

**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, 2011**

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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 Wednesday October 19, 2011 at the Hotel Denver, 402 7<sup>th</sup> Street, Glenwood Springs, Colorado.

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

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

**Directors not present:**

Rebie Hazard

**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, CRWCD  
Laurie DePaolo, Business Support Specialist, 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  
Ian Philips, Accountant CRWCD  
Denise Hussain, Records Manager, CRWCD  
Audrey Turner, Human Resources Specialist, CRWCD  
Martha Moore, Public Affairs Specialist, CRWCD  
Alesha Frederick, Business Support Specialist, CRWCD  
Mary Kelly, Parula, LLC

**Quorum.**

President Sharp found a quorum and called the meeting to order at 10:50 a.m.

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

Peter Fleming requested the addition of Approval of Proposed Amendment to Expert Excavation, Inc. Continuing Services Agreement as agenda item 5.a.i. Director Mathis moved, seconded by Director Mueller, to approve the agenda as amended. Motion carried unanimously.

**Approval of Minutes and Actions Taken.**

Director Stavney moved, seconded by Director Mathis, to approve the minutes and actions taken at the Third Regular Quarterly Meeting, July 19-20, 2011. Motion carried unanimously.

**Financial Matters:**

**Acceptance of Treasurer's Reports for June, July and August 2011:**

Director Mueller moved, seconded by Director Trampe, to accept the treasurer's reports and check registers for June, July and August 2011. Motion carried unanimously.

**Budget Hearing.**

President Sharp opened the 2012 budget hearing.

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 2011 Enterprise Fund Budget Amendments:**

Director Stavney moved, seconded by Director Dewey, 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 2011 and ending on the last day of December 2011. Motion carried unanimously.

**Resolution to Adopt 2012 Enterprise Fund Budget:**

Director Stavney moved, seconded by Director Dewey, 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 2012 and ending on the last day of December 2012.

**Resolution to Appropriate Sums of Money:**

Director Stavney moved, seconded by Director Dewey, 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 \$10,738,823 and for the purpose as set forth below for the 2012 budget year. Motion carried unanimously. (The resolutions are attached as Appendices A.-C.).

President Sharp closed the budget hearing.

**Project Operations Update.**

**Wolford Mountain Reservoir Operations:**

John Currier reported that installation of additional monitoring instrumentation to track the settlement of the dam has begun and will be completed in approximately 30 days.

Director Merritt moved, seconded by Director Nelson, to approve an amendment to the Expert Excavation, Inc. CSA in an amount not to exceed \$15,000 for continued earthwork at Wolford Mountain Reservoir. Motion carried unanimously.

**Elkhead Reservoir Operations:**

It was reported that inflow to Elkhead Reservoir was over 170,000 a.f. this year.

**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. Applications of Peak Ranch, Inc., Case Nos. 08CW56, 08CW66 and 10CW93, Water Division 5.
- ii. Application of Tri-State Generation and Transmission Assoc., Inc., Case No. 08CW66, Water Division 5.
- iii. Application of Colorado Springs Utilities, Case No. 03CW314, Water Division 5.

Director Mueller moved, seconded by Director Trampe, 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 Sharp reconvened into Public Session at 11:33 a.m.*

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

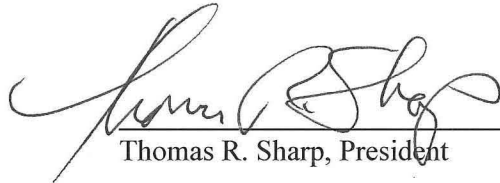
Peter Fleming reported that during Executive Session, the Board provided guidance to staff and General Counsel on the following matters:

- i. Applications of Peak Ranch, Inc., Case Nos. 08CW56, 08CW66 and 10CW93, Water Division 5.
- ii. Application of Tri-State Generation and Transmission Assoc., Inc., Case No. 08CW66, Water Division 5.
- iii. Application of Colorado Springs Utilities, Case No. 03CW314, Water Division 5.

Director Alvey moved, seconded by Director Acquafresca, to approve and ratify Stipulations with the Town of Gypsum, Grand Valley Water Users Association, Orchard Mesa Irrigation District, and Ute Water Conservancy District in the Application of CRWCD and Eagle Park Reservoir Co., Case No. 09CW28, Water Division 5. Motion carried unanimously.

**Adjourn.**

There being no further business before the Board, President Sharp adjourned the meeting at 11:37 a.m.



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Thomas R. Sharp, President

ATTEST:



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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.*



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*Peter Fleming, General Counsel*

**RESOLUTION TO AMEND 2011 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 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 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, 2011, and interested electors were given the opportunity to file or register any objections to said proposed amended budget; and

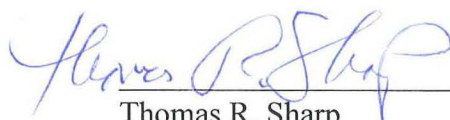
WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues so that the budget remains in balance, as required by law.

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 2011.

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., 2011.

  
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Thomas R. Sharp  
President

ATTEST:

  
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Richard E. Kuhn  
Secretary/General Manager

**RESOLUTION TO ADOPT 2012 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 2012 AND ENDING ON THE LAST DAY OF DECEMBER 2012.

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, 2011, and interested electors were given the opportunity to file or register any objections to said proposed budget; and

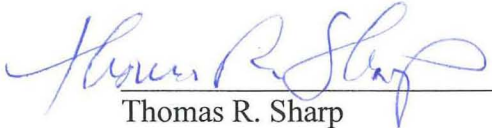
WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues so that the budget remains in balance, as required by law.

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 2012.

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., 2011.

  
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Thomas R. Sharp  
President

ATTEST:

  
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Richard E. Kuhn  
Secretary/General Manager