

MINUTES¹

SPECIAL JOINT MEETING AND 2012 BUDGET WORKSHOP 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

September 14, 2011

Pursuant to notice duly and properly given, a special joint meeting and 2012 budget workshop 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 Wednesday September 14, 2011 at the Hampton Inn, 205 Main Street, Grand Junction, Colorado.

Directors participating during all or part of the meeting:

Thomas R. Sharp, President	James Newberry, Vice President
Tom Alvey	David H. Merritt
William S. Trampe	Steve Acquafresca
Warner Dewey	Stephen M. Mathis
Gary Martinez	Jon Stavney
Andrew A. Mueller	

Directors not participating:

John Ely	Forrest F. Nelson
Rebie Hazard	Tom Gray

Others participating during all or part of the meeting:

Eric Kuhn, General Manager, CRWCD
Peter Fleming, General Counsel, CRWCD
Dan Birch, Deputy General Manager, CRWCD
John Currier, Chief Engineer, CRWCD
Mary Kalmes, Senior Accountant/Administrative Chief, CRWCD
Jason Turner, Associate Counsel, CRWCD
Jim Pokrandt, Education and Outreach Specialist, CRWCD
Ray Tenney, Sr. Water Resources Engineer, CRWCD
Ian Philips, Accountant, CRWCD
Laurie DePaolo, Executive Assistant, CRWCD
Denise Hussain, Records Manager, CRWCD
Audrey Turner, Human Resources Specialist, CRWCD

Quorum.

President Sharp found a quorum and called the meeting to order at 1:19 p.m.

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An 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.

Review and Approve Agenda and Meeting Objectives.

President Sharp proposed the addition of Emergency Grant Requests of North Delta Canal Company as agenda item 4.a. Peter Fleming requested the addition of Proposed Change to Employee Home Ownership Program as agenda item 3.b.i. Director Mathis moved, seconded by Director Merritt, to approve the agenda as amended. Motion carried unanimously.

2012 CRWCD Budget Workshop, General Fund and Capital Project Fund.

Eric Kuhn reported that assessed valuations throughout the District have decreased by 20% since 2009. This will result in lower tax revenues collected by the District which will impact the 2012 and 2013 budgets. Mr. Kuhn then reviewed the three funding mechanisms utilized by the District which are the General Fund, Capital Fund, and Enterprise Fund. He also noted that expenditures in the 2012 draft budget will be essentially the same as 2011.

2012 Colorado River Water Projects Enterprise Workshop.

Dan Birch reported that while expenditures have recently exceeded revenues which is attributed to lower returns on investments, debt service and increased expenditures at Wolford Mountain Reservoir due to the dam settlement investigations, the Enterprise Fund remains sound with adequate financial resources. The 2012 budget will reflect ongoing monitoring and settlement investigations at Wolford Mountain Reservoir as well as O&M costs at Elkhead Reservoir. Mr. Birch also stated that water marketing sales increased in 2011 to over \$1 million in contrast to lagging sales in 2010.

General Counsel's Report.

Dan Birch discussed the impacts to Green Mountain Reservoir stemming from the use of Granby Reservoir and the Red Top Valley Ditch as a portion of the 10,825 a.f. permanent water supply required by the 15 Mile Reach Programmatic Opinion. He went on to discuss three alternatives to mitigate the impacts including exchanging Grand County environmental water into Green Mountain and/or Wolford Mountain Reservoirs when it is not needed below the Blue River by Grand County for environmental purposes and an insurance pool in Ruedi Reservoir.

Peter Fleming reported that ongoing negotiations with the Northern Colorado Water Conservancy District and its Municipal Subdistrict regarding the Windy Gap Firming Project have been making progress, but resolution of the issues is not yet at hand. Mr. Fleming also reviewed possible trigger points for the execution of the Colorado River Cooperative agreement with Denver Water.

Proposed Change to Employee Home Ownership Program:

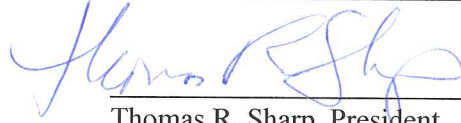
Director Stavney moved, seconded by Director Trampe, to approve the proposed change to the Employee Home Ownership Program as presented. Motion carried unanimously.

General Manager's Report.

Eric Kuhn referred the Board to a letter from the North Delta Canal Company requesting emergency grant funds as a result of a tunnel collapse in their water delivery system. The company planned to use the funds to purchase irrigation water to complete the growing season for several crops. After discussion, consensus was reached that the request did not fall within the guidelines of the Grants Program.

Adjourn.

There being no other business before the Board, President Sharp adjourned the meeting at 4:21 p.m.



Thomas R. Sharp, President

ATTEST:



R. Eric Kuhn, Secretary/General Manager