

STATE OF COLORADO

Colorado Water Conservation Board Department of Natural Resources

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DRAFT

SUMMARY MINUTES AND RECORD OF DECISIONS NOVEMBER 19-20, 2013

John W. Hickenlooper
Governor

Mike King
DNR Executive Director

James Eklund
CWCB Director

A regular meeting of the Colorado Water Conservation Board (CWCB) was convened at the Northern Colorado Water Conservancy District, located at 220 Water Avenue, Berthoud, CO, 80513. The meeting was called to order by Chair Alan Hamel. Nine voting members were present at the call to order, so a quorum was present (at least 6 required). Voting members present were: Alan Hamel, John McClow, Diane Hoppe, April Montgomery, Ty Wattenberg, Travis Smith, Patricia Wells, and Jay Gallagher. The *ex officio* member present or represented was Mike King, Executive Director of the Department of Natural Resources. Non-voting *ex officio* members present or represented were James Eklund, CWCB Director; Casey Shpall, Deputy Attorney General for Natural Resources; Dick Wolfe, Colorado State Engineer; Ginny Brannon, Assistant Director for Energy and Minerals; Ron Carleton, Deputy Director for the Colorado Department of Agriculture; Jeffrey Ver Steeg, Assistant Director of Research, Policy and Planning at Colorado Parks and Wildlife; and John Stulp, Director of the IBCC. Voting member Russell George was present after agenda item 5.

On the second day, the meeting was called to order by Chair Alan Hamel. Nine voting members were present at the call to order, so a quorum was present (at least 6 required). Voting members present were: Alan Hamel, John McClow, Russell George, Ty Wattenberg, Diane Hoppe, Patricia Wells, April Montgomery, Travis Smith, and Jay Gallagher. Non-voting *ex officio* members present or represented were James Eklund, CWCB Director and Dick Wolfe, Colorado State Engineer.

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 19, 2013

CWCB Call to Order 10:00 AM

Chair Alan Hamel welcomed Representative Fisher. Chair Hamel thanked the St. Vrain and Left Hand Water Conservancy District and the other sponsors for the flood tour and reception the Colorado Water Conservation Board (CWCB) attended the day before. He expressed that the CWCB's thoughts are with the flood victims. Chair Hamel thanked the Northern Colorado Water Conservancy District for the opportunity to hold the CWCB meeting closer to the South Platte following the great flooding in September. Chair Hamel thanked the CWCB and Department of Natural Resources staff for all of their hard work.

1. Review and Approval of Agenda

Action: Chair Hamel updated the agenda as follows: Agenda item 10.b. was added immediately after lunch. This agenda item is an informational briefing on water conservation legislation. Agenda item 17.g. was added to Executive Session. The case *Alaska v. Jewell* will be discussed. Max Schmidt will address the Board on Wednesday morning to thank them for their grant support. Agenda item 31.h. will be tabled until the Special Meeting of the CWCB on December 19, 2013. A motion to approve the agenda was made by Ty Wattenberg, which was seconded by Patricia Wells. The motion was approved unanimously (8-0). Russell George was unavailable for this motion.

2. Review and Approval of Meeting Minutes

a. September 24-25, 2013 Board Meeting

Action: April Montgomery amended the minutes to include her attendance on September 25, 2013. A motion to approve the minutes as amended was made by Travis Smith, which was seconded by Jay Gallagher. The motion was approved unanimously (8-0). Russell George was unavailable for this motion.

b. October 21, 2013 Special Board Meeting

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

3. Approve and/or Remove Items from Consent Agenda

Action: A motion to approve the consent agenda was made by Ty Wattenberg, which was seconded by Diane Hoppe. The motion was approved unanimously (8-0). Russell George was unavailable for this motion.

CWCB CONSENT AGENDA

1. Finance – Loan Deauthorization

- a. Two Rivers Water Company – Arkansas Storage Facility Project
- b. City of Greeley – High Park Fire Restoration Project

2. Watershed & Flood Protection Section – Floodplain Designation, "Flood Hazard Area Delineation, Sanderson Gulch," dated August 2013 by Matrix Design Group

4. Future Board Meeting Dates

- | | | |
|----|------------------------|--------------------|
| a. | January 27-28, 2014 | Denver Tech Center |
| b. | Determining 2014 dates | |

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

5. Directors' Reports

- a. DNR Executive Director

Action: Report by Mike King. 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 Ron Carleton. 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 Dick Wolfe. This was an informational item only. No Board action was required.

- f. Division of Parks and Wildlife

Action: Report by Jeffrey Ver Steeg. This was an informational item only. No Board action was required.

- g. Water Resource and Power Development Authority

Action: Report by Mike Brod, the Executive Director of the Water Resource and Power Development Authority. This was an informational item only. No Board action was required.

Bruce Whitehead of the Southwestern Water Conservation District addressed the Board.

6. Watershed & Flood Protection Section – Floodplain Mapping and RiskMap Program

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

7. Watershed & Flood Protection Section – Floodplain Rules and Regulations Update

Action: Presentation by Jamie Prochno. This was an informational item only. No Board action was required.

8. Watershed & Flood Protection Section – Stream Task Force and River Master Planning Update

Action: Presentation by Chris Sturm. This was an informational item only. No Board action was required.

9. Watershed & Flood Protection Section – State Flood Hazard Mitigation Plan

Action: Presentation by Jamie Prochno. A motion to approve the staff recommendation was made by Patricia Wells, which was seconded by Travis Smith. The motion was approved unanimously (9-0).

Staff Recommendation: Staff recommends that the Board approve Colorado's 2013 Flood Hazard Mitigation Plan.

10. Watershed & Flood Protection Section – Fish and Wildlife Resources Fund Application

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

Staff Recommendation: Staff has reviewed South Suburban Park and Recreation District's FWRP application (attached to Board memo) and found it in conformance with Board Policy 15 (attached to Board memo). Staff recommends that the Board approve a non-reimbursable expenditure up to \$100,000 from the Fish and Wildlife Resource Fund for the purpose of providing matching dollars to the South Platte Park, South Platte River Enhancement Project, Phase II. This amount represents less than 9% of the total Project cost. The remaining costs will be provided by Arapahoe County (\$550,000 cash), City of Littleton (\$250,000 cash), Urban Drainage & Flood Control District (\$230,000 cash) and the applicant (\$5,000 in-kind).

10.b. Proposed Water Efficiency Legislation

Action: Greg Fisher of Denver Water addressed the Board. Christopher Piper of Denver Water addressed the Board. This was an informational item only. No Board action was required.

11. HB 13-1248 Criteria and Guidelines

Action: Presentation by Tom Browning. Kevin Rein of the State Engineer's Office addressed the Board. State Representative Randy Fischer of House District 53 addressed the Board. Alan

Curtis of White & Jankowski, LLP on behalf of the City of Sterling addressed the Board. Jay Winner of the Lower Arkansas Valley Water Conservancy District addressed the Board. Peter Nichols of Berg Hill Greenleaf & Ruscitti LLP addressed the Board. A motion to approve the revised staff recommendation was made by Travis Smith, which was seconded by Ty Wattenberg. The motion was approved unanimously (9-0).

Revised Staff Recommendation: Staff recommends that the board: 1) approve the below revised “Criteria and Guidelines for Following Leasing Pilot Projects”; and 2) direct staff to post the final approved version to the CWCB website for public use.

I. Comment and Conference Criteria

The CWCB will receive comments on pilot project applications for a period of seventy-five (75) days after notice of the application was provided. These comments may include: any claim of injury; any terms and conditions that the person filing a comment believes should be imposed on the pilot project in order to prevent injury to other water rights, decreed conditional water rights, or contract rights to water; and other information that the person filing the comment believes the Board should consider in reviewing the application. All comments claiming injury must identify with specificity the water right that the person filing the comment either owns or has a contract right;

Within thirty (30) days of the end of the comment period, the applicant for a pilot project, the State Engineer, and owners of water rights or contract rights to water that file comments on the pilot project application shall hold a conference, convened and facilitated by CWCB staff, to confer about the pilot project application. Conference participants shall discuss how the pilot project could be structured to prevent material injury to other water rights and contract rights to water. In order to facilitate a meaningful conference, the parties shall make every effort to (1) provide analyses of the nature and extent of the claimed injury to the identified water right(s) based upon the methodologies and approaches, assumptions, and presumptive factors set forth in Section II.G, herein and (2) propose specific terms and conditions that would protect the identified water rights from the claimed injury.

Within fifteen (15) days of the conference, the pilot project applicant and the owners of water rights or contract rights to water shall file a joint report with the CWCB and the State Engineer outlining any agreed-upon terms and conditions for the proposed pilot project and explaining the reasons for failing to agree on any terms and conditions for the pilot project if the applicant and the owners fail to reach a full agreement at the conference.

J. Determination of the State Engineer; Guidelines for Operation and Administration of a Pilot Project

Taking into consideration the pilot project application, comments, and the joint report, if any, and utilizing the methodologies and approaches, assumptions, and presumptive factors set forth in Section II.G, herein, the State Engineer will make a written determination regarding a pilot project application within thirty (30) days of receipt of the joint report. The written determination of the State Engineer will describe the operation and administration of the pilot project and will include, but is not limited to, the following:

1. the State Engineer’s opinion as to whether the pilot project can operate without causing injury to other water rights, decreed conditional water rights, or contract rights to water and without impairing compliance with any interstate compact;
2. terms and conditions necessary to ensure the pilot project will operate and can be administered without causing injury to other water rights, decreed conditional water rights, or contract rights to water and without impairing compliance with any interstate compact;¹ these, terms and conditions may also include, where applicable:
 - a. a requirement that all parcels included in a pilot project are accounted for, dried up, and administered according to the protocol described in Appendix B of this document,

¹ Pursuant to 37-60-115(8)(d)(VI)(C), and as described in II.I. of this document, the conference report may include terms and conditions for the proposed pilot project. Those terms and conditions may be adopted by the State Engineer.

- b. a requirement that the accounting use the tables listed in Appendix A of this document as the tool for comparing historical use analyses with projected operations as a pilot project,
 - c. a requirement that the water rights subject of a fallowing-leasing pilot project be run through the applicable ditch, and
 - d. a condition that reservoir water that is subject of a pilot project can be used for municipal use only as the remaining irrigation portion is used for irrigation; and
3. any other information the State Engineer deems pertinent to the operation of a pilot project.

Upon receipt of the State Engineer's written determination, the Board shall take action on the pilot project application at its next scheduled meeting. If such meeting is scheduled to commence in less than twenty-one days from the date that the CWCB receives the State Engineer's written determination the Board shall take action on the pilot project application at its following meeting unless the CWCB staff determines less time is adequate.

12. Interstate, Federal, and Water Information Section – Colorado River Issues

a. Upper Colorado River Commission (UCRC) Update

Action: Presentation by John McClow. This was an informational item only. No Board action was required.

b. Current Colorado River Issues

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

13. Stream and Lake Protection Section – Proposed Acquisition of Contractual Interest in Water on the Snake River, Case No. 5-10CW43

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

Staff Recommendation: Staff recommends that the Board: 1. Accept the interest in water that would be provided by Summit County under the Water Delivery Agreement; 2. Determine that the amounts set forth in the Water Delivery Agreement are appropriate to preserve the natural environment to a reasonable degree on the subject reach of the Snake River and Blue River in the time, amount and location provided by the Agreement; 3. Determine that the best use of the interest in water to be acquired is in the time, amounts and locations provided by the Water Delivery Agreement and confirmed in the water court decree in Case No. 5-10CW043; and 4. Authorize the CWCB Director to finalize and sign the Water Delivery Agreement.

14. Stream and Lake Protection Section – Notice of 2014 Instream Flow Recommendation Appropriations in Water Divisions 1, 4, and 5

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

15. Stream and Lake Protection Section – Authorization to Proceed to Trial in Case No. 1 - 11CW294 - Application of Aggregate Industries -WCR, Inc.

Action: Presentation by Susan Schneider. Case No.1 – 11CW294 was settled prior to the meeting and Board action was not required.

16. 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.

17. Executive Session

Action: Under the Colorado Open Meetings Act, C.R.S. Section 24-6-402(3)(a)(II), a motion was made by Ty Wattenberg for the Board to go into executive session for the discussion of agenda items 10.a. through 10.g. The motion was seconded by Patricia Wells. The motion was approved unanimously (9-0).

- a. Case No. 4-10CW180: Application of CWCB (Breem Ditch)
- b. Case Nos. 1-12CW303: Application of City of Blackhawk; 1-10CW309: Application of City of Blackhawk; and 1-11CW282: Application of Colorado Department of Public Health and Environment
- c. Case No. 1-11CW294: Application of Aggregate Industries -WCR, Inc.
- d. Colorado River Issues
- e. Rio Grande River ESA compliance
- f. Republican River litigation
- g. Alaska v. Jewell litigation

Jay Gallagher made a motion for the Board to leave executive session, which was seconded by April Montgomery. The motion was approved unanimously (9-0).

RECESS

WEDNESDAY, NOVEMBER 20, 2013

CWCB Call to Order 8:00 AM

18. Report from Executive Session

Action: First Assistant Attorney General Susan Schneider 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.

Introduction by Ted Kowalski. Max Schmidt of Orchard Mess Irrigation District addressed the Board.

Eric Wilkinson of the Northern Water Conservancy District addressed the Board.

19. Basin Directors' Reports

- a. Colorado River (Mainstream) 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 – Ty Wattenberg reporting.

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 reporting.

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 – Jay Gallagher reporting.

20. Watershed & Flood Protection Section – South Platte River Master Plan

Action: Introduction by Kevin Houck. Presentation by Joe Busto. Debbie Brinkman, a Councilmember of the City of Littleton, addressed the Board. Laura Kroeger of the Urban Drainage and Flood Control District addressed the Board. Ben Neilson of McLaughlin Whitewater addressed the Board. Mayor Randy Penn of Englewood addressed the Board. County Commissioner Nancy Doty of Arapahoe County addressed the Board. Dave Lorenz of South Suburban Parks and Recreation addressed the Board. A motion to approve the staff recommendation was made by Patricia Wells, which was seconded by Ty Wattenberg. The motion was approved unanimously (9-0).

Staff Recommendation: Staff recommends that the Board authorize staff to modify and update the Operations and Maintenance Manual for the Chatfield Downstream Channel Improvement

Project in partnership with the U.S. Army Corps of Engineers and local agencies to balance flood control, stream ecosystem function, and recreational objectives.

21. Water Supply Planning Section – WSRA Criteria Guideline Modification

Action: Presentation by Rebecca Mitchell. Presentation by Jacob Bornstein. A motion to approve staff recommendations number one and three and table recommendation two was made by John McClow, which was seconded by Diane Hoppe. The motion was approved unanimously (9-0).

Staff Recommendation: This decision items includes proposed revisions to the WSRA Criteria and Guidelines reflecting staff recommendations as provided in the attached document. Three (3) revisions are proposed:

1) Grant and Loan Administration, Payment (page 4): Proposed revision – Increase retention percentage from 5% to 10%. Rational: This is more in keeping with the private sector requirements and increases applicant’s incentive to provide CWCB with final deliverables.

2) Part 2, Overview of Account and Fund Management (page 5): Proposed revision – Elimination of the 64%/36% Statewide/Basin Account split. Proposed wording “Provided that a respective basin balance is below \$400,000 as of July 1, 2015 they will be refreshed up to \$400,000 each fiscal year. Basins with account balances greater than \$400,000 at the end of any fiscal year will be able to carry these balances forward until their balance is below \$400,000. During the fiscal year beginning July 1, 2014 each Basin Roundtable shall receive an allocation of \$400,000 in addition to their account balance at that time, to be divided according to the Tier 2 allocation, which would typically be \$160,000 July 1, \$120,000 January 1, and \$120,000 April 1. Funding available beyond that allocated to the Basin Accounts shall provide funds to the Statewide Account. Rational: This provision eliminates Basin Account volatility due to state funding uncertainties. This provides Basin Roundtables a more assured funding expectation, while basins that use their full allocation continue to receive more than their maximum historic annual distribution, encouraging Basin Roundtables to award all available funds.

3) Part 2, Application Process (page 7): Proposed revision: Grant staff the authority to remand Statewide Account and Basin Account funds to their respective accounts if a grant or loan is not executed within 6 months of award of a grant or a loan based on applicant’s lack of due diligence. Relieves the Board of the inconvenience and controversy of taking such action.

22. Water Supply Planning Section – WSRA Basin Grants

- a. Arkansas Basin – Upper Arkansas Water Conservancy District: Helena Diversion Structure/BV Boat Chute Improvement Project – Phase 2

Action: Introduction by Rebecca Mitchell. Presentation by Craig Godbout. A motion to approve the staff recommendation was made by Ty Wattenberg, which was seconded by April Montgomery. The motion was approved unanimously (9-0).

Staff Recommendation: Staff recommends approval of up to \$43,125 from the Arkansas Basin Account to assist in the funding of the Helena Diversion Structure/BV Boat Chute Implementation Project – Phase 2.

- b. Arkansas Basin – Pikes Peak Regional Water Authority: Basin Implementation Plan

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

Staff Recommendation: Staff recommends approval of up to \$32,709 from the Statewide Account and \$94,746 from the Arkansas Basin Account to help complete the project titled: Arkansas Basin Implementation Plan.

- c. Colorado Basin – Snowmass Water & Sanitation District: Customer Meter Replacement Program

Action: Presentation by Craig Godbout. A motion to approve the staff recommendation was made by Russell George, which was seconded by Jay Gallagher. The motion was approved unanimously (9-0).

Staff Recommendation: Staff recommends approval of up to \$100,000 over a two (2) year period from the Colorado Basin Account to fund the project titled: Snowmass Water and Sanitation District – Customer Meter Replacement Program.

- d. Colorado Basin – Colorado River Water Conservation District & City of Grand Junction (fiscal agents for the Colorado & Yampa/White Basin Roundtables): Energy Development Water Needs Assessment Study

Action: Presentation by Craig Godbout. A motion to approve the staff recommendation was made by Jay Gallagher, which was seconded by Russell George. The motion was approved unanimously (9-0).

Staff Recommendation: Staff recommends approval of up to \$250,000 from the Colorado River Basin Account, and \$25,000 from the Yampa/White River Basin Account to help complete the project titled: Energy Development Water Needs Assessment Update.

- e. Yampa/White Basin – Colorado River Water Conservation District: Yampa/White Basin Implementation Plan

Action: Presentation by Craig Godbout. A motion to approve the staff recommendation was made by Jay Gallagher, which was seconded by Russell George. The motion was approved unanimously (9-0).

Staff Recommendation: Staff recommends approval of up to \$100,000 from the Yampa/White Basin Account to help complete the project titled: Yampa/White Basin Implementation Plan

- f. Yampa/White Basin – Rio Blanco Water Conservancy District: White River Storage Feasibility Study

Action: Presentation by Craig Godbout. A motion to approve the staff recommendation was made by Jay Gallagher, which was seconded by Russell George. The motion was approved unanimously (9-0).

Staff Recommendation: Staff recommends approval of up to \$67,500 from the Statewide Account and \$67,500 from Yampa/White River Basin Account to help complete the project titled: White River Storage Feasibility Study.

g. WSRA Statewide Flood Grant Request

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

Staff Recommendation: Staff recommends approval of up to \$755,000 from the Statewide Account to help complete the project titled: 2013 Emergency Flood Recovery Assessment, Design and Recovery – Cycle #2

23. Water Supply Planning Section – Roaring Fork Regional Planning Grant – Water Efficiency Grant Program

Action: Presentation by Kevin Reidy. Mark Fuller, the Director of Ruedi Water and Power Authority, addressed the Board. A motion to approve the staff recommendation was made by Russell George, which was seconded by Jay Gallagher. The motion was approved unanimously (9-0).

Staff Recommendation: Staff recommends APPROVAL of the Roaring Fork Regional Water Efficiency Planning (Regional Plan) Grant application for \$93,538.13 from the Water Efficiency Grant Fund.

24. Water Supply Planning Section – Statewide Water Supply Initiative, Basin Implementation Plans and Interbasin Compact Committee Update

Action: Presentation by Jacob Bornstein. Presentation by Taryn Finnessy. This is an informational item only. No Board action was required.

25. Water Supply Planning Section – Colorado’s Water Plan

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

26. Finance – Construction Fund and Severance Tax Perpetual Base Fund

a. Financial Statements Report

Action: Presentation by Steve Biondo. This is an informational item only. No Board action was required.

b. Projections and Cash Balance Reports

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

27. Finance – Construction Fund Non-Reimbursable Investments – En-Bloc

- a. Weather Modification Program
- b. Colorado Floodplain Map Modernization – Refresh
- c. DSS Operations and Maintenance (paragraph 1 only)
- d. Arkansas River Basin Decision Support System
- e. Litigation Fund Refresh

Action: Presentation by Kirk Russell. Presentation by Tim Feehan. A motion to approve the revised staff recommendation was made by Travis Smith, which was seconded by April Montgomery. The motion was passed unanimously (9-0).

Staff Recommendation: The Staff recommends the Board approve the Non-Reimbursable Investments listed as Agenda Item 27a. through 27e. and include them in the 2014 Project Bill. The Board also authorizes an exemption from Financial Policy #13.

28. Finance – Construction Fund Non-Reimbursable Investments – Referred

- a. Division of Water Resources – Satellite Monitoring System Maintenance

Action: Introduction by Kirk Russell. Presentation by Jeff Baessler. A motion to approve the staff recommendation was made by Ty Wattenberg, which was seconded by Patricia Wells. The motion was passed unanimously (9-0).

Staff Recommendation: Staff recommends that the Board approve this request for the General Assembly to authorize this project and appropriate \$330,000 from the Construction Fund to the Department of Natural Resources for allocation to the Division of Water Resources to replace out-dated Data Collection Platforms and associated satellite telemetry equipment in the existing satellite monitoring system, and to refurbish existing stream gages.

- b. Colorado Watershed Restoration Program – Refresh

Action: Presentation by Kevin Houck. A motion to approve the staff recommendation was made by April Montgomery, which was seconded by Jay Gallagher. The motion was passed unanimously (9-0).

Staff Recommendation: Staff recommends that the Board approve this request the General Assembly to authorize this project and appropriate \$500,000 from the Construction Fund to the Department of Natural Resources for allocation to CWCB for the Watershed Restoration Program.

- c. Flood & Drought Response Fund – Refresh

Action: Presentation by Kevin Houck. A motion to approve the staff recommendation was made by Ty Wattenberg, which was seconded by John McClow. The motion was passed unanimously (9-0).

Staff Recommendation: Staff recommends that the Board approve this request for the General Assembly to authorize this project and appropriate up to \$500,000 from the Construction Fund to the Department of Natural Resources for allocation to CWCB in order to restore the unencumbered balance to \$500,000 in the Flood and Drought Response Fund for technical activities related to flood and drought response.

d. Gunnison Basin Irrigation System Planning & Optimization Studies

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

Staff Recommendation: Staff recommends that the Board approve this request for the General Assembly to authorize this project and appropriate \$250,000 from the Construction Fund to the Department of Natural Resources for allocation to the CWCB for the Board to participate with the Colorado River Water Conservation District to conduct the Gunnison Basin Irrigation System Planning and Optimization Studies.

e. Implementation Drought Mitigation Strategies

Action: Presentation by Taryn Finnessey. A motion to approve the staff recommendation was made by Diane Hoppe, which was seconded by Patricia Wells. The motion was passed unanimously (9-0).

Staff Recommendation: Staff recommends that the Board approve this request for the General Assembly to authorize this project and appropriate \$100,000 from the Construction Fund to be appropriated to the Department of Natural Resources for allocation to CWCB for the Implementation of Drought Mitigation Strategies.

f. South Platte Groundwater Level Data Collection and Analysis

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

Staff Recommendation: Staff recommends that the Board approve this request for the General Assembly to authorize this project and appropriate \$500,000 from the Construction Fund to the Department of Natural Resources for all allocation to the Colorado Water Conservation Board for the Board to install and monitor various devices; collect and analyze data; perform groundwater model updates enhancements, and simulations utilizing the South Platte Decision Support System (SPDSS); conduct public outreach; and complete other efforts as necessary to assist in determining the cause and possible remediation to high groundwater levels in the South Platte River Basin.

29. Finance – 2014 Projects Bill Discussion Items

a. Long Hollow Reservoir Project Funding

Action: Presentation by Tim Feehan. Mike Brod, the Executive Director of the Water Resource and Power Development Authority, addressed the Board. A motion to approve the staff recommendation was made by April Montgomery, which was seconded by Travis Smith. The motion was passed unanimously (9-0).

Staff Recommendation: Staff recommends that the Board approve this request for the General Assembly to authorize this Project and appropriate \$1,575,000 from the Severance Tax Perpetual

Base Fund to the Department of Natural Resources for allocation to the Colorado Water Conservation Board for the construction of the Long Hollow Reservoir Project.

b. WISE Project Funding

Action: Presentation by Tim Feehan. A motion to approve the staff recommendation was made by Russell George, which was seconded by Diane Hoppe. The motion was passed unanimously (9-0).

Staff Recommendation: Staff recommends that the Board include in the 2014 Projects Bill a request for the General Assembly to authorize \$44,000,000 for the Water Infrastructure and Supply Efficiency Project.

c. Chatfield Reallocation Project Funding

Action: Presentation by Tim Feehan. A motion to approve the staff recommendation was made by Russell George, which was seconded by Diane Hoppe. The motion was passed unanimously (9-0).

Staff Recommendation: Staff recommends that the Board include in the 2014 Projects Bill a request for the General Assembly to authorize \$88,000,000 for the Chatfield Reallocation Project.

30. Finance – Water Project Loans

a. North Poudre Irrigation Company – Reservoir No. 4 Rehabilitation Project

Action: Presentation by Jonathan Hernandez. Scott Hummer, General Manager of the North Poudre Irrigation Company, addressed the Board. A motion to approve the staff recommendation was made by Diane Hoppe, which was seconded by Patricia Wells. The motion was passed unanimously (9-0).

Staff Recommendation: Staff recommends the Board approve a loan not to exceed \$1,636,200 (\$1,620,000 for project cost and \$16,200 for the 1% service fee) to the North Poudre Irrigation Company for engineering and construction cost related to the Reservoir No. 4 Rehabilitation Project from the Construction Fund. The loan terms shall be 30 years at a blended interest rate of 2.35% per annum. Security for the loan shall be in compliance with CWCB Financial Policy #5.

b. Wadley Farms Filing No. 3 Homeowner's Association – Water Rights Purchase

Action: Presentation by Jonathan Hernandez. A motion to approve the staff recommendation was made by Patricia Wells, which was seconded by Diane Hoppe. The motion was passed (6-2). The Chair abstained from the vote.

Staff Recommendation: Staff recommends the Board approve a loan not to exceed \$727,200 (\$720,000 for project cost and \$7,200 for the 1% service fee) from the Construction Fund to the Wadley Farms Filing No. 3 Homeowners' Association for cost related to the Water Rights Purchase Project. The loan terms shall be 30 years at a high-income municipal interest rate of 3.00% per annum. Security for the loan shall be in compliance with CWCB Financial Policy #5.

31. Finance – Emergency Loans (3:30 – 5:00)

a. Union Ditch Company - Emergency Union Ditch Repair

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

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 Union Ditch Company for 100% of engineering and construction costs related to the Emergency Union Ditch 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 1.80% 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. Davidson Ditch and Reservoir Company - Emergency Davidson Ditch Lining

Action: Presentation by Anna Mauss. A motion to approve the staff recommendation was made by Patricia Wells, which was seconded by Diane Hoppe. The motion was passed unanimously (9-0).

Staff Recommendation: Staff recommends the Board approve a loan not to exceed \$37,370 (\$37,000 for project cost and \$370 for the 1% service fee) to the Davidson Ditch and Reservoir Company for 100% of engineering and construction costs related to the Emergency Davidson Ditch Lining 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 2.45% 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. Beeman Irrigating Ditch and Milling Company - Emergency Beeman Diversion Dam Repair

Action: Presentation by Anna Mauss. Rich Bell, President of the Beeman Irrigating Ditch and Milling Company, addressed the Board. A motion to approve the staff recommendation was made by Travis Smith, which was seconded by Diane Hoppe. The motion was passed unanimously (9-0).

Staff Recommendation: Staff recommends the Board approve a loan not to exceed \$2,020,000 (\$2,000,000 for project cost and \$20,000 for the 1% service fee) to the Beeman Irrigating Ditch and Milling Company for 100% of engineering and construction costs related to the Emergency Beeman Diversion Dam 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 1.75% per annum. Security for the loan shall be in compliance with CWCB Financial Policy #5. Staff additionally recommends the following contract conditions: Any future grant funds obtained and/or Excel Energy contributions 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

Consolidated Home Supply Ditch & Reservoir Company - Emergency George Rist Ditch Repair

- d. Consolidated Home Supply Ditch and Reservoir Company – Emergency George Rist Ditch Repair

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

Staff Recommendation: Staff recommends the Board approve a loan not to exceed \$448,440 (\$444,000 for Project cost and \$4,440 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 George Rist Ditch 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.

- e. Butte Irrigating and Milling Company - Emergency Berm Repair

Action: Presentation by Jonathan Hernandez. Todd Doherty, Water Resources Administrator for the City of Boulder, addressed the Board. A motion to approve the staff recommendation was made by Diane Hoppe, which was seconded by Ty Wattenberg. The motion was passed unanimously (9-0).

Staff Recommendation: Staff recommends the Board approve a loan not to exceed \$277,750 (\$275,000 for Project cost and \$2,750 for the 1% service fee) to the Butte Irrigating and Milling Company for 100% of engineering and construction costs related to the Emergency Berm 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 2.30% 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.

- f. Green Ditch Company - Emergency Green Ditch Channel Repair

Action: Presentation by Jonathan Hernandez. Todd Doherty, Water Resources Administrator for the City of Boulder, addressed the Board. A motion to approve the staff recommendation was made by Travis Smith, which was seconded by Diane Hoppe. The motion was passed unanimously (9-0).

Staff Recommendation: Staff recommends the Board approve a loan not to exceed \$530,250 (\$525,000 for Project cost and \$5,250 for the 1% service fee) to the Green Ditch Company for 100% of engineering and construction costs related to the Emergency Green Ditch Channel 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.

g. City of Evans - Emergency Evans Town Ditch Repairs

Action: Presentation by Anna Mauss. Fred Star of the City of Evans addressed the Board. A motion to approve the staff recommendation was made by Diane Hoppe, which was seconded by Ty Wattenberg. The motion was passed unanimously (9-0).

Staff Recommendation: Staff recommends the Board approve a loan not to exceed \$722,150 (\$715,000 for project cost and \$7,150 for the 1% service fee) to the City of Evans, acting by and through its Water Activity Enterprise, for 100% of engineering and construction costs related to the Emergency Evans Town Ditch 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 middle-income municipal interest rate of 2.75% 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. Palmerton Consolidated Ditch Company - Emergency Palmerton Diversion and Ditch Repairs

Action: Consideration of this recommendation was tabled until January 2014.

Staff Recommendation: Staff recommends the Board approve a loan not to exceed \$1,287,548 (\$1,274,800 for project cost and \$12,748 for the 1% service fee) to the Palmerton Consolidated Ditch Company for 100% of engineering and construction costs related to the Emergency Palmerton Diversion and Ditch 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.

ADJOURN

A motion was made by Jay Gallagher to adjourn the November 2013 Board meeting, which was seconded by Diane Hoppe. The motion was approved unanimously (9-0).