

# STATE OF COLORADO

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## Colorado Water Conservation Board

### Department of Natural Resources

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### DRAFT

### SUMMARY MINUTES AND RECORD OF DECISIONS SEPTEMBER 24-25, 2013

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John W. Hickenlooper  
Governor

Mike King  
DNR Executive Director

James Eklund  
CWCB Director

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A regular meeting of the Colorado Water Conservation Board (CWCB) was convened at The Peaks Resort in the Crystal Room, located at 136 Country Club Drive, Telluride, CO 81435. The meeting was called to order by Chair Alan Hamel. Eight voting members were present at the call to order, so a quorum was present (at least 6 required). Voting members present were: John McClow, Russell George, April Montgomery, Ty Wattenberg, Alan Hamel, Travis Smith, and James R. L. Gallagher. Patti Wells was present by conference call. Non-voting *ex officio* members present or represented were Casey Shpall, Deputy Attorney General for Natural Resources, and James Eklund, CWCB Director. Also present were Kevin Rein, Deputy State Engineer; Ginny Brannon, Assistant Director for Energy and Minerals; Cindy Lair, Program Manager of the State Conservation Board for the Colorado Department of Agriculture; and Alexandra Davis, Water Resources Manager at Colorado Parks and Wildlife. Voting member Diane Hoppe was present by conference call after agenda item 11.

On the second day, the meeting was called to order by Chair Alan Hamel. Seven voting members were present at the call to order, so a quorum was present (at least 6 required). Voting members present were: John McClow, Russell George, Ty Wattenberg, Alan Hamel, Travis Smith, and James R. L. Gallagher. Patricia Wells was present by conference call. Non-voting *ex officio* members present or represented were Casey Shpall, Deputy Attorney General for Natural Resources, and James Eklund, CWCB Director. Also present were Kevin Rein, Deputy State Engineer; Ginny Brannon, Assistant Director for Energy and Minerals; Cindy Lair, Program Manager of the State Conservation Board for the Colorado Department of Agriculture; Alexandra Davis, Water Resources Manager at Colorado Parks and Wildlife; and John Stulp, Special Policy Advisor to the Governor for Water. Voting member Diane Hoppe was present by conference call after agenda item 20.

*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, SEPTEMBER 24, 2013**

**CWCB Call to Order                      8:30 AM**

**1. Review and Approval of Agenda**

**Action:** Chair Alan Hamel requested that the Board and audience observe a moment of silence to reflect on those who were impacted by the flooding on the East Slope. Chairman Hamel welcomed San Miguel County Commissioner Joan May. Commissioner May welcomed the CWCB to San Miguel County and thanked the Board for their work on the San Miguel instream flows. Chairman Hamel informed the Board that agenda item 10.g. “Legal obligations/considerations associated with the 2014 Projects Bill - Water Project Funding” had been added to the agenda. Chairman Hamel moved agenda item 9. “Attorney General’s Report, Legal Briefing and Executive Session” and agenda item 10. “Executive Session” to immediately follow agenda item 5. “Directors’ Reports”. Ty Wattenberg made a motion to approve the agenda as amended, which was seconded by April Montgomery. The motion was approved unanimously (8-0). Diane Hoppe was unavailable for this motion.

**2. Review and Approval of Meeting Minutes – July 16-17, 2013 Board Meeting**

**Action:** James R. L. Gallagher identified a typo on agenda item 3 and requested that the fourth sentence read “Ty Wattenberg made a motion to approve the June 10, 2013 Special Executive Session minutes, which was seconded by James R. L. Gallagher.” April Montgomery made a motion to approve the July 16-17, 2013 Board Meeting minutes as amended, which was seconded by James R. L. Gallagher. The motion was approved unanimously (8-0). Diane Hoppe was unavailable for this motion.

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

**Action:** James R. L. Gallagher made a motion to accept the consent agenda, which was seconded by Travis Smith. The motion was approved unanimously (8-0). Diane Hoppe was unavailable for this motion.

**CWCB CONSENT AGENDA**

- 1. Stream and Lake Protection Section - Temporary Lease of Water for Instream Flow Use – Colorado Water Trust and Western Rivers Conservancy**
- 2. Finance/Water Supply Planning – CWCB Loan and WSRA Application**
  - a. Town of Ridgway – Lake Otonowanda Renovation Project  
(CHANGE OF DISBURSEMENT ORDER)

**4. Future Board Meeting Dates**

- |                         |        |
|-------------------------|--------|
| a. November 19-20, 2013 | Denver |
| b. January 27-28, 2014  | Denver |

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

## **5. Directors' Reports**

### **a. DNR Executive Director**

**Action:** Report by Ginny Brannon. This was an informational item only. No Board action was required.

### **b. IBCC Director**

**Action:** Report by John Stulp. This was an informational item only. No Board action was required.

### **c. Agriculture Commissioner**

**Action:** Report by Cindy Lair. This was an informational item only. No Board action was required.

### **d. CWCB Director**

**Action:** Report by James Eklund. This was an informational item only. No Board action was required.

### **e. State Engineer**

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

### **f. Division of Parks and Wildlife**

**Action:** Report by Alexandra Davis. This was an informational item only. No Board action was required.

### **g. Water Resource and Power Development Authority**

**Action:** No representatives were in attendance to present on this item, the report was provided to the Board in a letter. This was an informational item only. No Board action was required.

Dan Jansen, the Mayor of Mountain Village, welcomed the CWCB Board and staff to Mountain Village.

## **6. Interstate, Federal, and Water Information Section – Colorado River Issues**

### **a. Current Colorado River Conditions**

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

### **b. Upper Colorado River Commission (UCRC) Update**

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

## **7. Interstate, Federal, and Water Information Section and Stream and Lake Protection Sections – Wild and Scenic Rivers Alternatives Update**

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

## **8. Interstate, Federal, and Water Information Section – Open Source Issues**

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

## **9. Attorney General’s Report, Legal Briefing and Executive Session**

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

## **10. Executive Session**

**Action:** Travis Smith made a motion for the Board to go into executive session for discussion of agenda items 10.a. through 10.g. The motion was seconded by James R. L. Gallagher. The motion was approved unanimously (8-0). Diane Hoppe was unavailable for this motion.

- a. Case No. 5-10CW43: Application of Board of County Commissioners of Summit County
- b. Case No. 1-12CW91: Application of Board of County Commissioners of Boulder County
- c. Case No. 4-10CW480: Application of CWCB (Breem Ditch)
- d. Case No. 5-11CW144: Application of CWCB (Unnamed Tributary of Muddy Creek)
- e. Case No. 5-12CW154: Application of Byers Peak Ranch, LLLP
- f. Colorado River Issues
- g. Legal obligations/considerations associated with the 2014 Projects Bill - Water Project Funding

Ty Wattenberg made a motion for the Board to leave executive session, which was seconded by Travis Smith. The motion was approved unanimously (7-0). Diane Hoppe and Patti Wells were unavailable for this motion.

## **11. Report from Executive Session**

**Action:** Deputy Attorney General Casey Shpall reported that the Board went into Executive Session, pursuant to C.R.S. Section 24-6-402(3)(a)(II) for discussion of Agenda Items 10.a. through 10.g., and that the discussion was limited to those items only, with no action taken.

## **12. Stream and Lake Protection Section – Proposed Acquisition of Contractual Interest in Water on the Snake River, Case No. 5-10CW4**

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

### **13. Stream and Lake Protection Section – Temporary Lease of Water for Instream Flow Use – Colorado Water Trust**

**Action:** Presentation by Linda Bassi. A motion was made by James R. L. Gallagher to approve the revised staff recommendation, which was seconded by Russell George. The motion was approved unanimously (8-0). Patti Wells was unavailable for this motion.

**Revised Staff Recommendation:** Staff recommends that the Board:

- 1) ratify the directors acceptance of the lease;
- 2) authorize the Director to execute the water lease agreement; and
- 3) approve an expenditure of up to \$43,000 to the CWT for the leased water.

### **14. Watershed & Flood Protection Section – Colorado Floodplain Rules and Regulation Update and Discussion**

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

### **15. Watershed & Flood Protection Section – Colorado Wildfire Update**

**Action:** Presentations by Tom Browning, Tom Spezze, Executive Director of the Rio Grande Watershed Emergency Action Coordination Team (RWEACT) and Travis Smith. This was an informational item only. No Board action was required.

### **16. Watershed & Flood Protection Section - Weather Modification and Dust on Snow Updates**

**Action:** Presentation by Tom Browning. Tom suggested that the Board review this agenda item in November. This was an informational item only. No Board action was required.

### **17. Watershed & Flood Protection Section - Colorado Map Modernization Update**

**Action:** Introduction by Tom Browning with a presentation by Chris Landry, Executive Director of the Center for Snow & Avalanche Studies. This was an informational item only. No Board action was required.

### **18. Water Supply Planning Section – Water Supply Reserve Account Grants**

**Action:** Introductions by Rebecca Mitchell.

- a. Radar Monitoring & Hydrologic Modeling in Upper Rio Grande Basin

**Action:** Presentation by Kevin Reidy. A motion was made by Travis Smith to approve staff the recommendation, which was seconded by Russell George. The motion was approved unanimously (9-0).

**Staff Recommendation:** Staff recommends approval of up to \$200,000 of Statewide WSRA funds and up to \$37,000 of Rio Grande Basin WSRA funds to help complete the Radar Monitoring and Hydrologic Modeling for in the Upper Rio Grande Basin to Develop Accurate Stream Flow Forecasting.

b. Ute Mountain Ute Tribe Water Conservation and Management Plan

**Action:** Presentation by Kevin Reidy. A motion was made by April Montgomery to approve staff the recommendation, which was seconded by Travis Smith. The motion was approved unanimously (9-0).

**Staff Recommendation:** Staff recommends approval of up to \$40,000 from the Statewide Account, and \$30,000 from the Southwest Basin Account to help complete the project titled: Ute Mountain Ute Tribe Water Conservation and Management Plan.

c. Mountain Meadows – Missouri Heights Irrigation Company Ditch Lining

**Action:** Presentation by Kirk Russell. A motion was made by Russell George to approve staff the recommendation, which was seconded by Ty Wattenberg. The motion was approved unanimously (9-0).

**Staff Recommendation:** Staff recommends approval of up to \$50,000 from the Colorado River Basin Account to help complete the Missouri Heights – Mountain Meadows Irrigation Company Ditch Lining Project.

d. Paonia Water Treatment Plant Raw Water Line

**Action:** Presentation by Kirk Russell. Kirk requested the Board table this staff recommendation, per the request of the Mayor of Paonia. A motion was made by John McClow to table the staff recommendation for consideration no later than the January Board meeting, which was seconded by Travis Smith. The motion was approved unanimously (9-0).

**Staff Recommendation:** Staff recommends tabling of this item at the request of the Mayor of Paonia.

e. Water Infrastructure and Supply Efficiency (WISE) Partnerships: Western Pipeline Connection Engineering/Design

**Action:** Introduction by Anna Mauss with a presentation by Eric Hecox, Executive Director of the South Metro Water Supply Authority. A motion was made by Travis Smith to approve staff recommendation. Travis Smith withdrew his motion and Chairman Hamel tabled this item for consideration until September 25, 2013. On September 25, 2013 Rebecca Mitchell presented the revised staff recommendation. A motion was made by Travis Smith to approve the revised staff recommendation, which was seconded by Russell George. The motion was approved (7-0). John McClow and Diane Hoppe were unavailable for this motion.

**Revised Staff Recommendation:** Staff recommends approval of up to \$619,200 from the Statewide Account and up to \$68,800 from the Metro Basin account to help complete the project titled: Water Infrastructure and Supply Efficiency (WISE) Partnership: Western Pipeline Connection Engineering/Design. Staff also recommends approval of up to \$793,800 from the

Statewide Account and up to \$88,200 from the Metro Basin account subject to the availability of funds in the WSRA at the March 2014 CWCB meeting.

f. Grand County Water and Sanitation District Reservoir 2 Enlargement and Lining

**Action:** Introduction by Anna Mauss with a presentation by Bruce Hutchins, Manager of Grand County Water and Sanitation. A motion was made by Russell George to approve the staff recommendation, which was seconded by James R. L. Gallagher. The motion was approved unanimously (9-0).

**Staff Recommendation:** Staff recommends approval of up to \$165,000 from the Statewide Account and \$41,620 from the Colorado Basin Account to fund the: Grand County Water & Sanitary District #1 - Reservoir 2 Enlargement and Lining Project.

g. Grant-Frontier Park West Bank Riparian Floodplain Design and Construction Project

**Action:** Presentation by Rebecca Mitchell. A motion was made by Ty Wattenberg to approve the staff recommendation, which was seconded by Diane Hoppe. The motion was approved unanimously (9-0).

**Staff Recommendation:** Staff recommends approval of up to \$250,000 from the Statewide Account \$100,000 from the Metro Basin Account for the Grant-Frontier Park West Bank Floodplain Design and Construction Project.

h. Josh Ames Diversion Removal

**Action:** Presentation by Rebecca Mitchell. A motion was made by Diane Hoppe to approve the staff recommendation, which was seconded by Travis Smith. The motion was approved unanimously (9-0).

**Staff Recommendation:** Staff recommends approval of up to \$200,000 from the Statewide Account, \$75,000 from the South Platte Basin Account, and \$25,000 from the Metro Account for the project titled: Josh Ames Diversion Removal on the Poudre River.

i. Deer Creek Sediment Removal (Phase 1)

**Action:** Presentation by Rebecca Mitchell. Gary Garber, Chairman of the Arkansas River Basin Round Table, answered questions from the Board. A motion was made by April Montgomery to approve the staff recommendation, which was seconded by Russell George. The motion was approved unanimously (9-0).

**Staff Recommendation:** Staff recommends approval of up to \$15,000 from the Arkansas Basin Account and \$85,000 from the Statewide Account to fund the Bear Creek Sedimentation Mitigation Project (Phase I). This approval is contingent upon the applicant addressing the issues identified in the Issues/Additional Needs of this summary sheet.

j. Royal Gorge Wildland Fire Water Quality Impact and Protection Project

**Action:** Presentation by Rebecca Mitchell. A motion was made by Travis Smith to approve the staff recommendation, which was seconded by Ty Wattenberg. The motion was approved

unanimously (9-0).

**Staff Recommendation:** Staff recommends approval of up to \$24,260 from the Arkansas Basin Account and \$460,940 from the Statewide Account to fund the Royal Gorge Wildfire Water Quality Impact and Protection Project.

k. Upper Colorado River Irrigation and Restoration Assessment

**Action:** Presentation by Kate McIntire. A motion was made by Russell George to approve the staff recommendation, which was seconded by Travis Smith. The motion was approved unanimously (9-0).

**Staff Recommendation:** Staff recommends approval of up to \$50,000 from the Colorado Basin Account to help complete the project titled: Upper Colorado River Irrigation and Restoration Assessment - Phase 1.

l. Willow Creek Floodplain Restoration – Phase II

**Action:** Presentation by Kate McIntire. A motion was made by Travis Smith to approve the staff recommendation, which was seconded by Ty Wattenberg. The motion was approved unanimously (9-0).

**Staff Recommendation:** Staff recommends approval of up to \$55,00 from the Rio Grande Basin Account to help complete the project titled: Lower Willow Creek Restoration Project: Phase 2.

m. Rural Well Level Monitoring in Douglas County

**Action:** Presentation by Kate McIntire. A motion was made by Ty Wattenberg to approve the staff recommendation, which was seconded by Russell George. The motion was approved unanimously (9-0).

**Staff Recommendation:** Staff recommends approval of up to \$50,00 from the Metro Roundtable Basin Account to help complete the project titled: Rural Well Monitoring in Douglas County.

n. Pikes Peak Regional Water Supply Infrastructure Study

**Action:** Presentation by Kate McIntire. A motion was made by John McClow to approve the staff recommendation, which was seconded by April Montgomery. The motion was approved unanimously (9-0).

**Staff Recommendation:** Staff recommends approval of up to \$50,000 from the Statewide Account and \$25,000 from the Arkansas Basin Account to fund the Pikes Peak Regional Water Authority - Regional Water Infrastructure Feasibility Study.

o. Somerset Diversion Improvement Study – North Fork of the Gunnison River Corridor Project

**Action:** Presentation by Kate McIntire. A motion was made by John McClow to approve the staff recommendation, which was seconded by Russell George. The motion was approved



unanimously (9-0).

**Staff Recommendation:** Staff recommends approval of up to \$43,200 from the Statewide Account, and \$4,800 from the Gunnison Basin Account to conduct the study titled: Somerset Diversion Improvement Study – North Fork of the Gunnison River Corridor Project.

p. Plum Valley Heights Water Supply Pipeline

**Action:** Presentation by Jacob Bornstein. A motion was made by James R. L. Gallagher to approve the staff recommendation, which was seconded by April Montgomery. The motion was approved unanimously (9-0).

**Staff Recommendation:** Staff recommends approval of up to \$50,000 from the Metro Account to help complete the project titled: Plum Valley Heights Water Supply Pipeline.

q. La Plata River Water Resources Operations Model – Request for Additional Funds

**Action:** Presentation by Jacob Bornstein. A motion was made by April Montgomery to approve the staff recommendation, which was seconded by James R. L. Gallagher. The motion was approved unanimously (9-0).

**Staff Recommendation:** Staff recommends approval of up to \$6,926.25 from the Statewide Basin Account to help complete the project titled: La Plata River Water Resources Operations Model – Supplemental Funding Request.

r. State Land Board South Platte Recharge Study

**Action:** Presentation by Jacob Bornstein. A motion was made by April Montgomery to approve the staff recommendation, which was seconded by Diane Hoppe. The motion was approved unanimously (9-0).

**Staff Recommendation:** Staff recommends approval of up to \$33,663 from the South Platte Basin Account to help complete the project titled: State Land Board South Platte Recharge Study.

s. South Platte & Metro Integrated Basin Implementation Plan – Consumptive

**Action:** Presentation by Jacob Bornstein. A motion was made by John McClow to approve the staff recommendation on the condition that all approved Basin Implementation Plans (BIP) will include a coordination component to work with CWCB staff to ensure a that a common platform is used across BIP platforms, which was seconded by Travis Smith. The motion was approved unanimously (9-0).

**Staff Recommendation:** Staff recommends conditional approval of up to \$138,000 from the Statewide Account, \$137,000 from the South Platte Basin Account, and \$137,000 from the Metro Account to help complete the project titled: South Platte and Metro Integrated Basin Implementation Plan – Consumptive. This is conditional upon the South Platte and Metro Roundtables' approval of an additional \$95,800 from each basin account, per the discussion described within the related Board memo.

t. South Platte & Metro Integrated Basin Implementation Plan – Nonconsumptive

**Action:** Presentation by Jacob Bornstein. A motion was made by Diane Hoppe to approve the staff recommendation on the condition that all approved Basin Implementation Plans (BIP) will include a coordination component to work with CWCB staff to ensure a that a common platform is used across BIP platforms, which was seconded by Russell George. The motion was approved unanimously (9-0).

**Staff Recommendation:** Staff recommends approval of up to \$59,000 from the Statewide Account, \$58,000 from the South Platte Basin Account, and \$58,000 from the Metro Account to help complete the project titled: South Platte and Metro Integrated Basin Implementation Plan – Nonconsumptive.

u. Colorado Basin Implementation Plan

**Action:** Presentation by Jacob Bornstein. A motion was made by Russell George to approve the staff recommendation on the condition that all approved Basin Implementation Plans (BIP) will include a coordination component to work with CWCB staff to ensure a that a common platform is used across BIP platforms, which was seconded by Ty Wattenberg. The motion was approved unanimously (9-0).

**Staff Recommendation:** Staff recommends approval of up to \$83,333 from the Statewide Account, and \$166,667 from the Colorado Basin Account to help complete the project titled: Colorado Basin Implementation Plan.

v. Gunnison Basin Implementation Plan

**Action:** Presentation by Jacob Bornstein. A motion was made by John McCloy to approve the staff recommendation on the condition that all approved Basin Implementation Plans (BIP) will include a coordination component to work with CWCB staff to ensure a that a common platform is used across BIP platforms, which was seconded by James R. L. Gallagher. The motion was approved unanimously (9-0).

**Staff Recommendation:** Staff recommends approval of up to \$66,667 from the Statewide Account, and \$133,333 from the Gunnison Basin Account to help complete the project titled: Gunnison Basin Implementation Plan.

w. North Platte Basin Implementation Plan

**Action:** Presentation by Jacob Bornstein. A motion was made by Ty Wattenberg to approve the staff recommendation on the condition that all approved Basin Implementation Plans (BIP) will include a coordination component to work with CWCB staff to ensure a that a common platform is used across BIP platforms, which was seconded by Travis Smith. The motion was approved unanimously (9-0).

**Staff Recommendation:** Staff recommends approval of up to \$107,500 from the North Platte Basin Account to help complete the project titled: North Platte Basin Implementation Plan.

x. Rio Grande Basin Implementation Plan

**Action:** Presentation by Jacob Bornstein. A motion was made by Travis Smith to approve the staff recommendation on the condition that all approved Basin Implementation Plans (BIP) will include a coordination component to work with CWCB staff to ensure a that a common platform is used across BIP platforms, which was seconded by Ty Wattenberg. The motion was approved unanimously (9-0).

**Staff Recommendation:** Staff recommends approval of up to \$100,000 from the Statewide Account, and \$211,000 from the Rio Grande Basin Account to help complete the project titled: Rio Grande Basin Implementation Plan.

y. Southwest Basin Implementation Plan

**Action:** Presentation by Jacob Bornstein. A motion was made by April Montgomery to approve the staff recommendation on the condition that all approved Basin Implementation Plans (BIP) will include a coordination component to work with CWCB staff to ensure a that a common platform is used across BIP platforms, which was seconded by Russell George. The motion was approved unanimously (9-0).

**Staff Recommendation:** Staff recommends approval of up to \$25,127 from the Statewide Account, and \$51,127 from the Southwest Basin Account to help complete the project titled: Southwest Basin Implementation Plan.

z. Emergency Flood Recovery Assessment, Design, and Recovery – Northern Colorado Water Conservancy District

**Action:** Presentation by Rebecca Mitchell. A motion was made by Travis Smith to approve the staff recommendation, which was seconded by Ty Wattenberg. The motion was approved unanimously (9-0).

**Staff Recommendation:** Staff recommends approval of up to \$1,500,000 from Statewide Account, and \$150,000 from the South Platte Basin Account to provide technical assistance to assess and facilitate the repair of damages to water supply infrastructure causes by the 2013 flooding. Funds may be used to pay for damage assessments, initial rebuilding design, permitting, and restoration construction to infrastructure owned by water providers and water users in those areas that have been impacted by the September 2013 floods.

**19. Interstate, Federal, and Water Information Section – Colorado River Water Availability Study (CRWAS) Phase II**

**Action:** Presentation by Ted Kowalski. A motion was made by Russell George to approve the staff recommendation with a statement that this work will acknowledge and include risk management principles, which was seconded by John McClow. The motion was approved unanimously (9-0).

**Staff Recommendation:** Staff recommends that the Board take the following actions based on the use of CRWAS work to help provide technical and modeling support with the West Slope BRT's basin implementation plans. Specifically, the Staff recommends that the Board:

1. Authorize the Staff to develop a scope of work to provide technical support associated with the efforts by the Colorado River Basin Roundtables to develop modeling associated with their development of their BIPs.

2. Authorize the Staff to contract for up to \$500,000 of additional funds that may be used for work associated the tasks described above.
3. Recognize that the CRWAS Phase 2 work, and in particular the work associated with risk management, will not be finalized in time to incorporate into the Colorado Water Plan. Nevertheless, to the extent that any work conducted pursuant to CRWAS Phase 2 (and completed in advance of the finalization of the BIPs and the Colorado Water Plan) may be used in the development of those documents.

## **RECESS**

**WEDNESDAY, SEPTEMBER 25, 2013**

### **CWCB Call to Order            8:00 AM**

Stu Fraser, the Mayor of Telluride welcomed the CWCB Board and Staff.

#### **20. Basin Directors' Reports**

- a. Colorado River (Mainstem) Basin Director's Report - Russell George yielded his time to Director Montgomery.

**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 McCloy yielded his time to Director Montgomery.

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

- d. North Platte River Basin Director's Report – Ty Wattenberg yielded his time to Director Montgomery.

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

- e. South Platte River Basin Director's Report – Diane Hoppe reporting.

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

- f. Arkansas River Basin Director's Report – Alan Hamel yielded his time to Director Montgomery.

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

- g. City and County of Denver Director's Report – Patricia Wells 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 – James R. L. Gallagher yielded his time to Director Montgomery.

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

## **21. Colorado Water Plan Update**

**Action:** Presentations by Rebecca Mitchell, James Eklund, and Kate McIntire. This was an informational item only. No Board action was required.

## **22. Water Supply Planning Section – Drought Plan**

**Action:** Presentation by Taryn Finnessey. A motion was made by Ty Wattenberg to approve the staff recommendation, which was seconded by Travis Smith. The motion was approved unanimously (9-0).

**Staff Recommendation:** Staff recommends that the CWCB Board approve and forward to the Colorado Division of Emergency Management, the 2013 revised Colorado Drought Mitigation and Response Plan.

## **23. Water Supply Planning Section – Statewide Water Supply Initiative Update**

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

## **24. Water Supply Planning Section – IBCC No & Low Regrets Update**

**Action:** Introduction by Jacob Bornstein, with presentations and panel discussion by Bruce Whitehead of the Southwestern Water Conservation District, Taylor Hawes of The Nature Conservancy, Peter Nichols of Berg Hill Greeleaf & Ruscitti LLP, Wayne Vanderschure of Colorado Springs Utilities. This was an informational item only. No Board action was required.

## **25. Water Supply Planning Section – New Supply Update**

**Action:** Introduction by Jacob Bornstein, with presentations and panel discussion by Peter Nichols of Berg Hill Greenleaf & Ruscitti LLP, Eric Kuhn of the Colorado River Water Conservation District, Jim Pokrandt of the Colorado River Water Conservation District, and Sean Cronin of the St. Vrain Conservancy Longmont.

## **26. Criteria and Guidelines for Fallowing-Leasing Pilot Projects**

**Action:** Presentation by Tom Browning and Kevin Rein, Deputy State Engineer. The following members of the public addressed the Board: Jay Winner of the Lower Arkansas Valley Water Conservancy District, Peter Nichols of Berg Hill Greenleaf & Ruscitti LLP, Ivan Walter of the Upper Arkansas Water Conservancy District, Laura Chartran of Tri-State Generation and Transmission, Mike Saylor, Shawnbry Sports a Telluride HS Student, Malcolm Major a

Telluride HS Student, Terry Hallin of District 67, Glenn Wilson a farmer in Lamar, Jerry Knapp of Aurora Water. This was an informational item only. No Board action was required.

## **27. Finance – Construction Fund and Severance Tax Trust Fund Perpetual Base Account**

### **a. Projections and Cash Balance Report**

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

## **28. Finance/Water Supply Planning – Change to Existing CWCB Loan and WSRA Grant**

### **a. Colorado Rio Grande Restoration Foundation – Plaza Project Phase 2: McDonald Ditch Implementation Project (GRANT)**

**Action:** Presentation by Jonathan Hernandez. A motion was made by Travis Smith to approve the staff recommendation, which was seconded by April Montgomery. The motion was approved unanimously (8-0). Russell George was unavailable for this motion.

**Staff Recommendation:** Staff recommends approval of the grant increase for a total grant of up to \$42,000 from the Rio Grande Basin Account and \$684,000 from the Statewide Account to help complete the Plaza Project – Phase 2: McDonald Ditch Implementation Project.

### **b. McDonald Ditch Company – McDonald Ditch Diversion and Headgate Replacement Project (LOAN)**

**Action:** Presentation by Jonathan Hernandez. A motion was made by Travis Smith to approve the staff recommendation, which was seconded by James R. L. Gallagher. The motion was approved unanimously (8-0). Russell George was unavailable for this motion.

**Staff Recommendation:** Staff recommends the Board approve a loan increase of \$30,300 (\$30,000 for project costs and \$300 for the 1% Loan Service Fee) to the McDonald Ditch Company for the McDonald Ditch Diversion and Headgate Replacement Project, for a total loan not to exceed \$101,000 (\$100,000 for project costs and \$1,000 for the 1% Loan Service Fee), from the Construction Fund. The loan terms shall remain 20 years at the original agricultural rate of 2.50% per annum. Security for the loan shall be in compliance with CWCB Financial Policy #5.

## **29. Finance/Water Supply Planning – CWCB Loans and WSRA Grants**

### **a. City of Lamar – Raw Water Transmission Line Replacement Project**

**Action 1:** Presentation by Anna Mauss. A motion was made by James R. L. Gallagher to approve the staff recommendation for the grant request, which was seconded by Ty Wattenberg. The motion was approved unanimously (8-0). Russell George was unavailable for this motion.

**Staff Recommendation 1:** Staff recommends approval of up to \$150,000 from the Statewide Account and \$50,000 from the Arkansas Basin Account to the City of Lamar, acting by and through its Water Activity Enterprise, to fund the Raw Water Transmission Line Project.

**Action 2:** Presentation by Anna Mauss. A motion was made by James R. L. Gallagher to approve the staff recommendation for the loan request, which was seconded by Ty Wattenberg. The motion was approved unanimously (8-0). Russell George was unavailable for this motion.

**Staff Recommendation 2:** Staff recommends the Board approve a loan, from the Construction Fund, not to exceed \$792,850 (\$785,000 for project costs and \$7,850 for the 1% Loan Service Fee) to the City of Lamar, acting by and through its Water Activity Enterprise, for the Raw Water Transmission Line Replacement Project. The loan terms shall be 30 years at the low-income municipal rate of 2.25% per annum. Security for the loan shall be in compliance with CWCB Financial Policy #5.

b. Santa Maria Reservoir Company – Continental Dam Spillway Restoration Project

**Action 1:** Presentation by Anna Mauss. A motion was made by Travis Smith to approve the staff recommendation for the grant request, which was seconded by April Montgomery. The motion was approved unanimously (8-0). Russell George was unavailable for this motion.

**Staff Recommendation 1:** Staff recommends approval of up to \$962,750 from the Statewide Account and \$51,000 from the Rio Grande Basin Account to the Santa Maria Reservoir Company to fund the Continental Dam Spillway Restoration Project.

**Action 2:** Presentation by Anna Mauss. A motion was made by Travis Smith to approve the staff recommendation for the loan request, which was seconded by April Montgomery. The motion was approved unanimously (8-0). Russell George was unavailable for this motion.

**Staff Recommendation 2:** Staff recommends the Board approve a loan, from the Construction Fund, not to exceed \$3,071,663 (\$3,041,250 for project costs and \$30,413 for the 1% Loan Service Fee) to the Santa Maria Reservoir Company for the Continental Dam Spillway Restoration Project. The loan terms shall be 30 years at the agricultural rate of 1.75% per annum. Security for the loan shall be in compliance with CWCB Financial Policy #5.

c. Lone Cabin Ditch & Reservoir Company – Lone Cabin Dam Rehabilitation Project

**Action 1:** Presentation by Kirk Russell. Jim Brisco, the President of the Lone Cabin Ditch and Reservoir Company addressed the Board. A motion was made by John McClow to approve the staff recommendation for the grant request, which was seconded by Ty Wattenberg. The motion was approved unanimously (8-0). Russell George was unavailable for this motion.

**Staff Recommendation 1:** Staff recommends approval of up to \$46,000 from the Statewide Account and \$38,000 from the Gunnison Basin Account to the Lone Cabin Ditch & Reservoir Company to fund the Lone Cabin Dam Rehabilitation Project.

**Action 2:** Presentation by Kirk Russell. A motion was made by John McClow to approve the staff recommendation for the loan request, which was seconded by Ty Wattenberg. The motion was approved unanimously (8-0). Russell George was unavailable for this motion.

**Staff Recommendation 2:** Staff recommends the Board approve a loan, from the Construction Fund, not to exceed \$252,803 (\$250,300 for project costs and \$2,503 for the 1% Loan Service Fee) to the Lone Cabin Ditch & Reservoir Company from the Construction Fund for the Lone

Cabin Dam Rehabilitation Project. The loan terms shall be 30 years at the agricultural rate of 1.75% per annum. Security for the loan shall be in compliance with CWCB Financial Policy #5.

### **30. Finance – Water Project Loans**

#### **a. Town of Windsor – Kyger Reservoir Project**

**Action:** Presentation by Jonathan Hernandez. A motion was made by Diane Hoppe to approve the staff recommendation, which was seconded by Ty Wattenberg. The motion was approved unanimously (8-0). Russell George was unavailable for this motion.

**Staff Recommendation:** Staff recommends the Board approve a loan not to exceed \$4,545,000 (\$4,500,000 for project cost and \$45,000 for the 1% Loan Service Fee) to the Town of Windsor, acting by and through its Water Activity Enterprise, for the Kyger Reservoir Project from the Construction Fund. The loan terms shall be 20-years at the municipal high income rate of 2.75% per annum. Security for the loan shall be in compliance with CWCB Financial Policy #5.

#### **b. Greeley and Loveland Irrigation Company – Irrigation System Improvements**

**Action:** Presentation by Jonathan Hernandez. A motion was made by Diane Hoppe to approve the staff recommendation, which was seconded by Travis Smith. The motion was approved unanimously (8-0). Russell George was unavailable for this motion.

**Staff Recommendation:** Staff recommends the Board approve a loan not to exceed \$3,154,230 (\$3,123,000 for project cost and \$31,230 for the 1% service fee) to the Greeley and Loveland Irrigation Company for engineering and construction cost related to the Irrigation System Improvements Project from the Construction Fund. The loan terms shall be 30 years at a blended interest rate of 2.15% per annum. Security for the loan shall be in compliance with CWCB Financial Policy #5.

#### **c. Huerfano County Water Conservancy District – Regional Augmentation Project**

**Action:** Presentation by Anna Mauss. A motion was made by Ty Wattenberg to approve the staff recommendation, which was seconded by Travis Smith. The motion was approved unanimously (8-0). Russell George was unavailable for this motion.

**Staff Recommendation:** Staff recommends the Board approve a loan, from the Construction Fund, not to exceed \$2,222,000 (\$2,200,000 for project costs and \$22,000 for the 1% Loan Service Fee) to the Huerfano County Water Conservancy District for the Regional Augmentation Project. The loan terms shall be 30 years at the low-income municipal rate of 2.25% per annum. Security for the loan shall be in compliance with CWCB Financial Policy #5. Staff additionally recommends the following contract condition: If the District sells, conveys, assigns, transfers, or otherwise disposes of any portion of land purchased with CWCB funds from this loan, proceeds from such transfer shall be applied to the CWCB debt service within 90 days of the sale. In the event of such sale or transfer and the proceeds not applied to this CWCB debt, the CWCB may declare all outstanding principal and interest immediately due and payable.

#### **d. Petrocco Family Limited Partnership, LLLP – Water Rights Purchase**



**Action:** Presentation by Jonathan Hernandez. A motion was made by Ty Wattenberg to approve the staff recommendation, which was seconded by James R. L. Gallagher. The motion was approved unanimously (8-0). Russell George was unavailable for this motion.

**Staff Recommendation:** Staff recommends the Board approve a loan not to exceed \$840,825 (\$832,500 for project costs and \$8,325 for the 1% Loan Service Fee) from the Construction Fund to Petrocco Family Limited Partnership, LLLP for costs related to the Water Rights Purchase Project. The loan terms shall be 20 years at the agricultural interest rate of 1.50% per annum. Security for the loan shall be in compliance with CWCB Financial Policy #5.

Staff additionally recommends the following contract conditions:

1) The Partnership must use the water rights purchased with the CWCB loan funds for irrigation of crops. If the water cannot be used for crop irrigation, the remaining balance of the loan may be called due within one year by the CWCB.

## **ADJOURN**

A motion was made by April Montgomery to adjourn the September 2013 Board meeting, which was seconded by John McClow. The motion was approved unanimously (8-0). Russell George was unavailable for this motion.