

MINUTES¹
THIRD QUARTERLY MEETING OF THE
BOARD OF DIRECTORS OF THE
COLORADO RIVER WATER PROJECTS ENTERPRISE OF THE
COLORADO RIVER WATER CONSERVATION DISTRICT

July 21, 2010

Pursuant to notice duly and properly given, the Third 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, July 21, 2010 at the Hotel Colorado, 526 Pine Street, Glenwood Springs, Colorado.

Directors present during all or part of the meeting:

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

Directors not present:

Andrew A. Mueller, President	John Ely
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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
Denise Hussain, Records Specialist, CRWCD
Audrey Hughes, Human Resources Specialist/Property Manager, CRWCD
Martha Moore, Public Affairs Specialist, CRWCD

Quorum.

Vice President Sharp found a quorum and called the meeting to order at 10:15 a.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.

Peter Fleming requested that agenda item 7.a.ii., Old Dillon Reservoir, be moved to General Counsel's Public Session and listed as agenda item 7.b.iv. Director Mathis moved, seconded by Director Stavney, to approve the agenda as amended. Motion carried unanimously.

Approval of Minutes and Actions Taken.

Director Merritt moved, seconded by Director Dewey, to approve the minutes and actions taken at the Second Regular Quarterly meeting, April 21, 2010. Motion carried unanimously.

Approval of Treasurer's Reports for March, April and May 2010.

Director Merritt moved, seconded by Director Alvey, to approve the Treasurer's reports for March, April and May 2010. Motion carried unanimously.

Wolford Mountain 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. Mr. Currier reported that a comprehensive report on the results of the investigation as well as recommendations for remedial action, if necessary, will be presented to the Board in early 2011.

Approval of Contract Amendment with Geosurv, Inc.:

Director Merritt moved, seconded by Director Trampe, to approve a contract amendment with Geosurv, Inc., in an amount not to exceed \$30,000 for surveying movement monitors at Wolford Mountain Reservoir Dam. Motion carried unanimously.

Elkhead Reservoir Operations Update.

Approval of Temporary Water Marketing Contract with Upper Yampa Water Conservancy District:

Dan Birch relayed a request from the Upper Yampa Water Conservancy District (Upper Yampa) for a temporary water marketing contract to replace contract water in Stagecoach Reservoir while Upper Yampa is in the process of enlarging the reservoir. Construction will require a drawdown of the reservoir. Mr. Birch also disclosed that he is a member of the Upper Yampa Board. Director Sharp disclosed that he too, is a member of the Upper Yampa Board and recused himself from the discussion.

Director Stavney moved, seconded by Director Trampe, to approve a temporary water marketing contract with the Upper Yampa District for two years in an amount of up to 6,000 acre feet per year, based on availability. Motion carried unanimously. Director Sharp abstained from the vote.

Water Quality Project Update.

Mike Eytel reported that Wolford Mountain Reservoir has been removed from the EPA's 303d list for dissolved oxygen and placed on the State's Monitoring and Evaluation List. Mr. Eytel also reported that Muddy Creek was segmented, with the section immediately below Wolford Mountain Reservoir to Cow Creek placed on the Monitoring and Evaluation List for temperature and the section below Cow Creek was placed on the 303d list for temperature. Staff is continuing to gather data on the temperature issue and participating in pertinent Water Quality Control Commission rulemaking hearings, including a rule making regarding nutrient criteria scheduled for 2011.

General Counsel's Report - Executive Session,

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

- i. Yellow Jacket Water Conservancy District Storage and Demand Study

Director Mathis moved, seconded by Director Hazard, to proceed into Executive Session pursuant to C.R.S. §§ 24-6-402(4)(b)(legal advice) and (e)(negotiations). Motion carried unanimously. Director Merritt disclosed that his employer, HDR Engineering, has been engaged as a consultant for the Yellow Jacket Water Conservancy District and recused himself from the discussion.

Peter Fleming stated that no further record of the portion of the Executive Session in which legal advice or negotiations are discussed would be kept based on his opinion that the discussion will constitute privileged attorney-client communications.

Vice President Sharp reconvened into Public Session at 11:23 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 matter:

- i. Yellow Jacket Water Conservancy District's Storage and Demand Study.

Director Alvey moved, seconded by Director Gray, to authorize the River District Enterprise to enter into a contract with the Colorado Water Conservation Board (CWCB) to act as the fiscal agent and provide administrative support for the Yellow Jacket Water Conservancy District's Water Supply Reserve Account grant to study storage project opportunities in the White River Basin for a fee of 1% of the total study cost, and to authorize entering an agreement with the Yellow Jacket District outlining each entity's obligations and to contract with any consultants necessary to carry out the CWCB contract. Motion carried unanimously. Director Merritt abstained from the vote.

Ratification of Statement of Opposition in Application of Wingspread West, LLC, Case No. 09CW182, Water Division 5:

Director Mathis moved, seconded by Director Nelson, to ratify a Statement of Opposition in the Application of Wingspread West, LLC, Case No. 09CW182, Water Division 5. Motion carried unanimously.

Old Dillon Reservoir:

Ray Tenney recapped the processes involved for permitting and bidding the Old Dillon Reservoir Enlargement Project and relayed a request from the owners of the project, the Old Dillon Reservoir Water Authority (Summit County and the Towns of Silverthorne and Dillon). The Authority has requested that the River District act as the owners' representative during the construction phase of the enlargement at a fee of 4.5% of the project cost and to carry an Omissions and Errors insurance policy during construction. Director Martinez disclosed that he is Summit County's representative on the Water Authority and recused himself from the ensuing discussion and vote.

Director Trampe moved, seconded by Director Proctor, to authorize the River District Enterprise to enter into a contract with the Old Dillon Reservoir Authority to act as the owners' representative during the construction phase of Old Dillon Reservoir for a fee of 4.5% at a negotiated floor, authorize the General

Manager and General Counsel to engage in further negotiations as necessary, and to obtain Omissions and Errors insurance for the project. Director Mathis offered an amendment to the motion to set the floor at 4.5% of \$4 million with any additional insurance premiums incurred being considered an additional cost to be paid by the Authority. The amendment was accepted by Directors Trampe and Proctor, and the motion, as amended, carried unanimously. Director Martinez abstained from the vote.

Adjourn.

There being no further business before the Board, Vice President Sharp adjourned the meeting at 11:43 a.m.



Andrew A. Mueller, 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