Statewide Account to help complete the Lake San Cristobal Outlet Modification study, contingent on resolution of the remaining items in the issues/additional needs section of the Water Activity Summary Sheet. The motion was approved unanimously (7-0).

- f. Rocky Mountain Research Station – Effects of Mountain Pine Beetle and Forest Management on Water Quantity, Quality, and Forest Recovery – North Platte and Upper Colorado River Basins

Tape 1, Track 1 01:12:49 – 01:23:49

Action: A motion was made by Carl Trick and seconded by Reed Dils to approve staff recommendation that the Board fund up to \$212,000 from the North Platte Basin Account and \$165,000 from the Statewide Account to help complete the Effects of Mountain Pine Beetle and Forest Management on Water Quantity, Quality, and Forest Recovery – North Platte and Upper Colorado River Basins Project, contingent on resolution of the item in the issues/additional needs section of the Board memo. The motion was approved unanimously (7-0).

- g. Moffat County – Sand Wash Basin Coal Bed Methane Production Depletive Effects on Water Resources Study

Tape 1, Track 1 01:23:49 – 01:31:22

Action: A motion was made by Geoff Blakeslee and seconded by Carl Trick to approve staff recommendation that the Board fund up to \$98,835 from the Statewide Account and \$20,000 from the Yampa/White Basin Account to help further the Yampa/White Basin Roundtable’s needs assessment and help address one of the major water issues facing the basin (water supply needs for energy development), contingent on resolution of the item in the issues/additional needs section of the Board memo. The motion was approved unanimously (7-0).

Additional Agenda Item - Intrastate Water Management & Development Section - Rio Grande Basin Roundtable

Tape 1, Track 1 01:31:23 – 01:38:48

Action: A motion was made by Eric Wilkinson and seconded by Carl Trick to approve staff recommendation that the Board acknowledge the full disclosure statement from the Rio Grande Basin Roundtable member regarding the Water Supply Reserve Account grant to the Rio Grande Land Trust for the Rio Grande Initiative. Geoff Blakeslee recused himself from this motion. The motion was approved unanimously (6-0).

8. Intrastate Water Management & Development Section – Alternative Agricultural Water Transfer Methods Grant Program:

- a. Colorado State University – The Effect of Land Fallowing and Water Rights Leasing on Corn Yield, Nutrient Needs, and Economics in the Lower Arkansas River Valley of Colorado

Tape 1, Track 1 02:36:25 – 02:53:38

Tape 1, Track 1 03:36:44 – 03:37:37

Action: A motion was made by Reed Dils and seconded by Geoff Blakeslee to approve staff recommendation that the Board fund up to \$80,350 from the Alternative Agricultural Water Transfer Methods Grant Program for the Effects of Land Fallowing Study in the Lower Arkansas Valley, contingent on resolution of the item in the issues/additional needs section of the Board memo. Barbara Biggs arrived for this motion. The motion was approved unanimously (8-0).

b. High Line Canal Company – High Line Canal Water Leasing Project

Tape 1, Track 1 02:53:39– 03:19:23

Tape 1, Track 1 03:37:38 – 03:38:31

Action: A motion was made by Reed Dils and seconded by Barbara Biggs to approve staff recommendation that the Board fund up to \$70,000 from the Alternative Agricultural Water Transfer Methods Grant Program for the High Line Canal Water Leasing Project, contingent on resolution of the item in the issues/additional needs section of the Board memo. Barbara Biggs arrived for this motion. The motion was approved unanimously (8-0).

c. Colorado Corn Growers Association – Development of Practical Alternative Agricultural Water Transfer Measures for Colorado Irrigated Agriculture Project

Tape 1, Track 1 03:19:24 – 03:32:13

Tape 1, Track 1 03:38:32 – 03:39:25

Tape 1, Track 1 03:42:49 – 03:44:47

Action: A motion was made by Eric Wilkinson and seconded by Barbara Biggs to approve staff recommendation that the Board fund up to \$349,650 from the Alternative Agricultural Water Transfer Methods Grant Program for the Development of Practical Alternative Agricultural Water Transfer Measures for Colorado Irrigated Agriculture Project, contingent on resolution of the item in the issues/additional needs section of the Board memo. Keith Catlin opposed the original motion in error. After reviewing the Board materials again, a second motion was made by Barbara Biggs and seconded by Eric Wilkinson to approve staff recommendation and the motion was approved unanimously (8-0).

d. Parker Water and Sanitation District – Lower South Platte Irrigation Research and Demonstration Project

Tape 1, Track 1 03:32:14 – 03:35:15

Tape 1, Track 1 03:39:26 – 03:40:37

Action: A motion was made by Eric Wilkinson and seconded by Barbara Biggs to approve staff recommendation that the Board deny further funding of this grant application. The motion was approved unanimously (8-0).

9. Intrastate Water Management & Development Section – Water Demands to 2050

Tape 1, Track 1 03:42:22 – 03:42:48

Tape 1, Track 1 03:44:47 – 04:04:20

Action: Informational item only. No action required.

10. Intrastate Water Management & Development Section – Water Supply Reserve Account Criteria and Guidelines

Tape 1, Track 1 01:39:18 – 02:09:45

Action: A motion was made by Eric Wilkinson and seconded by Bruce Whitehead to approve staff recommendation that the Board approve the amended version of the Water Supply Reserve Account (WSRA) Criteria and Guidelines and to direct staff to request approval of the amended version by the IBCC at their next meeting. Barbara Biggs arrived for this motion. The motion was approved unanimously (8-0).

11. Directors' Reports

a. DNR Assistant Executive Director Alex Davis Reporting

Tape 1, Track 1 04:20:23– 04:26:46

Action: Informational item only. No action required.

b. IBCC Director

Action: There was no report on this item

c. Agriculture Commissioner

Action: There was no report on this item

d. CWCB Director – Jennifer Gimbel Reporting

Tape 1, Track 1 04:04:40 – 04:20:22

Action: Informational item only. No action required.

e. State Engineer – Dick Wolfe Reporting

Tape 1, Track 1 04:26:47 – 04:38:57

Action: Informational item only. No action required.

f. Division of Wildlife – Tom Remington Reporting

Tape 1, Track 1 04:38:58 – 04:45:55

Action: Informational item only. No action required.

g. Water Resource and Power Development Authority – Dan Law Reporting

Tape 1, Track 1 04:45:56 – 04:55:56

Action: Informational item only. No action required.

12. Water Supply Protection Section – Colorado River Banking Concept – Presentation by the Colorado River Water Conservation District and Southwestern Water Conservation District

Tape 1, Track 1 04:55:57 – 05:40:32

Action: Informational item only. No action required.

13. Water Supply Protection Section – Wild and Scenic River Alternative Processes

Tape 1, Track 1 05:40:32 – 06:36:20

Action: Informational item only. No action required.

14. Attorney General's Report, Legal Briefing and Executive Session – This is a briefing on *legal issues contained in the Attorney General's written report and on items listed below that the Board may refer for discussion in an Executive Session based upon attorney client privilege.*

Executive Session Items:

- a. Case No. 07CW137; Application of the City of Golden
- b. Case No. 08CW72; Application of Eagle River Water & Sanitation District
- c. Case No. 08CW73; Application of the City of Breckenridge
- d. Case No. 1-07CW123; Application of Colorado Mountain Properties
- e. Case No. 7-06CW102; Application of Durango Commercial Development
- f. Case No. 6-06CW52; Application of D & S Development Group

- g. Case No. 6-03CW053; Application of Upper Yampa Water Conservancy District
- h. Case No. 4-99CW267 and 4-99CW268; Applications of the United States of America
- i. Case No. 5-06CW77; Application of the Town of Carbondale

Tape 1, Track 1 05:41:40 – 05:42:33

Action: A motion was made by Geoff Blakeslee and seconded by Keith Catlin to go into Executive Session to discuss Agenda Items 14a, 14b, 14c, 14d, 14g, and 14i. Agenda Items #14 e, 14f, and 14h were deleted because these cases have been settled. The motion was approved unanimously (7-0). Barbara Biggs was not available for this motion.

Action: Based upon the recommendation from Casey Shpall, Deputy Attorney General, the discussion of Agenda Items 14a, 14b, 14c, 14d, 14g, and 14i were not recorded pursuant to C.R.S. Section 24-6-402(2)(d.5)(I)(B) because those portions of the Executive Session constituted privileged attorney-client communications.



CWCB Attorney

The portion of the Executive Session on Agenda Items 14a, 14b, 14c, 14d, 14g, and 14i that were not recorded were confined to the topics authorized for discussion in an Executive Session under C.R.S. section 24-6-403(3)(a)(II)



CWCB Chair

A motion was made by Barbara Biggs and seconded by Keith Catlin to adjourn from Executive Session. The motion was approved unanimously (8-0).

15. Report from Executive Session

Tape 1, Track 1 05:42:33– 05:42:59

Action: Casey Shpall, Deputy Attorney General, reported that Agenda Item 14a, 14b, 14c, 14d, 14g, and 14i were discussed in Executive Session and the discussion was limited to litigation strategy.

16. Water Supply Protection Section – Litigation Account Expenditure Authorization

Tape 1, Track 1 05:45:01 – 05:56:05

Action: A motion was made by Bruce Whitehead and seconded by Eric Wilkinson to approve staff recommendation that the Board, 1) authorize the expenditure of additional moneys, not to exceed \$191,000 for the costs of litigation associated with the defense and protection of Colorado's allocation of water in the Colorado River; 2) direct the CWCB Director and staff to expend these funds in a manner consistent with the request by the Office of the Attorney General; and, 3) direct the CWCB Director, staff, and Office of the Attorney General to comply with the annual reporting requirements as specifically provided for in Section 37-60-121(2.5). The motion was approved unanimously (8-0).

17. Stream and Lake Protection Section – Authorization to Proceed to Trial – Case No. 1
07CW123; Application of Colorado Mountain Properties, Inc.

Tape 1, Track 1 05:43:35 – 05:44:12

Action: A motion was made by Eric Wilkinson and seconded by Barbara Biggs to approve staff recommendation that the Board authorize CWCB staff to proceed to trial, to protect the Board's instream flow water rights, in the event that CWCB staff and the Attorney General's Office are unable to reach a settlement with the applicants. The motion was approved unanimously (8-0).

18. Stream and Lake Protection Section – Authorization to Proceed to Trial – Case #7-
06CW102; Application of Durango Commercial Development, LLC

Action: This agenda item was deleted as this case has settled. No action was required by the Board.

19. Stream and Lake Protection Section – Authorization to Proceed to Trial – Case No. 6-
06CW52; Application of D & S Development Group, LLC

Action: This agenda item was deleted as this case has settled. No action was required by the Board.

20. Stream and Lake Protection Section – Authorization to Proceed to Trial – Case No. 6-
03CW53; Application of Upper Yampa Water Conservancy District

Tape 1, Track 1 05:44:13 – 05:44:54

Action: A motion was made by Eric Wilkinson and seconded by Barbara Biggs to approve staff recommendation that the Board ratify the Motion to Intervene with accompanying Statement of Opposition. Staff further recommends that the Board authorize staff to proceed to trial to protect the Board's instream flow water rights in the event that staff and the Attorney General's Office are unable to reach a settlement with the applicant. The motion was approved unanimously (8-0).

RECESSED 4:28 p.m.

Wednesday, September 17, 2008
Call to Order 8:00 a.m.

A regular meeting of the Colorado Water Conservation Board (CWCB) was convened at the Timbers Hotel, 4411 Peoria Street, Denver, CO. The meeting was called to order by Chair, Travis Smith. Eight voting members were present at the call to order, so a quorum was present (at least 6 required). Voting members present were Chair Travis Smith, Vice Chair Geoff Blakeslee, Carl Trick, Bruce Whitehead, Keith Catlin, Eric Wilkinson, Reed Dils, and Harris Sherman. Barbara Biggs was not present at the call to order, but arrived shortly thereafter. Non-voting, *Ex-Officio* members present or represented were CWCB Director Jennifer Gimbel, Deputy Attorney General Casey Shpall, State Engineer Dick Wolfe, Alex Davis, and Grady McNeil representing Tom Remington, Director of Wildlife.

21. Water Supply Planning and Finance Section – Financial Matters – Construction Fund and
Severance Tax Trust Fund Perpetual Base Account – Annual Financial Statements

Tape 2, Track 1 00:00:00 – 00:52:00

Action: Informational item only, no action required.

22. Water Supply Planning and Finance Section – Estimate of Funds Available for New Projects
in 2009 – CWCBC Construction Fund – Loans and Non-Reimbursable Investments

Tape 2, Track 1 00:52:01 – 01:15:54

Action: Informational item only, no action required.

23. CWCBC Report on the Events/Discussion of the October 28, 2008 Board Retreat

Tape 2, Track 1 01:15:55 – 02:00:20

Action: Informational item only, no action required.

24. Basin Director Report

a. Colorado River (Mainstem) Basin Director Report

Action: There was no report on this item.

b. Yampa-White River Basin Director Report – Geoff Blakeslee Reporting

Tape 2, Track 1 02:01:48 – 02:04:40

Action: Informational item only, no action required.

c. San Juan/San Miguel-Dolores River Basin - Bruce Whitehead Reporting

Tape 2, Track 1 02:04:41 – 02:12:20

Action: Informational item only, no action required.

d. Gunnison River Basin – Keith Catlin Reporting

Tape 2, Track 1 02:12:21 – 02:15:35

Action: Informational item only, no action required.

e. Basin Director Report – North Platte River Basin Director Report – Carl Trick
Reporting

Tape 2, Track 1 02:15:36 – 02:18:07

Action: Informational item only, no action required.

f. South Platte River Basin Director Report – Eric Wilkinson Reporting

Tape 2, Track 1 02:18:08 – 02:25:52

Action: Informational item only, no action required.

g. Arkansas River Basin Director Report – Reed Dils Reporting

Tape 2, Track 1 02:25:53 – 02:29:23

Action: Informational item only, no action required.

h. City and County of Denver Director Report – Barbara Biggs Reporting

Tape 2, Track 1 02:29:24 – 02:34:14

Action: Informational item only, no action required.

i. Rio Grande River Basin Director Report – Chair Travis Smith Reporting

Tape 2, Track 1 02:34:15 – 02:41:05

Action: Informational item only, no action required.

25. Water Supply Planning and Finance Section – Changes to Existing Loans

- a. Southeastern Colorado Water Conservancy District – Arkansas Valley Conduit Project (2 year time extension)

Tape 2, Track 1 02:41:05 - 02:49:54

Action: A motion was made by Carl Trick and seconded by Reed Dils to approve staff recommendation that the Board approve a request for a two year time extension on the conditional loan approval of a \$60,600,000 loan (\$60,000,000 a for project costs and \$600,000 for the 1% Loan Service Fee), to the Southeastern Colorado Water Conservancy District, acting by and through its Water Activity Enterprise, from the Severance Tax Trust Fund Perpetual Base Account, to provide the local cost share match for the design and construction of the Arkansas Valley Conduit Project. The recommended loan terms remain unchanged at 30 years at an interest rate of 3.25% per annum. Security for the loan remains unchanged and includes a pledge of Enterprise revenues, including revenues received from the Arkansas Valley Conduit participants through Participant Funding Agreements. The motion was approved unanimously (9-0).

- b. Water Supply Planning and Finance Section – Changes to Existing Loans – Bijou Irrigation District – Diversion Structure Rehabilitation

Tape 2, Track 1 02:49:55 – 03:02:10

Action: A motion was made by Eric Wilkinson and seconded by Barbara Biggs to approve staff recommendation that the Board approve an increase of \$1,436,220 (\$1,422,000 for project costs and \$14,220 for the 1% Loan Service Fee) to the Bijou Irrigation District, from the Severance Tax Trust Fund Perpetual Base Account, at its current interest rate of 2.25% for 30 years. The District's total amended loan amount will be \$2,090,700 (\$2,070,000 for project costs and \$20,700 for the 1% Loan Service Fee) for the removal and replacement of the entire diversion structure and improvements to the intake structure. Security for the loan shall be collateral in compliance with CWCB Loan Policy No. 5. The motion was approved unanimously (9-0).

- c. Water Supply Planning and Finance Section – Changes to Existing Loans – Bijou Irrigation District – Empire Reservoir East Embankment Dam Repair

Tape 2, Track 1 03:02:11 – 03:12:50

Action: A motion was made by Eric Wilkinson and seconded by Carl Trick to approve staff recommendation that the Board approve an increase of \$2,045,250 (\$2,025,000 for project costs and \$20,250 for the 1% Loan Service Fee) to the Bijou Irrigation District, from the Severance Tax Trust Fund Perpetual Base Account, at their current interest rate of 2.25% for 30 years. The District's total amended loan amount will be \$4,454,100 (\$4,410,000 for project costs and \$44,100 for the 1% Loan Service Fee) for the repair of Empire Reservoir's East Dam Embankment. Security for the loan shall be collateral in compliance with CWCB Loan Policy No. 5. The motion was approved unanimously (9-0).

- d. Water Supply Planning and Finance Section – Changes to Existing Loans – Silt Water Conservancy District – Rehabilitation of System Infrastructure

Tape 2, Track 1 03:12:51 – 03:20:18

Action: A motion was made by Geoff Blakeslee and seconded by Barbara Biggs to approve staff recommendation that the Board approve an increase of \$485,103 (\$480,300 for project costs and \$4,803 for a 1% Loan Service Fee) to the District from the Construction Fund Account at its current interest rate of 2.5% for 30 years. The District's total amended loan amount will be \$1,515,000 (\$1,500,000 for project costs and \$15,000 for a 1% Loan Service Fee) for the rehabilitation of the District's system infrastructure. Security for the loan shall be collateral in compliance with CWCB Loan Policy No. 5. Harris Sherman was not available for this motion. The motion was approved unanimously (8-0).

e. Water Supply Planning and Finance Section – Changes to Existing Loans – Silt Water Conservancy District – De-authorization of Pump Plant Transformer Project

Tape 2, Track 1 03:20:19 – 03:21:41

Action: A motion was made by Carl Trick and seconded by Eric Wilkinson to approve staff recommendation that the Board approve the de-authorization of the Silt Water Conservancy District – Pump Plant Transformer Project Loan, C150135, in the amount of \$490,860 (previously approved March 26, 2003). Harris Sherman was not available for this motion. The motion was approved unanimously (8-0).

26. Water Supply Planning and Finance Section – Construction Fund and Severance Tax Trust Fund Perpetual Base Account – New Loans

a. Center of Colorado Water Conservancy District – James Tingle Reservoir

Tape 2, Track 1 03:21:42 – 03:36:37

Action: A motion was made by Eric Wilkinson and seconded by Keith Catlin to approve staff recommendation that the Board approve a loan not to exceed \$454,500 (\$450,000 for project costs and \$4,500 for the 1% Loan Service Fee) to the Center of Colorado Water Conservancy District for the construction of the James Tingle Reservoir from the Severance Tax Trust Fund Perpetual Base Account. The loan terms shall be 10 years at an interest rate of 3.5% per annum. This rate is reduced by 0.5% from the current middle income municipal, 30 year, 4.0% interest rate. Security for the loan shall be in compliance with CWCB Financial Policy No. 5. Harris Sherman was not available for this motion. The motion was approved unanimously (8-0).

b. New Salida Ditch Company – Ditch Pipeline Project

Tape 2, Track 1 03:36:38 – 03:42:40

Action: A motion was made by Geoff Blakeslee and seconded by Bruce Whitehead to approve staff recommendation that the Board approve a loan not to exceed \$365,620 (\$362,000 for project costs and \$3,620 for the 1% Loan Service Fee) to the New Salida Ditch Company for its Ditch Pipeline Project from the Severance Tax Trust Fund Perpetual Base Account. The loan terms shall be 30 years at the agricultural interest rate of 2.5% per annum. Security for the loan shall be in compliance with CWCB Financial Policy No. 5. Harris Sherman was not available for this motion. The motion was approved unanimously (8-0).

c. Weldon Valley Ditch Company – Cottonwood Draw Flume Project

Tape 2, Track 1 03:42:41 – 03:46:55

Action: A motion was made by Carl Trick and seconded by Eric Wilkinson to approve staff recommendation that the Board approve a loan not to exceed \$136,350

(\$135,000 for project costs and \$1,350 for the 1% Loan Service Fee) to the Weldon Valley Ditch Company for the improvements to the Cottonwood Draw Flume from the Severance Tax Trust Fund Perpetual Base Account. The loan terms shall be 30 years at a blended interest rate of 2.6% per annum. Security for the loan shall be in compliance with CWCB Financial Policy No. 5. The motion was approved unanimously (9-0).

d. Yuma County Water Authority Public Improvement District - North Fork Water Rights Purchase

Tape 2, Track 1 03:46:56 – 04:08:59

Action: A motion was made by Eric Wilkinson and seconded by Barbara Biggs to approve staff recommendation that the Board approve a loan not to exceed \$9,595,000 (\$9,500,000 for Project costs and \$95,000 for the 1% Loan Service Fee) to the Yuma County Water Authority Public Improvement District for the purchase of surface water rights in the North Fork of the Republican River using funds from the Severance Tax Trust Fund Perpetual Base Account. The loan amount shall not exceed 90% of Project expenses. The loan terms shall be 20 years at an interest rate of 2.25% per annum. Security for the loan shall be in compliance with CWCB Financial Policy No. 5. The motion was approved unanimously (9-0).

e. Republican River Water Conservation District – North Fork Water Rights Lease

Tape 2, Track 1 04:09:00 – 04:22:38

Action: A motion was made by Geoff Blakeslee and seconded by Eric Wilkinson to approve staff recommendation that the Board approve a loan not to exceed \$4,545,000 (\$4,500,000 for Project costs and \$45,000 for the 1% Loan Service Fee) to the Republican River Water Conservation District, acting by and through its Water Activity Enterprise for a 20 year lease of the surface water rights in the North Fork of the Republican River using funds from the Severance Tax Trust Fund Perpetual Base Account. The loan terms shall be 20 years at an interest rate of 2.25% per annum. Security for the loan shall be in compliance with CWCB Financial Policy No. 5. The motion was approved unanimously (9-0).

f. Boulder White Rock Ditch & Reservoir Company – Panama Reservoir Outlet

Tape 2, Track 1 04:22:39 – 04:28:12

Action: A motion was made by Eric Wilkinson and seconded by Reed Dils to approve staff recommendation that the Board approve a loan not to exceed \$2,430,060 (\$2,406,000 for project costs and \$24,060 for the 1% Loan Service Fee) to the Boulder White Rock Ditch and Reservoir Company for the Panama Reservoir Outlet Project from the Severance Tax Trust Fund Perpetual Base Account. The loan terms shall be 30 years at a blended interest rate of 3.45% per annum. Security for the loan shall be in compliance with CWCB Financial Policy No. 5. The motion was approved unanimously (9-0).

27. Water Supply Planning and Finance Section – En-bloc Non-Reimbursable Investment Recommendations

Tape 2, Track 1 05:05:30 – 05:46:33

a. Satellite Linked Monitoring System & Flood Hardening Program

Action: A motion was made by Barbara Biggs and seconded by Geoff Blakeslee to approve staff recommendation that the Board request that the General Assembly approve \$300,000 from the Construction Fund to be appropriated to the Department of Natural Resources for allocation to the Division of Water Resources (DWR) to enhance, renovate, and replace the Data Collection Platforms in the existing satellite monitoring system. Furthermore, staff recommends that another \$50,000 be requested for the stream gage flood hardening program which is administered and coordinated between both the DWR and CWCB. The flood hardening funds will also be allocated to DWR. The total cost for these programs is \$350,000. Harris Sherman was not available for this motion. The motion was approved unanimously (8-0).

b. Instream Flow Engineering and Technical Support Services

Action: A motion was made by Barbara Biggs and seconded by Geoff Blakeslee to approve staff recommendation that the Board request that the General Assembly authorize an appropriation of \$50,000 in fiscal year 2009/2010 from the Construction Fund to the Colorado Water Conservation Board for the continued implementation of the long-range engineering and technical support services program. Harris Sherman was not available for this motion. The motion was approved unanimously (8-0).

c. Water Planning Studies

Action: A motion was made by Barbara Biggs and seconded by Geoff Blakeslee to approve staff recommendation that the **Board should approve the inclusion the following provision in the 2009 Projects Bill: SECTION __. Water Planning Studies -- Continuation.** (1) The Colorado water conservation board is authorized to expend up to one hundred thousand dollars (\$100,000) from the Colorado water conservation board construction fund to continue providing funds for water related planning activities. (2) The moneys appropriated in subsection (1) of this section shall remain available for the designated purposes until the project is completed. Harris Sherman was not available for this motion. The motion was approved unanimously (8-0).

d. CWCB Weather Modification Program – Water User Cost Share Assistance

Action: A motion was made by Barbara Biggs and seconded by Geoff Blakeslee to approve staff recommendation that the Board request that the General assembly authorize \$175,000 from the Construction Fund to be appropriated to the CWCB Weather Modification Program to be used for non-reimbursable investments to assist water providers in the development of Colorado weather modification activities. Harris Sherman was not available for this motion. The motion was approved unanimously (8-0).

e. NOAA Atlas 2 Precipitation Atlas Update

Action: A motion was made by Barbara Biggs and seconded by Geoff Blakeslee to approve staff recommendation that the Board request the General Assembly to authorize up to \$300,000 from the Construction Fund to be appropriated to the Colorado Water Conservation Board for the purpose of updating the Atlas to current statistical standards and accuracy. Harris Sherman was not available for this motion. The motion was approved unanimously (8-0).

- f. Colorado Dust on Snow Program (CODOS)
Action: A motion was made by Barbara Biggs and seconded by Geoff Blakeslee to approve staff recommendation that the Board request that the General assembly authorize \$30,000 from the Construction Fund to be appropriated to the Colorado Water Conservation Board for direct transfer to the Center for Snow and Avalanche Studies in order to support the Colorado Dust on Snow Program. Harris Sherman was not available for this motion. The motion was approved unanimously (8-0).
- g. Colorado Floodplain Map Modernization Program
Action: A motion was made by Barbara Biggs and seconded by Geoff Blakeslee to approve staff recommendation that the Board request that the General assembly authorize up to \$500,000 from the Construction Fund to be appropriated to the Colorado Water Conservation Board for technical activities related to the Colorado Floodplain Map Modernization Program. Harris Sherman was not available for this motion. The motion was approved unanimously (8-0).
- h. Colorado Watershed Restoration Program
Action: A motion was made by Barbara Biggs and seconded by Geoff Blakeslee to approve staff recommendation that the Board request that the General Assembly authorize \$250,000 from the Construction Fund to be appropriated to the Colorado Water Conservation Board for technical activities related to the Watershed Restoration Program. Harris Sherman was not available for this motion. The motion was approved unanimously (8-0).
- i. CWCB Floodplain Technical Services
Action: A motion was made by Barbara Biggs and seconded by Geoff Blakeslee to approve staff recommendation that the Board request that the General assembly authorize \$125,000 from the Construction Fund to be appropriated to the Colorado Water Conservation Board for Floodplain Technical Services in support of engineering and construction activities throughout Colorado. Harris Sherman was not available for this motion. The motion was approved unanimously (8-0).
- j. Flood Response Program Refreshed
Action: A motion was made by Barbara Biggs and seconded by Geoff Blakeslee to approve staff recommendation that the Board request the General Assembly to restore up to \$300,000 from the Construction Fund to be appropriated to the Colorado Water Conservation Board for the Flood Response Program. Harris Sherman was not available for this motion. The motion was approved unanimously (8-0).
- k. Water Information Resources Center and the Data Harvesting Initiative
Action: A motion was made by Barbara Biggs and seconded by Geoff Blakeslee to approve staff recommendation that the Board request the General Assembly authorize \$550,000 from the Construction Fund to be appropriated to the Department of Natural Resources for allocation to the CWCB to continue the Water Resources Information Center and to implement the Data Harvest

Initiative. Harris Sherman was not available for this motion. The motion was approved unanimously (8-0).

l. MODFLOW Enhancements for CDSS

Action: A motion was made by Barbara Biggs and seconded by Geoff Blakeslee to approve staff recommendation that the Board request the General Assembly authorize \$50,000 from the Construction Fund to be appropriated to the Department of Natural Resources for allocation to the USGS to perform the enhancements to MODFLOW for Colorado's Decision Support Systems. Harris Sherman was not available for this motion. The motion was approved unanimously (8-0).

m. Investments South Platte Decision Support System (SPDSS)

Action: A motion was made by Barbara Biggs and seconded by Geoff Blakeslee to approve staff recommendation that the Board request the General assembly authorize \$150,000 from the Construction Fund to be appropriated to the Colorado Water Conservation Board for additional year 5 work tasks associated with the South Platte Decision Support System. Harris Sherman was not available for this motion. The motion was approved unanimously (8-0).

n. Colorado Foundation for Water Education – Annual Appropriation

Action: A motion was made by Barbara Biggs and seconded by Geoff Blakeslee to approve staff recommendation that the Board request that the General Assembly authorize the continuation of the \$150,000 Non-Reimbursable expenditure to support the on-going activities of the Colorado Foundation for Water Education. Harris Sherman was not available for this motion. The motion was approved unanimously (8-0).

o. Director Wilkinson moved to add additional language to the Construction Fund Bill that would establish a new fund in order to have resources available for developing alternatives to federal Wild and Scenic designation. Director Wilkinson recommended that this fund be automatically refreshed annually up to \$400,000. Harris Sherman was not available for this motion. The motion was approved unanimously (8-0).

28. Water Supply Protection Section – Native Species Conservation Trust Fund

Action: This agenda item was removed from the November Agenda and will be discussed at a future Board meeting.

29. Water Supply Planning and Finance Section – Referred Non-Reimbursable Investments

a. Agricultural Water Transfer Methods Grant Program

Tape 2, Track 1 06:00:58 – 06:10:08

Action: A motion was made by Carl Trick and seconded by Bruce Whitehead to approve staff recommendation that the Board request the General Assembly authorize \$1,500,000 from the Construction Fund to be appropriated to the Department of Natural Resources for allocation to the CWCB to fund the Alternative Agricultural Water Transfer Methods—Statewide Competitive Grant Program. Staff further recommends creating a new sub-committee, to include representatives from the West Slope, to review the Criteria Guidelines. Harris

Sherman and Eric Wilkinson were not available for this motion. The motion was approved unanimously (7-0).

b. Colorado River Water Availability Study – Phase 2

Tape 2, Track 1 05:46:34 – 06:00:58

Action: A motion was made by Barbara Biggs and seconded by Keith Catlin to approve staff recommendation that the Board request the General Assembly to authorize \$1,000,000 from the Construction Fund to be appropriated to the Colorado Water Conservation Board for work tasks associated with the Colorado River Water Availability Study. Eric Wilkinson was not available for this motion. The motion was approved unanimously (8-0).

c. Water Adaptation Partnership Projects

Tape 2, Track 1 06:10:08 – 06:21:00

Action: A motion was made by Barbara Biggs and seconded by Keith Catlin to approve staff recommendation that the Board **approve the inclusion the following provision in the 2009 Projects Bill: SECTION __. Water Adaptation Projects.** (1) The Colorado water conservation board is authorized to expend up to five hundred thousand dollars (\$500,000) from the Colorado water conservation board construction fund to undertake Water Adaptation Projects with the goal of increasing understanding of climate change; communicating the information to those who need plan and implement adaptation strategies and building partnerships that will produce the models and data upon which actions are based. (2) The moneys appropriated in subsection (1) of this section shall remain available for the designated purposes until the project is completed. **(written as proposed statutory language).** Harris Sherman and Eric Wilkinson were not available for this motion. The motion was approved unanimously (7-0).

d. Arkansas River Surface Water Rules Technical/Financial Assistance

Tape 2, Track 1 06:21:01 – 06:34:23

Action: A motion was made by Reed Dils and seconded by Geoff Blakeslee to approve staff recommendation that the Board include the following proposed statutory language in the 2009 Projects Bill:
SECTION __. Arkansas River Surface Water Rules Technical and Financial Assistance. The Colorado water conservation board is authorized to expend up to two hundred and fifty thousand dollars (\$250,000) from the Colorado water conservation board construction fund to provide technical and financial assistance to eligible water users in the Arkansas River Basin who must comply with surface water use rules that regulate consumptive use increases as a result of improved agricultural water use efficiency. Harris Sherman and Eric Wilkinson were not available for this motion. The motion was approved unanimously (7-0).

e. Litigation Account Increase

Tape 2, Track 1 06:53:34 – 07:01:23

Action: A motion was made by Carl Trick and seconded by Barbara Biggs to approve staff recommendation that the Board request that the General Assembly authorize the use of up to \$2,200,000 from the Construction Fund to be appropriated to the CWCB Litigation Account reserving the option of CWCB staff (Jennifer Gimbel and Dan McAuliffe) to investigate further initiating a study to investigate rural water options, and if necessary, reduce the \$2,200,000 by \$500,000 (with further

discussion with the legislature), and put that \$500,000 towards the study. Harris Sherman and Eric Wilkinson were not available for this motion. The motion was approved unanimously (7-0).

A motion was made by Geoff Blakeslee and seconded by Carl Trick to adjourn the November 2008 Board meeting. Harris Sherman and Eric Wilkinson were not available for this motion. The motion was approved unanimously (7-0).

ADJOURNED 4:55 p.m.