

# STATE OF COLORADO

---

## Colorado Water Conservation Board Department of Natural Resources

1313 Sherman Street, Room 721  
Denver, Colorado 80203  
Phone: (303) 866-3441  
Fax: (303) 866-4474  
www.cwcb.state.co.us



### SUMMARY MINUTES AND RECORD OF DECISIONS November 15-16, 2011

---

John W. Hickenlooper  
Governor

Mike King  
DNR Executive Director

Jennifer L. Gimbel  
CWCB Director

A regular meeting of the Colorado Water Conservation Board (CWCB) was convened at the Northern Water Conservancy District offices, located at 220 Water Ave, Berthoud, CO 80513. The meeting was called to order by Chair Eric Wilkinson. Ten voting members were present at the call to order, so a quorum was present (at least 6 required). Voting members present were Chair Eric Wilkinson, Geoff Blakeslee, Barbara Biggs, John McCLOW, Alan Hamel, Travis Smith, Russ George Carl Trick, Mike King, and April Montgomery. Non-voting *ex officio* members present or represented were CWCB Director Jennifer Gimbel; Casey Shpall, Deputy Attorney General; Dick Wolfe, State Engineer, and Rick Cables Director of Colorado Parks and Wildlife. Ginny Brannon, Assistant Director for Water and Energy, Colorado Department of Natural Resources, and John Stulp, Special Policy Advisor to the Governor on Water, and Chair of the Interbasin Compact Committee, were also in attendance.

On the second day the meeting was called to order by Chair Eric Wilkinson. Nine voting members were present at the call to order, so a quorum was present (at least 6 required). Voting members present on the second day were Chair Eric Wilkinson, Geoff Blakeslee, John McCLOW, Alan Hamel, Russ George, Travis Smith, April Montgomery, and Carl Trick. Barbara Biggs attended via conference call on the second day for agenda items 24 and 27. Non-voting *ex officio* members present or represented were Dick Wolfe, Director of the Division of Water Resources and Casey Shpall, Deputy Attorney General. Ginny Brannon, Assistant Director for Water and Energy, Colorado Department of Natural Resources was also in attendance. Mike King was unable to attend on the second day.

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 15, 2011**

**Call to Order                      8:04 AM**

**1. Review and Approval of Agenda**

**Track 1                              00:21:42 – 00:23:01**

**Action:** An item 18-f was added “Chatfield Reallocation”. Geoff Blakeslee made a motion to accept the agenda as amended, which was seconded by Travis Smith. The motion was passed unanimously (10-0).

**2. Review and Approval of Meeting Minutes – September 13-14, 2011**

**Track 1                              00:23:01 – 00:25:45**

**Action:** Travis Smith clarified that item 21-f should read “Rick Cables” instead of “Tom Remington”. Eric Wilkinson clarified April Montgomery was in attendance for the Director Report item 7-b. Eric Wilkinson also requested that for item 6 the first sentence should read “Casey Shpall made a recommendation “concerning” the manner...” as a point of clarification. Travis Smith made a motion to approve the September 13-14, 2011 minutes with the specified revisions, which was seconded by Alan Hamel. The motion was passed unanimously (10-0).

**3. Approve and/or Remove Items from Consent Agenda**

**Track 1                              00:25:45 – 00:27:20**

**Action:** Travis Smith made a motion to accept the consent agenda, which was seconded by Barbara Biggs. The motion was passed unanimously (10-0).

**1. Stream and Lake Protection Section – Statements of Opposition – *The Board will be asked to ratify Statements of Opposition that have been filed by staff to protect the instream flow and natural lake water rights in the following cases:***

- a. Case No. 4-11CW86: Application of Taylor River Canyon LLC.*
- b. Case No. 5-11CW105: Application of Mesa Cortina Water and Sanitation District*
- c. Case No. 5-11CW109: Application of Vail Summit Resorts, Inc.*
- d. Case No. 7-11CW41: Application of Edgemont Ranch Metropolitan District*

**2. Stream and Lake Protection Section – Case No. 4-09CW144; Application of Energy Fuels Resources Corporation – Injury with Mitigation - *Pursuant to ISF Rule 8i (3), staff will ask the Board to (1) determine that the natural environment of the Dolores River could be preserved to a reasonable degree with the proposed injury if the applicant provides the proposed mitigation and (2) to approve the proposed pre-trial resolution.***

**3. Finance Section Prequalification Project List Update**

**4. Finance Section – Construction Fund and Severance Tax Trust Perpetual Base Account - Loan De-authorization**

- a. Huerfano Cucharas Irrigation Company – Cucharas Dam Rehabilitation Project.*

**5. Interstate and Federal Section --** *The Board will be asked to appoint the following as the Recreational In-Channel Diversion (RICD) Public Deliberation Officers:*

- a. Casey Shpall in Case No. 10CW298: Application for Water Rights of the Board of Commissioners for the County of Grand, Colorado*
- b. Casey Shpall in Case No. 10CW305: Application for Water Rights of the Board of Commissioners for the County of Pitkin, Colorado*

**6. Watershed and Flood Protection Section - Floodplain Designation, Flood Hazard Area Delineation, Cottonwood Creek, August 2011.**

**4. Future Board Meeting Dates**

- a. January 23-24, 2012** *Denver (in conjunction with the CWC 1/25-27/12)*
- b. March 20-21, 2012** *Denver*
- c. May 15-16, 2012** *Glenwood Springs*
- d. July 17-18, 2012** *Gunnison*

**Track 1 00:27:20 – 00:29:30**

**Action:** This was an informational item only. No Board action was required and no dates or locations were changed.

**5. Directors' Reports**

**Track 1 00:29:30 – 01:09:40**

- a. DNR Executive Director** – Report by Mike King.

**Track 1 00:29:30 – 00:41:46**

**Action:** This was an informational item only. No Board action was required.

- b. IBCC Director** – Report by John Stulp.

**Track 1 00:41:46 – 00:45:03**

**Action:** This was an informational item only. No Board action was required.

- c. Agriculture Commissioner** – John Salazar was not and Jim Miller gave the report.

**Track 1 00:45:03 – 00:49:48**

**Action:** This was an informational item only. No Board action was required.

- d. CWCB Director** – Report by Jennifer Gimbel.

**Track 1 00:49:48 – 00:54:42**

**Action:** This was an informational item only. No Board action was required.

- e. State Engineer** – Report by Dick Wolfe.

**Track 1 00:54:42 – 01:02:09**

**Action:** This was an informational item only. No Board action was required.

- f. Colorado Parks and Wildlife** – Report by Rick Cables.

**Track 1 01:02:09 – 01:09:21**

**Action:** This was an informational item only. No Board action was required.

g. **Water Resource and Power Development Authority** – Michael Brod was not present. No report was given other than the report provided in the board notebook.  
**Action:** This was an informational item only. No Board action was required.

**6. Stream and Lake Protection Section – Colorado River Cooperative Agreement  
Instream Flow Water Acquisition**

**Track 1 01:09:21 – 02:02:18**

**Action:** Presentation by Kaylea White, Paul Benington, and Linda Bassi. Barbara Biggs made a motion to approve staff recommendation, “The Board:

1. Accept the interests in water that would be provided under the Water Delivery Agreement;
2. Determine that the amounts set forth in the table to be included with the water court application as “Attachment A” are appropriate to preserve and improve the natural environment to a reasonable degree on each subject stream reach in the time, amounts and locations provided by the Water Delivery Agreement and Learning by Doing IGA;
3. Determine that the best use of the interests in water to be acquired is in the time, amounts and locations provided by the Water Delivery Agreement and Learning by Doing IGA;
4. Authorize the CWCB Director to sign the Water Delivery Agreement; and
5. Find that CWCB should be a co-applicant and authorize the AG’s Office to work with Denver and Grand County to file the water court application consistent with the Water Delivery Agreement.” Russ George seconded the motion, which was passed unanimously (10-0).

**7. Stream and Lake Protection Section – Appropriation Date for Colorado River Instream Flow Recommendations in Water Division 5**

**Track 1 02:02:18 – 02:05:22**

**Action:** Presentation by Linda Bassi. Alan Hamel made a motion to approve staff recommendation, “The Board claim July 12, 2011 as the appropriation date for these ISF water rights, but reserve the right to adjust the appropriation date, if necessary, to a date no later than December 31, 2011 to ensure that the ISF water rights are junior to the CRCA water rights.” Barbara Biggs seconded the motion, which was passed unanimously (10-0).

**8. Stream and Lake Protection Section – Notice of 2012 Instream Flow Recommendations in Water Divisions 1, 2, 3, 4, 5 and 6**

**Track 1 02:05:22 – 02:10:00**

**Action:** Presentation by Jeff Baessler. This was an informational item only. No Board action was required.

**9. Stream and Lake Protection Section – Case No. 5-07CW210; Application of Vail Associates Inc. and USFS – Injury with Mitigation**

**Track 1 02:25:52 – 02:36:04**

**Action:** Presentation by Linda Bassi. Geoff Blakeslee made a motion to approve staff recommendation, “The Board:

- 1) Determine that the natural environment of Two Elk Creek could be preserved to a reasonable degree with the proposed injury if Vail Associates provides the proposed mitigation; and
- 2) Authorize staff and the AG’s Office to enter into a stipulation incorporating this IWM proposal.” Barbara Biggs seconded the motion, which was passed unanimously (10-0).

## **10. Stream and Lake Protection Section – Colorado Water Trust Update from Amy Beatie**

### **Track 1 02:36:04 – 02:54:09**

**Action:** Presentation by Amy Beatie. This was an informational item only. No Board action was required.

## **11. Stream and Lake Protection Section – Colorado Water Trust Proposal to Benefit Hermosa Creek Instream Flows with Three Sisters Ditch Water Right**

### **Track 1 02:54:09 – 03:03:04**

**Action:** Presentation by Linda Bassi. April Montgomery made a motion to approve staff recommendation, “That the Board acknowledge the benefits to the Hermosa Creek ISF water rights that will result from retirement of the Three Sisters Ditch water right, and authorize staff to submit letters to the Division Engineer and Water Court supporting the Colorado Water Trust’s motion to abandon the water right.” Travis Smith seconded the motion, which was passed unanimously (10-0).

**12.** This item was removed prior to the Board Meeting.

## **13. 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.***

### **Track 1 03:03:04 – 03:10:53**

**Action:** Presentation by Casey Shpall, Deputy Attorney General and Susan Schneider. This was an informational item only. No action was required by the Board. Geoff Blakeslee made a motion to go into Executive Session, which was seconded by Alan Hamel. The motion was passed unanimously (10-0).

## **14. Executive Session Items**

- a. Case No. 2011CV7019: Complaint for Declaratory Judgment filed by Farmers Water Development Company
- b. ~~Proposed Terms and Conditions for Plans for Augmentation~~
- c. Potential Water Acquisition
- d. Chatfield Reservoir Reallocation Project
- e. Animas La Plata
- f. RICD Case No. 10CW298: Application for Water Rights of the Board of Commissioners for the County of Grand, Colorado
- g. RICD Case No. 10CW305: Application for Water Rights of the Board of Commissioners for the County of Pitkin, Colorado
- h. Colorado River issues (Grand Canyon Trust litigation/legal questions regarding negotiations between the U.S. and Mexico)

### **Executive Session 1 00:00:00 – 01:51:18**

**Action:** Barbara Biggs made a motion to leave executive session, which was seconded by Alan Hamel. The motion was passed unanimously (10-0).

## **15. Report from Executive Session**

### **Track 2      00:02:15 – 00:02:48**

**Action:** Casey Shpall reported that the items discussed in Executive Session were the items listed in the agenda under Agenda Item 14. No Board actions were taken during executive session.

## **16. Finance Section – Financial Matters – Construction Fund and Severance Tax Perpetual Base Account**

- a. *Annual Financial Statements*
- b. *Projections and Cash Balance Report.*

### **Track 2      00:02:48 – 00:26:32**

**Action:** 16a. - Presentation by Steve Biondo. This was an informational item only. No board action was required.

16b. – Presentation by Tim Feehan. This was an informational item only. No board action was required.

## **17. Finance Section – En-bloc Non-Reimbursable Investments Recommendations**

*(The Finance Committee reviewed the following projects on September 13, 2011. The Committee recommends approval by the Board. No presentation will be made unless requested by a Board member. An opportunity for public comment may be provided.)*

- a. *Division of Water Resources - Satellite Monitoring System Maintenance*
- b. *CWCB – Weather Modification Program*
- c. *CWCB – Colorado Floodplain Map Modernization*
- d. *CWCB – Colorado Watershed Restoration Program*
- e. *CWCB – Flood Response Program Fund – Refreshed*
- f. *CWCB – South Platte Groundwater Level Data Collection*

### **Track 2      00:26:32 – 00:33:01**

**Action:** Presentation by Tim Feehan. Travis Smith made a motion to accept the staff recommendation. Geoff Blakeslee seconded the motion and it was approved unanimously (10-0). Travis Smith then made a motion to fund the annual \$150,000 refresh of funding to the Colorado Foundation for Water Education. April Montgomery seconded the motion, which was passed unanimously (10-0).

## **18. Finance Section – Referred Non-Reimbursable Investments**

*(The Finance Committee reviewed the following projects on September 13, 2011. The Committee asked for more information about the following projects and requested the projects be referred for consideration by the entire Board. An opportunity for public comment may be provided. Item e. was added to the original NRI list).*

- a. *CWCB – Tamarisk Cost-Sharing Grant Program – Phase II*
- b. *CWCB - Colorado River Availability Study Phase II*
- c. *San Luis Valley Irrigation District – Rio Grande Cooperative Project*
- d. ~~*Colorado Water and Power Authority – Long Hollow Reservoir Construction*~~
- e. *CWCB – Alternative Agricultural Water Transfer Methods – Grant Program*
- f. *Chatfield Reallocation*

### **Track 2      00:33:01 – 02:10:17**

Action: 18a. - Presentation by Steve Miller. Geoff Blakeslee made a motion to accept the staff recommendation, "The Board request that the General Assembly authorize an additional \$1,000,000 from the Construction Fund to be appropriated to the CWCB to fund another round of cost-shared control grants through the CWCB – Tamarisk Cost-Sharing Grant Program – Phase II." Alan Hamel seconded the motion, which was passed unanimously (10-0).

18b. – Presentation by Ray Alvarado. John McCLOW made a motion to approve an amended staff recommendation, "*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 Phase 2 of the Colorado River Water Availability Study (CRWAS), to include a risk assessment analysis*". Barbara Biggs seconded the motion. Russ George then made a motion to amend the motion to change the \$1,000,000 to the staff recommended amount of \$2,000,000, which was seconded by Carl Trick. The motion to amend was passed unanimously (10-0). The amended motion then passed unanimously (10-0).

18c. – Presentation by Tim Feehan. Travis Smith recused himself from the discussion. Alan Hamel made a motion to approve staff recommendation, "*The Board request the General Assembly to authorize up to \$30 million in the 2012 Projects Bill, from the Severance Tax Perpetual Base Account, to fund the Rio Grande Cooperative Project.*" Barbara Biggs seconded the motion, which was passed unanimously (9-0).

18d. This item was removed

18e. – Presentation by Todd Doherty. Travis Smith made the motion to approve the staff recommendation, "*The Board request the General Assembly to authorize \$1,000,000 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 to continue the support of critical projects and activities that advance methods providing for alternatives to permanent transfer of agricultural water rights to urban areas for municipal and industrial uses.*". Alan Hamel seconded the motion, which was passed unanimously (9-0). Mike King was unavailable for this vote.

18f. – Presentation by Tim Feehan Barbara Biggs made a motion to approve staff recommendation, "*The Board request the General Assembly to authorize up to \$13 million in the 2012 Projects Bill, from the Severance Tax Perpetual Base Account, to fund the Chatfield Reservoir Reallocation project to acquire reservoir storage space.*" Russ George seconded the motion, which was passed unanimously (10-0).

Carl Trick also made a motion, that the Board accepts a variance from the targeted growth rate of Financial Policy 13 to 2.7%. The motion seconded by Russ George passed unanimously (10-0).

## **19. Finance Section/Interstate & Federal Section – Animas-La Plata (A-LP) State's Pool Allocation Purchase**

**Track 2      02:10:17 – 02:17:22**

**Action:** Presentation by Tim Feehan. This was an informational item only. No Board action was required.

## **20. Finance Section/Stream and Lake Protection Section – Crystal Lakes Water & Sewer Association**

- a. Case No. 1-09CW185 –Request to Inundate ISF Right on North Lone Pine Creek
- b. New Project Loan – Lower Lone Pine Reservoir Enlargement Project

**Track 2      02: 17:22 – 03:06:04**

**Action:** 20a. Presentation by Kaylea White and Scott Parker with Anderson Consulting Engineers. Carl Trick made a motion to approve staff recommendation, "*The Board determine that the inundation does not significantly interfere with the instream flow water right on North Fork Lone Pine Creek and therefore the natural environment of North Fork Lone Pine Creek can*

*continue to be preserved to a reasonable degree despite the inundation, and approve the inundation request.*” Geoff Blakeslee seconded the motion, which was passed unanimously (10-0).

20b. Presentation by Ryan Edwards. Geoff Blakeslee made a motion to approve the staff recommendation, *“The Board approve a loan, from the Construction Fund, not to exceed \$2,363,400 (\$2,340,000 for project costs and \$23,400 for a 1% Loan Service Fee) to the Crystal Lakes Water and Sewer Association for the Lower Lone Pine Lake Enlargement Project. The loan terms shall be 30-years at a low-income municipal rate of 4.00% per annum. Security for the loan shall be in compliance with CWCB Financial Policy #5.”* with the additional condition that *“the water rights change case (Case No. 1-09CW185) must be adjudicated before any CWCB loan funds will be disbursed”* Travis Smith seconded the motion, which was passed unanimously (10-0).

## **21. Basin Directors’ Reports**

### **Track 3                      00:03:24 – 00:53:43**

- a. **Colorado River (Mainstem) Basin Director’s Report** - Russell George reporting.

**Action:** This was an informational item only. No Board action was required.

- b. **San Juan/San Miguel-Dolores River Basin Director’s Report** – April Montgomery reporting.

**Action:** This was an informational item only. No Board action was required.

- c. **Gunnison River Basin Director’s Report** – John McClow reporting.

**Action:** This was an informational item only. No Board action was required.

- d. **North Platte River Basin Director’s Report** – Carl Trick reporting.

**Action:** This was an informational item only. No Board action was required.

- e. **South Platte River Basin Director’s Report** – Eric Wilkinson reporting.

**Action:** This was an informational item only. No Board action was required.

- f. **Arkansas River Basin Director’s Report** – Alan Hamel reporting.

**Action:** This was an informational item only. No Board action was required.

- g. **City and County of Denver Director’s Report** – Barbara Biggs reporting.

**Action:** This was an informational item only. No Board action was required.

- h. **Rio Grande River Basin Director’s Report** – Travis Smith reporting.

**Action:** This was an informational item only. No Board action was required.

- i. **Yampa – White River Basin Director’s Report** – Geoff Blakeslee reporting.

**Action:** This was an informational item only. No Board action was required.

## **22. Interstate and Federal Section – Wild and Scenic Update**

### **Track 2                      03:06:44 – 03:27:35**

**Action:** Presentation by Ted Kowalski. This was an informational item only. No Board action was required. These items were addressed on the first day of the meeting due to timing issues.



They were however readdressed at the previously scheduled time to allow for opportunity for public comment.

## **23. Interstate and Federal Section – Colorado River Basin Study**

### **Track 2 03:27:35 – 03:49:21**

**Action:** Presentation by Ted Kowalski. This was an informational item only. No Board action was required. This item was addressed on the first day of the meeting due to timing issues. It was however readdressed at the previously scheduled time to allow for opportunity for public comment.

## **24. Office of Water Conservation and Drought Planning - Guidelines Regarding the Reporting of Water Use and Conservation Data by Covered Entities - Implementation of HB10-1051**

### **Track 02:11:32 – 03:30:08**

**Action:** Presentation by Veva Deheza. Barbra Biggs attended this item via conference call. Barbara Biggs made a motion to approve staff recommendation, “The final adoption of the *Guidelines Regarding the Reporting of Water Use and Conservation Data by Covered Entities*, including Appendices.” Alan Hamel seconded the motion, which was passed unanimously (9-0).

## **25. Office of Water Conservation & Drought Planning – CWCW Water Efficiency Planning Guidance Document**

### **Track 3 00:53:48 – 01:25:56**

**Action:** Presentation by Kevin Reidy. This was an informational item only. No Board action was required.

## **26. Office of Water Conservation and Drought Planning – Current Drought Status and Update on State Drought Plan Activation**

### **Track 3 01:25:56 – 01:52:02**

**Action:** Presentation by Taryn Hutchins-Cabibi. This was an informational item only. No Board action was required.

## **27. Water Supply Planning Section -- WSRA Criteria and Guidelines**

### **Track 3 03:30:08 – 04:05:47**

**Action:** Presentation by Todd Doherty. Barbra Biggs attending this item via conference call. Travis Smith made a motion to approve the staff recommendation, “The Board adopt the proposed amendments to the WSRA Criteria and Guidelines.” Barbara Biggs seconded the motion, which was passed unanimously (9-0)

## **28. Water Supply Planning Section – ATM Grant Application**

### **Track 4 00:43:14 – 01:02:28**

**Action:** Presentation by Todd Doherty. Alan Hamel made a motion to approve the staff recommendation, “The approval of up to \$121,500 from the Alternative Agricultural Water Transfer Methods Program to help complete the project, Building and Assessing Accounting and Administration Tools for Lease-Fallowing in Colorado’s Lower Arkansas River Valley contingent upon satisfying the issues/needs identified within the application.”. John McClow seconded the motion, which was passed unanimously (8-0).

## **29. Water Supply Planning Section -- Update on Water 2012 activities – Presentation of the Water 2012 overall plan developed under a WSRA grant to CFWE**

### **Track 4 01:02:28 – 01:22:49**

**Action:** Presentation by Eric Hecox and Nicole Seltzer with the foundation of Water Education. This was an informational item only. No Board action was required.

## **30. Water Supply Planning Section -- WSRA Grants –New basin applications**

- a. *Water 2012: The Rio Grande Basin Partnering for Colorado's Water Future*
- b. *Lining Outlet Pipe for Grand Mesa Reservoir #6*

### **Track 4 01:22:49 – 01:31:04**

**Action:** 30a. Presentation by Eric Hecox. Alan Hamel made a motion to approve the staff recommendation, "Approval of up to \$15,600 from the Rio Grande Basin Account." Alan Hamel seconded the motion, which was approved unanimously (8-0).

30b. Presentation by Greg Johnson. John McClow made a motion to approve the staff recommendation, "The approval of up to \$19,840 from the Gunnison Basin Account to help complete the Lining Outlet Pipe for Grand Mesa Reservoir #6". Geoff Blakeslee seconded the motion, which was passed unanimously (8-0).

## **31. Water Supply Planning Section -- WSRA Change of Fiscal Agents**

- a. *The Lower Willow Creek Restoration Project*

### **Track 4 01:31:04 – 01:33:39**

**Action:** Presentation by Greg Johnson. Travis Smith made a motion to approve the staff recommendation, "The Board grant the requested change of fiscal agent for the Water Supply Reserve Account application of the Lower Willow Creek Restoration Project." This entails changing the fiscal agent from the City of Creede to the to the Lower Willow Creek Restoration Company. April Montgomery seconded the motion, which was approved unanimously (8-0).

## **32. Water Supply Planning Section -- Planned activities for CWCB's 75<sup>th</sup> anniversary celebrations**

### **Track 4 01:33:39 – 01:44:09**

**Action:** Presentation by Eric Hecox. This was an informational item only. No Board action was required.

## **33. Water Supply Planning Section -- Update on Basin Roundtable Project Exploration Committee – Flaming Gorge Grant**

### **Track 4 01:44:09 – 01:49:45**

**Action:** Presentation by Eric Hecox. Alan Hamel made a motion to approve the staff recommendation, "The fiscal agent for the Basin Roundtable Project Exploration Committee – Flaming Gorge WSRA grant can be either the El Paso County Water Authority or the Pikes Peak Regional Water Authority while they are going through the name change process with the IRS." Travis Smith seconded the motion, which was passed unanimously (8-0).

## **34. Finance Section – Construction Fund and Severance Tax Trust Fund Perpetual Base Account - New Loans**

- a. *Paradise Acres Homeowners Association – Dedicated Fill Pipe Project*
- b. *Big Elk Meadows Association – Raw Water System Improvements Project*

*c. Two Rivers Water Company – Orlando Reservoir Rehabilitation Project*

**Track 4 01:49:45 – 02:19:07**

**Action:** 34a. Presentation by Ryan Edwards. Geoff Blakeslee made a motion to approve staff recommendation, “The Board approve a loan, from the Construction Fund, not to exceed \$62,721 (\$62,100 for project costs and \$621 for the 1% Loan Service Fee) to the Paradise Acres Homeowners Association for the Dedicated Fill Pipe Project. The loan terms shall be 30 years at a low-income municipal interest rate of 4.00% per annum. Security for the loan shall be in compliance with the CWCB Financial Policy #5.” April Montgomery seconded the motion, which was passed unanimously (8-0).

34b. Presentation by Ryan Edwards. John McClow made a motion to approve the staff recommendation, “The Board approve a loan, from the Construction Fund, not to exceed \$272,700 (\$270,000 for project costs and \$2,700 for the 1% Loan Service Fee) to the Big Elk Meadows Association for the Raw Water System Improvements Project. The loan terms shall be 30 years at a middle-income municipal rate of 4.50% per annum. Security for the loan shall be in compliance with CWCB Financial Policy #5.” Alan Hamel seconded the motion, which was passed unanimously (8-0)

34c. Presentation by Anna Mauss and Gary Barber. Alan Hamel made a motion to approve the staff recommendation, “The Board approve a loan not to exceed \$1,184,882 (\$1,173,150 for project costs and \$11,732 for the 1% Loan Service Fee) from the Construction Fund to the Two Rivers Water Company for engineering and construction costs related to the Orlando Reservoir Rehabilitation Project. The loan terms shall be 20 years at the agricultural interest rate of 2.50% per annum. Security for the loan shall be as outlined in the collateral section of this memo. Staff additionally recommends the following loan approval conditions prior to executing a contract:

- A. State Engineer’s Office approval of construction plans for the Cucharas Reservoir Phase I portion of the Project.
- B. Two Rivers obtains crop insurance on the alfalfa crops associated with the Purchase and Supply Agreement with the dairy operation in Boulder County.
- C. Two Rivers provides a title commitment on the 1,200 acres of land it is pledging as collateral.
- D. Two Rivers provides an appraisal of the water rights and land it is pledging as collateral. The land appraisal must include a dry land value for the 1,200 acres.

Staff additionally recommends the following loan contract condition:

Two Rivers Water Company will provide an annual report, due each January, documenting the prior year’s water use. If the Orlando-Bradford system water rights are used for non-agricultural purposes, the CWCB will have the option of adjusting the interest rate to the current commercial interest rate of 6.25%.”

John McClow seconded the motion, which was passed unanimously (8-0).

**ADJOURN**

Travis Smith made a motion to adjourn the November 2011 Colorado Water Conservation Board Meeting. Geoff Blakeslee seconded the motion, which was passed unanimously (8-0).