

MINUTES¹

SPECIAL JOINT MEETING OF THE BOARD OF DIRECTORS OF THE COLORADO RIVER WATER CONSERVATION DISTRICT AND OF THE COLORADO RIVER WATER CONSERVATION DISTRICT ACTING BY AND THROUGH ITS COLORADO RIVER WATER PROJECTS ENTERPRISE

February 18, 2011

Pursuant to notice duly and properly given, a special joint meeting telephone conference of the Board of Directors of the Colorado River Water Conservation District (CRWCD) and of the Colorado River Water Conservation District acting by and through its Colorado River Water Projects Enterprise was held on Friday, February 18, 2011, at the offices of the Colorado River Water Conservation District, 201 Centennial Street, Glenwood Springs, Colorado.

Directors participating during all or part of the meeting:

Thomas R. Sharp, President	James Newberry, Vice-President
Tom Alvey	Gary Martinez
Warner Dewey	Stephen M. Mathis
John Ely	David H. Merritt
Tom Gray	Forrest F. Nelson
Jon Stavney	William S. Trampe

Directors not participating:

Steven Acquafresca	Andrew A. Mueller
Rebie Hazard	

Others participating during all or part of the meeting:

Eric Kuhn, General Manager, CRWCD
Dan Birch, Deputy General Manager, CRWCD
Chris Treese, Manager, External Affairs, CRWCD
John Currier, Chief Engineer, CRWCD
Dave Kanzer, Senior Water Resources Engineer, CRWCD
Laurie DePaolo, Executive Assistant, CRWCD
Martha Moore, Public Affairs Specialist, CRWCD
Jim Pokrandt, Communication & Education Specialist, CRWCD
Jason Turner, Associate Counsel, CRWCD

Quorum.

President Sharp found a quorum and called the meeting to order at 12:01 p.m.

External Affairs.

State Issues

Informational Bills:

HB11-1208 CONCERNING PERPETUAL CONSERVATION EASEMENT IN GROSS GRANTED FOR PROPERTY IN COLORADO

Requires that if an easement is terminated for any reason, the value of any previously issued tax credit be repaid to the state general fund before the termination is effective.

¹An audio recording has been made of the meeting. The motions described herein may not necessarily represent a verbatim transcription. The audio recordings are available for listening at the CRWCD offices during regular office hours. These minutes are the official record of the Colorado River Water Conservation District's meeting.

HB11-1211 CONCERNING RESTRICTIONS ON TRAVEL-RELATED EXPENDITURES BY STATE-CHARTERED ENTITIES ON BEHALF OF PERSONS AFFILIATED WITH SUCH ENTITIES

This bill limits reimbursement of public employee expenses to twice the federal per diem. It also prohibits reimbursement for spouses' expenses. Although the River District is a "covered entity" under this bill, it is not an issue for the River District; we would have no trouble complying. Director Sharp pointed out the bill as drafted does not distinguish between travel-related costs and other expenses typically covered by "per diem." Chris Treese promised to discuss this with the bill sponsor.

HB11-1231 CONCERNING THE AUTHORIZATION OF A STUDY OF THE SOUTH PLATTE RIVER ALLUVIAL

In this bill the Colorado Water Conservation Board is directed to conduct a study of the interaction between the South Platte alluvial aquifer and surface streams. This bill is occasioned by numerous anecdotes of surging groundwater levels causing basement flooding and marshes concurrent with well pumping curtailment.

Bills for Action:

SB11-90 CONCERNING THE CONTINUATION OF THE ISSUANCE OF PERMITS FOR WEATHER MODIFICATION OPERATIONS, AND, IN CONNECTION THEREWITH, IMPLEMENTING THE SUNSET REVIEW RECOMMENDATIONS OF THE DEPARTMENT OF REGULATORY AGENCIES

Extends the sunset date for the state's weather modification program from 2011 to 2020.

Director Alvey moved, seconded by Director Trampe, to **SUPPORT SB 90**. Motion carried unanimously.

SB11-117 CONCERNING LIMITATIONS OF RESTRICTIONS BY GOVERNMENTAL BODIES ON SPECIFIED PRIVATE ACTIVITIES

Of concern in this bill is the provision of Section 2 that prohibits private property acquired by condemnation from being "subsequently transferred to a private party." We may condemn property required for a time-limited purpose and should be able to transfer it back to private ownership. Chris Treese reported the bill was killed in Senate Local Government Committee on 2/17/2011.

SB11-121 CONCERNING THE ALLOCATION OF THE STATE SHARE OF SEVERANCE TAX REVENUES

This bill seeks to change the distribution of severance tax revenues. Currently, severance tax revenues are split 50:50 with half going to the Department of Local Affairs and half to the state severance tax trust fund in DNR (CWCB's perpetual base account). This bill would not impact the DOLA transfer but would reallocate the CWCB's 50% with a maximum annual distribution of \$100 million (adjusted for inflation) to the severance tax fund and the balance above the \$100 million to be allocated as follows: 50% of that balance to the state general fund, 25% for property tax relief through a new cash fund created in the bill and 25% to the perpetual base account. The amount to be transferred to the perpetual base account would be capped at \$60 million per year (with no inflationary adjustment) and any amounts above the \$60 million to be dedicated 100% for property tax relief. Although the bill was killed in Senate State Affairs Committee on 2/14/2011, Treese recommend the board take a formal position for future reference.

Director Merritt moved, seconded by Director Dewey, to **OPPOSE SB 121**. Motion carried unanimously.

SB11-164 CONCERNING THE AUGMENTATION OF THE GENERAL FUND THROUGH TRANSFERS OF CERTAIN MONEYS.

Section 9 of SB 164 provides for an additional \$5MM in transfers from the Perpetual Base Account (PBA) of the CWCB to the General Fund for the current fiscal year. The total transfers from the PBA for this fiscal year would therefore be \$16MM with the \$11MM already transferred by Governor Ritter.

Director Merritt moved, seconded by Director Nelson, to **OPPOSE SECTION 9 of SB 164**. Motion carried unanimously.

SCR11-001 CONSTITUTIONAL INITIATIVES

This would submit a ballot question to voters in 2012 to:

- Require 60% approval for new constitutional changes
- Require signatures be gathered from all Congressional districts
- Require 2/3 approval of the Legislature to make any changes to voter initiated laws.

Director Merritt moved, seconded by Director Alvey, to **SUPPORT SCR 001**. Motion carried unanimously.

State Budget:

Chris Treese reported that the Governor's proposed budget for FY11-12 includes dramatic cuts to help meet the projected \$1.3 billion shortfall. Ninety percent of the Governor's proposals to balance the budget result from budget cutting, the rest is transfers and one-time accounting changes, and 80% of the cuts are on-going cuts, not just one time, one-year cuts. Over \$33 million is proposed for transfer from the CWCB's perpetual base account, resulting in no money for loans. Treese will be meeting with the Colorado Water Congress on February 21st to discuss the budget.

Federal Issues:

Mr. Treese reported that due to a lack of an approved budget, the Federal Government may repeat the shut down of 17 years ago.

Counsel's Legal Report.

Proposed Limited Waiver of Attorney-Client Communication.

Jason Turner reported that in 2004 Jim Lochhead, representing the Colorado River Coalition, of which the River District is a part, prepared a confidential legal memorandum related to certain Mexican Treaty issues that have recently become relevant again. The members of the coalition wish to share the memo with the State of Colorado in order to support the State's effort to protect Colorado's interests related to the Mexican treaty issues.

Director Merritt moved, seconded by Director Trampe, to allow the confidential 2004 memorandum prepared for the Coalition to be shared with the State. Motion carried unanimously.

Proposed Confidentiality Agreement Regarding Compact Water Bank Matters

Mr. Turner reported that The Nature Conservancy has proposed entering into a confidentiality agreement with the River District in order to work collaboratively on some of the complex legal issues presented by the water bank concept.

President Sharp expressed a desire to review the agreement and potentially limit the information shared.

Application of Pitkin County for Recreational In-Channel Diversion, Case No. 10CW305, Water Division 5:

Director Dewey moved, seconded by Director Trampe, to authorize counsel to file a statement of opposition in the application of Pitkin County for Recreational In-Channel Diversion, Case No. 10CW305, Water Division 5. Motion carried unanimously.

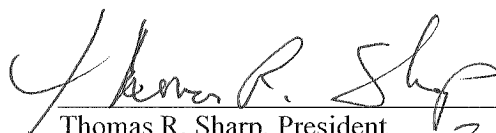
General Manager Informational Items:

Eric Kuhn noted that due to the resignation of CWCB Board member John Redifer the Colorado River position is vacant. Subsequent discussion led to the following motion:

Director Alvey moved, seconded by Director Trampe, to endorse Dave Merritt, Chris Treese, Dan Birch and Lurline Underbrink Curran as the CWCB Board Member from the Colorado River Basin. Motion carried unanimously with Director Merritt abstaining from the vote.


Adjourn.

There being no other business before the Board, President Sharp adjourned the meeting at 12:56 p.m.



Thomas R. Sharp, President 7-28-2011

ATTEST:



R. Eric Kuhn, Secretary/General Manager