

**MINUTES<sup>1</sup>**  
**FOURTH REGULAR QUARTERLY MEETING OF THE**  
**BOARD OF DIRECTORS OF THE**  
**COLORADO RIVER WATER PROJECTS ENTERPRISE OF THE**  
**COLORADO RIVER WATER CONSERVATION DISTRICT**

**October 19, 2010**

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Pursuant to notice duly and properly given, the Fourth Regular Quarterly Meeting of the Board of Directors of the Colorado River Water Projects Enterprise of the Colorado River Water Conservation District (CRWCD) was held on Tuesday, October 19, 2010 at the Hotel Colorado, 526 Pine Street, Glenwood Springs, Colorado.

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**Directors present during all or part of the meeting:**

Andrew A. Mueller, President	Thomas R. Sharp, Vice President
Tom Alvey	David H. Merritt
William S. Trampe	Warner Dewey
Stephen M. Mathis	Tom Gray
John Ely	Gary Martinez
Forrest F. Nelson	

**Directors not present:**

Jon Stavney	Richard Proctor
Rebie Hazard	James Newberry

**Others present during all or part of the meeting:**

Eric Kuhn, Secretary/General Manager, CRWCD  
Peter Fleming, General Counsel, CRWCD  
Dan Birch, Deputy General Manager, CRWCD  
John Currier, Chief Engineer, CRWCD  
Chris Treese, Manager, External Affairs, CRWCD  
Jason Turner, Associate Counsel, CRWCD  
Mary Kalmes, Senior Accountant/Admin. Chief, CRWCD  
Laurie DePaolo, Executive Assistant, CRWCD  
Ray Tenney, Senior Water Resources Engineer, CRWCD  
Don Meyer, Senior Water Resources Engineer, CRWCD  
Dave Kanzer, Senior Water Resources Engineer, CRWCD  
Mike Eytel, Water Resources Specialist, CRWCD  
Dave Smith, Engineering Technician, CRWCD  
Jim Pokrandt, Communication and Education Specialist, CRWCD  
Audrey Hughes, Human Resources Specialist, CRWCD  
Denise Hussain, Records Specialist, CRWCD  
Martha Moore, Public Affairs Specialist, CRWCD  
Connie Stevens, Interim Accountant, CRWCD

**Quorum.**

President Mueller found a quorum and called the meeting to order at 4:13 p.m.

**Review and Approve Meeting Agenda and Objectives.**

Director Mathis, moved, seconded by Director Ely, to approve the agenda as presented. Motion carried unanimously.

**Approval of Minutes and Actions Taken.**

Director Trampe moved, seconded by Director Martinez, to approve the minutes and actions taken at the Third Regular Quarterly meeting, July 21, 2010. Motion carried unanimously.

**Financial Matters.**

Director Sharp moved, seconded by Director Trampe, to approve the treasurers' reports for June, July and August 2010. Motion carried unanimously.

**Budget Hearings.**

President Mueller opened the 2011 budget hearings.

Eric Kuhn reported that the budget notice was published in local papers and that copies of the budget were sent to each county to be posted and were available to the public at the district office and on the district's website. Comments were requested from the public on the website. No public comment was received.

**Resolution for 2010 Enterprise Fund Budget Amendments:**

Director Sharp moved, seconded by Director Trampe, to adopt a resolution summarizing expenditures and revenues for the Colorado River Water Projects Enterprise and adopting an amended budget for the Colorado River Water Conservation District acting by and through its Colorado River Water Projects Enterprise for the calendar year beginning on the first day of January 2010 and ending on the last day of December 2010. Motion carried unanimously.

**Resolution to Adopt 2011 Enterprise Fund Budget:**

Director Sharp moved, seconded by Director Trampe, to adopt a resolution summarizing expenditures and revenues for the Colorado River Water Projects Enterprise and adopting a budget for the Colorado River Water Conservation District acting by and through its Colorado River Water Projects Enterprise for the calendar year beginning on the first day of January 2011 and ending on the last day of December 2011, and to approve an increase of 1.7% to the staff salary pool and 1.7% salary increase for the General Manager and General Counsel for that portion of salaries covered by the Enterprise budget. Motion carried 9:1, with Director Gray voting against the motion.

**Resolution to Appropriate Sums of Money:**

Director Sharp moved, seconded by Director Mathis, to adopt a resolution appropriating sums of money to the Colorado River Water Projects Enterprise of the Colorado River Water Conservation District acting by and through its Colorado River Water Projects Enterprise in the amount of \$11,041,129 and for the purpose as set forth below for the 2011 budget year. Motion carried unanimously. (The resolutions are attached as Appendices A.-C.).

**Wolford Mountain Reservoir Project Operations Update.**

John Currier updated the Board on the ongoing investigation being conducted by URS Engineering regarding the embankment settlement at Wolford Mountain Reservoir.

**Approval of Expenditure for Peer Review of Ongoing Ritschard Dam Settlement Investigation:**

Director Merritt moved, seconded by Director Martinez, to approve an expenditure not to exceed \$70,000 for a peer review of the Ritschard Dam settlement investigation. Motion carried unanimously.

**Elkhead Reservoir Operations Update.**

Ray Tenney reported that the Recovery Program's 5,000 a.f. pool has been delivered this year, and 6,500 a.f. of water has been leased to the Upper Yampa Water Conservancy District. Mr. Tenney also reported that one of the fish screens at Elkhead Reservoir is not operating properly, with repairs expected to commence in November 2010.

**General Counsel's Report - Executive Session.**

Peter Fleming reported that the following matters qualify for discussion in Executive Session pursuant to C.R.S. §§ 24-6-402(4)(b)(legal advice) and (e)(negotiations):

- i. Wolford Mountain Reservoir Property Access Issues.
- ii. Application of Tri-State Generation & Transmission, and Peak Ranch, Inc., Case No. 08CW66, Water Division 5.

Director Ely moved, seconded by Director Merritt, to proceed into Executive Session pursuant to C.R.S. §§ 24-6-402(4)(b)(legal advice) and (e)(negotiations). Motion carried unanimously.

Peter Fleming stated that no further record of the Executive Session need be kept based on his opinion that the discussion will constitute privileged attorney-client communications.

*President Mueller reconvened into Public Session at 5:19 p.m.*

**General Counsel's Report - Public Session.**

Peter Fleming reported that during Executive Session, the Board provided guidance to staff and General Counsel on the following matters:

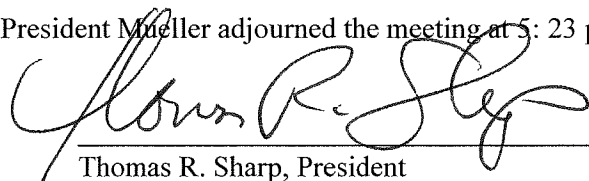
- i. Wolford Mountain Reservoir Property Access Issues.
- ii. Application of Tri-State Generation & Transmission, and Peak Ranch, Inc., Case No. 08CW66, Water Division 5.

Director Sharp moved, seconded by Director Nelson, to ratify a Statement of Opposition in the Application of Peak Ranch, Inc., Case No. 10CW193, Water Division 5. Motion carried unanimously.

Director Merritt moved, seconded by Director Alvey, to ratify a Statement of Opposition in the Application of Encana Oil & Gas (USA), Case No. 10CW175, Water Division 5. Motion carried unanimously.

**Adjourn.**

There being no further business before the Board, President Mueller adjourned the meeting at 5:23 p.m.

  
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Thomas R. Sharp, President

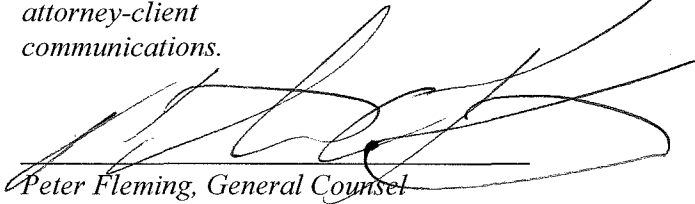
ATTEST:



R. Eric Kuhn, Secretary/General Manager

*Executive Session Attestations.*

*I hereby attest that the portions of the Executive Session that were not recorded constituted privileged attorney-client communications.*



Peter Fleming, General Counsel

**RESOLUTION TO AMEND 2010 ENTERPRISE FUND BUDGET**

A RESOLUTION SUMMARIZING EXPENDITURES AND REVENUES FOR THE COLORADO RIVER WATER PROJECTS ENTERPRISE AND ADOPTING AN AMENDED BUDGET FOR THE COLORADO RIVER WATER CONSERVATION DISTRICT ACTING BY AND THROUGH ITS COLORADO RIVER WATER PROJECTS ENTERPRISE FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY 2010 AND ENDING ON THE LAST DAY OF DECEMBER 2010.

WHEREAS, the Board of Directors of the Colorado River Water Conservation District acting by and through its Colorado River Water Projects Enterprise has appointed Richard E. Kuhn, Secretary/General Manager, to prepare and submit a proposed amended budget to said governing body at the proper time; and

WHEREAS, Richard E. Kuhn, Secretary/General Manager, has submitted a proposed amended budget to this governing body for its consideration; and

WHEREAS, upon due and proper notice, published in accordance with the law, said proposed amended budget was open for inspection by the public at a designated place, a public hearing was held on October 19, 2010, and interested electors were given the opportunity to file or register any objections to said proposed amended budget; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues so that the budget remains in balance, as required by law.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Colorado River Water Conservation District, acting by and through its Colorado River Water Projects Enterprise:

Section 1. That the budget as submitted, amended and hereinabove summarized, hereby is approved and adopted as the budget of the Colorado River Water Conservation District acting by and through its Colorado River Water Projects Enterprise for the year 2010.

Section 2. That the amended budget hereby approved and adopted shall be signed by the President and Secretary and made a part of the public records of the Colorado River Water Conservation District acting by and through its Colorado River Water Projects Enterprise.

ADOPTED, this 19th day of October A.D., 2010.



Andrew A. Mueller  
President

ATTEST:



Richard E. Kuhn  
Secretary/General Manager

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**RESOLUTION TO ADOPT 2011 ENTERPRISE FUND BUDGET**

A RESOLUTION SUMMARIZING EXPENDITURES AND REVENUES FOR THE COLORADO RIVER WATER PROJECTS ENTERPRISE AND ADOPTING A BUDGET FOR THE COLORADO RIVER WATER CONSERVATION DISTRICT ACTING BY AND THROUGH ITS COLORADO RIVER WATER PROJECTS ENTERPRISE FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY 2011 AND ENDING ON THE LAST DAY OF DECEMBER 2011.

WHEREAS, the Board of Directors of the Colorado River Water Conservation District acting by and through its Colorado River Water Projects Enterprise has appointed Richard E. Kuhn, Secretary/General Manager, to prepare and submit a proposed budget to said governing body at the proper time; and

WHEREAS, Richard E. Kuhn, Secretary/General Manager, has submitted a proposed budget to this governing body for its consideration; and

WHEREAS, upon due and proper notice, published in accordance with the law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held on October 19, 2010, and interested electors were given the opportunity to file or register any objections to said proposed budget; and


WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues so that the budget remains in balance, as required by law.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Colorado River Water Conservation District, acting by and through its Colorado River Water Projects Enterprise:


Section 1. That the budget as submitted, amended and hereinabove summarized, hereby is approved and adopted as the budget of the Colorado River Water Conservation District acting by and through its Colorado River Water Projects Enterprise for the year 2011.

Section 2. That the budget hereby approved and adopted shall be signed by the President and Secretary and made a part of the public records of the Colorado River Water Conservation District acting by and through its Colorado River Water Projects Enterprise.

ADOPTED, this 19th day of October A.D., 2010.

  
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Andrew A. Mueller  
President

ATTEST:

  
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Richard E. Kuhn  
Secretary/General Manager

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**RESOLUTION TO APPROPRIATE SUMS OF MONEY**

A RESOLUTION APPROPRIATING SUMS OF MONEY TO THE COLORADO RIVER WATER PROJECTS ENTERPRISE FUND OF THE COLORADO RIVER WATER CONSERVATION DISTRICT ACTING BY AND THROUGH ITS COLORADO RIVER WATER PROJECTS ENTERPRISE IN THE AMOUNT AND FOR THE PURPOSE AS SET FORTH BELOW FOR THE 2011 BUDGET YEAR.

WHEREAS, the Board of Directors has adopted the annual budget in accordance with the Local Government Budget Law, on October 19, 2010; and

WHEREAS, the Colorado River Water Conservation District acting by and through its Colorado River Water Projects Enterprise has made provision therein for revenues in an amount equal to or greater than the total proposed expenditures as set forth in said budget; and

WHEREAS, it is not only required by law, but also necessary to appropriate the revenues and reserves or fund balances provided in the budget to and for the purposes described below, thereby establishing a limitation on expenditures for the operations of the District.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COLORADO RIVER WATER CONSERVATION DISTRICT ACTING BY AND THROUGH ITS COLORADO RIVER WATER PROJECTS ENTERPRISE:

Section 1. That the following sum is hereby appropriated from the Revenue of the fund:

Colorado River Water Projects Enterprise	\$ <u>11,041,129</u>
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BE IT FURTHER RESOLVED, that the President and Secretary to the Board of Directors are hereby authorized and directed to file this Budget with the Colorado Division of Local Governments and to execute and deliver to the County Treasurers of the several counties of the District the affidavits required by law, certifying to the filing of this Budget with the Colorado Division of Local Governments.

ADOPTED THIS 19th day of October A.D., 2010.



Andrew A. Mueller  
President

ATTEST:



Richard E. Kuhn  
Secretary/General Manager