



Colorado River District

Protecting Western Colorado Water Since 1937

Board of Directors Meeting Summary

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July 20-21, 2010

Board voices opposition to controversial ballot items

The Colorado River District Board of Directors opposes three questions on the Nov. 2 ballot that would harm the District's mission of protecting Western Colorado water.

The ballot questions are Amendment 60, Amendment 61 and Proposition 101. At its regular quarterly meeting on July 20-21, 2010, the Board passed a resolution that expresses its concerns, as follows:

Amendment 60 amends the state Constitution by requiring the River District's Enterprise Fund to pay property taxes. In addition, the provision that "enterprises and unelected boards may not levy any mandatory fees or taxes on property" would virtually end the Colorado River District's existence.

Amendment 61 amends the state Constitution to prohibit or limit debt in any form including certificates of participation, revenue-anticipation notes, lease-purchases and other creative forms of infrastructure financing — unless specifically approved by the voters. For the Colorado River District, capital improvements would be greatly restricted.

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Eric Kuhn, General Manager of the Colorado River District, was feted for his 60th birthday during the joint Board of Directors and staff picnic on July 20, 2010, on the banks of the Colorado River next to the River District's headquarters in Glenwood Springs. Kuhn was born on the Fourth of July. Aside from a cake, Kuhn was presented with a commemorative book featuring an interview and a speech. Both pieces detail his views on the Colorado River and the limits to its water supply. The book was financed by donations from the Board and staff. In the top photo, Board Vice President Tom Sharp presents the book to Kuhn. In the bottom photo, Executive Assistant Laurie DePaolo presents Kuhn with his birthday cake.



Ballot questions draw Board concerns

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Proposition 101 reduces registration fees on vehicles. Given that the River District receives specific ownership taxes from vehicle registrations within the district its means to operate effectively would be impaired.

The resolution follows:

Statements of Resolution Opposing Amendments 60, 61 and Proposition 101

WHEREAS, three measures appearing on the November 2010 statewide ballot would significantly damage Colorado's special districts, state and local governments from funding their most basic level of services related to safety, water, sanitation, fire protection, education, hospitals, rural health care, and transportation, and;

WHEREAS, these measures drastically limit governments' ability to construct infrastructure, and;

WHEREAS, the ability to finance long-term capital improvements for projects such as Wolford

Mountain Reservoir are dramatically impaired by the restrictions on debt financing, as proposed by Amendment 61; and

WHEREAS, Amendments 60 and

61 would slash at least \$1 billion annually in state taxes and cut property tax dollars the Colorado River District currently receives and;

WHEREAS, one of the many components of Amendment 61 eliminates any practical means for state and regional governments to make future road, highway and bridge improvements, or other capital improvements for districts, such as water conservation, water conservancy, and water utility districts; and;

WHEREAS, Proposition 101 reduces the vehicle registration fee to a level which would devastate Colorado's ability to maintain safe roads and bridges, and;

WHEREAS, these measures individually and collectively significantly reduce or otherwise restrict both state and local revenues in a number of different ways, including but not limited to: specific ownership taxes, telecommunication taxes, state income taxes, state-shared revenues to assist municipalities with local street and transit improvements, other state grants and loans to help local government, and property taxes, which is a major funding

mechanism for the Colorado River District, and

WHEREAS, the Colorado River District is concerned about the impact these three measures will have on its ability to work effectively and efficiently; and

WHEREAS, State voters will have the opportunity on November 2, 2010 to protect the fiscal health of Colorado by defeating Proposition 101, Amendment 60 and Amendment 61;

NOW THEREFORE BE IT RESOLVED THAT, The Board of Directors of the Colorado River Water Conservation District at its third quarterly meeting of 2010 takes an official position opposing Amendments 60, 61 and Proposition 101.

To print a copy of the resolution, go to http://www.crwcd.org/media/uploads/resolution_final.pdf.

How to contact us

For more information about the Colorado River District or board actions, call Jim Pokrandt at (970) 945-8522 x 236, e-mail edinfo@crwcd.org or visit www.ColoradoRiverDistrict.org

Wrapup of 2010 Colorado Legislative session

The 2010 regular session of the Colorado Legislature adjourned shortly before its constitutionally mandated deadline of midnight on May 12, 2010, External Affairs Manager Chris Treese reported to the Colorado River District Board of Directors.

Similar to 2009, this year's session was dominated by the state budget reductions, but other issues — regulation of medical marijuana and teacher tenure, for example — also generated controversy.

Additionally, more than a few water bills of interest to the Colorado River District were introduced during the session.

The General Assembly balanced the fiscal year 2009-10 and 2010-11 budgets through a combination of appropriations reductions, cash fund transfers and revenue enhancements. These mechanisms all

create further challenges for the next General Assembly in adjusting the current 2010-11 budget to balance expenditures and revenues and to pass a balanced budget for 2011-12.

While the 2010 session will not be remembered for its water legislation, several important water bills passed and failed this session.

The Orchard Mesa Improvement Project will receive \$1.5 million from the Species Conservation Trust Fund.

Senate Bill 165 successfully addressed oil and gas wells that produce water, providing additional time and direction for permitting such wells and allowing operators of certain wells to use produced waters on site.

Several water conservation bills passed after extensive deliberations and negotiations that resulted in

amendments that the Colorado River District and the larger water community supported. One bill increases the options offered home buyers regarding water conserving in-home and landscaping features.

Another bill directs the state to work with water utilities to collect comparable data on water use and water conservation.

The River District was also able to preserve the Water Resources Review Committee, which would have been eliminated under a legislative plan to disallow interim committee meetings for 2010.

Additionally, legislative attempts to interfere with private and public construction contracts were thwarted again this year.

Also defeated was a proposal to exempt certain school districts from the Colorado water law of prior appropriation.

Kuhn, Fleming updates

General Manager Eric Kuhn provided Board members updates on water supply issues, River District science issues and formation of next year's

budget.

General Counsel Peter Fleming also issued his regular report to the board. All can be found at www.crwcd.org/page_17.

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Federal Affairs: Clean Water Act reintroduced

While the U.S. Congress passed landmark and controversial legislation in the past three months, there were only a few Congressional actions of particular interest to water users during the past quarter.

However, one of these is of special interest to the Colorado River District: the Ruedi Reservoir legislation, discussed in detail on page 5, was introduced largely at the River District's request, External Affairs Manager Chris Treese reported to the Colorado River District Board.

In other water-related actions:

— Congressman James Oberstar, Chairman of the House Transportation and Infrastructure Committee, announced introduction of H.R. 5088, "America's Commitment to the Clean Water Act."

This is the renamed Clean Water Restoration Act of past Congresses. There are just three co-sponsors this year compared to more than 180 in the last Congress.

Chairman Oberstar, during his press conference announcing the new Clean Water Restoration Act, stated that Speaker Nancy Pelosi promised the bill floor debate before the end of this Congress.

However, most observers believe the bill may receive hearings but will not be voted on by the full Transportation and Infrastructure Committee, let alone the full House.

While the chairman made numerous substantive amendments to the bill in response to water users' concerns, it remains very controversial. And western and southern Democrats don't want another difficult vote to defend before the November elections.

— Congressman John Salazar is sponsoring H.R. 2288 to extend annual operations funding authorization through 2023 for the Upper Colorado and San Juan River Recovery Programs. This bill passed the House in April and has been assigned to the Water and Power subcommittee of the Senate Energy and Natural Resources Committee.

The bill ran into "PAYGO" issues regarding impacts to the federal budget. As a result, the bill, as it passed the House, is subject to annual appropriations.

The bill, however, provides a dedicated funding source from electric power revenues. Therefore, amending the bill in the Senate to remove the expense and uncertainty associated with the annual appropriations process is very possible.

— Congressman Salazar introduced the San Juan Mountains Wilderness Bill in the U.S. House of Representatives in October 2009. His legislation includes 61,682 acres of public land on portions of the Grand Mesa, Uncompahgre and

Gunnison National Forest and the San Juan National Forest.

These wilderness designations were requested by the County Commissions of those three counties and enjoy the support of area municipalities.

Notably, the Congressman's bill includes water language that prohibits any federal water rights and guarantees access for water users to maintain and repair existing water facilities. The full House Committee on Resources passed the bill on to the floor.

The bill now also includes language releasing from Wilderness Study (and attendant management) areas adjacent to the recently created Dominguez Canyons Wilderness area that were not included in the Dominguez wilderness area nor explicitly removed in the Dominguez legislation.

The Colorado River District Mission Statement:

To lead in the protection, conservation, use and development of the water resources of the Colorado River Basin for the welfare of the District, and to safeguard for Colorado all waters of the Colorado River to which it is entitled.

Ruedi water targeted for endangered fish

Senator Mark Udall and Congressman John Salazar in May introduced identical bills in the U.S. Senate and House, S.3387 and H.R.5362, to provide 5,412 acre feet of water annually from Ruedi Reservoir to assist recovery of endangered fish in the Colorado River.

Ruedi Reservoir is located in Pitkin and Eagle Counties and is on the upper reach of the Fryingpan River.

These bills were introduced at the request of Colorado water users who have an obligation to provide a total of 10,825 acre feet for fish recovery as part of a federal Programmatic Biological Opinion related to the protection of the fish under the Endangered Species Act.

The water is to be released from reservoirs to improve fish habitat in the critical 15-Mile Reach near Grand Junction.

The Subcommittee on Water and Power of the Senate Energy and Natural Resources Committee held a hearing on S.3387 the second week in June.

Colorado River District Board President Mueller testified for the Colorado River District.

Behind the scenes, Colorado Water Conservation Board Director Jennifer Gimbel was instrumental in softening the Administration's testimony in opposition to the bill.



Ruedi Reservoir in Pitkin and Eagle counties, located on the Fryingpan River, filled and spilled this past spring. Pictured are the hydro power plant on the left and the dam spillway on the right. Anglers can be seen enjoying casting for fish in the dam's tail waters.

By the time of the hearing, Bureau of Reclamation Commissioner Mike Connor's testimony had morphed from "strongly opposed" to having "some concerns" but "happy to work with water users to resolve those concerns."

Subsequent to the hearing, Colorado water users met with Interior Assistant Secretary Anne Castle, Commissioner Connor and Interior Solicitor John Bezdek in Washing-

ton, D.C. That meeting also was very positive.

Chris Treese, Manager of External Affairs for the Colorado River District, told the Board he believes Reclamation now better understands both the River District's concerns as well as its financial position.

At the conclusion of that meeting Commissioner Connor promised to develop "an alternative or two" for River District consideration.

Policies OK'd on water quality, fish recovery

The Colorado River District Board adopted two revised policies at its July 20-21, 2010, regular quarterly meeting concerning water quality and water for endangered fish.

Pursuant to the Board's bylaws requiring policy consideration at two or more quarterly meetings, draft policies were reviewed and made available for public comment prior to the July board meeting.

Water Quality Policy:

Recognizing that there is a causative link between water quality and water quantity, the District's primary objective with respect to water quality is to protect the ability of the District's residents to use water beneficially.

Among other elements, the policy calls for the encouragement of voluntary implementation of reasonable best management practices and programs for farming and ranching activities.

The District will also generally advocate for incentives and rewards for nonpoint pollution prevention and clean-up efforts.

Upper Colorado River Recovery Program Policy:

Supporting the Recovery Program and its dual purposes of recovering endangered fish while allowing historical water use and future water development to continue consistent with state law is of great importance to the District.

The District will continue to advocate for certain elements of the program, such as ensuring that the burden of the Recovery Program's implementation, operation and compliance is equitably distributed across all power and water users, including transmountain diverters.

As consumptive water uses in Colorado continue to be developed and demands on this precious resource increase, water quality and quantity for multiple uses, including human and aquatic wildlife, will become an even greater issue of concern for Colorado water users.

For full-text of these revised and previously approved policies please visit: www.crwcd.org/page_9.

Future meetings

- **Aug. 26-27, 2010:** Colorado Water Congress Summer Convention, Vail
- **Sept. 15, 2010:** Colorado River District Board Budget Workshop
- **Sept. 16, 2010:** Colorado River District Annual Water Seminar, Grand Junction
- **Oct. 5-7, 2010:** Sustaining Colorado Watersheds, Vail
- **Oct. 19-20, 2010:** Fourth quarterly CRD Board meeting, Glenwood Springs
- **Dec. 15-17, 2010:** Colorado River Water Users Association Annual Convention, Las Vegas

River District Seminar features update on water negotiations with Denver

The annual Colorado River District Water Seminar takes place 9 a.m. to 3 p.m. on Thursday, Sept. 16, 2010, at the Two Rivers Convention Center in Grand Junction.

Topics include a review of West Slope-Denver Water negotiations over water supply, an overview of the water rights market in the West, a look at how Australia deals with low supply-high demand water issues and a presentation by Molson Coors on how it views its water footprint and water vulnerability issues.

Presenters include CRD General Manager Eric Kuhn, Denver Water Manager Jim Lochhead, Colorado Water Conservation Board Director Jennifer Gimbel, and others. The cost is \$25 and includes lunch. More info:

www.ColoradoRiverDistrict.org or phone 970-945-8522.