



COLORADO

**Colorado Water
Conservation Board**

Department of Natural Resources

John W. Hickenlooper
Governor

Robert Randall
DNR Executive Director

Rebecca Mitchell
CWCB Director

DRAFT

Summary Minutes and Record of Decisions September 19 - 20, 2018 Board Meeting

A regular meeting of the Colorado Water Conservation Board (CWCB) convened at the Steamboat Grand, located at 2300 Mt Werner Circle, Steamboat Springs, CO 80487. The meeting was called to order by Chair Jim Yahn. Nine voting members were present at the call to order, so a quorum was present (at least 6 required). Voting members present were: Jay Gallagher, Russell George, Jim Yahn, Jack Goble, Heather Dutton, Celene Hawkins, Steven Anderson, Curran Trick, and Patti Wells. Ex-officio voting member Robert Randall, Executive Director of the Department of Natural Resources, was absent the first part of the day; Amy Moyer attended in morning. Non-voting ex officio members present or represented were Jenn Yezak, Deputy Director of the Department of Agriculture; John Stulp, Director of the IBCC; Laura Chartrand, Deputy Attorney General, Colorado Department of Natural Resources and Environment Section; Bob Broscheid; Colorado Parks and Wildlife Director; Kevin Rein, State Engineer; and Rebecca Mitchell, Colorado Water Conservation Board Director.

On the second day, the meeting was called to order by Chair Jim Yahn. Ten voting members were present at the call to order, so a quorum was present (at least 6 required). The voting members present were: Jay Gallagher, Russell George, Patti Wells, Steven Anderson, Curran Trick, Jim Yahn, Jack Goble, Heather Dutton, Celene Hawkins, and Robert Randall. Non-voting ex officio members present or represented were Laura Chartrand, Deputy Attorney General, Colorado Department of Natural Resources and Environment Section; John Stulp, Director of the IBCC (absent); Kevin Rein, State Engineer; Bob Broscheid; Colorado Parks and Wildlife Director (absent); and Rebecca Mitchell, Colorado Water Conservation Board Director.

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.



1. Review and Approve Agenda

Action: A motion to approve the September 2018 agenda was made by Heather Dutton, which was seconded by Jay Gallagher. The motion was approved unanimously (9-0).

2. Review and Approve July 18 - 19, 2018 Board Meeting Minutes

Action: A motion to approve the July 2018 minutes was made by Celene Hawkins, which was seconded by Jay Gallagher. The motion was approved unanimously (9-0).

3. Approve and/or Remove Consent Agenda Items

Action: A motion to approve the Consent Agenda was made by Patti Wells, which was seconded by Jack Goble. The motion was approved unanimously (9-0).

1. Statements of Opposition

Stream & Lake Protection Section

The Board will be asked to ratify Statements of Opposition that have been filed by staff to protect instream flow and natural lake level water rights and to protect CWCB's exclusive authority to hold instream flow water rights in the following water court cases:

- a. Case No. 18CW3090 (Water Division 1): Application of City of Westminster*

2. Floodplain Designations

Watershed and Flood Protection Section

- a. "Flood Hazard Area Delineation Update for Rangeview Gulch Between South Platte River and Turtle Lake", by Ayres Associates, dated January 2017*
- b. "Flood Hazard Area Delineation Report, Big Dry Creek, Downstream of County Line Road", by RESPEC, dated February 2018*
- c. "Flood Hazard Area Delineation, Grange Hall Creek and Tributaries", by RESPEC, dated June 2018*

3. New Prequalification Loans

Finance Section

- a. Schneider Ditch Company - Schneider Ditch Diversion Structure Replacement*

4. Change to Existing WSRF Grant

Finance Section

- a. City of Lamar - Repurposing of Wells 12 and 13*

4. Proposed Board Meeting Dates in 2018

- a. November 14 & 15 South Platte Basin*

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

5. Directors' Reports

a. Department of Natural Resources Executive Director

Action: Report by Amy Moyer, standing in for Robert Randall. This was an informational item only. No Board action was required.

b. Interbasin Compact Committee Director

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

c. Agriculture Commissioner

Action: Report by Jenn Yezak. This was an informational item only. No Board action was required.

d. Colorado Water Conservation Board Director

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

e. State Engineer

Action: Report by Kevin Rein and Erin Light Div. 6 DWR addressed the board. This was an informational item only. No Board action was required.

f. Division of Parks and Wildlife

Action: Report by Bob Broscheid. This was an informational item only. No Board action was required.

g. Water Resource and Power Development Authority

Action: No report.

6. Update on Community Compliance with Colorado Floodplain Rules and Regulations

Watershed and Flood Protection Section

Action: Report by CWCB staff member Stephanie DiBetitto. This was an informational item only. No Board action was taken.

7. Temporary Designation of Best Available Floodplain Data Policy

Watershed and Flood Protection Section

Action: Report by CWCB staff member Stephanie DiBetitto. A motion to approve the staff recommendation was made by Patti Wells, which was seconded by Heather Dutton (Celene Hawkins was absent from the vote). The motion was approved unanimously (8-0).

Staff Recommendation: Staff recommends the Board adopt the "Temporary Designation of Best Available Floodplain Data" policy.

8. State Flood Mitigation Plan Update

Watershed and Flood Protection Section

Action: Report by CWCB staff member Stephanie DiBetitto. A motion to approve the staff recommendation was made by Patti Wells, which was seconded by Jay Gallagher (Celene Hawkins was absent from the vote). The motion was approved unanimously (8-0).

Staff Recommendation: Staff recommends the Board adopt the 2018 updates to the State Flood Mitigation Plan.

9. State Lidar Plan Update

Watershed and Flood Protection Section

Action: Report by CWCB staff member Thuy Patton. This was an informational Item only. No Board action was taken.

10. Lower Boulder Creek Floodway Update

Watershed and Flood Protection Section

Action: Report by CWCB staff member Thuy Patton. A motion to approve the staff recommendation was made by Russ George, which was seconded by Heather Dutton. The motion was approved unanimously (9-0).

Staff Recommendation: Staff recommends that the Board designate the 2D floodway for Boulder Creek from Kenosha Rd/115th Street to the Weld.

11. 2013 Flood 5-Year Anniversary

Watershed and Flood Protection Section

Action: Report by CWCB staff member Chris Sturm, Thuy Patton, and Stephanie DiBetitto. This was an informational Item only. No Board action was taken.

12. Water Supply Reserve Funding (WSRF)

Water Supply Planning Section

Water Supply Reserve Fund Applications for Consideration at the CWCB July 2018 Board Meeting			
Item	Basin(s)	Applicant	Name of Water Activity
a.	Gunnison	Surface Creek Ditch and Reservoir Company	Deep Ward Dam Rehabilitation Project
<p>Action: Report by CWCB staff member Ben Wade. Bob Morris Surface Creek Ditch and Reservoir Company addressed the Board. A motion to approve the staff recommendation made by Steve Anderson, which was seconded by Heather Dutton. The motion was approved unanimously (9-0).</p> <p>Staff recommendation: Staff recommends approval of up to \$50,000 from the Gunnison Basin Account, and \$190,000 from the Statewide Account to help fund the project titled: Deep Ward Dam Repair Project.</p>			

b.	Gunnison	Tri-County Water Conservancy District & Dallas Creek Water Company, Inc.	Emergency Domestic Water Supply
<p>Action: Report by CWCB staff member Ben Wade. Mike Berry General Manager Tri-County Water Conservancy District addressed the Board. A motion to approve the staff recommendation made by Steve Anderson which was seconded by Jack Goble. The motion was approved unanimously (9-0).</p> <p>Staff recommendation: Staff recommends approval of up to \$50,000 from the Gunnison Basin Account, and \$190,000 from the Statewide Account to help fund the project titled: Emergency Domestic Water Supply.</p>			
c.	Arkansas	Beaver Park Water	Upper Canal Lining Removal & Replacement Phase 2
<p>Action: Report by CWCB staff member Ben Wade. Steve Kastner Engineer Beaver Park Water and Butch Miller Board member Beaver Park Water addressed the Board. A motion to approve the staff recommendation made by Jack Goble, which was seconded by Jay Gallagher. The motion was approved unanimously (9-0).</p> <p>Staff recommendation: Staff recommends approval of up to \$8,000 from the Arkansas Basin Account; and \$80,000 from the Statewide Account to help fund the project titled: Upper Canal Lining Removal and Replacement Project - Phase 2</p>			
d.	Arkansas	Lake County	Lake County Derry Flume & Hayden Reservoir Project
<p>Action: Report by CWCB staff member Ben Wade. Sarah Mudge Lake County Commissioner addressed the Board. A motion to approve the staff recommendation made by Jack Goble, which was seconded by Heather Dutton. The motion was approved unanimously (9-0).</p> <p>Staff recommendation: Staff recommends approval of up to \$2,400 from the Arkansas River Basin Account and \$23,905 from the Statewide account to help fund the project titled: Lake County Derry Flume & Hayden Reservoir Project</p>			
e.	Arkansas	Arkansas River Watershed Collaborative	Monarch Pass Forest and Watershed Health Project
<p>Action: Report by CWCB staff member Ben Wade. Chelsey Nutter Project Manager with Upper Arkansas Water Conservancy District and Greg Johnson CWCB staff member addressed the Board. A motion to approve the staff recommendation made by Jack Goble, which was seconded by Celene Hawkins. The motion was approved unanimously (9-0).</p> <p>Staff recommendation: Staff recommends approval of up to \$37,000 from the Arkansas River Basin Account and \$366,739 from the Statewide account to help fund the project titled: Monarch Pass Forest and Watershed Health Project</p>			
f.	Arkansas	Arkansas River Water Basin Forum	Arkansas Basin Roundtable

			Website
<p>Action: Report by CWCB staff member Ben Wade. Chelsey Nutter Project Manager Upper Arkansas Water Conservancy District, addressed the Board. A motion to approve the staff recommendation made by Jack Goble, which was seconded by Heather Dutton. The motion was approved unanimously (9-0).</p> <p>Staff recommendation: Staff recommends approval of up to \$5,240 from the Arkansas River Basin Account and \$7,860 from the Statewide account to help fund the project titled: Arkansas Basin Roundtable Website</p>			
g.	Yampa/White/Green	Friends of the Yampa	Yampa River Leafy Spurge Project
<p>Action: Report by CWCB staff member Megan Holcomb. Tim Corrigan, Routt County Commissioner addressed the Board. A motion to approve the staff recommendation made by Jay Gallagher, which was seconded by Jack Goble. The motion was approved unanimously (9-0).</p> <p>Staff recommendation: Staff recommends approval of up to \$89,000 from the Yampa/White/Green Basin Account to help fund the project titled: Yampa River Leafy Spurge Project—Integrated Management & Predictive Modelling—Research Component.</p>			
h.	Southwest	Webber Ditch Company	Webber Ditch Diversion and Piping Project
<p>Action: Report by CWCB staff member Megan Holcomb. A motion to approve the staff recommendation made by Celene Hawkins, which was seconded by Heather Dutton. The motion was approved unanimously (9-0).</p> <p>Staff recommendation: Staff recommends approval of up to \$25,000 from the Southwest Basin Account and \$239,400 from the Statewide Account to fund the project titled: Webber Ditch Diversion and Piping Project.</p>			
i.	Southwest	RiversEdge West	Dolores River Restoration Partnership Maintenance and Monitoring
<p>Action: Report by CWCB staff member Megan Holcomb. A motion to approve the staff recommendation made by Celene Hawkins, which was seconded by Jack Goble. The motion was approved unanimously (9-0).</p> <p>Staff recommendation: Staff recommends approval of up to \$25,000 from the Southwest Basin Account to fund the project titled: Dolores River Restoration Partnership Maintenance and Monitoring.</p>			
j.	Colorado	Grand Valley Water Users Association	Grand Valley Roller Dam Electrical Upgrade Project
<p>Action: Report by CWCB staff member Megan Holcomb. A motion to approve the staff</p>			

recommendation made by Russ George, which was seconded by Jay Gallagher. The motion was approved unanimously (9-0).

Staff recommendation: Staff recommends approval of up to \$60,000 from the Colorado Basin Account to help fund the project titled: Grand Valley Roller Dam Electrical Upgrade Project.

k.	Colorado	Harry Teff	Kendall Reservoir
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Action: Report by CWCB staff member Megan Holcomb. A motion to approve the staff recommendation made by Russ George, which was seconded by Jack Goble. The motion was approved unanimously (9-0).

Staff recommendation: Staff recommends approval of up to \$18,900 from the Colorado Basin Account to fund the project titled: Investigations & Engineering Design of Kendall Reservoir Rehabilitation Improvements.

l.	South Platte	Big Thompson Conservation District	Irrigation Water Return Flow Filter Strip
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Action: Report by CWCB staff member Megan Holcomb. A motion to approve the staff recommendation made by Patti Wells, which was seconded by Heather Dutton. The motion was approved unanimously (9-0).

Staff recommendation: Staff recommends approval of up to \$6,600 from the South Platte Basin Account to help fund the project titled: Irrigation Water Return Flow Filter Strip.

m.	South Platte	Lefthand Watershed Oversight Group	Fish Passage and Education on Left Hand Creek
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Action: Report by CWCB staff member Megan Holcomb. A motion to approve the staff recommendation made by Patti Wells, which was seconded by Jack Goble. The motion was approved unanimously (9-0).

Staff recommendation: Staff recommends approval of up to \$25,000 from the South Platte Basin Account; and \$25,000 from the Statewide Account to help fund the project titled: Fish Passage and Education on Left Hand Creek.

n.	Metro/South Platte	Lower South Platte Water Conservancy District	South Platte Regional Water Development Concept Pre-Feasibility Study
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Action: Report by CWCB staff member Russ Sands. Joe Frank General Manager for Lower South Platte Water Conservancy District addressed the Board. A motion to approve the staff recommendation made by Patti Wells, which was seconded by Jack Goble. The motion was approved unanimously (9-0).

Staff recommendation: Staff recommends approval of up to \$77,500 from the South Platte Basin Account; \$77,500 from the Metro Account; and \$195,000 from the Statewide Account to help fund the project titled: South Platte Regional Water Development Concept Feasibility Study.

13. Colorado River Basin Drought Contingency Planning

Interstate, Federal & Water Information Section

Action: Report by CWCB staff member Brent Newman and Karen Kwon Attorney General staff. This was an informational Item only. No Board action was taken.

Public Comment:

1. Tom Alvey Board Member Colorado River District,
2. Bob Wolf President Southwestern Water Conservancy District,
3. Peter Fleming General Counsel Colorado River District,
4. Beth Vanberth General Counsel Southwestern Water Conservation District,
5. Bruce Whitehead Executive Director Southwestern Water Conservancy District,
6. Jim Lochhead CEO Denver Water
7. Kathy Kitsman Water Resources Principle City of Aurora
8. Patrick Wells General Manager Colorado Springs Utilities
9. Lee Miller General Counsel Southeastern Water Conservancy District
10. Brad Wind General Manager Northern Water
11. Bennett Raley, General Counsel Northern Water
12. Kathleen Curry Upper Gunnison River Water Conservation District and Chair Gunnison Basin Roundtable
13. Jackie Brown Chair Yampa/White basin roundtable
14. Alden Vanderbrink Rio Blanco Water Conservancy District
15. Kevin Lusk President Twin Lakes Reservoir and canal company

Staff Recommendation: Staff recommends that the Board take testimony from the public regarding demand management. Staff recommends the Board consider, in consultation with the State Engineer, adopting a position that sets forth the Board's approach for determining how evaluation, exploration, and development of any demand management program in Colorado will proceed. The intent of this position and direction to staff will be to appropriately capture and address both current and future input regarding demand management as it evolves. Staff will be prepared to present the Board with draft position considerations following testimony by the public and the opportunity to have any legal advice provided during executive session.

14. Glenwood Springs RICD

Interstate, Federal & Water Information Section

Action: Report by CWCB staff member Erik Skeie. Mark Hamilton with Hall & Hart the Aspen office, Jonathan Kelley with Wright Water Engineers, Kevin Lusk Colorado Springs Utilities, and Jay Skinner Colorado Parks and Wildlife. This was an informational item only. No Board action was required.

15. Attorney General's Report, Legal Briefing, and Executive Session

Action: Report by Laura Chartrand, Deputy Attorney General for Natural Resources. This was an informational item only. No Board action was required.

16. Executive Session

Action: Under the Colorado Open Meetings Act, C.R.S. Section 24-6-402(3)(a)(II), a motion was made by Steve Anderson for the Board to go into executive session for the discussion of agenda items 16.a. through 16.f, excluding 16. c. The motion was seconded by Heather Dutton. The motion was approved unanimously (8-0).

- a. Rio Grande Issues
 - 1. Status Update on Texas v. New Mexico and Colorado, Orig. No. 141
- b. Bear Creek Lake Reallocation
- e. **This was removed per staff request**—Colorado River Issues—This was removed by recommendation Laura Chartrand
 - ~~1. Colorado River Basin Drought Contingency Planning~~
 - ~~2. Demand Management Outreach/Studies~~
 - ~~3. Upper Colorado River Basin Fund Monies~~
 - ~~4. Aspinall Unit Operations~~
 - ~~5. Reserve Water Rights Settlement—Utah/Navajo~~
 - ~~6. Basin Fund Memorandum of Agreement~~
- d. Administrative Process to Recognize Claimed Stockwatering Uses Pursuant to Section 37-92-102(3)(b), C.R.S.
- e. Requests for Administration of Instream Flow Water Rights
- f. Glenwood Springs RICD
T&G Enterprises/Ackerman v. Big Elk Meadows Ass’n Case Nos. 17CV31102 and 17CV31281

17. Report From Executive Session

Action: Heather Dutton made a motion for the Board to leave Executive Session, which was seconded by Jack Goble. The motion was approved unanimously (9-0).

18. Basin Directors’ Reports

- a. Colorado River (Mainstem) Basin Director’s Report

Action: Report by Russell George. This was an informational item only. No Board action was required.

- b. San Juan/San Miguel-Dolores River Basin Director’s Report

Action: Report by Celene Hawkins. This was an informational item only. No Board action was required.

- c. Gunnison River Basin Director’s Report

Action: Report by Steven Anderson. This was an informational item only. No Board action was required.

d. North Platte River Basin Director's Report

Action: Report by Curran Trick. This was an informational item only. No Board action was required.

e. Yampa-White River Basin Director's Report

Action: Report by Jay Gallagher. This was an informational item only. No Board action was required.

f. Arkansas River Basin Director's Report

Action: Report by Jack Goble. This was an informational item only. No Board action was required.

g. City and County of Denver Director's Report

Action: Report by Patti Wells. This was an informational item only. No Board action was required.

h. Rio Grande River Basin Director's Report

Action: Report by Heather Dutton. This was an informational item only. No Board action was required.

i. South Platte River Basin Director's Report

Action: Report by Jim Yahn. This was an informational item only. No Board action was required.

19. Northern Colorado Water Conservancy District Dedication of Mitigation Releases for Instream Flow Use in the Cache la Poudre River (Water Div. 1)

Stream and Lake Protection Section

Action: Report by CWCB staff member Kaylea White and Linda Bassi. Jerry Gibbens Director of Operations Northern Water addressed the board. A motion to approve the staff recommendation was made by Patti Wells, which was seconded by Celene Hawkins. The motion was approved unanimously (10-0).

Staff Recommendation:

1. Conclude that use of the water under the proposed acquisition by dedication agreement of the Protected Mitigation Releases is appropriate to preserve and improve the natural environment of the Cache la Poudre River in the Qualifying Stream Reach to a reasonable degree;
2. Determine that the acquired Protection Mitigation Releases would be best utilized by protecting the water through the specified Qualifying Stream Reach up to the recommended winter and summer preserve and improve flow rates presented herein;
3. Accept the dedication of water from Northern;
4. Authorize the Director to execute the Dedication Agreement in a form substantially similar to the attached draft; and
5. Direct staff to work with the Attorney General's Office and Northern to file water court application in accordance with SB 18-170.

20. Abrams Creek Instream Flow Appropriation (Water Division 5)

Stream and Lake Protection Section

Action: Report by CWCB staff member Rob Viehl. A motion to approve the staff recommendation was made by Patti Wells, which was seconded by Heather Dutton. The motion was approved unanimously (10-0).

Staff recommendation: Staff recommends that the Board make the following determinations and take the following actions on the appropriation identified in the attached table, based on the information contained in this memo as well as the information presented by staff both in writing and orally at the January 22, 2018 Board meeting:

(1) Determine, pursuant to section 37-92-102(3), C.R.S. (2018), and based upon the recommendations of the BLM addressing biological needs, flow rates, reaches and time periods, and a review of the data and other information presented by Staff in this memo and orally, that the ISF appropriation in the amounts identified in the attached table:

(a) There is a natural environment that can be preserved to a reasonable degree with the recommended water rights, if granted;

(b) The natural environment will be preserved to a reasonable degree by the water available for the recommended appropriations; and

(c) Such natural environment can exist without material injury to water rights.

(2) Pursuant to ISF Rule 5f., establish January 22, 2018 as the appropriation date for this water rights.

(3) Direct staff to request the Attorney General's Office to file the necessary water right application and to include the terms and conditions contained in Staff's stipulation with the District and TU in the water court application and decree for this ISF appropriation.

~~21. Lease of Water to Benefit Endangered Fish on the Yampa River~~

Interstate, Federal & Water Information Section - Removed per staff request

22. Financial Matters - Construction Fund and Severance Tax Perpetual Base Fund

Finance Section

- a. Financial Projections and Cash Management Report
- b. Two Rivers Water & Farming Company and Two Rivers Farms F-2 Inc. - Loan Payment Delinquency

Action: Report by CWCB staff member Kirk Russell. This was an informational item only. No Board action was required.

23. Water Project Loans

Finance Section

- a. Central Colorado Water Conservancy District - Walker Recharge

Action: Report by CWCB staff member Jonathan Hernandez. Randy Ray Executive Director Central Water Conservancy District addressed the board. A motion to approve the staff

recommendation was made by Patti Wells, which was seconded by Jack Goble. The motion was approved unanimously (9-0) Curran Trick recused herself from the vote.

Staff Recommendation: Staff recommends the Board request the General Assembly to authorize a loan for \$2,272,500 (\$2,250,000 for Project costs and \$22,500 for the 1% loan service fee) to the Central Colorado Water Conservancy District, acting by and through a water activity enterprise, for the Walker Recharge Project in the 2019 CWCB Project Bill, from the Severance Tax Perpetual Base Fund. 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.

Additionally, Staff recommends the following contract condition:

1. Disbursal of loan funds shall be contingent on GMS and WAS either executing its respective Walker Recharge CWCB loan contract, or providing evidence of other funding or financing to fully cover its Project cost share.

b. Well Augmentation Subdistrict of Central Colorado Water Conservancy District - Walker Recharge

Action: Report by CWCB staff member Jonathan Hernandez. A motion to approve the staff recommendation was made by Patti Wells, which was seconded by Jack Goble. The motion was approved unanimously (9-0) Curran Trick recused herself from the vote.

Staff Recommendation: Staff recommends the Board request the General Assembly to authorize a loan for \$3,030,000 (\$3,000,000 for Project costs and \$30,000 for the 1% loan service fee) to the Well Augmentation Subdistrict of Central Colorado Water Conservancy District for the Walker Recharge Project in the 2019 CWCB Project Bill, from the Severance Tax Perpetual Base Fund. 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.

Additionally, Staff recommends the following contract condition:

1. Disbursal of loan funds shall be contingent on CCWCD and GMS either executing its respective Walker Recharge CWCB loan contract, or providing evidence of other funding or financing to fully cover its Project cost share.

c. Groundwater Management Subdistrict of Central Colorado Water Conservancy District - Walker Recharge

Action: Report by CWCB staff member Jonathan Hernandez. A motion to approve the staff recommendation was made by Patti Wells, which was seconded by Jack Goble. The motion was approved unanimously (9-0) Curran Trick recused herself from the vote.

Staff Recommendation: Staff recommends the Board request the General Assembly to authorize a loan for \$9,847,500 (\$9,750,000 for Project costs and \$97,500 for the 1% loan service fee) to the Groundwater Management Subdistrict of Central Colorado Water Conservancy District for the Walker Recharge Project in the 2019 CWCB Project Bill, from the

Severance Tax Perpetual Base Fund. 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.

Additionally, Staff recommends the following approval condition:

1) Execution of the contract shall be contingent upon voter approval of new GMS bond debt at an upcoming election. Should GMS decide to finance this debt through other means, including through its water activity enterprise, GMS will be required to submit an amended loan application and feasibility study for a new board approval.

d. Arabian Acres Metropolitan District - Automatic Meter Implementation

Action: Report by CWCB staff member Rachel Pittinger. A motion to approve the staff recommendation was made by Jack Goble, which was seconded by Jay Gallagher. The motion was approved unanimously (9-0).

Staff Recommendation: Staff recommends the Board approve a loan not to exceed \$404,000 (\$400,000 for the Project costs and \$4,000 for the 1% service fee) to the Arabian Acres Metropolitan District, acting by and through its water activity enterprise, for costs related to the Automatic Meter Implementation Project, from the Construction Fund. The loan terms shall be 10 years at a reduced low-income municipal interest rate of 1.85% per annum. Security for the loan shall be in compliance with CWCB Financial Policy #5.

24. Changes to Existing Loans

Finance Section

a. Trinchera Irrigation Company - Mountain Home Dam Outlet Rehabilitation Phase III

Action: Report by CWCB staff member Jonathan Hernandez. Wayne Shwab with Trinchera Irrigation Company addressed the board. A motion to approve the staff recommendation was made by Heather Dutton, which was seconded by Jack Goble. The motion was approved unanimously (9-0).

Staff Recommendation: Staff recommends the Board approve a loan increase of \$316,130 (\$313,000 for Project costs and \$3,130 for the 1% service fee) for a total loan not to exceed \$756,490 (\$749,000 for Project costs and \$7,490 for the 1% service fee) to the Trinchera Irrigation Company for costs related to the Mountain Home Dam Outlet Rehabilitation Phase III Project, from the Severance Tax Perpetual Base Fund. The loan terms shall remain 30 years at the agricultural interest rate of 1.65% per annum. Security for the loan shall remain in compliance with CWCB Financial Policy #5.

25. Colorado Water Plan Implementation Update

Action: Report by CWCB staff member Taryn Finnessey. This was an informational Item only. No Board action was taken.

26. Colorado Drought Mitigation and Response Plan

Action: Report by CWCB staff member Taryn Finnessey. A motion to approve the staff recommendation was made by Curran Trick, which was seconded by Steve Anderson. 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 2018 revised Colorado Drought Mitigation and Response Plan.

27. Colorado Water and Growth Dialogue

Water Supply Planning Section

Action: Report by CWCB staff member Kevin Reidy. Matt Mullica with Keystone group addressed the board. This was an informational Item only. No Board action was taken.

28. Alternative Transfer Method (ATM) Grant Program

Interstate, Federal & Water Information Section

- a. HB 13-1248 Lease Fallow Pilot Project Climate and Evapotranspiration Data Verification

Action: Report by CWCB staff member Alex Funk and Tracy Kosloff DWR staff member. A motion to approve the staff recommendation was made by Robert Randall, which was seconded Jack Goble. The motion was approved unanimously (9-0).

Staff Recommendation: Staff recommends approval of up to \$50,000 from the Alternative Agricultural Water Transfer Methods Grant Program to help fund the “HB 13-1248 Lease Fallow Pilot Project Climate and Evapotranspiration Data Verification to Support Applications across Colorado” project.

29. Deep Creek Stakeholder Group Update

Stream and Lake Protection Section

Action: Report by CWCB staff member Linda Bassi. This was an informational Item only. No Board action was taken.

30. Colorado River Water Conservation District Lease of Ruedi Water for Instream Flow Use - Additional Locations of Use

Stream and Lake Protection Section

Action: Report by CWCB staff member Linda Bassi. This was an informational Item only. No Board action was taken.

31. Terms for the Sale of CWCB Shares in the Chatfield Reallocation Project

Finance Section

Action: Report by CWCB staff member Lauren Ris. A motion to approve the staff recommendation was made by Patti Wells, which was seconded by Heather Dutton. The motion was approved unanimously (9-0) with amendments.

Staff Recommendation: Staff recommends that the Board approve the following terms for selling CWCB shares in the Chatfield Storage Reallocation Project to Dominion and direct staff to enter into a purchase agreement with Dominion consistent with these terms:

- Dominion will purchase 500 AF of storage space over 15 years.
- ~~The price per acre-foot will be \$8,300.94 (the current construction project cost estimate) or the final amount of a pro rata cost of the project as determined at project completion.~~ **Removed per staff request**
- Dominion will close on 10 AF of storage within 90 days after complete execution of the purchase agreement, and thereafter purchase no less than 33 AF each year, commencing one year after the closing date, but may purchase more in any year.
- Dominion may delay purchase for one year up to five times without forfeiting the agreement, but not in consecutive years. Request to delay purchase in consecutive years will give the CWCB the ability to terminate the agreement.
- Dominion will pay O&M & RRR-R costs charged by the federal government for the optioned acre-feet that the CWCB is holding for Dominion's future purchase.

Board directed staff to come back in November with a policy for determining the price of all future sales in the project.

Meeting Adjourned

A motion to adjourn the September 2018 Board meeting was made by Jack Goble, which was seconded by Jay Gallagher. The motion was approved unanimously (9-0).