

STATE OF COLORADO

Colorado Water Conservation Board

Department of Natural Resources

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DRAFT

SUMMARY MINUTES AND RECORD OF DECISIONS OCTOBER 21, 2013

John W. Hickenlooper
Governor

Mike King
DNR Executive Director

James Eklund
CWCB Director

A special meeting of the Colorado Water Conservation Board (CWCB) was convened at 1580 Logan Street, Suite 610, Denver, CO, 80203. The meeting was called to order by Chairman 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, Dianne Hoppe, Alan Hamel, Patricia Wells, Travis Smith, and James R. L. Gallagher. Russell George was present by conference call. Ty Wattenberg was excused. Non-voting *ex officio* members present or represented were Mike King, Director of the Department of Natural Resources; Casey Shpall, Deputy Attorney General for Natural Resources; Steve Yamashita, Interim Director for Colorado Parks and Wildlife; and James Eklund, CWCB Director. Also present were Scott Cuthbertson, Deputy State Engineer; Ginny Brannon, Assistant Director for Energy and Minerals; and Ron Carlton, Deputy Director of the Colorado Department of Agriculture. Voting member April Montgomery was present by conference call after agenda item 7.

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.

MONDAY, OCTOBER 21, 2013

CWCB Call to Order 11:00 AM

1. Review and Approval of Agenda

Action: Chairman Alan Hamel thanked the staff for their hard work in response to the statewide flooding. Chairman Hamel welcomed Ron Carlton, Scott Cuthbertson, and Steve Yamashita. Chairman Hamel announced that Ty Wattenberg was excused and welcomed Russell George, who had joined the meeting by conference call.

2. Future Board Meeting Dates

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

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

3. Watershed & Flood Protection Section – September 2013 Technical Flood Summary

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

4. Watershed & Flood Protection Section – CWCB Flood Program Update

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

5. Watershed & Flood Protection Section – Flood Implication for Water Supply Infrastructure

Action: Presentations by Kevin Houck and Chris Sturm. This was an informational item only. No Board action was required.

6. Finance – Financial Matters

- a. Cash Balance/Projections

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

- b. Long Range Financial Review (Chatfield and WISE Project Funding)

Action: Presentation by Tim Feehan. A motion was made by Dianne Hoppe to approve the staff recommendation, which was seconded by Travis Smith. The motion was approved unanimously (7-0). April Montgomery was unavailable for this motion.

Staff Recommendation: Staff recommends the Board dedicate \$40 million in Emergency Loan funds for the repair of damaged or destroyed water supply infrastructure along the South Platte River and its tributaries. Staff also recommends the Board direct staff to proceed with

processing Chatfield Reservoir Reallocation at a 75% loan funding level and the WISE Project at a 100% funding level. If additional funding becomes available, staff would recommend that the funding level for the Chatfield Reallocation Project be increased accordingly and the WISE Project funding year be moved up to 2014.

7. Finance – Emergency Loan Terms in Response to 2013 Flood

Action: Presentation by Kirk Russell. A motion was made by John McClow to approve the staff recommendation amended to include El Paso and Washington Counties as potential candidates to for the Emergency Loan fund in the fact sheet and the language “... and others designated through this flood emergency,” emergency being defined as the September flood emergency, which was seconded by Patricia Wells. The motion was approved unanimously (7-0). Russell George was unavailable for this motion.

Staff Recommendation: Staff recommends the Board approve the use of the Emergency Loan terms for the purpose of rebuilding water supply infrastructure damaged by the September 2013 flood event.

8. Finance – Emergency Loans

a. Highland Ditch Company - Emergency Highland Ditch System Repairs

Action: Presentation by Anna Mauss. Nick Sekich of the Highland Ditch Company addressed the Board. A motion was made by Diane Hoppe to approve the staff recommendation, which was seconded by Travis Smith. The motion was approved unanimously (7-0). Russell George was unavailable for this motion.

Staff Recommendation: Staff recommends the Board approve a loan not to exceed \$1,999,800 (\$1,980,000 for project cost and \$19,800 for the 1% service fee) to the Highland Ditch Company for 100% of engineering and construction costs related to the Emergency Highland Ditch System Repairs Project from the Severance Tax Perpetual Base Fund, up to the approved loan amount. The loan terms shall be three years of no interest followed by 27-years at a blended interest rate of 1.95% per annum. Security for the loan shall be in compliance with CWCB Financial Policy #5. Staff additionally recommends the following contract condition: Any future grant funds obtained for the purpose of this Project shall be submitted to CWCB to be applied to the balance of the loan within thirty (30) calendar days after receipt of said funds.

b. Left Hand Ditch Company - Emergency Left Hand Ditch System Repairs

Action: Presentation by Anna Mauss. Bob Crifasi of the Left Hand Ditch Company addressed the Board. Terry Plummer of the Left Hand Ditch Company addressed the Board. A motion was made by Diane Hoppe to approve the staff recommendation, which was seconded by Patricia Wells. The motion was approved unanimously (7-0). Russell George was unavailable for this motion.

Staff Recommendation: Staff recommends the Board approve a loan not to exceed \$3,276,056 (\$3,243,620 for project cost and \$32,436 for the 1% service fee) to the Left Hand Ditch Company for 100% of engineering and construction costs related to the Emergency Left Hand Ditch System Repairs Project from the Severance Tax Perpetual Base Fund, up to the approved loan amount. The loan terms shall be three years of no interest followed by 27-years at a

blended interest rate of 2.30% per annum. Security for the loan shall be in compliance with CWCB Financial Policy #5. Staff additionally recommends the following contract condition: Any future grant funds obtained for the purpose of this Project shall be submitted to CWCB to be applied to the balance of the loan within thirty (30) calendar days after receipt of said funds.

c. Rough and Ready Irrigating Ditch Company - Emergency Rough and Ready Ditch River Diversion Structure Repair

Action: Presentation by Jonathan Hernandez. Dave Hollingsworth of the Rough and Ready Irrigating Ditch Company addressed the Board. A motion was made by Diane Hoppe to approve the staff recommendation, which was seconded by Travis Smith. The motion was approved unanimously (7-0). Russell George was unavailable for this motion.

Staff Recommendation: Staff recommends the Board approve a loan not to exceed \$1,843,250 (\$1,825,000 for project cost and \$18,250 for the 1% service fee) to the Rough and Ready Irrigating Ditch Company for 100% of engineering and construction costs related to the Emergency Rough and Ready Ditch River Diversion Structure Repair Project from the Severance Tax Perpetual Base Fund, up to the approved loan amount. The loan terms shall be 3 years of no interest followed by 27 years at a blended interest rate of 2.70% per annum. Security for the loan shall be in compliance with CWCB Financial Policy #5. Additionally, staff recommends the following contract condition: Any future grant funds obtained for the purpose of this Project shall be submitted to CWCB to be applied to the balance of the loan within thirty (30) days after receipt of said funds.

d. Oligarchy Irrigation Company - Emergency Oligarchy Ditch River Diversion Structure Repair

Action: Presentation by Jonathan Hernandez. Nelson Tipton of the Oligarchy Irrigation Company addressed the Board. 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 (7-0). Russell George was unavailable for this motion.

Staff Recommendation: Staff recommends the Board approve a loan not to exceed \$1,262,500 (\$1,250,000 for project cost and \$12,500 for the 1% service fee) to the Oligarchy Irrigation Company for 100% of engineering and construction costs related to the Emergency Oligarchy Ditch River Diversion Structure Repair Project from the Severance Tax Perpetual Base Fund, up to the approved loan amount. The loan terms shall be 3 years of no interest followed by 27-years at a blended interest rate of 2.50% per annum. Security for the loan shall be in compliance with CWCB Financial Policy #5. Additionally, staff recommends the following contract condition: Any future grant funds obtained for the purpose of this Project shall be submitted to CWCB to be applied to the balance of the loan within thirty (30) days after receipt of said funds.

e. Big Thompson and Platte River Ditch Company – Emergency Big Thompson and Platte River Diversion Structure Repair

Action: Presentation by Anna Mauss. Gene Kamerzell of the Big Thompson and Platte River Ditch Company addressed the Board. A motion was made by Dianne Hoppe to approve the staff recommendation, which was seconded by Patricia Wells. The motion was approved unanimously (7-0). Russell George was unavailable for this motion.

Staff Recommendation: Staff recommends the Board approve a loan not to exceed \$808,000 (\$800,000 for project cost and \$8,000 for the 1% service fee) to the Big Thompson and Platte River Ditch Company for 100% of engineering and construction costs related to the Emergency Big Thompson and Platte River Diversion Structure Repair Project from the Severance Tax Perpetual Base Fund, up to the approved loan amount. The loan terms shall be three years of no interest followed by 27-years at a blended interest rate of 1.85% per annum. Security for the loan shall be in compliance with CWCB Financial Policy #5. Staff additionally recommends the following contract condition: Any future grant funds obtained for the purpose of this Project shall be submitted to CWCB to be applied to the balance of the loan within thirty (30) calendar days after receipt of said funds.

f. Boulder and Larimer County Irrigating and Manufacturing Ditch Company –
Emergency Boulder and Larimer Diversion Structure Repair

Action: Presentation by Anna Mauss. Scott Lewis of the Boulder and Larimer Irrigating and Manufacturing Ditch Company addressed the Board. A motion was made by Dianne Hoppe to approve the staff recommendation, which was seconded by James R. L. Gallagher. The motion was approved unanimously (7-0). Russell George was unavailable for this motion.

Staff Recommendation: Staff recommends the Board approve a loan not to exceed \$202,000 (\$200,000 for project cost and \$2,000 for the 1% service fee) to the Boulder and Larimer Irrigating and Manufacturing Ditch Company for 100% of engineering and construction costs related to the Emergency Boulder and Larimer Diversion Structure Repair Project from the Severance Tax Perpetual Base Fund, up to the approved loan amount. The loan terms shall be three years of no interest followed by 27-years at a blended interest rate of 1.90% per annum. Security for the loan shall be in compliance with CWCB Financial Policy #5. Staff additionally recommends the following contract condition: Any future grant funds obtained for the purpose of this Project shall be submitted to CWCB to be applied to the balance of the loan within thirty (30) calendar days after receipt of said funds.

g. Ish Reservoir Company – Emergency Inlet Ditch and Diversion Structure Repair

Action: Presentation by Anna Mauss. Tom Stellmach of the Ish Reservoir Company addressed the Board. A motion was made by Dianne Hoppe to approve the staff recommendation, which was seconded by Travis Smith. The motion was approved unanimously (7-0). Russell George was unavailable for this motion.

Staff Recommendation: Staff recommends the Board approve a loan not to exceed \$207,050 (\$205,000 for project cost and \$2,050 for the 1% service fee) to the Ish Reservoir Company for 100% of engineering and construction costs related to the Emergency Inlet and Diversion Structure Repair Project from the Severance Tax Perpetual Base Fund, up to the approved loan amount. The loan terms shall be three years of no interest followed by 27-years at the agricultural interest rate of 1.75% per annum. Security for the loan shall be in compliance with CWCB Financial Policy #5. Staff additionally recommends the following contract condition: Any future grant funds obtained for the purpose of this Project shall be submitted to CWCB to be applied to the balance of the loan within thirty (30) calendar days after receipt of said funds.

h. Consolidated Home Supply Ditch and Reservoir Company – Emergency Big Dam
Diversion Structure Repair

Action: Presentation by Jonathan Hernandez. Gary Girard of the Consolidated Home Supply Ditch and Reservoir addressed the Board. A motion was made by Diane Hoppe to approve the staff recommendation, which was seconded by Travis Smith. The motion was approved unanimously (7-0). Russell George was unavailable for this motion.

Staff Recommendation: Staff recommends the Board approve a loan not to exceed \$1,616,000 (\$1,600,000 for Project cost and \$16,000 for the 1% service fee) to the Consolidated Home Supply Ditch and Reservoir Company for 100% of engineering and construction costs related to the Emergency Big Dam Diversion Structure Repair Project from the Severance Tax Perpetual Base Fund, up to the approved loan amount. The loan terms shall be 3 years of no interest followed by 27 years at a blended interest rate of 1.95% per annum. Security for the loan shall be in compliance with CWCB Financial Policy #5. Additionally, staff recommends the following contract condition: Any future grant funds obtained for the purpose of this Project shall be submitted to CWCB to be applied to the balance of the loan within thirty (30) days after receipt of said funds.

i. North Poudre Irrigation Company – Emergency Fossil Creek Reservoir Inlet Diversion Structure Repair

Action: Presentation by Jonathan Hernandez. Scott Hummer of the North Poudre Irrigation Company addressed the Board. A motion was made by Dianne Hoppe to approve the staff recommendation, which was seconded by John McClow. The motion was approved unanimously (7-0). Russell George was unavailable for this motion

Staff Recommendation: Staff recommends the Board approve a loan not to exceed \$481,770 (\$477,000 for project cost and \$4,770 for the 1% service fee) to the North Poudre Irrigation Company for 100% of engineering and construction costs related to the Emergency Fossil Creek Reservoir Diversion Structure Repair Project from the Severance Tax Perpetual Base Fund, up to the approved loan amount. The loan terms shall be 3 years of no interest followed by 27-years at a blended interest rate of 2.35% per annum. Security for the loan shall be in compliance with CWCB Financial Policy #5. Additionally staff recommends the following contract condition: Any future grant funds obtained for the purpose of this Project shall be submitted to CWCB to be applied to the balance of the loan within thirty (30) days after receipt of said funds.

j. Church Ditch Water Authority - Emergency Leyden Creek Crossing Repair

Action: Presentation by Jonathan Hernandez. Ray Reiling of the Church Ditch Water Authority addressed the Board. A motion was made by Dianne Hoppe to approve the staff recommendation, which was seconded by James R. L. Gallagher. The motion was approved unanimously (7-0). Russell George was unavailable for this motion

Staff Recommendation: Staff recommends the Board approve a loan not to exceed \$606,000 (\$600,000 for project cost and \$6,000 for the 1% service fee) to the Church Ditch Water Authority for 100% of engineering and construction costs related to the Emergency Leyden Creek Crossing Repair Project from the Severance Tax Perpetual Base Fund, up to the approved loan amount. The loan terms shall be 3 years of no interest followed by 27 years at a blended interest rate of 2.85% per annum. Security for the loan shall be in compliance with CWCB Financial Policy #5. Additionally, staff recommends the following contract condition: Any future grant funds obtained for the purpose of this Project shall be submitted to CWCB to be

applied to the balance of the loan within thirty (30) days after receipt of said funds.

9. Finance – Satellite Monitoring Update

Action: Introduction by Kirk Russell and presentation by Scott Cuthbertson. This was an informational item only. No Board action was required.

10. Water Supply Planning Section – Metro Basin Roundtable: Flood Emergency Grant (Basin Account)

Action: Presentation by Rebecca Mitchell. A motion was made by Patricia Wells to approve the staff recommendation amended to include that the Board would examine at the November Board meeting if matching funds through statewide funds would be appropriate, which was seconded by Diane Hoppe. The motion was approved unanimously (7-0). Russell George was unavailable for this motion

Staff Recommendation: A summary of the staff's recommendation for the WSRA application is provided: Basin – Metro, Projection Name – Emergency Flood Recovery Assessment, Design and Recovery, Total Request – \$150,000, Recommendation – to fund up to \$150,000 from the Metro Account. Favorable recommendations may be contingent on providing the CWCBC with additional information, clarifications, or modifications in the scope of work. Please refer to the Water Activity Summary Sheets contained within the agenda item to find a summary of staff's review and any conditions associated with each recommendation.

11. Watershed & Flood Protection Section – LIDAR Acquisition & Recovery Mapping Revisions

Action: Introduction by Kevin Houck and presentation by Thuy Patton. This was an informational item only. No Board action was required.

12. Watershed & Flood Protection Section – Colorado Stream Team Update

Action: Introduction by Kevin Houck and presentation by Chris Sturm. This was an informational item only. No Board action was required.

13. Watershed & Flood Protection Section – Streamlined Criteria for Watershed Program

Action: Presentation by Chris Sturm. A motion was made by Travis Smith to approve the staff recommendation amended to include the Colorado Water Plan, which was seconded by Patricia Wells. The motion was approved unanimously (9-0).

Staff Recommendation: Staff recommends that the Board approve the special release of the Colorado Watershed Restoration Program.

14. Watershed & Flood Protection Section – Community Assistance Program Overview

Action: Introduction by Kevin Houck and presentation by Jamie Prochno. This was an informational item only. No Board action was required.

15. Watershed & Flood Protection Section – Rules and Regulations/Ordinance Adoption Updates

Action: Presentation by Jamie Prochno. A motion was made by John McClow to approve the staff recommendation, which was seconded by Jay Gallagher. The motion was approved unanimously (9-0).

Staff Recommendation: Staff recommends that the Board to adopt the attached policy regarding implementation of floodplain management standards in Colorado.

16. Watershed & Flood Protection Section – Disaster Assistance Center Participation

Action: Introduction by Kevin Houck and presentation by Joe Busto. This was an informational item only. No Board action was required.

17. Executive Session (preceded by public briefing)

a. USFS and BLM San Juan National Forest LRMP and ROD

Action: The Board did not go into Executive session to discuss this agenda item. Presentations by Linda Bassi and Shanti Rosset O'Donovan. This was an informational item only. No Board action was required.

18. Report from Executive Session

Action: No Board action occurred on this agenda item.

ADJOURN

A motion was made by John McClow to adjourn the October 21, 2013 Special Meeting of the Board, which was seconded by Diane Hoppe. The motion was approved unanimously (9-0).