

## **DRAFT**

### **Summary Minutes and Record of Decisions**

#### **November 20 & 21, 2024, Board Meeting**

A regular meeting of the Colorado Water Conservation Board (CWCB) convened at Denver Water, Three Stones Building in Denver and virtually on zoom. The meeting was called to order by Chair Nathan Coombs. 8 voting members were present at the call to order, so a quorum was present (at least 6 required). Voting members present were: Brad Wind, Paul Bruchez (joined at agenda item 4), Barbara Vasquez (joined at agenda item 4), Jaclyn Brown, Lorelei Cloud, John McClow, Jessica Brody, Nathan Coombs, and Greg Felt, and ex-officio voting member Dan Gibbs, Executive Director of the Department of Natural Resources. Non-voting ex officio members present or represented were: Scott Steinbecher, Attorney General's Office; Matt Nicholl, Colorado Parks and Wildlife; Kate Greenberg, Department of Agriculture; Jason Ullman, State Engineer, IBCC Director; Becky Mitchell, and Lauren Ris, Colorado Water Conservation Board Director. Counsel to the Board, Jen Mele, was also in attendance.

On the second day, the meeting was called to order by Chair Nathan Coombs. 10 voting members were present at the call to order, so a quorum was present (at least 6 required). The voting members present were: Paul Bruchez, Jessica Brody, John McClow, Barbara Vasquez, Brad Wind, Greg Felt, Lorelei Cloud, and Nathan Coombs, and ex-officio voting member Dan Gibbs, Executive Director of the Department of Natural Resources. Non-voting ex officio members present or represented were: Kate Greenberg, Department of Agriculture; Jason Ullman, State Engineer, IBCC Director, Becky Mitchell and Lauren Ris, Colorado Water Conservation Board Director. Counsel to the Board, Jen Mele was also in attendance.

**Wednesday, November 20, 2024**

**1 Review and Approve Agenda**

A motion to approve the agenda was made by Jessica Brody, which was seconded by Greg Felt. The motion was approved unanimously (8-0).

**2 Review and Approve September 18, 2024 Board Meeting Minutes**

A motion to approve the September 2024 Board minutes was made by John McClow, which was seconded by Jessica Brody. The motion was approved unanimously (8-0).

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

A motion to approve the Consent Agenda Items was made by Jaclyn Brown, which was seconded by Greg Felt. The motion was approved unanimously (8-0).

**1. Statements of Opposition**

*Stream & Lake Protection Section*

*Staff recommends the Board ratify CWCB's filing of the following Statements of Opposition:*

- a. Case No. 24CW3124 (Water Division 1): Application of Richard Williams
- b. Case No. 24CW3008 (Water Division 3): Application of San Luis Valley Water Conservancy District, by and through its Augmentation Program Enterprise and the Beaver Mountain Estates Property Owners Association, Inc.
- c. Case No. 24CW3116 (Water Division 5): Application of City of Colorado Springs

**2. Water Supply Reserve Fund Grants**

*Water Supply Planning Section*

- a. **Basin** - Rio Grande  
**Applicant** - Colorado Rio Grande Restoration Foundation  
**Name of Water Activity** - Rio Grande Tea Cup River & Flood Irrigation Restoration Project - Planning & Design
- b. **Basin** - Southwest  
**Applicant** - Town of Sawpit  
**Name of Water Activity** - Town of Sawpit Well Design

**3. Floodplain Designations**

	<p><i>Watershed and Flood Protection Section</i></p> <ul style="list-style-type: none"> <li>a. "Flood Insurance Study, Weld County, Colorado, and Incorporated Areas", by FEMA, dated September 26, 2024</li> <li>b. "Flood Insurance Study, Boulder County, Colorado, and Incorporated Areas", by FEMA, dated October 24, 2024</li> </ul> <p><b>4. Loan De-Authorization</b></p> <p><i>Finance Section</i></p> <ul style="list-style-type: none"> <li>a. Duke Ditch Company - Piping the Duke Ditch</li> <li>b. Logan Irrigation District - Prewitt Reservoir Rehabilitation</li> </ul>
<b>4</b>	<b>Directors' Reports</b>
<b>4a.</b>	DNR Executive Director - Dan Gibbs
<b>4b.</b>	CWCB Director – Lauren Ris
<b>4c.</b>	IBCC Director – Becky Mitchell
<b>4d.</b>	Agriculture Commissioner – Kate Greenberg
<b>4e.</b>	State Engineer – Jason Ullman
<b>4f.</b>	Colorado Parks and Wildlife Director – Matt Nicholl
<b>4g.</b>	Water Resource and Power Development Authority – Jim Griffiths
<b>5</b>	<p><b>Instream Flow Appropriations</b></p> <p><i>Stream and Lake Protection Section</i></p> <ul style="list-style-type: none"> <li>a. Notice of 2025 Instream Flow Recommended Appropriations in Water Division 4, 5, 6, and 7</li> </ul> <p><b>Action:</b> Report by CWCB staff member Rob Viehl.</p> <p><i>This is an informational item with no Board action required.</i></p>
<b>6</b>	<p><b>Colorado Water Trust 2024 Projects</b></p> <p><i>Stream and Lake Protection Section</i></p> <p><b>Action:</b> Report by CWCB staff member Rob Viehl and Kate Rejan with Colorado Water Trust.</p>

*This is an informational item with no Board action required.*

**7 Proposed Revisions to Rules Concerning the Colorado Instream Flow and Natural Lake Level Program, 2 CCR 408-2**

*Stream and Lake Protection Section*

**Action:** Report by CWCB staff member Kaylea White.

*This is an informational item with no Board action required.*

**8 Shoshone Permanency Project Update**

*Stream and Lake Protection Section*

**Action:** Report by CWCB staff member Rob Viehl and Bruce Walters and Peter Fleming with the Colorado Water Conservation District.

*This is an informational item with no Board action required.*

**9 Financial Matters – Construction Fund and Severance Tax Perpetual Base Fund**

*Finance Section*

- a. Financial Projections and Cash Management Report**
- b. Fiscal Year 2024 Financial Statements**
  - 1. Construction Fund**
  - 2. Severance Tax Perpetual Base Fund**

**Action:** Report by CWCB staff member Kirk Russell.

*This is an informational item with no Board action required.*

**10 Water Project Loans**

*Finance Section*

**a. Sterling Irrigation Company – Sterling #1 Ditch Bypass Structure Replacement**

**Action:** Report by CWCB staff member Zach Salin, Gene Manuel addressed the Board. A motion to approve the staff recommendation was made by Brad Wind, which was seconded by John McClow. The motion was approved unanimously (8-0).

**Staff Recommendation:** Staff recommends the Board approve a loan not to exceed \$1,146,350 (\$1,135,000 for project costs and \$11,350 for the 1% service fee) to the Sterling Irrigation Company for costs related to the Sterling #1 Ditch Bypass Structure Replacement, from the Severance Tax Perpetual Base Fund. The loan term will be 30 years at an interest rate of 2.15% per annum. Security for the loan shall be in compliance with CWCB Financial Policy #5.

### **b. Bergen Ditch and Reservoir Company – Rehabilitation of Polly Deane Reservoir**

**Action:** Report by CWCB staff member Zach Salin, Robert Easton addressed the Board. A motion to approve the staff recommendation was made by Jessica Brody, which was seconded by Greg Felt. The motion was approved unanimously (8-0).

**Staff Recommendation:** Staff recommends the Board approve a loan not to exceed \$305,020 (\$302,000 for project costs and \$3,020 for the 1% service fee) to the Bergen Ditch and Reservoir Company for costs related to the Rehabilitation of Polly Deane Reservoir Project, from the Construction Fund. The loan term will be 20 years at an interest rate of 2.60% per annum. Security for the loan shall be in compliance with CWCB Financial Policy #5.

Additionally, staff recommends the following supplemental contract condition:

1. The CWCB funds shall not be disbursed until all Project funding is secured.

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## **Change to Existing Loans**

### *Finance Section*

### **a. Lone Cabin Ditch and Reservoir Company – Lone Cabin Dam Rehabilitation (Payment Deferral)**

**Action:** Report by CWCB staff member Matt Stearns, Roslyn Bauer addressed the Board. A motion to approve the staff recommendation was made by John McClow, which was seconded by Paul Bruchez. The motion was approved unanimously (8-0).

**Staff Recommendation:** Staff recommends the Board approve the Lone Cabin Ditch and Reservoir Company's request for financial relief by granting three annual principal payment deferrals for Loan Contracts C153517 and C150361, totaling \$10,293 and \$11,291 respectively. The interest portion of the annual payment will continue to be due on the existing annual payment dates, which will be reflected in the revised amortization schedules. The loan terms shall remain the same.

### **b. City of Victor – Victor Reservoir No. 2 Dam Rehabilitation (2<sup>nd</sup> Increase)**

**Action:** Report by CWCB staff member Kirk Russell. A motion to approve the staff recommendation was made by Greg Felt, which was seconded by Paul Bruchez. The motion was approved unanimously (8-0).

**Staff Recommendation:** Staff recommends the Board approve a loan increase not to exceed a total loan amount of \$909,000 (\$900,000 for Project costs and \$9,000 for the 1% service fee) to the City of Victor, acting by and through its utility enterprise fund, for costs related to the Victor Reservoir No. 2 Dam Rehabilitation, from the Construction Fund. This second loan increase is an increase of \$393,900 (\$390,000 for Project costs and \$3,900 for the 1% service fee) above the first increase. The loan terms shall remain 20 years at an interest rate of 1.25% per annum. Security for the loan shall be in compliance with CWCB Financial Policy #5.

**12 Water Supply Reserve Fund Applications November 2024**

*Grants Section*

**12a Basin – Gunnison**

**Applicant** – Ryan Reservoir Company

**Name of Water Activity** – Ryan Reservoir Outlet Rehabilitation Project

**Action:** Report by CWCB staff member Ben Wade, Robert Morris addressed the Board. A motion to approve the staff recommendation was made by John McClow, which was seconded by Greg Felt. The motion was approved unanimously (8-0).

**Staff Recommendation:** Staff recommends approval of up to \$40,000 from the Gunnison Basin Account and up to \$80,150 from the Statewide Account. Project approval is contingent upon the applicant's abilities to resolve issues and additional needs identified by staff.

**12b Basin – Rio Grande**

**Applicant** – Colorado Malting Company

**Name of Water Activity** – Colorado Malting Company Expansion

**Action:** Report by CWCB staff member Ben Wade, Heather Dutton and Jason Cody addressed the Board. A motion to approve the staff recommendation was made by Jackie Brown, which was seconded by Paul Bruchez. The motion was approved unanimously (8-0).

**Staff Recommendation:** Staff recommends approval of up to \$111,500 from the Rio Grande Basin Account & up to \$638,500 from Statewide Account for a total of up to \$750,000. Project approval is contingent upon the applicants' abilities to resolve issues and additional needs identified by staff.

**12c Basin – Rio Grande**

**Applicant** – The Great Outdoors Fund

**Name of Water Activity** – The Lobatos Bridge Outdoor Classroom & Recreation Enhancement Project

**Action:** Report by CWCB staff member Ben Wade, Lori McCullough addressed the Board. A motion to approve the staff recommendation was made by Jackie Brown, which was seconded by Greg Felt. The motion was approved unanimously (8-0).

**Staff Recommendation:** Staff recommends approval of up to \$101,928 from the Rio Grande Basin Account. Project approval is contingent upon the applicants' abilities to resolve issues and additional needs identified by staff.

**12d Basin – Southwest**

**Applicant** – Conservation Legacy dba Southwest Conservation Corps

**Name of Water Activity** – Animas River Invasive Phreatophytes Removal – Stewardship & Continued Restoration Phase 3

**Action:** Report by CWCB staff member Ben Wade, Nate Peters addressed the Board. A motion to approve the staff recommendation was made by Barbara Vasquez, which was seconded by Paul Bruchez. The motion was approved unanimously (8-0).

**Staff Recommendation:** Staff recommends approval of up to \$22,667 from the Southwest Basin Account and up to \$134,155 from the Statewide Account. Project approval is contingent upon the applicants' abilities to resolve issues and additional needs identified by staff.

**13 CWCB Guide Update**  
*Water Supply Planning Section*

**Action:** Report by CWCB staff member Jeff Rodriquez.

*This is an informational item with no Board action required.*

**14 Attorney General's Report, Legal Briefing, and Executive Session**

**Action:** Report by Attorney General staff member Scott Steinbecher and Counsel to the Board, Jen Mele. A motion to go into executive session was made by John McClow, which was seconded by Greg Felt. The motion was approved unanimously (8-0).

**15 Executive Session**

- a. Federal Contracting
- b. Colorado River Negotiations

**16 Report from Executive Session**

**Action:** Report by Counsel to the Board, Jen Mele. A motion to come out of executive session was made by Jackie Brown, which was seconded by Greg Felt. The motion was approved unanimously (8-0).

**17 Colorado River Updates**  
*Interstate, Federal, and Water Information Section*

**Action:** Report by CWCB staff member Amy Ostdiek and State Engineer Jason Ullman

*This is an informational item with no Board action required.*

**18 Water Plan Grant**

*Grants Section*

**Category** – Agriculture

**Applicant** – Pothook Water Conservancy District

**Project** – Upper Little Snake River Restoration and Diversion Structure Improvements

**Action:** Report by CWCB staff member Ashley Garrison. A motion to approve the staff recommendation was made by Jackie Brown, which was seconded by John McClow. The motion was approved unanimously (8-0).

**Staff Recommendation:** Staff recommends full funding of \$781,989.00 to the Pothook Water Conservancy District for the Upper Little Snake River Restoration and Diversion Structure Improvements.

**19 Colorado Outdoor Strategy Presentation**

**Action:** Report by Colorado Parks and Wildlife staff members Tim Brass & Fletcher Jacobs and Christine Zenel with the Keystone Group.

*This is an informational item with no Board action required.*

**Thursday, November 21, 2024**

**20 Basin Directors' Reports**

**20a** Gunnison River Basin Director's Report – *John McClow*

**20b** North Platte River Basin Director's Report – *Barbara Vasquez*

**20c** South Platte River Basin Director's Report – *Brad Wind*

**20d** Arkansas River Basin Director's Report – *Greg Felt*

**20e** City and County of Denver Director's Report – *Jessica Brody*

**20f** Rio Grande River Basin Director's Report – *Nathan Coombs*

**20g** Yampa-White River Basin Director's Report – *Jackie Brown*



**20h** Colorado River (Mainstem) Basin Director's Report – *Paul Bruchez*

**20i** San Juan/San Miguel-Dolores River Basin Director's Report – *Lorelei Cloud*

**10c. Water Project Loan**

*Finance Section*

**Town of Ridgway – Beaver Creek Diversion Restoration (DIL)**

**Action:** Report by CWCB staff member Joshua Godwin. A motion to approve the staff recommendation was made by John McClow, which was seconded by Jackie Brown. The motion was approved unanimously (8-0).

**Staff Recommendation:** Staff recommends the Board approve a loan not to exceed \$8,080,000 (\$8,000,000 for project costs and \$80,000 for the 1% service fee) to the Town of Ridgway, acting by and through its water activity enterprise, for costs related to the Beaver Creek Diversion Restoration, from the Severance Tax Perpetual Base Fund. The loan terms shall be 3 years of no interest followed by 27 years at an interest rate of 3.25% per annum. Security for the loan shall be in compliance with CWCB Financial Policy #5.

**21 2025 Projects Bill**

*Finance Section*

**a. Non-Reimbursable Project Investments**

1. Satellite Monitoring/Maintenance Program (Continuation) (\$380,000)
2. Floodplain Risk Management (Continuation) (\$500,000)
3. Weather Modification Permitting Program (Continuation) (\$500,000)
4. Litigation Fund (Refresh) (\$2,000,000)
5. Colorado Mesonet Enhancements (Continuation) (\$200,000)
6. Water Forecasting Partnership Project (Continuation) (\$2,000,000)
7. Arkansas River Decision Support System (Continuation) (\$300,000)
8. Technical Assistance for Federal Cost-Share Program (Continuation)(\$500,000)
9. DSS Model Enhancements to Support the Colorado Water Plan (Continuation) (\$1,000,000)
10. Technical Update and BIP Updates (Continuation) (\$4,500,000)
11. Colorado Watershed Restoration – Wildfire Ready Watersheds (Continuation) (\$5,000,000)
12. Statewide Turf Analysis (\$1,400,000)

**Action:** Report by CWCB staff members Kirk Russell and Jenna Battson. A motion to approve the staff recommendation was made by Paul Bruchez, which was seconded by Brad Wind. The motion was approved unanimously (8-0).

**Staff Recommendation:** Staff recommends the Board approve funding for all of the Non-Reimbursable Project Investments listed above from the CWCB Construction Fund for inclusion in the 2025 Projects Bill.

**b. Projects Bill Grants**

1. Colorado Department of Agriculture – Scaling CO Soil Health (\$500,000)
2. City of Steamboat Springs – Yampa River/Walton Creek Confluence Restoration Project (\$2,000,000)
3. Republican River Water Conservancy District – Retirement of Irrigated Acres in the South Fork Focus Zone (\$6,000,000)

**Action:** Report by CWCB staff members Kirk Russell, Jeff Rodriguez, and Kara Scheel and Kristen Boysen with CDA, Julie Baxter and Bill Atkinson with CPW, and Deb Daniel with Republican River Water Conservancy District. A motion to approve the staff recommendation was made by Paul Bruchez, which was seconded by Jackie Brown. The motion was approved unanimously (8-0).

**Staff Recommendation:** Staff recommends the Board approve funding for all of the Projects Bill Grants listed below from the CWCB Construction Fund for inclusion in the 2025 Projects Bill.

**c. Appropriations for FY 25/26 Water Plan Grant Cash Fund**

**Action:** Report by CWCB staff members Anna Mauss and Jeannine Shaw. A motion to approve the staff recommendation was made by Jackie Brown, which was seconded by Greg Felt. The motion was approved unanimously (8-0).

**Staff Recommendation:** Staff recommends the Board support an appropriation of \$29.2 million from the Water Plan Implementation Cash Fund for the Water Plan Grant Program in the 2025 Projects Bill.

**22 Severance Tax Perpetual Base Fund Transfer to Water Supply Reserve Fund**

*Finance Section*

**Action:** Report by CWCB staff member Kirk Russell. A motion to approve the staff recommendation was made by Jackie Brown, which was seconded by Paul Bruchez. The motion was approved unanimously (8-0).

**Staff Recommendation:** Pursuant to SB21-281, staff recommends the Board direct the State Treasurer to transfer \$3,000,000 from the Severance Tax Perpetual Base Fund to the Water Supply Reserve Fund on July 1, 2025.

**23 Governor's Budget Proposal**

**Action:** Report by Department of Natural Resources staff member Nate Pearson.

*This is an informational item with no Board action required.*

**24 South Platte River – Reynolds Landing Easement Agreement**

*Watershed and Flood Protection Section*

**Action:** Report by CWCB staff member Andrea Harbin-Monahan. A motion to approve the staff recommendation was made by Greg Felt, which was seconded by Brad Wind. The motion was approved unanimously (6-0).

**Staff Recommendation:** Staff recommends the Board approve of the issuance of an Easement Agreement (EA) for South Suburban Parks and Recreation District.

**25 Commemoration of a Noteworthy 43-Year Career – Retirement of Terri Fead**

*Watershed and Flood Protection Section*

**Action:** Report by CWCB staff member Kevin Houck.

*This is an informational item with no Board action required.*

**ADJOURN**

A motion to adjourn the November 2024 Board meeting was made by Greg Felt, which was seconded by Jackie Brown. The motion was approved unanimously (7-0).