

Tyler Martineau said that it would be possible to delay the decision for a month to allow time for Dick Bratton to check with the opposers and their interest in sharing the funding for the gage.

Ramon Reed move to table the motion. Butch Clark seconded the motion. The motion to table carried.

Tyler Martineau reported that the stream gage on the East River below Cement Creek will be installed in the next two weeks. He said that the River District will be discontinuing its funding of the Cochetopa Creek Below Rock Creek, near Parlin, Colorado stream gage and that the District might want to consider picking up the local cost share in 1994.

Tyler Martineau referred the board to his memorandum on construction of a stream gage on the Slate River near Crested Butte.

Susan Lohr moved that the District ask the U.S. Geological Survey to install and operate a stream gaging station on the Slate River near Crested Butte and that the District participate in funding one-half of the local cost share for this stream gage. Ramon Reed seconded the motion. The motion carried.

Tyler Martineau said that the River District will fund a water quality sampling program to be conducted four times per year on the Taylor and East Rivers at Almont, and on the East River below Cement Creek.

13. MISCELLANEOUS MATTERS

Due to the late hour, Tyler Martineau referred the board members to the materials that were mailed to them for this agenda item.

Tyler Martineau reported that the Colorado Water Conservation Board has been actively involved in discussions about the instream flow program. He also reported that the state is considering the listing of a number of endangered species including the boreal toad.

Tyler Martineau said that a production company making an HBO movie has requested flood flow releases from Taylor Park Reservoir in October 1993 to film a rafting scene for the movie. There was discussion on this request, and a number of concerns were raised. No action was taken by the board.

Butch Clark referred the board to a letter from Ruth Hutchins about the Wolford Mountain project. Mr. Clark said that answers were needed to the questions raised in this letter about the Colorado River Water Conservation District. Lee Spann said that he would discuss this letter with Mr. Clark and that he will report on the activities of the River District but that he would not discuss the River District's litigation concerning the project.

President Trampe said that the board needs to conduct the annual performance review of Tyler Martineau. Ramon Reed suggested that a time be set to do this. It was agreed that the board would evaluate Mr. Martineau on October 11, 1993 at 1:00 p.m. prior to the board meeting scheduled that afternoon.

14. UNSCHEDULED CITIZENS

Steve Glazer reported on the recent Colorado Water Conservation Board meeting that he attended and conveyed his concern about their executive sessions and possible involvement in the Arapahoe County Union Park litigation.

Dick Bratton provided information on upcoming items related to the Arapahoe County Supreme Court appeal on the water availability issue. After board discussion and questions, Mr. Bratton said that he will test the waters in regard to the other opposers' opinions concerning conditional water rights and 620(f) issues and will get more information from Bruce Driver concerning the maximum utilization brief.

15. FUTURE MEETINGS

The next board meeting is scheduled for October 11, 1993 at 1:30 p.m.

16. ADJOURNMENT

President Trampe adjourned the meeting at approximately 12:30 a.m.

Respectfully submitted,

Mark Schumacher, Secretary

APPROVED:

William S. Trampe, President

BRATTON & McCLOW
232 West Tomichi, Suite 202
P.O. Box 669
Gunnison, Colorado 81230
(303) 641-1903

Upper Gunnison River Water
Conservancy District
275 South Spruce Street
Gunnison, Colorado 81230

August 27, 1993

Professional services:

Administrative

- 08/03/93 UGj Prepare final draft of memo to Tyler re: Amendment 1
after review of S.B. 93-74; review with Tyler *see memo*
- 08/05/93 SLP Telephone calls to various insurance agencies re:
application form for Public Employee Position
Schedule Bond
- 08/06/93 SLP Research Public Employee Position Schedule Bond for
compliance with statute and organizational order of
District; letter to Tyler Martineau on same with
copy of application
- 08/09/93 UGd Attend monthly Board Meeting
- UGj Attend August Board Meeting NO CHARGE
- 08/17/93 UGd Meet with Legislative Interim Affairs Committee and
various others re: Upper Gunnison water matters

SUBTOTAL:

[1,002.50]

Rocky Point

- 07/29/93 jh Research for Answer to NECO Motion
- 08/02/93 UGj Review NECO Motion to Hold License Application in
Abeyance; initiate outline for Response and Cross
Motion

PAYMENT IN FULL IS DUE ON RECEIPT OF STATEMENT. A LATE CHARGE
OF 1 1/2% PER MONTH WILL BE ASSESSED ON BALANCES NOT RECEIVED WITHIN 30 DAYS.

THIS STATEMENT DOES NOT INCLUDE DISBURSEMENTS FOR WHICH WE HAVE NOT YET BEEN BILLED.

08/04/93 jh Draft Answer to NECO Motion

UGj Initial draft of response to NECO Motion for
Abeyance

08/05/93 jh Draft Answer to NECO Motion

UGj Review and revisions of initial draft of response to
NECO Motion for Abeyance; review proposed study
scopes from NECO

08/06/93 UGj Complete final revisions to Answer to NECO request
for abeyance, review with David Baumgarten

Amount

SUBTOTAL: [2,635.00]

Taylor Park Res - Refill & Assignment

08/11/93 UGd Conference with Tyler and Bill re: meeting with
Legislative Interim Affairs Committee

SUBTOTAL: [250.00]

Availability - Appeal

08/02/93 jh Write memo on Maximum Utilization

08/03/93 jh Write memo on Maximum Utilization

08/04/93 jh Write memo on Maximum Utilization

jh Conference with Tyler Martineau, Dick Bratton and
John McCLOW on Maximum Utilization

UGd Work on Maximum Utilization Issue NO CHARGE

08/05/93 jh Finalize memo on Maximum Utilization

UGd Draft letter to Board re: Maximum Utilization
argument

08/09/93 jh Draft memo on law to protect natural and social
environment

jh Supplement and finalize memo on appeal issues

*We paid
for this*

PAYMENT IN FULL IS DUE ON RECEIPT OF STATEMENT. A LATE CHARGE
OF 1 1/2% PER MONTH WILL BE ASSESSED ON BALANCES NOT RECEIVED WITHIN 30 DAYS.

THIS STATEMENT DOES NOT INCLUDE DISBURSEMENTS FOR WHICH WE HAVE NOT YET BEEN BILLED.

08/09/93 JR Telephone calls to Copper Mountain Central
Reservations re: conference room for August 12,
1993, meeting

UGd Telephone conferences with Andy (2), Don Hamburg,
Barney White re: meeting Thursday; work on Maximum
Use Brief; conference with Bruce Driver and Gary
Sprung re: Maximum Use

UGj Review of authorities for availability NO CHARGE
brief and joint meeting of opposers;
meet with Bruce Driver and Gary Sprung

08/12/93 UGd Attend strategy meeting in Copper Mountain with
other opposer attorneys re: appeal briefs

UGj Attend conference of opposer's NO CHARGE
attorneys at Copper Mountain

08/13/93 UGj Revise outlines of issues to be briefed based on
Copper Mountain conference

Amount

SUBTOTAL: [4,630.00]

Taylor Park Res Management Contract

08/10/93 jh Conference with Tyler Martineau and Dick Bratton on
Water Management Contract

UGd Work on contract - consider alternatives

SUBTOTAL: [185.00]

For professional services rendered \$8,702.50

Itemization of costs

-Long distance telephone expense	40.04
-U.P.S. delivery charges to FERC, 8/6/93	9.00
-Express Mail to Robert C. Dorr	9.95
-Photocopier expense	112.05
-Postage Expense	21.53

SUBTOTAL: [192.57]

PAYMENT IN FULL IS DUE ON RECEIPT OF STATEMENT. A LATE CHARGE
OF 1 1/2% PER MONTH WILL BE ASSESSED ON BALANCES NOT RECEIVED WITHIN 30 DAYS.

THIS STATEMENT DOES NOT INCLUDE DISBURSEMENTS FOR WHICH WE HAVE NOT YET BEEN BILLED.

Amount

Availability - Appeal

-Conference Room and coffee service at
Copper Mountain Resort on August 12,
1993, for meeting with opposers'
attorneys 84.75

SUBTOTAL: [84.75]

Total costs \$277.32

Total amount of this bill \$8,979.82

PAYMENT IN FULL IS DUE ON RECEIPT OF STATEMENT. A LATE CHARGE
OF 1 1/2% PER MONTH WILL BE ASSESSED ON BALANCES NOT RECEIVED WITHIN 30 DAYS.

THIS STATEMENT DOES NOT INCLUDE DISBURSEMENTS FOR WHICH WE HAVE NOT YET BEEN BILLED.

WILLIAMS, TURNER & HOLMES, P.C.
 ATTORNEYS AT LAW
 COURTHOUSE PLACE BUILDING - 200 N. 6th STREET
 MAILING ADDRESS - P.O. BOX 338
 GRAND JUNCTION, COLORADO 81502-0338
 TELECOPIER: (303) 241-3026
 TELEPHONE: (303) 242-6262

Date Rec 8/2/93 Adn. Ckd. 2-8
 Inv. Appr. AW Amt. Appr. 1731.50
 Pd. Date _____ Acct. # 4332
 Bd. Mbr. Appr. Date _____ CK# _____
 Board Member Initials _____

Upper Gunnison River Water
 Conservancy District
 275 South Spruce St.
 Gunnison, CO 81230

July 31, 1993
 Tax ID #84-0809508
 RE: UPPER GUNNISON/
 ARAPAHOE/HYDROPOWER

ITEMIZED STATEMENT

PREVIOUS BALANCE \$0.00

PROFESSIONAL SERVICES RENDERED

July, 1993

13	Begin outline re hydropower		
	AWW	2.10 hours	262.50
14	Research re 43 Section 620f concerning hydroelectric power plant issue		
	CSC	3.60 hours	144.00
14	Work on outline re hydropower		
	AWW	2.70 hours	337.50
15	Work on hydropower		
	AWW	1.10 hours	137.50
19	Work on brief outline		
	AWW	4.00 hours	500.00
27	Work on brief outline		
	AWW	1.70 hours	212.50
30	Work on brief outline		
	AWW	1.10 hours	137.50

	TOTAL SERVICES		\$1731.50

	BALANCE DUE		\$1731.50
			=====

PLEASE RETURN DUPLICATE COPY OF STATEMENT WITH REMITTANCE
 ** THANK YOU **

*what is resolution
 of 8/19 4/12.
 through June 30/93*

HELTON & WILLIAMSEN, P.C.
CONSULTING ENGINEERS IN WATER RESOURCES
384 INVERNESS DRIVE SOUTH, SUITE 115
ENGLEWOOD, COLORADO 80112
PHONE (303) 792-2161
FAX (303) 792-2165

August 9, 1993

Upper Gunnison River Water Conservancy District
275 South Spruce Street
Gunnison, Colorado 81230

Date Recd. 8/11/93 Addn. Ckd. Post
Inv. Appr. TM Amt. Appr. \$85.00
Pd. Date _____ Acct. # _____
Bd. Mbr. Appr. Date _____ CK# _____
Board Member Initials _____

INVOICE

Project Description: Provision of engineering services as requested by client of counsel.

Job Number: U201

Billing Period: July 1 through 31, 1993

Work Completed:

- 1) Consulted on the telephone with counsel concerning streamflows in the Taylor East River basins.
- 2) Reviewed previous estimates of streamflow, copied estimates for Cement, Deadman, and Spring Creeks, and faxed same to counsel.

Itemized Charges:

D. Helton 1.00 hr @ \$85.00/hr \$85.00

AMOUNT DUE THIS STATEMENT \$85.00

HELTON & WILLIAMSEN, P.C.



Duane D. Helton

DDH/nlm

BIO-ENVIRONS

Water Quality • Wetlands • Environmental Assessment

September 10, 1993

To:
 Upper Gunnison River Water Conservancy District
 275 S. Spruce St
 Gunnison, CO 81230

Invoice No. 93013
 Tax ID# 84-1053715

Costs incurred for completing report for the East River/Slate River project

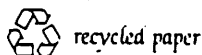
Hours

8 hrs @ \$25.00/hr	\$200.00
5 hrs @ \$ 8.00/hr	40.00

TOTAL	\$240.00
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Lynn Collins

Date Rec 9/13/93 Addn. Ckd. TM
 Inv. Appr. TM Amt. Appr. 240.00
 Pd. Date _____ Acct.# 4850
 Bd. Mbr. Appr. Date _____ CK# _____
 Board Member Initials _____



UGRWCD BUDGET SUMMARY-AUGUST 1993

	<u>AUGUST</u> <u>EXPENSE</u>	<u>YEAR -TO- DATE</u> <u>AS OF 8/31/93</u>	<u>1993 BUDGET</u>	<u>% EXPENDED</u>
Administrative Salary	\$3,750.00	\$28,254.65	\$45,000.00	63%
Secretary Salary	1,005.00	7,419.50	11,000.00	67%
Board Treasurer Salary	340.00	2,440.00	4,000.00	61%
Payroll Taxes & Benefits	654.10	3,860.17	7,000.00	55%
Staff Conference & Training	0.00	20.00	500.00	4%
Legal Retainer Fees	50.00	400.00	600.00	67%
Legal Exp & Eng. Related	6,153.92	50,553.92	65,000.00	78%
Audit & Accounting	0.00	874.30	1,200.00	73%
Rent & Utilities	0.00	0.00	1,500.00	0%
Stream Gages O&M	0.00	0.00	7,300.00	0%
Stream Gages Construction	0.00	0.00	7,000.00	0%
Bonding	50.00	100.00	300.00	33%
Insurance/Premises	0.00	0.00	500.00	0%
Office Telephone	180.93	1,247.50	2,700.00	46%
Attorney Telephone	0.00	0.00	500.00	0%
Legal Printing	122.79	502.44	1,300.00	39%
Administrative Travel	122.50	1,079.96	4,000.00	27%
Attorney Travel	0.00	761.14	2,000.00	38%
Board of Directors Travel	0.00	0.00	500.00	0%
Office Supplies	45.74	755.36	1,800.00	42%
Postage	0.00	518.00	1,200.00	43%
Copying	0.00	900.75	1,100.00	82%
Publications Acquisition	45.20	120.75	500.00	24%
Office Equipment	0.00	1,015.25	6,500.00	16%
Board of Directors Fees	225.00	2,850.00	5,000.00	57%
Board of Directors Mileage	44.00	747.00	1,400.00	53%
Uncompahgre Water Users	0.00	3,000.00	3,000.00	100%
CWC Membership	0.00	400.00	500.00	80%
WSC Water Workshop	0.00	1,200.00	1,200.00	100%
Water Resources Study	0.00	3,825.00	5,000.00	77%
Promotion & Guest Expense	363.27	438.97	1,500.00	29%
County Treasurer's Fees	180.15	6,206.56	7,000.00	89%
Subtotals	\$13,332.60	\$119,491.22	\$197,600.00	60%
Contingency			9,000.00	0%
Emergency Reserves			2,700.00	0%
Water Resource Protection & Development Reserves			37,000.00	0%
Totals	\$13,332.60	\$119,491.22	\$246,300.00	49%

*- Figley
cust ad oct*

UGRWCD
FINANCIAL DATA-8/1/93 THRU 8/31/93

Balance on Hand - July 31, 1993

Checking Account	\$21,768.91
Petty Cash	100.00
Time C.D.-FNB	2,680.07
Time C.D.-Wetlands Fund	929.33
Money Maker-GS&L	41,048.38
Time C.D.-FNB-Lake City	40,751.44
Passbook Svgs-CB St. Ban	40,000.00
Passbook Svgs-FNB	80,212.87

TOTAL FUNDS 7/31/93 \$227,491.00

Tax Receipt Collections thru July

Real Estate	\$187,038.88
Specific Ownership	8,033.78
Interest	678.50

Note: Treasurers' Fees are included \$195,751.16

July Tax Receipt Collections Paid in August

Real Estate	\$4,861.22
Specific Ownership	1,368.89
Interest	134.33

Note: Treasurers' Fees are included \$6,364.44

Miscellaneous Income-state checks voided	112.00
Interest on Investments received in August	179.76
TOTAL TO DATE	\$234,147.20

Total Disbursements thru 8/31/93 13,332.60
TOTAL FUNDS 8/31/93 \$220,814.60

Balances as of 8/31/93

		INTEREST RATES	MATURITY DATES
Checking Account	\$14,970.65	2.25%	
Petty Cash	100.00		
Time C.D.-FNB of Gunnison (1 yr.)	2,680.07	3.50%	1/18/94
Time C.D.-Wetlands-FNB of Gunnison (1 yr.)	932.49	3.50%	8/16/94
Money Maker-GS&L	41,167.08	3.40%	
Time C.D.-FNB of Lake City (6 mo.)	40,751.44	3.50%	10/4/93
Passbook Savings-C.B. State Bank	40,000.00	3.25%	
Passbook Savings-FNB of Gunnison	80,212.87	3.25%	
TOTAL FUNDS 8/31/93	\$220,814.60		

Upper Gunnison River Water Conservancy District

M E M O R A N D U M

TO: Board Members,
Upper Gunnison River Water Conservancy District

FROM: Tyler Martineau TM

DATE: August 30, 1993

SUBJECT: Agenda Item 7, September 13, 1993, Board Meeting --
Board Member Bonding.

The Valley Agency, which has provided bonding for the board of directors in the past, has offered to supply a public official position schedule bond for the directors through the Allied Mutual Insurance Company. Allied Insurance, which provides Rita's and my bonds, will supply the necessary bonding without any application from individual board members. Valley Agency has stated that this bond will be the equivalent of the type of bond proposed by the Western Surety Company that the board asked me to obtain.

As you know we were going to have to try to get Western Surety to make several exceptions concerning the board member disclosure requirements. Since the new bond provided by Allied eliminates the need to seek those exceptions I asked the Valley Agency to go ahead and prepare the Allied bond. A copy of the completed bond is attached for your review. The total cost of the bond coverage for the board (including all 11 board members) is \$50.00 per year. Upon payment of the bond premium by the board the bond will take effect.

I recommend that the board:

- 1) Approve the selection of the public official position schedule bond offered by the Allied Mutual Insurance Company.
- 2) Approve the payment of the \$50.00 bond premium for the period July 9, 1993 to July 9, 1994.

SCHEDULE OF POSITIONS EFFECTIVE July 9, 19 93
 (If there is more than one position of like classification, list by number, thus: Cashier No. 1, Cashier No. 2)

Number	Position	Location	Amount	Premium
1	Director No. 1	Gunnison, CO	\$1,000.00	\$3.50
2	Director No. 2	Gunnison, CO	1,000.00	3.50
3	Director No. 3	Gunnison, CO	1,000.00	3.50
4	Director No. 4	Gunnison, CO	1,000.00	3.50
5	Director No. 5	Gunnison, CO	1,000.00	3.50
6	Director No. 6	Gunnison, CO	1,000.00	3.50
7	Director No. 7	Gunnison, CO	1,000.00	3.50
8	Director No. 8	Gunnison, CO	1,000.00	3.50
9	Director No. 9	Gunnison, CO	1,000.00	3.50
10	Director No. 10	Gunnison, CO	1,000.00	3.50
11	Director No. 11	Gunnison, CO	1,000.00	3.50

Bond No. Bd 7900553302

ALLIED MUTUAL INSURANCE COMPANY, as Surety, in consideration of an agreed premium is held and firmly bound unto Upper Gunnison River Water Conservancy District

of Gunnison, CO obligee, for the faithful discharge of the duties of any Officer or Employee while occupying any position named in the schedule attached, or added thereto by written acceptance of the Surety, while in the service of the obligee, not exceeding the sum specified in said schedule or written acceptance of the Surety as to said position after the 9th day of July, 19 93.

This bond is subject to the following expressed conditions:

1. Automatic coverage is granted for the first thirty days service of any Officer or Employee:

(a) Occupying a newly created position identical with one listed in the schedule of positions, in an equal amount. Provided, however, that the automatic coverage herein granted shall be void and of no effect from the beginning, unless during the said thirty day period the obligee has requested in writing that the position be added to the schedule, and the Surety by written acceptance has consented thereto.

2. Coverage on any position may be increased or decreased upon written request of the obligee, and agreed to in writing by the Surety.

3. The Surety's liability under this bond shall not be cumulative, and in no event shall the Surety be called upon to pay as a loss hereunder an amount greater than the largest single amount for which the position occupied by any Officer or Employee causing said loss is or has been covered in the schedule, whether said loss occurred during any one or more years. The liability of the Surety for any Officer or Employee occupying more than one position at one time, or at different times, shall not exceed the largest amount of coverage specified for any single position occupied by said Officer or Employee. The liability of the Surety shall never exceed the amount in effect for the position when the act of the Officer or Employee causing the loss shall have occurred. In the event there are more Officers or Employees occupying the position covered in the schedule than are listed therein, the Surety shall be liable for such proportion of the amount of coverage as the number of Officers or Employees listed bears to the number of Officers or Employees actually occupying the position when the loss occurred.

4. Cancellation hereunder is effective, and all liability under this bond shall cease as to the future acts or omissions as to any Officer or Employee on the date specified in written notice given by the Obligee to the Surety as to any or all positions or Officers or Employees, or after thirty days' written notice given by the Surety to the Obligee of its intent to cancel this bond in its entirety, or as to any Officer or Employee or position.

5. The Obligee by the acceptance of this bond gives notice to the Surety terminating or canceling prior bond(s) or policy(ies) No.(s) None , such termination or cancellation to be effective as of the time this bond becomes effective.

6. The liability of the Surety hereunder is subject to the terms and conditions of the following or to the following Riders attached thereto.

Signed, sealed and dated this 17th day of August, 19 93.

Countersigned
By Loyle K. Brunner
Resident Agent

ALLIED MUTUAL INSURANCE COMPANY
By Anita R. Calderon
Attorney-in-Fact

Power of Attorney

KNOW ALL MEN BY THESE PRESENTS That ALLIED Mutual Insurance Company, a corporation organized under the laws of the State of Iowa, with its principal office in the City of Des Moines, Iowa, hereinafter called "Company", does hereby make, constitute and appoint STEVEN J. FIELDS ANITA R. CALDERON JAMES R. BURKMAN

DENVER, CO

each in his individual capacity, its true and lawful Attorney-In-Fact with full power and authority to sign, seal, and execute in its behalf any and all bonds and undertakings and other obligatory instruments of similar nature (except bonds guaranteeing the payment of principal and interest of notes, mortgage bonds and mortgages) in penalties not exceeding the sum of (\$ 4,000,000.00)

and to bind the Company thereby, as fully and to the same extent as if such instruments were signed by the duly authorized officers of the Company; and all acts of said Attorney pursuant to the authority hereby given are hereby ratified and confirmed.

This Power of Attorney is made and executed pursuant to and by authority of the following By-Laws duly adopted by the Board of Directors of the Company.

ARTICLE IX - EXECUTION OF CONTRACTS

"Section 2. Bonds, undertakings, and other obligatory instruments of similar nature, other than policies and endorsements, issued by the Corporation shall be validly executed and binding on the Corporation when signed by the President, or a Vice President, or by Attorney(s)-In-Fact appointed by the President, or by a Vice President."

"Section 3. The President, or a Vice President, shall have the power to appoint agents of the Corporation, or other persons, as Attorney(s)-In-Fact to act on behalf of the Corporation in the execution of bonds, undertakings, and other obligatory instruments of similar nature, other than policies and endorsements with full power to bind the Corporation by their signature and execution of any such instrument. The appointment of such Attorney(s)-In-Fact shall be accomplished by Powers of Attorney signed by the President, or a Vice President.

This Power of Attorney is signed and sealed by facsimile under and by the following By-Laws duly adopted by the Board of Directors of the Company.

ARTICLE IX - EXECUTION OF CONTRACTS

"Section 4. The Secretary, or an Assistant Secretary, is authorized to certify that any such Power of Attorney so signed shall be validly executed and binding on the Corporation; and to certify that any bond, undertaking, or obligatory instrument of similar nature, other than policies and endorsements, to which this Power of Attorney is attached is and shall continue to be a valid and binding obligation of the Corporation, according to its terms, when executed by Attorney(s)-In-Fact appointed by the President or a Vice President."

"Section 5. It shall not be necessary to the valid execution and binding effect of the Corporation of any bond, undertaking, or obligatory instrument of similar nature, other than policies and endorsements, signed on behalf of the Corporation by the President, or a Vice President, or Attorney(s)-In-Fact appointed by the President, or a Vice President, or any Power of Attorney executed on behalf of the Corporation appointing Attorney(s)-In-Fact to act for the Corporation, or of any certificate to be executed by the Secretary, or an Assistant Secretary, as hereinabove in Section 2, 3, and 4 of this Article provided, that the corporate seal be affixed to any such instrument but the person authorized to sign such instrument may affix the corporate seal, and a facsimile corporate seal affixed to any such instrument shall be as effective and binding as the original seal."

"Section 6. A facsimile signature of the President, or of a Vice President, affixed to any bond, undertaking, or obligatory instrument of similar nature, other than policies and endorsements, or to a Power of Attorney signed by such President, or a Vice President, as herein in Sections 2 and 3 provided, or a facsimile signature of the Secretary, or of an Assistant Secretary to any certificate as herein in Section 4 provided, shall be effective and binding upon the Corporation with the same force and effect as the original signatures of any such officers."

"Section 7. A facsimile signature of a former officer shall be of the same validity as that of an existing officer, when affixed to any policy or endorsement, any bond or undertaking, any Power of Attorney or certificate, as herein in Section 1, 2, 3 and 4 provided."

IN WITNESS WHEREOF, the Company has caused these presents to be signed by its President and its corporate seal to be hereunto affixed this 10 day of JULY 1992

STATE OF IOWA COUNTY OF POLK ss By: James Kirkpatrick, President

On this 10 day of JULY, 1992, before me personally came James D. Kirkpatrick, to me known, who, being by me duly sworn, did depose and say that he is President of ALLIED Mutual Insurance Company, the corporation described in and which executed the above instrument; that he knows the seal of said corporation, that the seal affixed to said instrument is such corporation seal; that it was so affixed pursuant to authority given by the Board of Directors of said corporation and that he has signed his name thereto pursuant to like authority, and acknowledged the same to be the act and deed of said corporation.



Stacy Koehn Notary Public in and for the State of Iowa

CERTIFICATE

I, the undersigned, Secretary of ALLIED Mutual Insurance Company, a corporation organized under the laws of the State of Iowa, do hereby certify that the foregoing Power of Attorney is still in force, and further certify that Section 2, 3, 4, 5, 6 and 7 of Article IX of the By-Laws of the Company set forth in said Power of Attorney are still in force.

IN TESTIMONY WHEREOF, I have subscribed my name and affixed the seal of the company this 17th day of August, 1993

This Power of Attorney expires 07/10/95 B. Rees Jones Secretary

BRUCE C. DRIVER
Attorney and Consultant

2260 Baseline Road
Boulder, Colorado 80302

(303) 444-2317
Fax (303) 440-4073

CONFIDENTIAL AND PRIVILEGED

To: Members of the Board, Upper Gunnison River Water Conservancy District
From: Bruce Driver
Date: September 9, 1993

At your last Board meeting, I described the "public interest" argument that my environmental organization clients preserved for appeal in the Union Park litigation. I also asked the Board for its support of this argument. I appreciate your willingness to listen to this presentation.

I believe that the Board decided not to take a position on this matter, at least pending my furnishing Board members a written description of our argument. I agreed to furnish this description. This memo provides a very brief summary of our argument.

Basically, our argument is that if the Court remands the Union Park case to Judge Brown for further proceedings, it should instruct him to hear evidence relevant to the impact of the appropriation of water by the Union Park Project on the environment and economy of the Gunnison River basin. In support thereof we would further argue roughly as follows:

1. Homeowners and environmental organizations asserted in 1988 that Judge Brown should hear evidence on the impact of the Union Park Project on certain "public values" in water, including on the natural environment and the economy of the Basin.

2. We advanced these claims under two basic theories: "public values/maximum use doctrine" and the "public trust doctrine."

3. Judge Brown dismissed these issues from the case.

4. However, in paragraph 12 of Judge Brown's October, 1991 opinion and order, he concluded that the maximum use doctrine does apply to this case in a manner to caution him against reaching too far with the Can and Will water availability issue. Judge Brown's rulings now mean that he has adopted Arapahoe's definition of the maximum use doctrine--that maximum use of Colorado's water should be made without regard for its impact on the environment or local economies.

5. This "law of the Union Park case" is erroneous. Indeed, the Colorado Supreme Court has several times indicated that the maximum use doctrine involves consideration of all benefits and uses of water and not simply squeezing as much water as possible

from the state's streams and aquifers. This more expansive meaning of "maximum use" applies to this case:

a. The Colorado Constitution makes water the property of the public, then subjects it to appropriation for private use, but only for "beneficial uses."

b. "Beneficial use" implies the absence of "waste," as many Colorado cases establish.

c. The requirement to avoid waste led to the "maximum use doctrine."

d. In this case, the Court may and should apply a broad concept of maximum use, based on the need to avoid waste, in its interpretation of the beneficial use requirement of the Constitution because:

(1) The unappropriated water of the state is the property of the people.

(2) The framers intended the courts to protect the public's interest in its waters, even as these water are appropriated, in a manner to avoid waste.

(3) Waste is an evolving concept that includes consideration of environmental and local economic factors.

(4) That the Legislature has not yet expressly defined waste or maximum use to include consideration of impact on the environment or a local economy does not prevent the Court from doing so. Examples abound where the Court has moved first in Colorado water law, the Legislature to follow. The maximum use doctrine is such an example.

6. The Court may and, in these times, should allow for the presentation of evidence regarding the impact on the environment and local economy of a withdrawal of water for the Union Park Project. The evidence may lead to denial of a water right for the project or to specification of terms and conditions to limit these impacts.

7. Thus, if the Court ~~otherwise~~ remands the case, it should instruct Judge Brown that the maximum use doctrine permits the consideration of evidence of the impact of the project on the environment and local economy. However, if the Court decides to affirm Judge Brown's opinion, this case has been resolved--Arapahoe will not build the project. Thus, the maximum use issue need not be addressed.

Note: We are flexible on how we make this argument. Our brief will not be filed until November 8 at the earliest. This gives time for further interchange between all of us.

111.

*Concern for case -
effect on economy and
environment*

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L. Richard Bratton
John H. McClow

John R. Hill, Jr.
Of Counsel

September 10, 1993

Board of Directors
Upper Gunnison River Water
Conservancy District

Re: Memorandum from Bruce Driver

Dear Susan and Gentlemen:

Enclosed for your review, please find a memorandum from Bruce Driver regarding the "public interest" argument. We will discuss this on Monday.

Sincerely,

L. Richard Bratton /lms

L. Richard Bratton

/lms
Enclosure

Upper Gunnison River Water Conservancy District

M E M O R A N D U M

TO: Board Members,
Upper Gunnison River Water Conservancy District

FROM: Tyler Martineau *TM*

DATE: August 30, 1993

SUBJECT: Agenda Item 9, September 13, 1993, Board Meeting --
Curecanti National Recreation Area
Management Assessment

The Curecanti National Recreation Area will be conducting a management assessment to see how well the Area is meeting its intended purposes and to establish a set of goals for the future. The Upper Gunnison District has been requested to participate in the assessment on October 13, 14, and 15.

John Chapman, the Superintendent at Curecanti, has indicated that he will be present at our meeting on September 13. I would like to receive direction from the board concerning participation in the assessment. If the district does attend a person who will represent the District should be designated as I have meetings with the Colorado Water Conservation Board on those days.



IN REPLY REFER TO:

United States Department of the Interior



NATIONAL PARK SERVICE
Curecanti National Recreation Area
102 Elk Creek
Gunnison, Colorado 81230

D18 (CURE)

September 7, 1993

Tyler Martineau, Manager
Upper Gunnison River Water Conservancy Dist.
275 So. Spruce St.
Gunnison, CO 81230

Dear Tyler:

This letter is to formally invite you or a member of the Conservancy District's board to participate as a "park stakeholder" in a Management Assessment process for Curecanti National Recreation Area to be held October 13-15, 1993. This assessment will be held at the Aspinall-Wilson Center, 909 Escalante Drive, adjacent to the Western State College campus' southeast corner. We will begin at 8:30 a.m. on Wednesday the 13th, and finish at noon on the 15th.

Management Assessments are being conducted gradually at a number of parks in the National Park System in order to take stock of park purposes and look to the future of managing and protecting resources and serving visitors.

The assessment workshop begins by looking at all legislation and agreements, including the National Park Service Organic Act and documents particular to Curecanti National Recreation Area to clearly define and understand the park's purpose and significance.

Participants then seek to identify management objectives and obstacles to those objectives for the park. The management objectives are those ideal conditions for the resources, visitors, and employees in the park twenty years from now. The obstacles are items preventing the management objectives from being achieved.

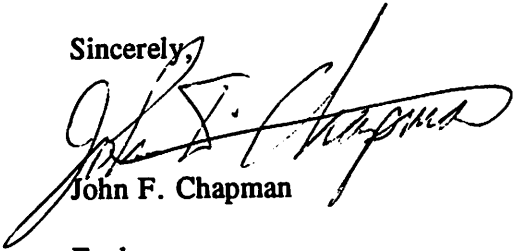
Near the end of the workshop actions and owners will be identified to resolve the obstacles. Actions are steps required to remove obstacles, and owners will be identified with each action. Three weeks after the workshop owners will be asked to submit brief action statements to solve each obstacle they have been identified with. A report and summary of results and actions will be developed from which annual work projects and goals will be selected to achieve the goals envisioned by the assessment.

A tentative agenda for the assessment is enclosed, along with samples of goals-obstacles-owners determined in earlier assessments for other parks.

Please plan to commit your attendance for the whole workshop for the process to work most effectively.

We here at Curecanti National Recreation Area are excited about looking to the future of this park and to your interest and involvement in a partnership with us to define that future.

Sincerely,

A handwritten signature in cursive script, appearing to read "John F. Chapman". The signature is written in black ink and is positioned above the printed name.

John F. Chapman

Enclosure

AGENDA
MANAGEMENT ASSESSMENT WORKSHOP
CURECANTI NATIONAL RECREATION AREA

Wednesday, October 13, 8:30 a.m. to 12:00 noon

Participants Introduction

Strategic Planning Overview

Review strategic planning process

Review RMR Program and Project Formulation System

Review management assessment process

Develop Purpose Statements

Wednesday, October 13, 1:00 p.m. to 4:30 p.m.

Develop Significance Statements

Thursday, October 14, 8:30 a.m. to 12:00 noon

Formulate Management Objective Statements

Thursday, October 14, 1:00 p.m. to 4:30 p.m.

Continue morning session

Friday, October 15, 8:30 a.m. to 12:00 noon

Identify Obstacles and Owners

Closeout Summary

Adjourn

MANAGEMENT ASSESSMENT PROCESS

STEP	DEFINITION
PURPOSE	Purpose statements are the reasons for which the park was set aside as a part of the National Park system. They are based on legislation, legislative history, and historic trends.
↓	
SIGNIFICANCE	Significance statements capture the essence of the park's importance to our natural and cultural heritage. They are not an inventory of significant resources, rather they describe the importance and distinctiveness of the aggregate of resources in the park.
↓	
MANAGEMENT OBJECTIVES	Management objectives (desired futures) are broad conceptual descriptions of what the park could be like, based on the kind of resource conditions and the visitor experiences the park wishes to provide. They include visitor services, resources management, and human resources. Management objective statements describe desired ends, not specific solutions or means of accomplishing them.
↓	
OBSTACLES	Obstacles are impediments or barriers to reaching management objectives. They identify problems, they do not identify solutions.
↓	
OWNERSHIP	Ownership identifies the individuals or groups that can resolve the obstacle. Owners may be identified as individuals in the park, region or Washington office, or interests outside the NPS.
↓	
ACTIONS	Actions are steps required to remove obstacles. They are documented in the park's Statement for Management.
↓	
EVALUATION/ FEEDBACK	Evaluations review the effectiveness and extent to which actions to remove obstacles have been implemented. Adjustments may be necessary to assure objectives are being achieved. High priority actions are documented in annual performance standards. A master list of these actions for all parks will be monitored in the region.

Legislative Summary for Curecanti National Recreation Area

Following are pertinent references to legislative and agreement history of Curecanti National Recreation Area :

The Colorado River Storage Project Act of April 11, 1956, (70 Stat. 105), authorized the Secretary of the Interior to construct, operate, and maintain dams in the Upper Colorado River Basin, including the Curecanti Dam by the Bureau of Reclamation. Section 8 of this Act helps define Curecanti National Recreation Area's purpose.

Sec. (8) ...the Secretary of the Interior is authorized and directed to investigate, plan, operate, and maintain (1) public recreational facilities on lands withdrawn or acquired for the development of said project, or participating projects, to conserve the scenery, the natural, historic, and archeological objects, and the wildlife on said lands, and to provide for public use and enjoyment of the same and of the water areas created by these projects by such means as are consistent with the primary purposes of said projects; and (2) facilities to mitigate losses of, and improve conditions for, the propagation of fish and wildlife. The Secretary is authorized to acquire lands necessary for the construction, operation, and maintenance of the facilities herein provided, and to dispose of them to Federal, State and local governmental agencies by lease, transfer, exchange, or conveyance upon such terms and conditions as will best promote their development and operation in the public interest.

Curecanti's basic purpose is further articulated in a memorandum of agreement between the National Park Service and the Bureau of Reclamation signed by then Secretary of the Interior Udall on February 11, 1965. This agreement authorizes the NPS to use its authority, jurisdiction, regulations, planning, and management policies to administer the lands, surface waters, and resources of the area as Curecanti National Recreation Area. Quoting in part....:

Whereas the Service has been designated as the agency responsible for carrying out the provisions of Section 8 of the said Act of April 11, 1956,

Article I, General Provisions

1. Except for the areas required by the Bureau for construction, operation and maintenance of the dams, the Service shall administer all lands and waters within the project area, providing for recreation therein...

2. This agreement shall not be construed to conflict with the primary purposes of the project or to alter the Bureau's control over storage and release of water. However, to the extent consistent with the authorized primary purposes of said project, the Bureau shall operate the dams and reservoirs in keeping with the Secretarial policy which provides for full consideration of public recreation and fish and wildlife conservation on

reservoir projects undertaken by the Federal Government.

Article II, Functions of the National Park Service

...the Service in its administration of the project area for recreation, shall be responsible for:

1. Preparing plans for and constructing recreational facilities, including roads and trails.
3. Negotiating and executing contracts, with private individuals, partnerships or corporations for supplying necessary visitor services related to recreational use of the project area, including, but not limited to, use of the waters for boating, canoeing, bathing, and sightseeing; and prescribing and enforcing reasonable rates and standards for the supplying of such services.
4. Establishing and enforcing policies regarding the recreational use of lands and waters in the project area.
5. Promulgating and enforcing such rules and regulations as are necessary or desirable for the conservation of any historic or archeological remains, and control of all archeological excavation and historical or archeological research or as may be needed for recreational use and enjoyment of the area and for the safety of visitors.
6. Establishing and maintaining protective, interpretive, and other facilities and services as may be necessary for the safe and full use and enjoyment of the area for recreational purposes. Public information activities and services shall be provided by the Service through coordination with other Interior agencies in order to facilitate public understanding of the interrelated programs of these agencies within the area.
8. Extending to the Bureau and other agencies involved technical assistance in the planning and development of exhibits and interpretive devices oriented toward visitor understanding and enjoyment of the project and related resources.
9. Negotiation of agreements or coordination of activities with State and Federal wildlife agencies as desirable for the conservation, protection and interpretation of wildlife consistent with applicable law.

In managing, protecting, and developing Curecanti NRA the National Park Service incorporates the provisions of the Act of August 25, 1916, as amended, creating the National Park Service. The fundamental purpose of the 1916 Organic Act is to:

...conserve the scenery and the natural and historic objects and wild life

therein and to provide for the enjoyment of the same in such manner and by such means as will leave them unimpaired for the enjoyment of future generations.

While the great majority of the land and water in the area are covered by the agreement with the Bureau of Reclamation a memorandum of understanding between U.S. Forest Service and the National Park Service dated July 11, 1966, and reaffirmed every five years, directs the NPS to manage, protect, and develop 670 acres of Forest Service land within the Bureau of Reclamation withdrawal area and 120 acres of adjacent land within the Gunnison National Forest. This land would be transferred to the recreation area at the time of its legislative establishment.

Another agreement was signed August 30, 1979, between the National Park Service and the Bureau of Reclamation which states:

The National Park Service shall assume all responsibilities for operation, maintenance, construction of future facilities, and replacement of existing facilities upon the completion of this construction program. Legislation for final establishment of Curecanti National Recreation Area will be recommended to Congress by the National Park Service in a timely fashion such that enactment coincides approximately with completion of this construction program.

On December 6, 1983, the Regional Director, Rocky Mountain Region, submitted a legislative support package for the proposed legislative establishment of Curecanti National Recreation Area. On January 5, 1985, additional support data was submitted to the Chief, Office of Legislation, WASO. Establishment legislation has been drafted and introduced, but not acted upon as yet.

Then Congressman Ben Nighthorse Campbell introduced legislation in 1990, and it was reintroduced as H.R. 2925 on July 17, 1991, to establish the Curecanti National Recreation Area in the state of Colorado as a unit of the National Park System. The Committee on Interior and Insular Affairs requested department reports, but no further action has been taken by Congress. The legislation must be reintroduced in the current Congress.

In the Congressional Record--Extension of Remarks, July 18, 1991, Congressman Campbell states in support of "A Bill to Establish the Curecanti National Recreation Area" that:

The proposal legislatively establishes the boundaries of the NRA on existing Federal lands and acknowledges the recreational purpose for which the land has been set aside.

Fortunately, the Aspinall Unit and Curecanti were built with more than just water storage, irrigation, and hydropower in mind. In fact, all new Corp of Engineers and Bureau of Reclamation water projects have a significant recreation component. This area was designed with the comfort

and enjoyment of the public in mind. It was designed to be a place where families could come to rest and recreate.

I believe formally recognizing the Curecanti National Recreation Area will make millions more Americans aware of the excellent natural and cultural resources available on Colorado's western slope.

A letter of support for H.R. 2925 from the city of Gunnison states:

The recreation area is made up of three reservoirs impounded on the Gunnison River, each unique for scenery and recreation opportunities. Blue Mesa is the largest lake in Colorado and supports one of the finest fisheries and water-based recreation sites in the State. A portion of the famed Black Canyon of the Gunnison is found in the fiord-like lakes of Morrow Point and Crystal and is geologically significant. Boating, fishing, and camping on these two lakes forms a different use and challenge to the sportsperson engaging in their use.

Lakes, vast rising mesas, steep canyons and volcanic pinnacles create a landscape represented nowhere else in the nation. This diversity provides for a full range of recreational experiences such as boating, fishing, ice fishing, windsurfing and water skiing, sailing, camping, hiking, hunting, snowmobiling, ice skating, and others.

There are hosts of significant historic and prehistoric remains, adding to the varied history of the area. Recent studies into the prehistory have given national prominence to the park's archeological resources. Evidence indicates human presence here as early as 10,000 years ago. Several locations within the park memorialize the more recent historical events of mountain narrow gauge railroad building and operation. Additionally, the story of water use and development in the west is depicted.

Additional letters of support from the City of Montrose, and the chambers of commerce of both Montrose and Gunnison were also inserted in the Congressional Record.

H.R. 2925 states:

In order to conserve the scenic, natural, historic, archeological, wildlife, and fishery resources, and to provide for the public use and enjoyment of the lands withdrawn or acquired for, and the water areas created by, the Wayne N. Aspinall Unit of the Colorado River Storage Project, there is established as a unit of the National Park System the Curecanti National Recreation Area.

SEC. 2 ADMINISTRATION.

(a) IN GENERAL.--The Secretary shall administer, protect, and develop the recreation area in accordance with this Act and with the provisions of law generally applicable to units of the national park system, including the Act entitled "An Act to establish a National Park Service, and for other purposes", approved August 25, 1916 (16 U.S.C. 1-4),...

(b) RECREATION ACTIVITIES.--In carrying out this Act, in addition to other related activities that may be permitted pursuant to this Act, the Secretary may provide for the following activities:

- (1) General recreation uses, including (but not limited to) swimming, fishing, boating, hiking, horseback riding, camping, and picnicking.
- (2) Grazing and harvesting of hay.
- (3) Roads, stock driveways, and utility rights-of-way.
- (4) Off-road vehicle use below high water levels.
- (5) Snowmobile use below high water levels, on frozen lake surfaces, and on related designated access routes.
- (6) Other such uses as the Secretary may deem appropriate.

SEC. 3. HUNTING, FISHING, AND TRAPPING.

The Secretary shall permit hunting, fishing, noncommercial taking of fresh-water crustaceans, and trapping on the lands and waters under the Secretary's jurisdiction within the recreation area in accordance with applicable laws and regulations of the United States and the State of Colorado.

SEC. 4. ACQUISITION AND DISPOSAL OF LAND.

(e) CONVEYANCE OF RIVERWAY TRACT.--(1) The Secretary is authorized to convey to the city of Gunnison, Colorado, or to such other public agency as the Secretary deems appropriate, for an amount not to exceed fair market appraised value, the land known as the Riverway Tract...

(2) Such conveyance shall be for recreational purposes only,...

As shown above, the 1956 Act expressly permits such uses as grazing, hunting, fishing, mineral development of existing rights, road and utility rights-of-way, off-road vehicle use below high water levels, snowmobile use below high water levels, and other uses such as the Secretary of the Interior deems appropriate, provided that said uses do not interfere with or detract from the area's primary functions of water storage and power generation or its secondary functions of providing for public recreation and conserving and protecting the scenery, the natural, historic, and archeological objects, and the wildlife and fishery.

Upper Gunnison River Water Conservancy District

MEMORANDUM

TO: Board Members,
Upper Gunnison River Water Conservancy District

FROM: Tyler Martineau *TM*

DATE: August 20, 1993

SUBJECT: Agenda Item 10, September 13, 1993, Board Meeting --
Aspinall Unit Operations.

The quarterly Aspinall Unit operations coordination meeting was held by the Bureau of Reclamation on August 19. For the next six months operation of the Aspinall Unit reservoirs will continue as in the past. Therefore, river administration in the Upper Gunnison basin due to downstream calls is not anticipated to occur between now and the next coordination meeting in January, 1994.

The following points are also worth mentioning:

1. It appears that Ron Johnston has been permanently reassigned to another position back in the Salt Lake office of the Bureau of Reclamation. A new acting projects manager for the Grand Junction Projects Office will be appointed soon.

2. The U. S. Fish & Wildlife Service may ask for water to be bypassed past the Redlands Power Canal diversion for the first time in 1994. Neither the date of when such a request would be made nor the amount of the bypass has been decided. Whether or not this action could force a call to be put on the Gunnison River by the Redlands Power Canal is uncertain at the present time.

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Nov 934
Dec 820
Jan 940*

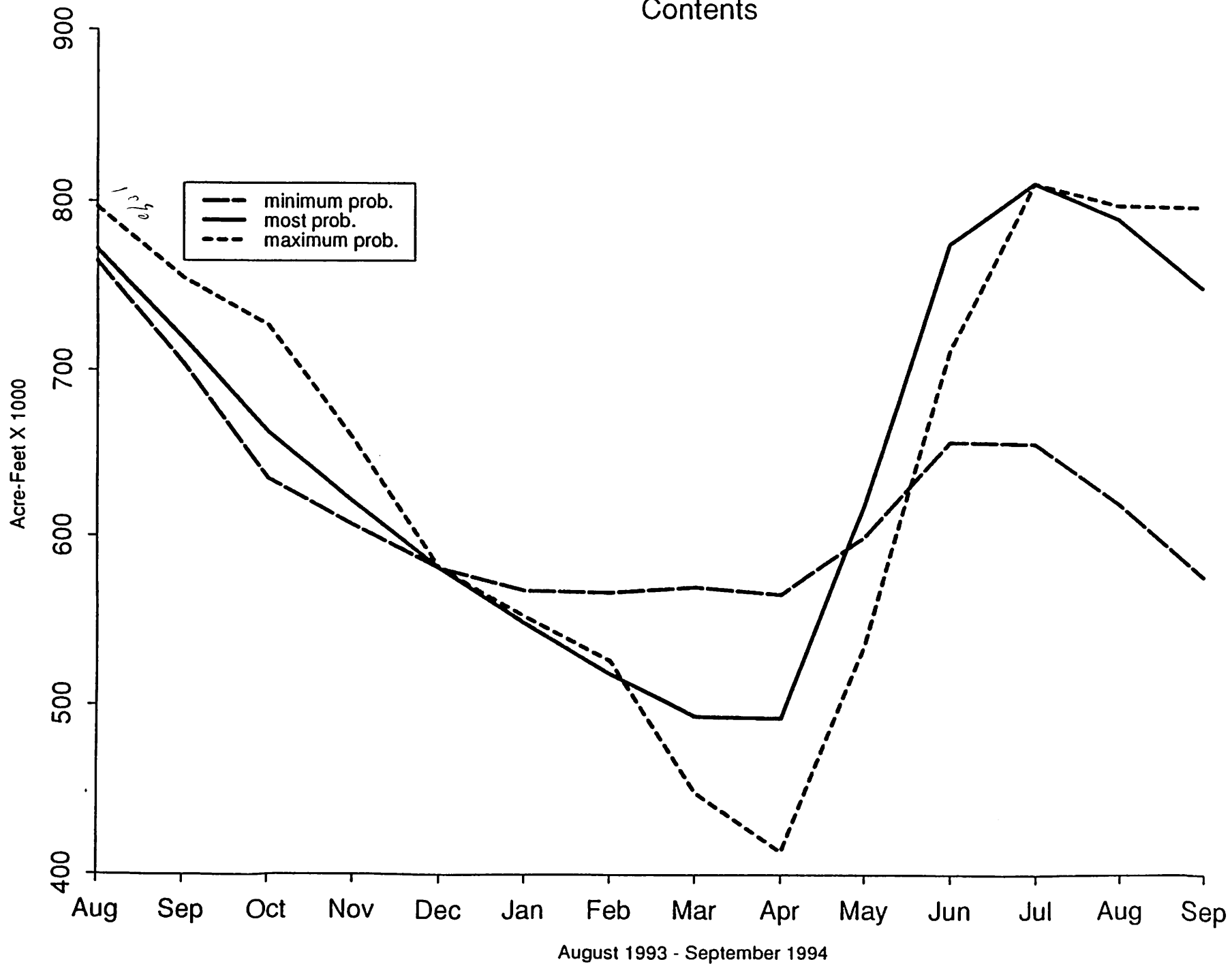
3. The maximum daily flow in the Gunnison River at Whitewater during the 1993 runoff was 19014 cfs recorded on May 28. This flow was well in excess of that needed for the Fish & Wildlife Service to achieve a high flow year for their five year test flow program.

4. A meeting of the lead and cooperating agencies for the Gunnison River Contract planned for August 19 was cancelled by the Bureau of Reclamation. There is nothing to report concerning USBR and NPS progress on the contract at the present time.

*Max - 1446
Probability
10%
72%*

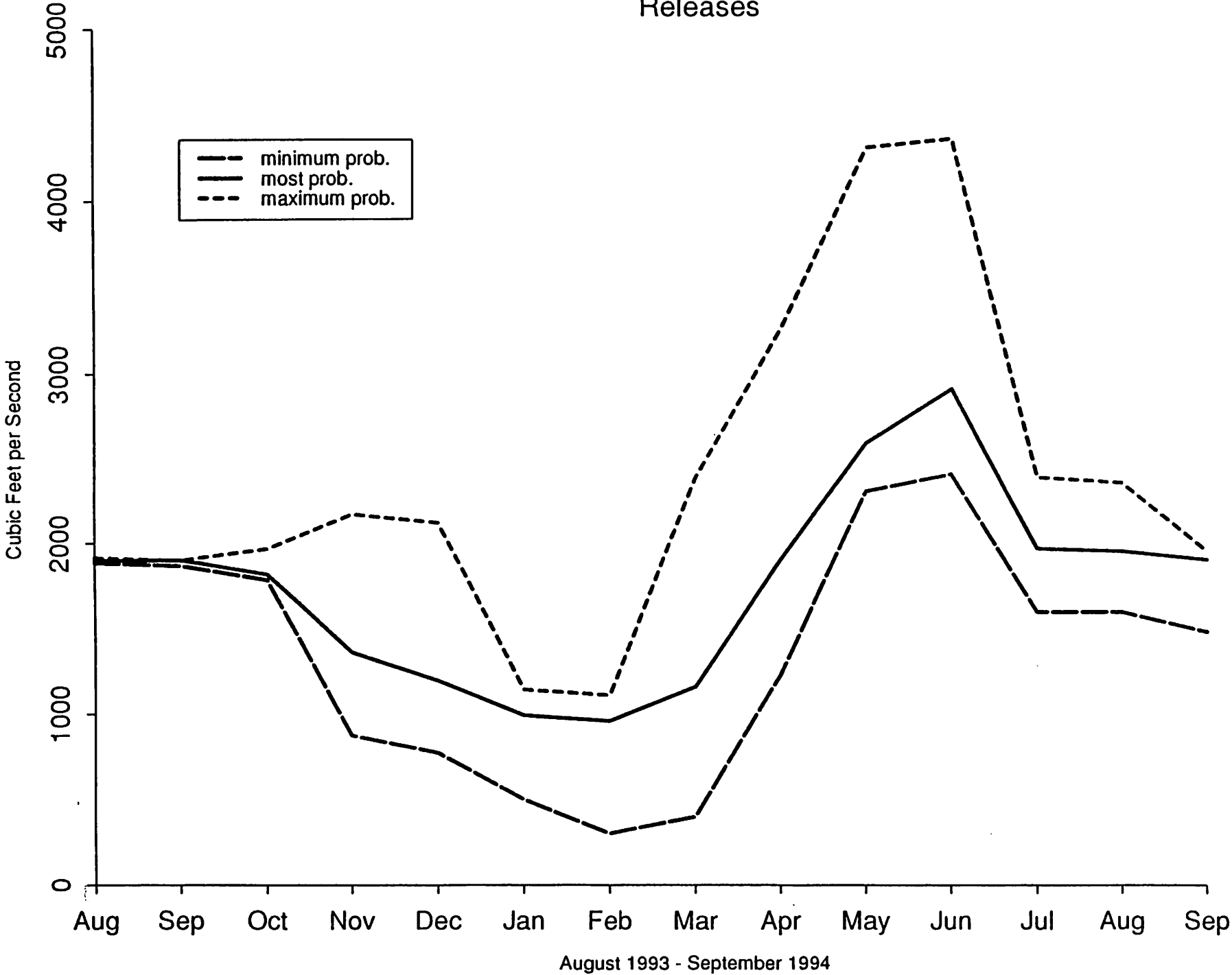
Attached is a set of graphs which depict forecasted operations of the Aspinall Unit through September, 1994.

Expected Blue Mesa Contents

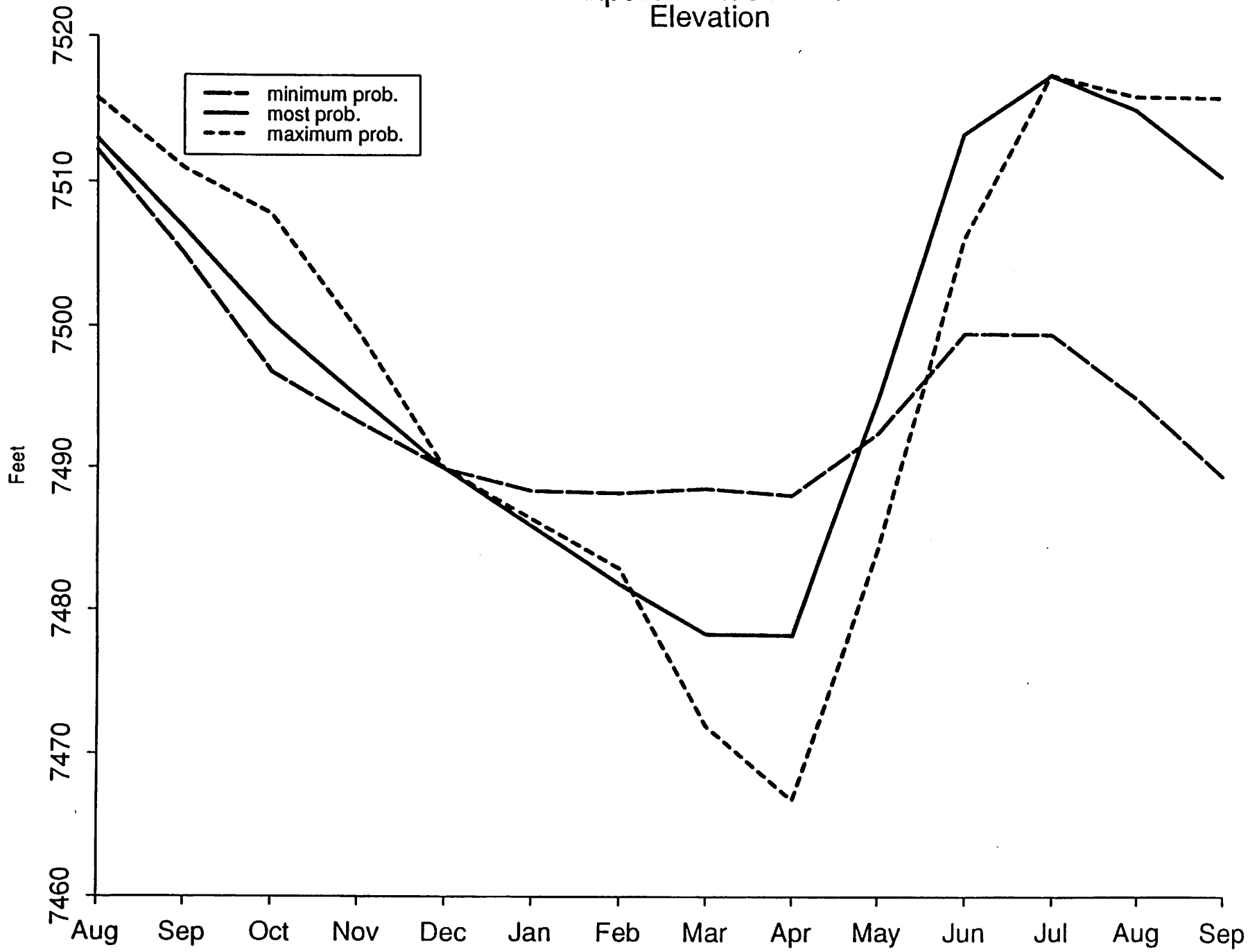


August 1993 - September 1994

Expected Crystal Releases

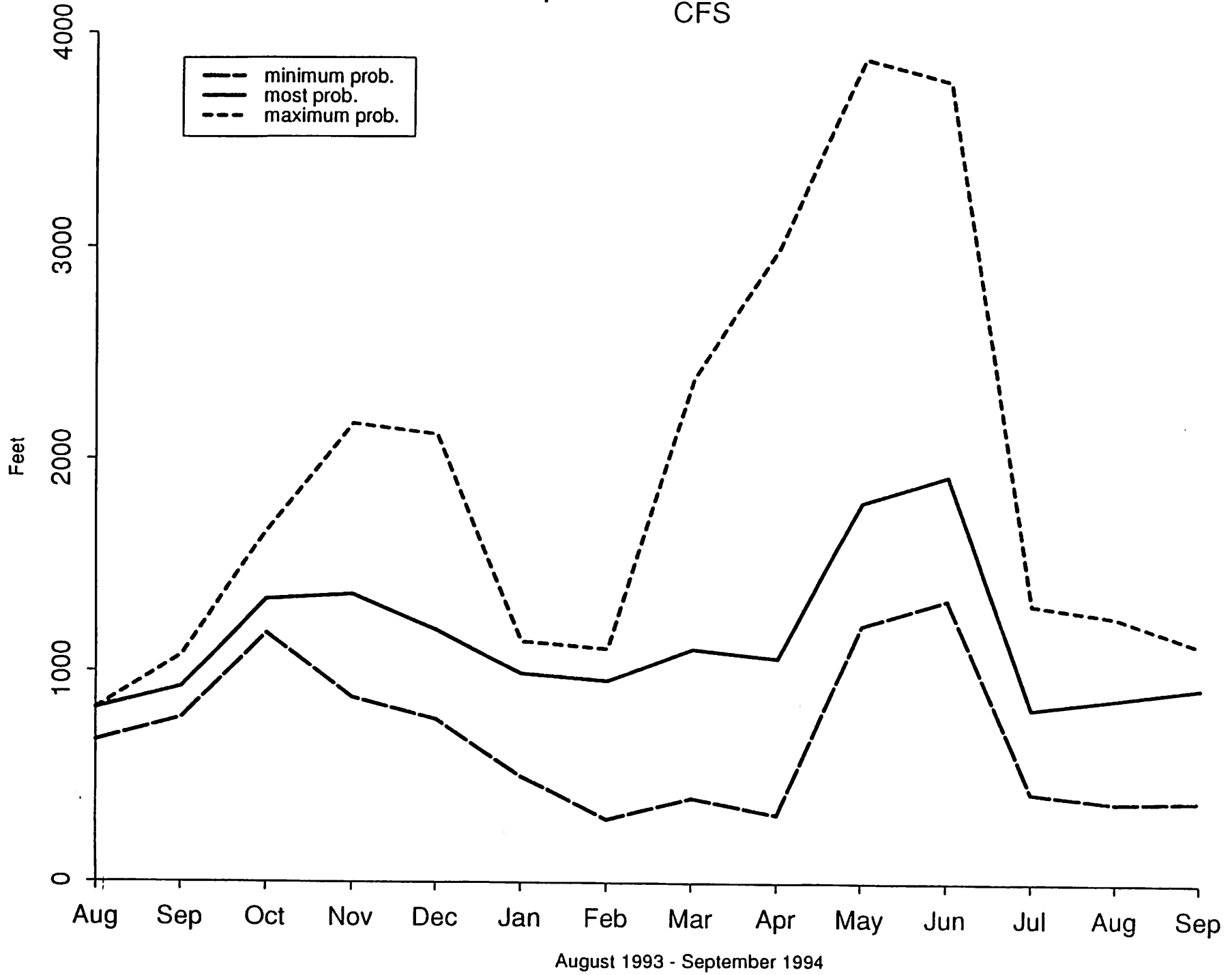


Expected Blue Mesa Elevation

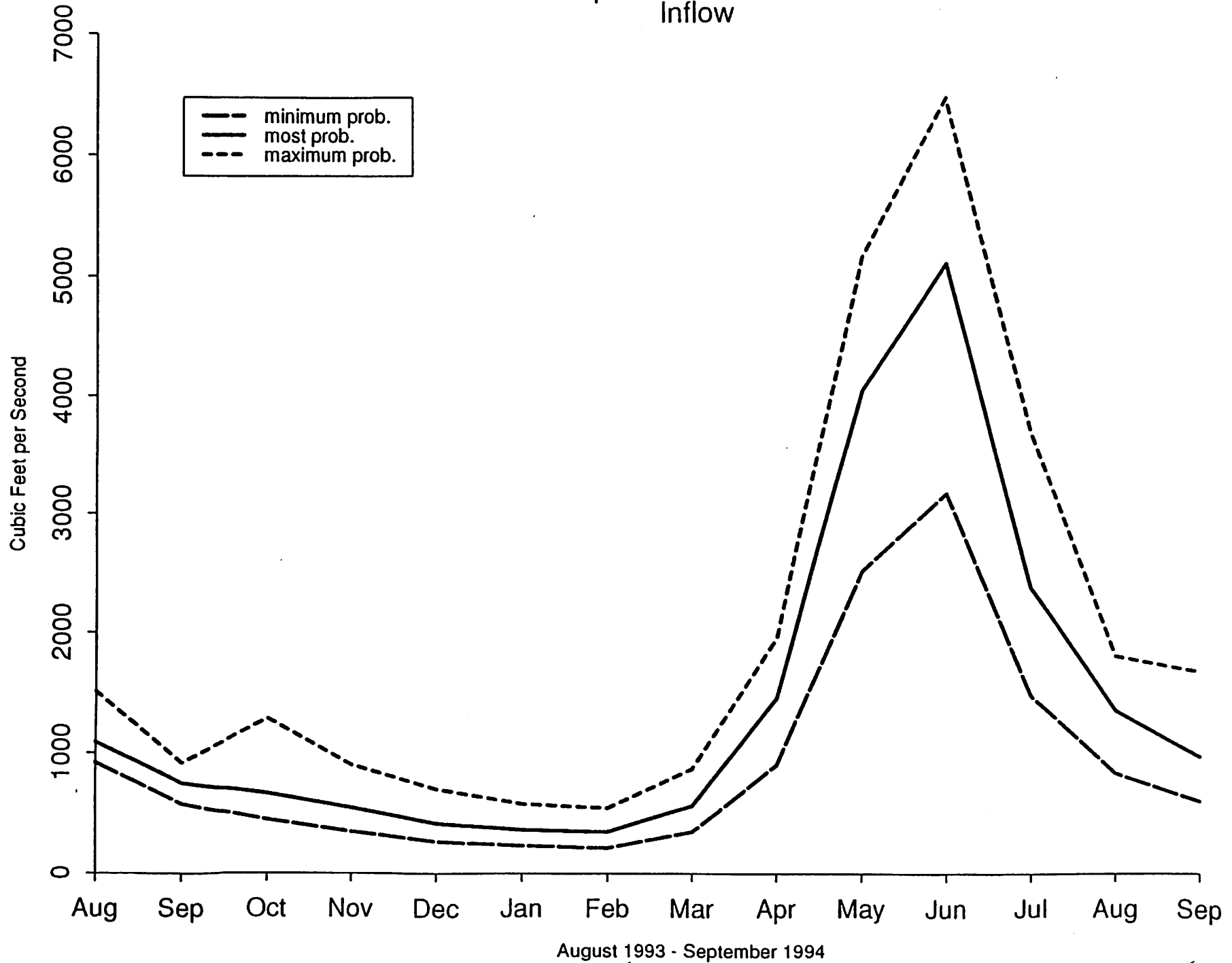


August 1993 - September 1994

Expected Flow Below Tunnel CFS



Expected Blue Mesa Inflow



August 1993 - September 1994

Upper Gunnison River Water Conservancy District

M E M O R A N D U M

TO: Board Members,
Upper Gunnison River Water Conservancy District

FROM: Tyler Martineau *TM*

DATE: September 2, 1993

SUBJECT: Agenda Item 11a, September 13, 1993, Board Meeting --
Taylor Park Water Management Agreement - Update on
Negotiations with the Bureau of Reclamation.

On August 31 board members were mailed a new draft of the proposed Taylor Park Water Management Agreement. The new draft includes revised language from the Bureau of Reclamation (USBR) concerning payment for water. There is a major change in the method of payment from what we have discussed at previous board meetings. The USBR is proposing now that the District pay a flat fee of \$10,000 per year for the administration of water from the refill. This would be the total fee paid to the USBR. There would be no per acre-foot charge for water actually used.

The next negotiating session with the USBR is scheduled for Thursday, September 16, 1993 at 10:00 am at the County Commissioner's Room at the Gunnison County Courthouse.

The board will be requested to provide input and suggestions to the negotiating team concerning the following list of on-going issues as well as other issues at our board meeting on September 13:

- 1) The Bureau of Reclamation should provide copies of the Federal Acts referred to on pages 1, 5, and 11 of the proposed agreement. *on p. 5
all acts
conflict*
- 2) Page 3, paragraph (a). Add the word, "purposes", following the word, "irrigation". Add the word, "acre-feet", following the number, "5,423".
- 3) Page 4, paragraph (j). Amend the paragraph to read, "WHEREAS, the parties hereto desire to enter into a water management agreement whereby storage and release from Taylor Park Reservoir and the Aspinall Unit are managed consistent with the practices that have previously occurred under the terms of the 1975 Agreement so as to provide a means to coordinate, account for, and protect water stored

and controlled for the purposes of enhancing recreation, fishery, wildlife benefits and irrigation practices within the Gunnison District resulting from the refill right."

4) Page 6, paragraph 2(d). This paragraph should make it clear that no action is contemplated that would require NEPA compliance or a Section 7 consultation under the Endangered Species Act.

5) Page 5, paragraph 1. It may be useful to add definitions for fishery and recreation water: "Fishery and recreation water" means water that is used or intended to be used for maintaining and enhancing fisheries and recreation in Taylor Park Reservoir and in the Taylor River and Gunnison River between Taylor Park Reservoir and Blue Mesa Reservoir.

6) Page 6, paragraph 2(e). This paragraph still provides that termination may be by any one party. An option would be to develop language that allows any one party to withdraw from the agreement without causing the agreement to be terminated.

7) Page 7, paragraph 3(b). It would be beneficial to establish an exchange between Taylor Park Reservoir and Blue Mesa Reservoir for the refill along the lines of the exchange which takes place for the first fill water. With an exchange in place it would be possible to move water down the Taylor River for fishery and recreational purposes, and then hold the water in Blue Mesa Reservoir for release for replacement purposes for irrigation when a downstream call comes on the river. Without an exchange it may be necessary to release refill water from Taylor Park Reservoir for irrigation at times that would not benefit fisheries and recreation.

8) Page 7, Paragraph 3(c). Add the words, "at the Grand Junction Projects Office" following the word, "available".

9) Page 7, paragraph 3(d). This provision results in the Gunnison District having no refill water to carry over in Taylor Park Reservoir for use in a dry year. As a result the usefulness of the refill as a replacement source in an augmentation plan may be limited. It would be beneficial to utilize an exchange between Taylor Park Reservoir and Blue Mesa Reservoir to provide a means of carrying over refill water without interfering with the Uncompahgre Project.

10) Page 8, paragraph 3(e). Language could be added that in the event of a repair or an emergency, refill water would be released and exchanged down to Blue Mesa Reservoir. Refill water would then be available in Blue Mesa Reservoir.

No irrigation compensation water

Water loss when water Blue Mesa Reservoir - great if can change

Value of water

pk
cost?

pk
Cost (But this is service control

for release for replacement purposes for irrigation in the event of a downstream call.

*which is
of water
covered*

- 11) Page 8, paragraph 4(a). This paragraph provides for the Gunnison District to be paying an annual charge whether or not water is actually used. Assuming that up to 19,200 acre-feet of water would be available in some years, the cost per acre-foot could be very small. The degree to which the payment of an annual administration charge is a good value depends on the yield of the refill in years in which a downstream call might be on the Gunnison River and the degree to which the USBR is willing to operate the Aspinall Unit in order to protect the yield.

The previous option under consideration was for the amount of storage for water users to be variable each year, with the range of storage amounts falling between zero and 19,200 acre-feet. There would be no minimum amount of storage. The amount of storage for water users would be determined each year at a May operations meeting. The annual charge would be based upon the amount of water to be stored for water users in the refill.

- 12) Page 8, paragraph 4(a). Delete the word, "historic", in the 2nd sentence.

- 13) Page 8, paragraph 4(a). The date for payments should be no earlier than January 20 to allow sufficient time for the Gunnison District to approve and process the payment following the beginning of the district's fiscal year on January 1.

yes

- 14) Page 8, paragraph 4(b). The agreement should provide for an open review process to be used for the calculation of accounting and management charges.

yes

- 15) Page 9, paragraph 4(d). This paragraph is excessively open ended with respect to future increases in administrative charges.

- 16) Page 9, paragraph 5(a). Delete the words, "attempt to", in the 1st sentence.

yes

- 17) Page 9, paragraph 5(a). The Bureau of Reclamation should ^{and Safe Annual Yield Analysis -} provide an analysis of the amount of replacement water that ^{is} Ex 382 would be needed in the Upper Gunnison basin to meet a call from downstream senior water rights.



they

- 18) Page 9, paragraph 5(a). The Bureau of Reclamation should provide an analysis of the safe yield from the refill which takes into account the effects of first fill carry over storage for a hydrologic period which includes wet, dry, and average water years.

*Have
covered*

*See
Ex 382*

See 1987 R.P. License application supporting Davis Report p. SDR-33.

19) Page 9, paragraph 5(a). The Bureau of Reclamation should describe what steps it will take to insure a minimum amount of refill water each year. Such steps may include operation of the Aspinall Unit to prevent an Aspinall call from limiting the refill, or operation of the Aspinall Unit (through making releases) so as to limit downstream calls from coming up and preventing the refill. A much more precise definition of the scope of commitments by the USBR concerning the operation of the Aspinall Unit and Taylor Park Reservoir should be provided in the agreement.

*yes
ask
then
analyze
good*

*or
down
stream*

20) Page 9, paragraph 5(b). The Upper Gunnison River Water Conservancy District should not be bound to pay for water, if any, released unilaterally by the Bureau of Reclamation.

21) Page 10, paragraph 5(b). Strike the words, "or the dispute can be resolved."

22) Page 10, paragraph 6(a). Due to amendment 1 the Gunnison District is limited in the types of long term agreements that it may enter into that involve a general obligation to the Bureau. The words, "subject to annual appropriation," should be added following the words, "general obligation of the Gunnison District".

good

23) Page 10, paragraph 7. Replace the words, "public authority" with the words, "state authority". Replace the words, "other causes", with the words, "acts of God".

24) Page 10, paragraph 7. The Gunnison District should be protected against an intentional loss of use of refill water which results from an act of the Bureau. Such protection could be provided through an exchange of water between Taylor Park Reservoir and Blue Mesa Reservoir.

*done
already*

25) Page 11, paragraph 9(a). Add the words, "which is attached to this agreement as Exhibit C", to the end of the last sentence of the paragraph.

26) The agreement should be developed so that when existing irrigated lands are dried up water may be moved to other existing irrigated lands or new irrigated lands. That is, there would be no net increase in irrigation depletions contemplated by the agreement.

*35 acce
releases*

*2 acce
releases*

GUNNISON COUNTY STOCKGROWERS ASSN.

INCORPORATED

P.O. BOX 566

ALMONT, COLORADO

81210

September 13, 1993

Mr. Tyler Martineau
Manager, UGRWCD
275 S. Spruce
Gunnison, CO 81230

RE: TAYLOR PARK WATER MANAGEMENT AGREEMENT

Dear Tyler:

After meeting with you and some of our members on the Taylor Park Water Management Agreement, the Stockgrowers Board of Directors met again last week to further discuss this agreement.

We offer the following comments on the draft of the Taylor Park Water Management Agreement.

1. Under the current draft of the proposed agreement it states that the district will pay the Bureau of Reclamation \$10,000 per year. The Stockgrowers Board strongly feel that the District should obtain the funds through the use of general property tax revenues. That way the whole basin will assume this fee and all water users can benefit from the agreement.
2. We would suggest that this payment, if agreed upon, would be locked in for the coming years, with possible revision every five years.
3. The Board questions the availability for storage in Blue Mesa and the cost of this storage.
 - A. Would this storage be available for example:
 1. A back to back drought?
 2. An early call from the tunnel?

*How
benefit
can pass up.
Rec.*

page 2

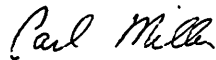
September 13, 1993

Mr. Tyler Martineau

4. Continue to urge UGRWCD to take all steps possible to obtain permanent decrees where conditional decrees exist.
5. Have a guaranteed quantity of water for all groups that use this water in the communities, including recreation, fisheries and irrigators.

The Gunnison County Stockgrowers thank you for the opportunity to assist in the formulation of this agreement and offer our continued assistance.

Yours very truly,



Carl Miller
President

received
9/30/93

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION

UNCOMPAHGRE PROJECT, COLORADO

WATER MANAGEMENT AGREEMENT

AMONG
THE UNITED STATES,
THE UNCOMPAHGRE VALLEY WATER USERS ASSOCIATION,
UPPER GUNNISON RIVER WATER CONSERVANCY DISTRICT,
AND THE COLORADO RIVER WATER CONSERVATION DISTRICT

THIS AGREEMENT, made this ____ day of _____, 199__, among the UNITED STATES, hereinafter referred to as the United States, under the provisions of the Act of June 17, 1902 (32 Stat. 388), and Acts amendatory thereof and supplementary thereto, particularly the Acts of April 11, 1956 (70 Stat. 105), March 10, 1934 (48 Stat. 401) as amended, and Section 7 of the Act of July 9, 1965 (79 Stat. 216), the UNCOMPAHGRE VALLEY WATER USERS ASSOCIATION, hereinafter referred to as the Association, a corporation organized and existing under the laws of the State of Colorado, having its principal place of business at Montrose, Colorado, the UPPER GUNNISON RIVER WATER CONSERVANCY DISTRICT, hereinafter referred to as the Gunnison District, a conservancy district organized under the laws of the State of Colorado, having its principal place of business at Gunnison, Colorado, and the COLORADO RIVER WATER CONSERVATION DISTRICT, hereinafter referred to as the Colorado District, is a political subdivision of the State of Colorado, having its principal office at Glenwood Springs, Colorado;

PREAMBLE

WITNESSETH, That the following statements are made in explanation:

(a) WHEREAS, the United States constructed the Uncompahgre Project, including the Taylor Park Dam and Reservoir on the Taylor River, a tributary to the Gunnison River, and pursuant to that certain contract dated December 13, 1948, symbol Ilr-1530, between the United States and the Association, the Association is obligated to repay the reimbursable costs of the project, and to operate and maintain the project in accordance with the terms and conditions of said contract; and,

(b) WHEREAS, the United States is the owner of an adjudicated water right for the storage of 111,260 acre feet of water in Taylor Park Reservoir which water right was decreed by the District Court of Gunnison County, Water District No. 59, with a priority date of August 3, 1904, and hereinafter referred to as the first fill right; and,

(c) WHEREAS, the Gunnison District was granted a decree by the District Court of Gunnison County, Water Division 4, in Case No. 86-CW-203 for the refill of Taylor Park Reservoir in the amount of 106,230 acre feet with an appropriation date of August 28, 1975, to be used for recreational purposes, including fishery and wildlife, while the water is impounded in the reservoir, and controlled at times and in quantities calculated to enhance the fishery and recreational uses of the Taylor and Gunnison Rivers above Blue Mesa Reservoir. Of the total refill right of 106,230 acre feet, the Court declared 44,700 acre-feet be adjudicated absolute under this Decree, and the remaining 61,530 acre-feet be decreed conditional for the same aforesaid uses and purposes. In addition, the court ruled that 19,200 acre-feet of said refill right

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for 106,230 acre-feet decreed for fishery and recreation purposes may also be used for irrigation^{purpose} within the Gunnison District, and of said 19,200 acre-feet, 13,777 acre-feet be adjudicated absolute (as part of the 44,700 acre-feet), with the remaining 5,423^{acre-feet} having a conditional decree (as part of the 61,530 acre-feet); and,

(d) WHEREAS, the United States, as part of the Colorado River Storage Project (Act of April 11, 1956, 70 Stat. 105), has constructed the Wayne N. Aspinall Storage Unit (formerly the Curecanti Unit) consisting of a three-reservoir complex on the Gunnison River below the confluence with the Taylor River, the three reservoirs known as Blue Mesa, Morrow Point, and Crystal, and hereinafter collectively referred to as the Aspinall Unit; and,

(e) WHEREAS, the Economic Justification Report for the Aspinall Unit, dated February 5, 1959, anticipated and provided for the future upstream depletion, by water rights junior or equal in priority to the Aspinall Unit, of 40,000 acre-feet of water above Blue Mesa Dam, 50,000 acre-feet above Morrow Point Dam, and 60,000 acre-feet above Crystal Dam; and,

(f) WHEREAS, the parties hereto entered into Contract No. 6-07-01-00027, dated August 28, 1975, relating to the operation of Taylor Park Dam and Reservoir; and providing for storage exchange between Taylor Park Reservoir and the Aspinall Unit to optimize fishery conditions and recreation uses, hereinafter referred to as the 1975 agreement; and,

(g) WHEREAS, the purposes of the said 1975 agreement include the furtherance of conservation and better utilization and management of available water supplies; coordinated releases of water from Taylor Park Reservoir and the regulation of releases at the Aspinall Unit in order to benefit the Gunnison District, the Association, and the Colorado District; the

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enhancement of recreation and fishery purposes of the Colorado River Storage Project, of which the Aspinall Unit is a part; and the provision for coordinated releases to allow for the beneficial use of water by the Gunnison District; and,

(h) WHEREAS, the 1975 agreement provides that the Gunnison District may apply for a water right on all surplus flows in the Taylor River above Taylor Park Reservoir and that all water so appropriated shall be used by the Gunnison District in the Upper Gunnison area. The agreement further provides that Taylor Park Reservoir will be operated as to assist the Gunnison District in using such water provided that all other purposes recited in the said agreement and the original purposes of Taylor Park Reservoir are not impaired; and,

(i) WHEREAS, the Gunnison District has assigned the Taylor Park refill storage right granted in Case No. 86-CW-203 to the United States, hereinafter referred to as the "refill right", as stipulated in the agreement dated April 16, 1990, among the parties hereto, which will result in waters being stored for beneficial use in Taylor Park Reservoir, for the purpose of furthering the goals and objectives of the 1975 agreement, with no capital expenditures by the parties to this agreement; and,

(j) WHEREAS, the parties hereto desire to enter into a water management agreement whereby storage and releases from Taylor Park Reservoir and the Aspinall Unit, that have occurred since execution of the 1975 agreement, are managed in a manner to provide a means to coordinate, account for, and protect the water stored and controlled for the purposes of enhancing recreation, fishery, and wildlife benefits as well as historic irrigation resulting from the refill right.

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NOW, THEREFORE, it is mutually agreed as follows:

DEFINITIONS

1. Where used in this agreement, the term:

a. "Federal Reclamation Laws" means the Act of June 17, 1902 (32 Stat. 388), and all acts amendatory thereof or supplementary thereto.

b. "Secretary" or "Contracting Officer" means the Secretary of the Interior, United States of America, or his duly authorized representative.

c. "Association" means the Uncompahgre Valley Water Users Association.

d. "Gunnison District" means the Upper Gunnison River Water Conservancy District.

e. "Colorado District" means the Colorado River Water Conservation District.

f. "Districts" means the Gunnison District and the Colorado District.

g. "Taylor Park Gage" means United States Geological Survey (USGS) river gage number 09109000, Taylor River below Taylor Park Reservoir, Colorado, located 1000 feet downstream from Taylor Park Reservoir Dam.

h. "Irrigation water" means water used or intended to be used primarily in the production and raising of agricultural crops, the raising of livestock and other beneficial uses.

TERM OF AGREEMENT

2. a. This agreement shall be effective on execution hereof, and shall remain in effect for a period of 25 years.

b. The agreement may be renewed for an additional 25 year period following

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expiration of this agreement and upon written request to Reclamation by all the other signatory parties within two years prior to the expiration of this agreement on terms and conditions satisfactory to the Secretary at that time.

c. This agreement is not amendatory to the said 1975 agreement or the April 16, 1990 agreement but is supplemental thereto. The use of Taylor Park Reservoir by the Gunnison District for recreational, fishery, and irrigation purposes must be consistent at all times with each and all provisions of the 1975 agreement and the April 16, 1990 agreement, and shall not interfere with the operation of Taylor Park Reservoir for the benefit of the Uncompahgre Project.

Valid w/ NEPA r. Sec. 7 But then w/ conservation Dev.

d. This agreement shall not interfere with Aspinall Unit operations beyond those historic affects due to the 1975 agreement and the April 16, 1990 agreement.

e. Any one party may terminate this agreement at any time. Termination shall be accomplished by written notice by any signatory party as provided in Article 10.a. herein, at least 90 days prior to the date of such termination.

f. Upon failure of the Gunnison District, Colorado District or the Association to perform its obligations under this agreement, the United States will notify all parties in writing of intent to terminate this agreement. The Notice of Termination shall specify each failure of the responsible party, and shall further provide that the party may, within a 90-day period from the date of said notice, present a detailed program to correct such problems and/or deficiencies, and the United States may accept such corrections and thereby waive the termination notice.

g. In any event termination of this agreement shall not result in termination of the

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1975 agreement, the April 16, 1990 agreement, nor the assignment of the refill right granted in Case No. 86-CW-203.

RELEASE, EXCHANGE, AND MEASUREMENT OF WATER

3. a. Water stored or storable under the refill right solely for fishery and recreational purposes shall be utilized to meet the objectives of the 1975 agreement, the April 16, 1990 agreement and the refill right, subject to the United States' final approval of the annual release schedule developed pursuant to Articles 5.b. and 11. Refill water, attributable to the refill right, released from the outlet works of Taylor Park Dam, solely for fishery and recreation purposes, shall be considered a contract delivery of storage under Colorado Law and shall be considered to have fulfilled its decreed purposes when it reaches Blue-Mesa Reservoir, and shall then be available for further beneficial use within the appropriation system of the State of Colorado.

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b. The refill water released by the Association from the outlet works of Taylor Park Dam for use by the Gunnison District for irrigation purposes will be measured at the Taylor Park Gage and administered by the Colorado State Engineers Office as a contract release of storage to the Gunnison District. The Gunnison District shall suffer all distribution and administration losses from the point of such measurement to the place of use.

c. A record of all water attributable to the refill right will be maintained by the United States and such records will be available during regular business hours for inspection.

Wat. G. I. office

d. On November 1 of each year any water in storage in Taylor Park Reservoir shall be accounted against the Associations first fill right and the Gunnison District shall thereafter have no right, power or authority with respect to all or any part of said water except as is

specified in the 1975 agreement and the April 16, 1990 agreement.

e. In the event the United States and/or the Association shall determine that the water storage level in Taylor Park Reservoir must be reduced for repair purposes, or any other emergency, notwithstanding that all or part of the water stored therein may have been stored under the refill right, the United States and/or the Association shall require said release at a time and rate to be determined solely by the United States and/or the Association. Any such releases shall be first charged against any water in storage under the refill right.

PAYMENTS DUE TO THE UNITED STATES

4. a. The Gunnison District agrees to pay the United States an annual accounting charge for the administration of this agreement. Such charge will recover the United States' cost (salaries, billing, travel, meetings, overhead, etc.) in accounting for the water stored in and released from Taylor Park Reservoir under the United States' refill right for ~~historic~~ irrigation purposes by the Gunnison District. The charge is initially set at \$10,000 per year and the first payment is due January 1, 1994, for the administration of water year 1994 (November 1, 1993 to October 31, 1994). Subsequent payments will be due on January 1 of each year. A worksheet determining the United States' cost in administering this agreement is attached as Exhibit B.

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review
process

b. The charge described above will be reviewed, beginning November 1, 1998, and every five years after that to determine if the United States' cost in administering this contract are being fully recovered. The Gunnison District will be notified on December 1, 1998, and every five years after that of any changes to next billing.

review
8
Trinidad

2) objective to avoid costs like water service contract
set goal for

set

c. Payments made under this paragraph will be mailed to the Bureau of Reclamation, P.O. Box 11568, Salt Lake City, Utah, 84147-0568, for deposit in a trust fund established for the administration of this agreement.

✓ open ended

d. The United States reserves the right to amend the charge worksheet identified as Exhibit B at any time in the event the administration of this agreement changes. The United States also reserves the right to issue supplemental charge notices at any time to recover unforeseen costs pertaining to the administration of this agreement.

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unseen
assessment

e. Payments made by the Gunnison District under 4(a) above are in addition to the operation and maintenance payments made by the Gunnison District and the Colorado District to the Association as part of the 1990 agreement.

QUANTITY OF WATER AND RELEASE SCHEDULE

5. a. The parties agree that the United States, the Association, and the Gunnison District will attempt to manage the operation of Taylor Park Reservoir to store and release a minimum amount each year of ___ acre feet of refill water to be used by the Gunnison District for irrigation and recreation and fishery purposes. The consumptive use of this water, to the extent that the releases are made to replace depletions by water rights junior to or equal in priority to the Aspinall Unit, will be accounted for as part of the anticipated upstream depletion of 40,000 acre-feet above Blue Mesa Dam as described in the 1959 Economic Justification Report.

attempt

is this defined?

b. A water release schedule for the upcoming period will be developed pursuant to Article 11. This schedule will be based upon the total quantity of water available for the period

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from November 1 through October 31 of each year. If the parties cannot mutually agree to a water release schedule for the upcoming period, the United States decision regarding releases shall prevail until a satisfactory water release schedule is developed, ~~or the dispute can be resolved~~

11/5
page 10
see table
release

GENERAL OBLIGATION - BENEFITS CONDITIONED ON PAYMENT

6. a. The payment obligation of the Gunnison District to the United States as provided in this agreement is a general obligation of the Gunnison District notwithstanding the manner in which the obligation may be distributed among the Gunnison District's water users and notwithstanding the default of individual water users in their obligations to the Gunnison District.

They will only
"Can have
a contract"

✓ Subject to annual appropriation

b. The payment of charges becoming due hereunder is a condition precedent to receiving benefits under this agreement. The United States and the Association shall not make water available for the Gunnison District during any period in which the Gunnison District may be in arrears in the payments due the United States hereunder and/or the Association under the April 16, 1990 agreement.

SHORTAGE OF WATER

7. On account of drought, sedimentation within the reservoir, failure of facilities, restraint by court or ~~public~~ ^{state} authority, or other causes, there may occur at times a shortage during any year in the quantity of water available from the refill of Taylor Park Reservoir to the Gunnison District pursuant to this agreement, and in such an event there shall not be any liability against the United States or the Association or any of their officers, agents, or employees for any damage direct or indirect, arising therefrom.

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But we pay \$10,000

~~Q~~ ?
Need for insurance

CLAIM OF DAMAGE

8. The Gunnison District shall hold the United States and the Association harmless on account of damage or claim of damage of any nature whatsoever by the Gunnison District, including property damage, personal injury, or death arising out of or connected with the control, carriage, handling, use, disposal, or distribution of such refill water.

APPLICABLE RECLAMATION LAW

9. a. All water delivered pursuant to this agreement is subject to and controlled by the Colorado River Compact, dated November 24, 1922; the Boulder Canyon Project Act approved December 21, 1928; the Boulder Canyon Project Adjustment Act of July 19, 1940; the Upper Colorado River Basin Compact dated October 11, 1948; the Mexican Water Treaty of February 3, 1944; the Colorado River Storage Project Act of April 11, 1956; and the Colorado River Basin Project Act of September 30, 1968; and any other applicable Federal Reclamation laws.

The Reclamation Reform Act (RRA) of 1982 is not applicable to this agreement, as determined by the Assistant Commissioner, Resources Management, Denver, Colorado and verified by the Commissioner in his letter dated June 24, 1993.

*- attached as Ex. C to agreement
do we have*

OK

b. It is understood and agreed that all of the rights of the Association, as such exist prior to the effective date of this agreement, and particularly including the Gunnison Tunnel Decree and the Taylor Park Storage Decree shall not be impaired or diminished, but shall be preserved.

NOTICES

10. a. Any notice, demand, or request authorized or required by this agreement

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shall be deemed to have been given on behalf of any part when mailed, postage prepaid, or delivered to the following participants:

- (1) Regional Director
Upper Colorado Region
Bureau of Reclamation
P.O. Box 11568
125 South State Street
Salt Lake City, Utah 84147
- (2) President, Uncompahgre Valley
Water Users Association
P.O. Box 69
Montrose, Colorado 81402
- (3) President, Upper Gunnison River
Water Conservancy District
275 South Spruce Street
Gunnison, Colorado 81230
- (4) President, Board of Directors
Colorado River Water
Conservation District
P.O. Box 1120
Glenwood Springs, Colorado 81602

b. The designation of the addressee or the address may be changed by notice given in the same manner as provided in this article for other notices.

MEETINGS

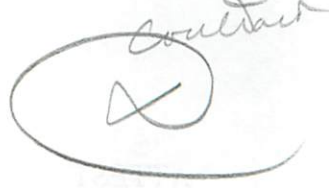
11. The Association, Gunnison District, Colorado District, and the United States agree to participate in at least one (1) meeting each year on a mutually agreed upon date to be no later than May 31. At these meetings, which may be held in conjunction with those pursuant to the 1975 agreement and the April 16, 1990 agreement, the parties will adopt a water release

schedule for the upcoming period of 1 year as required in Article 5.b. Additional meetings will be held at the request of any signatory party to coordinate the terms of this agreement.

Dwp

STANDARD CONTRACT ARTICLES

12. The standard contract articles applicable to this agreement are listed below. The full text of these standard articles is attached as Exhibit A and is hereby made a part of this contract.

*not
contract*


- A. Officials Not to Benefit
- B. Assignment Limited - Successor's and Assigns Obligated
- C. Quality of Water
- D. Water and Air Pollution
- E. Equal Opportunity
- F. Title XI, Civil Rights Act of 1964

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be duly executed as of the day and year first above written.

THE BUREAU OF RECLAMATION

By _____
Regional Director
Upper Colorado Region

THE UNCOMPAHGRE VALLEY WATER
USERS ASSOCIATION

ATTEST:

Secretary

By _____
President

THE UPPER GUNNISON RIVER WATER
CONSERVANCY DISTRICT

ATTEST:

Secretary

By _____
President

THE COLORADO RIVER WATER
CONSERVATION DISTRICT

ATTEST:

Secretary

By _____
President, Board of Directors

EXHIBIT A

OFFICIALS NOT TO BENEFIT

A. No Member of or Delegate to Congress, Resident Commissioner or official of the Contractor shall benefit from this contract other than as a water user or landowner in the same manner as other water users or landowners.

ASSIGNMENT LIMITED - SUCCESSORS AND ASSIGNS OBLIGATED

B. The provisions of this contract shall apply to and bind the successors and assigns of the parties hereto, but no assignment or transfer of this contract or any right or interest therein shall be valid until approved in writing by the Contracting Officer.

QUALITY OF WATER

C. The operation and maintenance of project facilities shall be performed in such a manner as is practicable to maintain the quality of raw water made available through such facilities at the highest level reasonably attainable, as determined by the Contracting Officer. The United States does not warrant the quality of water and is under no obligation to construct or furnish water treatment facilities to maintain or better the quality of water.

WATER AND AIR POLLUTION CONTROL

D. The Contractor, in carrying out this contract, shall comply with all applicable water and air pollution laws and regulations of the United States and the State of Colorado, and shall obtain all required permits or licenses from the appropriate Federal, State, or local authorities.

EQUAL OPPORTUNITY

E. During the performance of this contract, the Contractor agrees as follows:

1. The Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to, the following: Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeships. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Contracting Officer setting forth the provisions of this nondiscrimination clause.

2. The Contractor will, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without discrimination because of race, color, religion, sex, or national origin.

3. The Contractor will send to each labor union or representative of workers, with which it has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the Contracting Officer, advising the said labor union or workers' representative

of the Contractor's commitments under Section 202 of the Executive Order 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

4. The Contractor will comply with all provisions of Executive Order No. 11246 of September 24, 1965, as amended, and of the rules, regulations, and relevant orders of the Secretary of Labor.

5. The Contractor will furnish all information and reports required by said amended Executive Order and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to its books, records, and accounts by the Contracting Officer and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

6. In the event of the Contractor's noncompliance with the nondiscrimination clauses of this contract with any of the such rules, regulations, or orders, this contract may be canceled, terminated, or suspended, in whole or in part, and the Contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in said amended Executive Order, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

7. The Contractor will include the provisions of paragraphs (1) through (7) in every subcontract or purchase order unless exempted by the rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of said amended Executive Order, so that such provisions will be binding upon each subcontractor or vendor. The Contractor will take such action with respect to any subcontract or purchase order as may be directed by the Secretary of Labor as a means of enforcing such provisions, including sanctions for noncompliance: Provided, however, That in the event the Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction, the Contractor may request the United States to enter into such litigation to protect the interests of the United States.

COMPLIANCE WITH CIVIL RIGHTS LAWS AND REGULATIONS

F. 1. The Contractor shall comply with Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d), Section 504 of the Rehabilitation Act of 1975 (P.L. 93-112, as amended), the Age Discrimination Act of 1975 (42 U.S.C. 6101, et seq.) and any other applicable civil rights laws, as well as with their respective implementing regulations and guidelines imposed by the U.S. department of the Interior and/or Bureau of Reclamation.

2. These statutes require that no person in the United States shall, on the grounds of race, color, national origin, handicap, or age, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity receiving financial assistance from the Bureau of Reclamation. By executing this contract, the Contractor agrees to immediately take any measures necessary to implement this obligation, including permitting officials of the United States to inspect premises, programs, and documents.

3. The Contractor makes this agreement in consideration of and for the purpose of obtaining any and all Federal grants, loans, contracts, property discounts or other Federal financial assistance extended after the date hereof to the Contractor by the Bureau of Reclamation,

Contract
If not
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contract articles
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including installment payments after such date on account of arrangements for Federal financial assistance which were approved before such date. The Contractor recognizes and agrees that such Federal assistance will be extended in reliance on the representations and agreements made in this article, and that the United States reserves the right to seek judicial enforcement thereof.

Item	Amount	Description
1.000	1,000.00	Grant Junction Management
2.000	2,000.00	Grant Junction Management
3.000	3,000.00	Grant Junction Management
4.000	4,000.00	Grant Junction Management
5.000	5,000.00	Grant Junction Management
6.000	6,000.00	Grant Junction Management
7.000	7,000.00	Grant Junction Management
8.000	8,000.00	Grant Junction Management
9.000	9,000.00	Grant Junction Management
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84.000	84,000.00	Grant Junction Management
85.000	85,000.00	Grant Junction Management
86.000	86,000.00	Grant Junction Management
87.000	87,000.00	Grant Junction Management
88.000	88,000.00	Grant Junction Management
89.000	89,000.00	Grant Junction Management
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91.000	91,000.00	Grant Junction Management
92.000	92,000.00	Grant Junction Management
93.000	93,000.00	Grant Junction Management
94.000	94,000.00	Grant Junction Management
95.000	95,000.00	Grant Junction Management
96.000	96,000.00	Grant Junction Management
97.000	97,000.00	Grant Junction Management
98.000	98,000.00	Grant Junction Management
99.000	99,000.00	Grant Junction Management
100.000	100,000.00	Grant Junction Management

EXHIBIT B

ADMINISTRATIVE CHARGE WORKSHEET

Grand Junction staff time -	3 workweeks (434)	\$2,790
Grand Junction Management -	1.5 workweek (430)	1,425
Grand Junction Management -	1 workweek (400/100)	1,000
Salt Lake City (Finance) -	1 workweek (300)	<u>800</u>
	Subtotal	\$6,015
	Benefits (22%)	<u>1,323</u>
	Subtotal	\$7,338
	CPA (Overhead 29%)	<u>2,128</u>
	Subtotal	\$9,466
Partial (25%) payment of OM&R Reservoir DCP Transmitter		<u>500</u>
	Total	\$9,966
	Rounded	\$10,000

excessive

DRAFT

*from
Dick Bratten
13 Sep 93*

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION

UNCOMPAHGRE PROJECT, COLORADO

WATER MANAGEMENT AGREEMENT

AMONG
THE UNITED STATES,
THE UNCOMPAHGRE VALLEY WATER USERS ASSOCIATION,
UPPER GUNNISON RIVER WATER CONSERVANCY DISTRICT,
AND THE COLORADO RIVER WATER CONSERVATION DISTRICT

THIS AGREEMENT, made this _____ day of _____, 199__, among the **UNITED STATES**, hereinafter referred to as the United States, under the provisions of the Act of June 17, 1902 (32 Stat.388), and Acts amendatory thereof and supplementary thereto, particularly the Acts of April 11, 1956 (70 Stat. 105), March 10, 1934 (48 Stat.401) as amended, and Section 7 of the Act of July 9, 1965 (79 Stat.216), the **UNCOMPAHGRE VALLEY WATER USERS ASSOCIATION**, hereinafter referred to as the Association, a corporation organized and existing under the laws of the State of Colorado, having its principal place of business at Montrose, Colorado, the **UPPER GUNNISON RIVER WATER CONSERVANCY DISTRICT**, hereinafter referred to as the Gunnison District, a conservancy district organized under the laws of the State of Colorado, having its principal place of business at Gunnison, Colorado, and the **COLORADO RIVER WATER CONSERVATION DISTRICT**, hereinafter referred to as the Colorado District, is a political subdivision of the State of Colorado, having its principal office at Glenwood Springs, Colorado;

PREAMBLE

WITNESSETH, that the following statements are made in explanation:

(a) WHEREAS, the United States constructed the Uncompahgre Project, including the Taylor Park Dam and Reservoir on the Taylor River, a tributary to the Gunnison River, and pursuant to that certain contract dated December 13, 1948, symbol Ilr-1530, between the United States and the Association, the Association is obligated to repay the reimbursable costs of the project, and to operate and maintain the project in accordance with the terms and conditions of said contract; and,

(b) WHEREAS, the United States is the owner of an adjudicated water right for the storage of 111,260 acre-feet of water in Taylor Park Reservoir; which water right was decreed by the District Court of Gunnison County, Water District No. 59, with a priority date of August 3, 1904, and hereinafter referred to as the first fill right; and,

(c) WHEREAS, the Gunnison District was granted a decree by the District Court of Gunnison County, Water Division 4, in Case No. 86-CW-203 for the refill of Taylor Park Reservoir in the amount of 106,230 acre-feet with an appropriation date of August 28, 1975 (hereinafter referred to as the refill right), to be used for recreational purposes, including fishery and wildlife, while the water is impounded in the reservoir, and while controlled at times and in quantities calculated to enhance the fishery and recreational uses of the Taylor and Gunnison Rivers above Blue Mesa Reservoir. Of the total refill right of 106,230 acre-feet, the Court declared 44,700 acre feet be adjudicated absolute under this Decree, and the remaining 61,530 acre-feet be decreed conditional for the same aforesaid uses and purposes. In addition, the Court ruled that 19,200 acre-feet of said refill right for

106,230 acre-feet decreed for fishery and recreation purposes may also be used for irrigation purposes within the Gunnison District, and of said 19,200 acre-feet, 13,777 acre-feet be adjudicated absolute (as part of the 44,700 acre-feet), with the remaining 5,423 acre-feet having a conditional decree (as part of the 61,530 acre-feet); and,

(d) WHEREAS, the United States, as part of the Colorado River Storage Project (Act of April 11, 1956, 70 Stat. 105), has constructed the Wayne N. Aspinall Storage Unit (formerly the Curecanti Unit) consisting of a three-reservoir complex on the Gunnison River below the confluence with the Taylor River, the three reservoirs known as Blue Mesa, Morrow Point, and Crystal, and hereinafter collectively referred to as the Aspinall Unit; and,

(e) WHEREAS, the Economic Justification Report for the Aspinall Unit, dated February 5, 1959, anticipated and provided for the future upstream depletion, by water rights junior or equal in priority to the Aspinall Unit, of 40,000 acre-feet of water above Blue Mesa Dam, 50,000 acre-feet above Morrow Point Dam, and 60,000 acre-feet above Crystal Dam; and,

(f) WHEREAS, the parties hereto entered into Contract No. 6-07-01-00027, dated August 28, 1975, relating to the operation of Taylor Park Dam and Reservoir; and providing for storage exchange between Taylor Park Reservoir and the Aspinall Unit to optimize fishery conditions and recreation uses, hereinafter referred to as the 1975 agreement; and,

(g) WHEREAS, the purposes of the said 1975 agreement include the furtherance of conservation and better utilization and management of available water supplies; coordinated storage of water in, and releases of water from Taylor Park Reservoir

and the regulation of releases at the Aspinall Unit in order to benefit the Gunnison District, the Association, and the Colorado District; the enhancement of recreation and fishery purposes of the Colorado River Storage Project, of which the Aspinall Unit is a part; and the provision for coordinated releases to allow for the beneficial use of water by the Gunnison District; and,

(h) WHEREAS, the 1975 agreement provides that the Gunnison District may apply for a water right on all surplus flows in the Taylor River above Taylor Park Reservoir and that all water so appropriated shall be used by the Gunnison District in the Upper Gunnison area. The agreement further provides that Taylor Park Reservoir will be operated as to assist the Gunnison District in using such water provided that all other purposes recited in the said agreement and the original purposes of Taylor Park Reservoir are not impaired; and,

(i) WHEREAS, the Gunnison District has assigned the Taylor Park refill storage right granted in Case No. 86-CW-203 to the United States, hereinafter referred to as the "refill right," as stipulated in the agreement dated April 16, 1990, among the parties hereto, which will result in waters being stored for beneficial use in Taylor Park Reservoir, for the purpose of furthering the goals and objectives of the 1975 agreement, with no capital expenditures by the parties to this agreement; and,

(j) WHEREAS, the parties hereto desire to enter into a water management agreement whereby storage, ~~control~~, and release ~~of water~~ from Taylor Park Reservoir and the Aspinall Unit ~~that have occurred since execution of the 1975 agreement,~~ are managed ~~consistent with the practices that have historically occurred under the terms~~

~~of the 1975 agreement, or as is consistent with its purposes, in a manner~~ and to provide a means to coordinate, account for, and protect water stored, controlled, ~~and released~~ for the purposes of enhancing recreation, fishery, and wildlife benefits ~~as well as historic irrigation and irrigation practices within the Gunnison District~~ resulting from the refill right, ~~including the perfection of the conditional rights therefor,~~

NOW, THEREFORE, it is mutually agreed as follows:

DEFINITIONS

1. Where used in this agreement, the term:
 - a. "Federal Reclamation Laws" means the Act of June 17, 1902 (32 Stat. 388), and all acts amendatory thereof or supplementary thereto.
 - b. "Secretary" or "Contracting Officer" means the Secretary of the Interior, United States of America, or his duly authorized representative.
 - c. "Association" means the Uncompahgre Valley Water Users Association.
 - d. "Gunnison District" means the Upper Gunnison River Water Conservancy District.
 - e. "Colorado District" means the Colorado River Water Conservation District.
 - f. "Districts" means the Gunnison District and the Colorado District.

g. "Taylor Park Gage" means United States Geological Survey (USGS) river gage number 09109000, Taylor River below Taylor Park Reservoir, Colorado, located 1,000 feet downstream from Taylor Park Reservoir Dam.

h. "Irrigation water" means water used or intended to be used primarily in the production and raising of agricultural crops, the raising of livestock and other beneficial uses.

i. "Fishery and recreation water" means water that is used or intended to be used for maintaining and enhancing fisheries and recreation in Taylor Park Reservoir and in the Taylor River and Gunnison River between Taylor Park Reservoir and Blue Mesa Reservoir.

TERM OF AGREEMENT

2. a. This agreement shall be effective on execution hereof, and shall remain in effect for a period of 25 years.

b. The agreement may be renewed for an additional 25-year period following expiration of this agreement and upon written request to Reclamation by all the other signatory parties within two years prior to the expiration of this agreement on terms and conditions satisfactory to the Secretary at that time.

c. This agreement is not amendatory to the said 1975 agreement or the April 16, 1990, agreement but is supplemental thereto. The use of Taylor Park Reservoir by the Gunnison District for recreational, fishery, and irrigation purposes must

be consistent at all times with each and all provisions of the 1975 agreement and the April 16, 1990, agreement, and shall not interfere with the operation of Taylor Park Reservoir for the benefit of the Uncompahgre Project.

d. This agreement shall not interfere with Aspinall Unit operations beyond those historic ~~affects~~effects due to the 1975 agreement and the April 16, 1990, agreement.

e. Any one party may voluntarily terminate its participation in this agreement at any time. Termination shall be accomplished by written notice by any signatory party as provided in Article 10.a. herein, at least 90 days prior to the date of such termination. Voluntary termination by either the United States or the Gunnison District shall operate to terminate the entire agreement.

f. Upon failure of the Gunnison District, Colorado District, or the Association to perform its obligations under this agreement, the United States will notify all parties in writing of intent to terminate that party's further participation in this agreement. The Notice of Termination shall specify each failure of the responsible party, and shall further provide that the party may, within a 90-day period from the date of said notice, present a detailed program to correct such problems and/or deficiencies, and the United States may accept such corrections and thereby waive the termination notice. Termination of further participation by the Gunnison District pursuant to this provision shall operate to terminate the entire agreement.

g. In any event termination of this agreement shall not result in termination of the 1975 agreement, the April 16, 1990, agreement, nor the assignment of the refill right granted in Case No. 86-CW-203.

RELEASE, EXCHANGE, AND MEASUREMENT OF WATER

3. a. Water stored or storable under the refill right solely for fishery and recreational purposes shall be utilized to meet the objectives of the 1975 agreement, the April 16, 1990, agreement, and the refill right, subject to the United States' final approval of the annual release schedule developed pursuant to Articles 5.b. and 11. Refill water, attributable to the refill right, released from the outlet works of Taylor Park Dam, solely for fishery and recreation purposes, shall be considered a contract delivery of storage under Colorado Law and shall be considered to have fulfilled its decreed purposes when it reaches Blue Mesa Reservoir, and shall then be available for further beneficial use within the appropriation system of the State of Colorado.

b. The refill water released by the Association from the outlet works of Taylor Park Dam for use by the Gunnison District for irrigation purposes will be measured at the Taylor Park Gage and administered by the Colorado State Engineer's Office as a contract release of storage to the Gunnison District. The Gunnison District shall suffer all distribution and administration losses from the point of such measurement to the place of use.

c. Contract releases of storage water by the Gunnison District out of Taylor Park Reservoir for irrigation purposes may be utilized at its discretion either

directly for irrigation purposes within the Gunnison District's boundaries or indirectly by exchange by storing said water in Blue Mesa Reservoir for subsequent release downstream for replacement of depletion resulting from upstream irrigation. In no event at any time shall the storage of such water in Blue Mesa Reservoir exceed _____ acre-feet. Nothing in this paragraph shall prevent water which is released from Taylor Park Reservoir from first being used for fishery and recreation purposes in Taylor River and the Gunnison River and thereafter being stored in Blue Mesa Reservoir for subsequent release for the above-stated purposes.

ed. A record of all water attributable to the refill right will be maintained by the United States, and such records will be available at the Grand Junction office during regular business hours for inspection.

de. On November 1 of each year any water in storage in Taylor Park Reservoir shall be accounted against the Association's first fill right, and the Gunnison District shall thereafter have no right, power, or authority with respect to all or any part of said water except as is specified in the 1975 agreement and the April 16, 1990, agreement. This provision shall not apply to water then being stored in Blue Mesa Reservoir. f

ef. In the event the United States and/or the Association shall determine that the water storage level in Taylor Park Reservoir must be reduced for repair purposes, or any other emergency, notwithstanding that all or part of the water stored therein may have been stored under the refill right, the United States and/or the Association shall require said release at a time and rate to be determined solely by the United States and/or the Association. Before any such release is made, the party who

determines to release water shall make a bona fide effort to give notice to each of the other parties of the time and amount of such proposed release. If it is not reasonably possible to give prior notice, notice thereof shall be given promptly thereafter. Any such releases may be stored in Blue Mesa Reservoir pursuant to the provisions of paragraph 3.c. above, and shall be first charged against any water in storage under the refill right.

PAYMENTS DUE TO THE UNITED STATES

4. a. The Gunnison District agrees to pay the United States an annual accounting charge for the administration of this agreement. Such charge will recover the United States' cost (salaries, billing, travel, meetings, overhead, etc.) in accounting for the water stored in and released from Taylor Park Reservoir under the United States' refill right for historic irrigation purposes by the Gunnison District. The charge is initially set at \$10,000.00 per year, and the first payment is due January 131, 1994, for the administration of water year 1994 (November 1, 1993, to October 31, 1994). Subsequent payments will be due on January 131 of each year. A worksheet determining the United States' cost in administering this agreement is attached as Exhibit B.

b. The charge described above will be reviewed, beginning November 1, 1998, and every five years after that to determine if the United States' costs in administering this contract are being fully recovered. If the United States determines that its costs are not being fully recovered, The Gunnison District will be notified in writing prior to on December 1, 1998, and every five years after that of such fact and a review thereof shall be made. Such review shall be an open process with reasonable prior notice

thereof to the other parties, containing the calculation of all proposed accounting and management charges. If it is ultimately determined by the United States after such review process that such costs are not being fully recovered, the Gunnison District will be notified of any changes to next billing. A similar review and notification may occur every five years after that.

c. Payments made under this paragraph will be mailed to the Bureau of Reclamation, P. O. Box 11568, Salt Lake City, Utah 84147-0568, for deposit in a trust fund established for the administration of this agreement.

d. The United States reserves the right to amend the charge worksheet identified as Exhibit B at any time in the event the administration of this agreement ~~substantially~~ changes. ~~The United States also reserves the right to issue supplemental charge notices at any time to recover unforeseen costs pertaining to the administration of this agreement.~~

e. Payments made by the Gunnison District under 4(a) ~~4. a.~~ above, are in addition to the operation and maintenance payments made by the Gunnison District and the Colorado District to the Association as part of the 1990 agreement.

QUANTITY OF WATER AND RELEASE SCHEDULE

5. a. The parties agree that the United States, the Association, and the Gunnison District will ~~attempt to~~ manage the operation of Taylor Park Reservoir to store and release ~~at least a minimum amount each year of~~ _____ acre-feet of refill water ~~each year~~ to be used by the Gunnison District for irrigation and recreation and fishery

purposes. In addition, said parties shall manage said operation to maximize the storage and release of refill water each year for the purposes specified in paragraph 3, above, including use in addition to the historic use to the extent permitted by the refill water right. The consumptive use of this water, to the extent that the releases are made to replace depletions by water rights junior to or equal in priority to the Aspinnall Unit, will be accounted for as part of the anticipated upstream depletion of the 40,000 acre-feet above Blue Mesa Dam as described in the 1959 Economic Justification Report. Water utilized for irrigation purposes on existing irrigated lands may be transferred for use for irrigation use on other lands within the Gunnison District boundaries.

b. A water release schedule for the upcoming period will be developed pursuant to Article 11. This schedule will be based upon the total quantity of water available for the period from November 1 through October 31 of each year. If the parties cannot mutually agree to a water release schedule for the upcoming period, the United States' decision regarding releases shall prevail until a satisfactory water release schedule is developed, ~~or the dispute can be resolved.~~

GENERAL OBLIGATION - BENEFITS CONDITIONED ON PAYMENT

6. a. The payment obligation of the Gunnison District to the United States as provided in this agreement is a general obligation of the Gunnison District ~~subject to annual appropriation~~ notwithstanding the manner in which the obligation may be distributed among the Gunnison District's water users and notwithstanding the default of individual water users in their obligations to the Gunnison District.

b. The payment of charges becoming due hereunder is a condition precedent to receiving benefits under this agreement. The United States and the Association shall not make water available for the Gunnison District during any period in which the Gunnison District may be in arrears in the payments due the United States hereunder and/or the Association under the April 16, 1990, agreement.

SHORTAGE OF WATER

7. On account of drought, sedimentation within the reservoir, failure of facilities, restraint by court or public~~state~~ authority, or ~~other causes~~acts of God, there may occur at times a shortage during any year in the quantity of water available from the refill of Taylor Park Reservoir to the Gunnison District pursuant to this agreement, and in such an event there shall not be any liability against the United States or the Association or any of their officers, agents, or employees for any damage, direct or indirect, arising therefrom.

CLAIM OF DAMAGE

8. The Gunnison District shall hold the United States and the Association harmless on account of damage or claim of damage of any nature whatsoever by the Gunnison District, including property damage, personal injury, or death arising out of or connected with the control, carriage, handling, use, disposal, or distribution of such refill water.

APPLICABLE RECLAMATION LAW

9. a. All water delivered pursuant to this agreement is subject to and controlled by the Colorado River Company, dated November 24, 1922; the Boulder Canyon Project Act approved December 21, 1928; the Boulder Canyon Project Adjustment Act of July 19, 1940; the Upper Colorado River Basin Compact dated October 11, 1948; the Mexican Water Treaty of February 3, 1944; the Colorado River Storage Project Act of April 11, 1956; and the Colorado River Basin Project Act of September 30, 1968; and any other applicable Federal Reclamation laws. The Reclamation Reform Act (RRA) of 1982 is not applicable to this agreement, as determined by the Assistant Commissioner, Resources Management, Denver, Colorado, and verified by the commission in his letter dated June 24, 1993, which is attached to this agreement as Exhibit C.

b. It is understood and agreed that all of the rights of the Association, as such exist prior to the effective date of this agreement, and particularly including the Gunnison Tunnel Decree and the Taylor Park Storage Decree, shall not be impaired or diminished, but shall be preserved.

NOTICES

10. a. Any notice, demand, or request authorized or required by this agreement shall be deemed to have been given on behalf of any party when mailed, postage prepaid, or delivered to the following participants:

- (1) Regional Director
Upper Colorado Region
Bureau of Reclamation
~~P. O. Box 11568~~
125 South State Street
~~P. O. Box 11568~~
Salt Lake City, Utah 84147
- (2) President, Uncompahgre Valley Water Users Association
P. O. Box 69
Montrose Colorado 81402
- (3) President, Upper Gunnison River Water Conservancy
District
275 South Spruce Street
Gunnison, Colorado 81230
- (4) President, Board of Directors
Colorado River Water Conservation District
P. O. Box 1120
Glenwood Springs, Colorado 81602

b. The designation of the addressee or the address may be changed by notice given in the same manner as provided in this article for other notices.

MEETINGS

11. The Association, Gunnison District, Colorado District, and the United States agree to participate in at least one (1) meeting each year on a mutually agreed-upon date to be no later than May 31. At these meetings, which may be held in conjunction with those pursuant to the 1975 agreement and the April 16, 1990, agreement, the parties will adopt a water release schedule for the upcoming period of one year as required in Article 5.b. Additional meetings will be held at the request of any signatory party to coordinate the terms of this agreement.

STANDARD CONTRACT ARTICLES

12. The standard contract articles applicable to this agreement are listed below. The full text of these standard articles is attached as Exhibit A and is hereby made a part of this contract.

- A. Officials Not to Benefit
- B. Assignment Limited - Successors and Assigns Obligated
- C. Quality of Water
- D. Water and Air Pollution
- E. Equal Opportunity
- F. Title XI, Civil Rights Act of 1964

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be duly executed as of the day and year first above written.

BUREAU OF RECLAMATION

By _____
Regional Director
Upper Colorado Region

UNCOMPAHGRE VALLEY WATER USERS
ASSOCIATION

ATTEST:

Secretary

By _____
President

UPPER GUNNISON RIVER WATER
CONSERVANCY DISTRICT

ATTEST:

Secretary

By _____
President

COLORADO RIVER WATER
CONSERVATION DISTRICT

ATTEST:

Secretary

By _____
President, Board of Directors

Upper Gunnison River Water Conservancy District

M E M O R A N D U M

TO: Interested Parties

FROM: Tyler Martineau *TM*

DATE: September 3, 1993

SUBJECT: Agenda Item 11b, September 13, 1993, Board Meeting --
Taylor Park Water Management Agreement -
Budgeting for Payment for Water.

The Board of Directors of the Upper Gunnison River Water Conservancy District is currently negotiating with the United States Bureau of Reclamation concerning the proposed Taylor Park Water Management Agreement. The agreement provides for water to be released from the Taylor Park Reservoir refill for fishery, irrigation, and recreation purposes in the Upper Gunnison basin.

The current draft of the proposed agreement states that the District will pay the Bureau of Reclamation \$10,000.00 per year for water delivered for such purposes. At the September 13, 1993 meeting of the Upper Gunnison River Water Conservancy District the board of directors will discuss how the District should obtain the funds needed to make the annual payment to the Bureau of Reclamation. Alternatives include the use of general property tax revenues of the District, user fees paid by water users, or a combination of the above.

X At the September 13 board meeting the directors may also discuss what categories of users of Taylor Park Reservoir refill water should be considered "water users" for the purposes of collecting payment for water.

Interested persons and organizations are encouraged to attend the meeting of the District on September 13 and to provide their viewpoints concerning payment for Taylor Park water to the board. The meeting will begin at 7:00 p.m. at the Multipurpose Building at the Gunnison County Rodeo Grounds in Gunnison. The discussion concerning payment for water will probably not begin before 8:00 p.m.

Upper Gunnison River Water Conservancy District

M E M O R A N D U M

TO: Board Members,
Upper Gunnison River Water Conservancy District

FROM: Tyler Martineau *TM*

DATE: August 31, 1993

SUBJECT: Taylor Park Water Management Agreement.

Attached is a new draft of the proposed Taylor Park Water Management Agreement. This draft includes revised language from the Bureau of Reclamation (USBR) in Section 4 on pages 8 and 9 concerning payment for water.

Please note that there is a major change in the method of payment from what we have discussed at previous board meetings. The USBR is proposing now that the District pay a flat fee of \$10,000 per year for the administration of water from the refill. This would be the total fee paid to the USBR. There would be no per acre-foot charge for water actually used. The USBR's reasoning for this change is that an agreement specifying a per acre-foot charge would appear too much like a water service contract.

The next negotiating session with the USBR is scheduled for Thursday, September 16, 1993 at 10:00 am at the County Commissioner's Room at the Gunnison County Courthouse.

I am preparing a memorandum which discusses the continuing issues concerning the proposed agreement which will be included in your board mailings for the September 13 board meeting.

*- can water be held in Blue Mesa for sat. purposes?
calls. ?
3a*

*water already
of red water
what is ground water
some years none
- what paid for 7 ad file
1st or last
- full cost protection*

Upper Gunnison River Water Conservancy District

M E M O R A N D U M

TO: Board Members
Upper Gunnison River Water Conservancy District

FROM: Tyler Martineau TM

DATE: August 13, 1993

SUBJECT: Taylor Park Water Management Agreement.

The August 20, 1993 negotiating session for the Taylor Park Water Management Agreement has been **CANCELLED**. The cancellation is due to the fact that we did not receive the new language concerning payment for water in time for the board to review it before the negotiating session. The USBR has promised us that a new draft of the complete agreement will be available in the next two weeks.

I will let the board know as soon as we know of a new date for the next negotiation session. It will be after our next board meeting in order to allow the board to have an opportunity to discuss the new draft of the agreement. We will mail the new draft of the complete agreement to the board as soon as it becomes available.

Upper Gunnison River Water Conservancy District

M E M O R A N D U M

TO: Board Members,
Upper Gunnison River Water Conservancy District

FROM: Tyler Martineau *TM*

DATE: September 3, 1993

SUBJECT: Agenda Item 12, September 13, 1993, Board Meeting --
Stream Gaging Program.

At a meeting of the East River 201 Study advisory group yesterday, Gunnison County's consultant, RTW, indicated that stream flow information is needed on the Slate River below Crested Butte. The information is needed in order to determine the dilution capacity of the Slate River for wastewater discharges in the winter.

In response I thought it would be worthwhile to look into whether Gunnison County and the Upper Gunnison River Water Conservancy District could develop joint funding for the installation and operation of a stream flow gaging station on the Slate River below Crested Butte. The gage would be located at the Highway 135 bridge over the Slate River in Section 12, T.14S., R.86W., 6th P.M. There are currently no stream flow records for the East River basin above the existing gage at Almont except for some stream flows that were collected on the Slate River below Crested Butte in the 1940's. As you know the Upper Gunnison District is already participating in the construction of a new stream flow gage this fall on the East River below Cement Creek with funding from the Colorado River Water Conservation District. This gage will provide needed stream flow data on the East River but will be too far downstream to provide information which will help assess the effect of wastewater discharges to the Slate River. Data is needed on the Slate River immediately during the winter of 1993-94 in order to be useful to the 201 study. Ideally the gage should be installed by October 1 in order to begin collecting data at the beginning of the new water year.

I would recommend that the U.S. Geological Survey (USGS) install and operate the gage. My best guess is that the local cost share for construction of the gage would be a one time payment of about \$8,000.00. If the gage is constructed this fall the payment for construction would be due in November,

1993. The local cost share for operation of the gage would be approximately \$3,600.00 per year. The payment for operation for the year October 1, 1993 to September 30, 1994 would not be due until October, 1994.

My expectation would be that the gage would continue to be operated over a period of at least 10 years for the information that it would provide in relation to water use (including diversions and instream uses), land use, and dilution flows for water quality. The gage would not initially be set up to record water quality measurements, but I would recommend that the gaging house, etc. be sized so that water quality recording capability could be added in the future if desired.

I have suggested to Gary Tomsic that the Upper Gunnison River Water Conservancy District and Gunnison County consider equally splitting the local cost share for construction and operation of the gage. This proposal will be presented to the board of directors at our meeting on September 13. Gary Tomsic will discuss the proposal with the County Commissioners on Tuesday, September 7. Under this approach the total funds contributed by the Upper Gunnison District would be about \$4,000.00 in November, 1993, and about \$1,800.00 per year in October of 1994, 1995, etc., until the gage is discontinued.

If stream flow data is to be obtained this winter for the 201 study we must move forward on this proposal immediately. If approval is obtained from the District and the county I will contact the USGS so they can determine whether there is an acceptable measuring site available for the installation, and whether permission for construction can be obtained from the property owner. This must be done quickly so that construction can begin before it gets too wet and cold to work in the area.

Upper Gunnison River Water Conservancy District

M E M O R A N D U M

TO: Board Members,
Upper Gunnison River Water Conservancy District

FROM: Tyler Martineau *TM*

DATE: September 7, 1993

SUBJECT: Agenda Item 12, September 13, 1993, Board Meeting --
Stream Gaging Program.

The County Commissioners agreed today to share one-half of the local cost of constructing and operating in 1993-94 a stream flow gaging station on the Slate River below Crested Butte. The commissioners stated that they would prefer it if other local entities who would benefit from the gage would also share in the cost.

The U. S. Geological Survey has told me that the local funds for construction of a gage this fall will not be payable until 1994. However, they do need a written funding commitment from us now in order to proceed with the construction of the gage. I recommend that the Upper Gunnison District agree to fund one-half of the local cost share for construction and operation of the stream gage in 1993-94 with the expectation that we will try to get other local entities to share some of the costs with the district and the county. If the other local entities do not decide to share in the cost then the district and county would have to honor their respective commitments to pay one-half of the local cost share.

Upper Gunnison River Water Conservancy District

M E M O R A N D U M

TO: Board Members,
Upper Gunnison River Water Conservancy District

FROM: Tyler Martineau

DATE: August 30, 1993

SUBJECT: Agenda Item 12, September 13, 1993, Board Meeting --
Stream Gaging Program.

The U. S. Geological Survey has indicated to me that all the necessary arrangements have been completed for the new stream gage to be installed on the East River below Cement Creek. The gage will be installed in the state highway department right-of-way on the west side of the Highway 135 bridge over the East River in the N.E. 1/4 of the N.E. 1/4 of Section 3, Township 15 South, Range 85 West, 6th P.M. The installation will commence about September 20, 1993. There are a number of land ownership questions which continue to appear to be unresolvable for at least the next year at the other site which we have considered. Therefore, the Colorado River Water Conservation District and the U. S. Geological Survey which are paying for the gage concur that it would be best to proceed with the site described above.

The U. S. Geological Survey has requested that the Upper Gunnison District consider taking over the funding of the stream gage on the Taylor River above Taylor Park Reservoir. The gage was funded previously by Arapahoe County. The gage began operation in October, 1987. Arapahoe County stopped paying for the gage in September, 1992. The U. S. Geological Survey has continued the operation of the gage in water year 1993 but will discontinue the operation at the end of September if a local cooperating agency is not found. They would like the Upper Gunnison District to consider funding one-half of the cost of the gage at a cost to the district of about \$3,800.00 per year. Benefits received from the gage would include:

- Yes
- 1) Development of data on high altitude yield of the Upper Taylor Basin watershed.
 - 2) Real-time satellite linked information on inflows into Taylor Park Reservoir.
 - 3) Information to assist in the management of Taylor Park Reservoir storage.

- 4) Hydrologic information which could be used to counter hydrologic analyses by future out-of-basin diverters.

The U. S. Geological Survey has suggested that it would be very helpful for the purpose of hydrologic studies in the future to have at least a ten year period of record available. The current record is now six years long. Therefore, they are suggesting that at least four more years of records be maintained. I have indicated to the U. S. Geological Survey that I will provide them with feedback from the board after the September 13 board meeting.

Upper Gunnison River Water Conservancy District

M E M O R A N D U M

TO: Board Members,
Upper Gunnison River Water Conservancy District

FROM: Tyler Martineau TM

DATE: September 1, 1993

SUBJECT: Agenda Item 13, September 13, 1993, Board Meeting --
Miscellaneous Matters.

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The Colorado Water Quality Control Commission is considering expanding ground water quality standards which currently apply to five major aquifers (none of which are in the Gunnison basin) to the entire state. The new standards would require that ground water quality be maintained at whichever of the following levels is less restrictive:

- (i) existing ambient ground water quality as of the effective date of the regulation, or
- (ii) that ground water quality which meets the most stringent criteria set forth in Tables 1 through 4 of "The Basic Standards for Ground Water".

The rules would be implemented by a state or local agency exercising its regulatory authority through a permitting action or a remedial requirement. An example would be that a county might refuse to issue a permit for a new septic system until it is satisfied that the ground water quality standard would be complied with.

Attached is a copy of the "Classifications and Water Quality Standards for Ground Water" which currently applies to the five aquifer systems in the state, a copy of Tables 1 through 4 of "The Basic Standards for Ground Water", and a copy of the proposed rulemaking which would expand the rules statewide.

Should the Board wish to seek party status in the rulemaking hearing, a written request must be submitted to the Commission before October 7, 1993.

October 30, 1991

3.12.0 CLASSIFICATIONS AND WATER QUALITY STANDARDS FOR GROUND WATER

3.12.1 AUTHORITY

These regulations are promulgated pursuant to Section 25-8-202, 25-8-203, and 25-8-204 of the Colorado Water Quality Control Act, and the provisions of "The Basic Standards for Ground Water 3.11.0 (5 CCR 1002-8)."

3.12.2 PURPOSE

The purpose of these regulations is to apply the framework for ground water classifications and water quality standards, as set forth in "The Basic Standards for Ground Water 3.11.0 (5 CCR 1002-8)" to specific ground waters in the state, and to adopt an interim narrative standard to protect these ground waters prior to the adoption of use classifications and numerical standards for specific areas.

3.12.3 INTRODUCTION

These regulations establish the use classifications and water quality standards for ground water in specific areas of the state.

3.12.4 DEFINITIONS

The following definitions are applicable to these regulations:

(1) "Alluvium" is clay, silt, sand or gravel, or similar unconsolidated detrital material deposited during comparatively recent geologic time by a stream or other body of running water as a sorted or semisorted sediment in the bed of the stream or on its flood plain or delta, or as a cone or fan at the base of a mountain slope.

(2) "River Alluvium and Terrace Gravel System" are aquifers located within those alluvium formations mapped on the "Geologic Map of Colorado" (Ogden Tweto, 1979) as "Qa-Modern Alluvium," (includes Piney Creek Alluvium and younger deposits) and "Qg-Pinedale and Bull Lake Age Gravels and Alluvium," (includes Broadway and Louviers Alluvium).

(3) "Saturated Zone" is a subsurface zone in which all of the interstices are filled with water under pressure greater than that of the atmosphere. This zone is separated from the zone of aeration by the water table.

(4) "Unconfined Ground Water" is ground water that has a free water table; i.e., water not confined under pressure beneath relatively impermeable rocks.

INTERIM NARRATIVE STANDARD

(1) The "Interim Narrative Standard" in 3.12.5 (2)(a) below is applicable to all unconfined ground water in the following specified areas:

(a) The Lower South Platte River Basin Alluvium and Terrace Gravel System: All ground water within the saturated zone of the river alluvium and terrace gravel system of the South Platte River Basin in the non-mountainous area of Colorado, the surficial extent of which is depicted on Figure 1. The specified area also includes the subsurface lateral extent of the alluvium and terrace gravel system not shown on Figure 1.

(b) The Arkansas River Basin Alluvium and Terrace Gravel System: All ground water within the saturated zone of the river alluvium and terrace gravel system of the Arkansas River Basin in the non-mountainous area of Colorado, the surficial extent of which is depicted on Figure 2. The specified area also includes the lateral extent of the alluvium and terrace gravel system not shown on Figure 2.

(c) The San Luis Valley Aquifer System: All ground water within the saturated zone of the San Luis Valley Aquifer System within the geographic area depicted on Figure 3, including surficial deposits, river alluvium, fan deposits and terrace gravels, and the Alamosa Formation from the ground surface to the top of the upper-most confining layer of the Blue Clay Series where it exists, or in areas outside the Blue Clay layer to the top of the upper-most ground water confining layer.

(d) High Plains Aquifer System: All ground water within the saturated zone of the High Plains Aquifer system, including the Ogallala formation and the river alluvium systems, within the geographic area depicted on Figures 4a and 4b.

(e) Denver Basin Aquifer System: All ground water within the saturated zone of the unconfined portions of the Denver Basin Aquifer System, including the Dawson, Denver, Arapahoe and Laramie-Fox Hills formations, within the geographic area depicted on Figure 5.

(2) (a) Until such time as use classifications and numerical standards are adopted for the ground water in this area, and subject to the provisions of subsection (b) below, ground water quality shall be maintained for each parameter at whichever of the following levels is less restrictive:

(i) existing ambient quality as of October 30, 1991, or

(ii) that quality which meets the most stringent criteria set forth in Tables 1 through 4 of "The Basic Standards for Ground Water."

(b) This interim standard shall not be interpreted or applied as defining or limiting the potential need for remediation of contaminated ground water where remedial requirements are established under state or federal law. It is the Commission's intent that, to the maximum degree technically feasible and economically reasonable, remedial efforts should be directed at cleaning up ground water contaminated by human activities to a degree such that it is usable for all existing and potential beneficial uses; this interim narrative standard is not intended to define when such remediation is or is not feasible. Where contamination already exists, this interim standard is merely intended to assure that conditions are not allowed to deteriorate further pending remedial action. The appropriate level of clean-up to be achieved may be addressed by this Commission in a future classification and standard-setting proceeding, or by other agencies with jurisdiction over remedial actions.

(c) In applying this interim narrative standard, the Commission intends that agencies with authority to implement this standard will exercise their best professional judgment as to what constitutes adequate information to determine or estimate existing ambient quality, taking into account the location, sampling date, and quality of all available data. Data generated subsequent to October 30, 1991, shall be presumed to be representative of existing quality as of October 30, 1991, if the available information indicates that there have been no new or increased sources of ground water quality contamination initiated in the area in question subsequent to that date. If available information is not adequate to otherwise determine or estimate existing ambient quality as of October 30, 1991, such ground water quality for each parameter shall be assumed to be no worse than the most stringent levels provided for in Tables 1 through 4 of "The Basic Standards for Ground Water," unless the Commission has adopted alternative numerical standards for a given specified area.

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3.12.6 (RESERVED)

3.12.7 SITE-SPECIFIC GROUND WATER CLASSIFICATIONS AND WATER QUALITY STANDARDS

(1) ROCKY FLATS AREA, JEFFERSON AND BOULDER COUNTIES

(a) Specified Area: All unconfined ground waters within the saturated zone of the unconsolidated Quaternary aquifer, the Rocky Flats aquifer, the Arapahoe aquifer, and the Laramie-Fox Hills aquifer, within the area shown on Figure 1.

TABLE 1
Human Health Standards

<u>Contaminants</u>		<u>Standards</u>	
Biological			
Total Coliforms		R ^a 1	org/100 ml
Inorganic			
Arsenic	(As) ^d	0.05	mg/l
Barium	(Ba) ^d	1.0	mg/l
Cadmium	(Cd) ^d	0.010	mg/l
Chromium	(Cr) ^d	0.05	mg/l
Cyanide [Free]	(CN)	0.20	mg/l
Fluoride	(F) ^d	4.0	mg/l
Lead	(Pb) ^d	0.05	mg/l
Mercury	(Hg) ^d	0.002	mg/l
Nitrate	(NO ₃) ^d	10.0	mg/l as N
Nitrite	(NO ₂) ^d	1.0	mg/l as N
Selenium	(Se) ^d	0.01	mg/l
Silver	(Ag) ^d	0.05	mg/l
Radiological ^{bd}			
Alpha Emitters			
Gross Alpha Particle Activity (excluding Radon and Uranium)		15	pCi/l
Beta and Photon Emitters ^e		4	mrem/year
Organic			
Chlorophenol		0.001	mg/l
Phenol		0.001	mg/l

TABLE 2
Secondary Drinking Water Standards

<u>Contaminants</u>		<u>Level</u>	
Chloride	(Cl) ^d	250	mg/l
Color		15	color units
Copper	(Cu) ^d	1	mg/l
Corrosivity		Noncorrosive	
Foaming Agents	0.5	mg/l	
Iron	(Fe) ^d	0.3	mg/l
Manganese	(Mn) ^d	0.05	mg/l
Odor		3 threshold odor numbers	
pH		6.5 -	8.5
Sulfate	(SO ₄) ^d	250	mg/l
Zinc	(Zn) ^d	5	mg/l

TABLE 3

Agricultural Standards

<u>Contaminants</u>		<u>Level</u>	
Aluminum	(Al) ^{df}	5.0	mg/l
Arsenic	(As) ^d	0.1	mg/l
Beryllium	(Be) ^d	0.1	mg/l
Boron	(B) ^{dg}	0.75	mg/l
Cadmium	(Cd) ^d	0.01	mg/l
Chromium	(Cr) ^d	0.1	mg/l
Cobalt	(Co) ^d	0.05	mg/l
Copper	(Cu) ^d	0.2	mg/l
Fluoride	(F) ^d	2.0	mg/l
Iron	(Fe) ^d	5.0	mg/l
Lead	(Pb) ^{df}	0.1	mg/l
Lithium	(Li) ^{dh}	2.5	mg/l
Manganese	(Mn) ^d	0.2	mg/l
Mercury	(Hg) ^{df}	0.01	mg/l
Nickel	(Ni) ^d	0.20	mg/l
Nitrite	(NO ₂ -N) ^{df}	10	mg/l as N
Nitrite & Nitrate	(NO ₂ +NO ₃ -N) ^{df}	100	mg/l as N
Selenium	(Se) ^d	0.02	mg/l
Vanadium	(V) ^d	0.1	mg/l
Zinc	(Zn) ^d	2.0	mg/l
pH		6.5 -	8.5

TABLE 4

TDS Water Quality Standards

<u>Background TDS Value (mg/l)</u>	<u>Maximum Allowable TDS Concentrations</u>
0 - 500	400 mg/l or 1.25 times the background level, whichever is least restrictive
501 - 10,000	1.25 times the background value
10,001 or greater	No limit

a K Means less than. When the Membrane Filter Technique is used for analysis, the average of all samples taken within a year must be less than 1 organism per 100 milliliters of sample. When the Filter Tube Method is used for analysis, the limit is less than 2.2 org/100 ml.

b If the identity and concentration of each radionuclide in a mixture are known, the limiting value would be derived as follows: Determine, for each radionuclide in the mixture, the ratio between the quantity present in the mixture and the limit specified. The sum of such ratios for all radionuclides in the mixture shall not exceed "1" (i.e. unity). A radionuclide may be considered as not present in a mixture if the ratio of the concentration to the limit does not exceed 1/10 and the sum of such ratios for all radionuclides considered as not present in the mixture does not exceed 1/4.

c ND Means none detected using an approved analytical method with the lowest detection limit for the parameter.

d Measured as dissolved concentration. The sample water shall be filtered through a 0.45 micron membrane filter prior to preservation. The total concentration (not filtered) may be required on a case-by-case basis if deemed necessary to characterize the pollution caused by the activity.

e If two or more radionuclides are present, the sum of their annual dose equivalent to the total body or to any organ shall not exceed 4 mrem per year. Except for Tritium and Strontium 90 the concentration of man-made radionuclides causing 4 mrem total body or organ dose equivalents shall be calculated on the basis of a 2 liter per day drinking water intake using the 168-hour data listed in "Maximum Permissible Body Burden and Maximum Permissible Concentration of Radionuclides in Air or Water for Occupational Exposure," NBS Handbook 69, as amended, August 1963, US Department of Commerce.

RECEIVED

**DRAFT
NOTICE OF PUBLIC RULEMAKING HEARING
BEFORE THE
COLORADO WATER QUALITY CONTROL COMMISSION**

AUG 19 1993

**COLORADO RIVER WATER
CONSERVATION DISTRICT**

FILE # _____

SUBJECT:

For consideration of expanding the interim narrative standard for ground water (3.12.5) to apply to all ground waters of the state to which standards have not previously been assigned, and to exempt from consideration those aquifers in which the total dissolved solids (TDS) exceed 10,000 mg/L.

Adopted in 1991, the interim narrative standard was applied to all unconfined ground water in five select aquifer systems identified in section 3.12.5 (1) (a), (b), (c), (d), and (e) and graphically illustrated in Figures 1 through 5 of the regulation. The Water Quality Control Division (WQCD) proposes to expand the application of the interim narrative standard to all confined ground waters in the areas already identified in the regulation, and to all remaining confined and unconfined ground waters throughout the state to which standards have not previously been assigned. The proposal exempts from consideration those ground waters where the total dissolved solids (TDS) exceed 10,000 mg/L, as these cannot, at this time, be recovered for beneficial use within reasonable economic limits.

The proposal, along with a proposed Statement of Basis, Specific Statutory Authority, and Purpose, are attached to this notice as Exhibit I.

The WQCD has been and will continue an extensive program to notify affected and interested parties of the proposal, to explain it, and to address concerns prior to the public hearing. The Commission is interested in receiving input on the impacts of the proposal to apply the interim narrative standard to all ground waters in the state, and seeks information that any interested person may have regarding the quality of ground waters to which the standard will apply, particularly the presence and extent of naturally occurring contaminants.

HEARING SCHEDULE:

DATE: December 7, 1993
TIME: 10:00 A.M.
PLACE: Florence Sabin Conference Room
Department of Health
4300 Cherry Creek Drive South
Denver, Colorado

Oral testimony at the hearing will be limited. Direct testimony should primarily draw attention to written evidence. The hearing will emphasize Commission questioning of parties about their written prehearing submittals. Introduction of written material by parties at the hearing generally will not be permitted. Parties are prohibited from oral presentation of written material submitted to the Commission.

PARTY STATUS:

Participation as a "party" to this hearing will require compliance with the Procedural Rules, 2.1.0 (5 CCR 1002-1). It is not necessary to acquire party status in order to testify or comment. Written party status requests are due in the office of the Commission on or before:

DATE: October 7, 1993
TIME: 5:00 p.m.

PREHEARING CONFERENCE:

DATE: November 13, 1993
TIME: 10:00 a.m.
PLACE: Florence Sabin Conference Room

Attendance at the prehearing conference is mandatory for all parties. A prehearing statement, including any exhibits, written testimony, and alternative proposals of anyone seeking party status must be submitted to the Commission Office no later than October 20, 1993. In addition, copies of these documents must be mailed or hand delivered by that date to all persons requesting party status, in accordance with a list provided by the Commission Office following the party status deadline.

Following the prehearing conference, written rebuttal statements may be submitted by November 24, 1993 with copies to persons requesting party status. No other documentation, exhibits, or other materials will be accepted after the prehearing conference except for cause shown.

SPECIFIC STATUTORY AUTHORITY:

The provisions of C.R.S. 25-8-202(1)(b); 25-8-204; 25-8-401(1); and 25-8-402(1) provide the specific statutory authority for this consideration of the regulatory amendments proposed by this notice.

Should the Commission adopt the regulatory language as proposed in this notice or alternative amendments, it will also adopt, in compliance with 24-4-103(4) C.R.S., an appropriate Statement of Basis, Specific Statutory Authority and Purpose.

NOTIFICATION OF POTENTIAL MATERIAL INJURY TO WATER RIGHTS:

In accordance with C.R.S. 25-8-104(2)(d), any person who believes that the actions proposed in this notice have the potential to cause material injury to his or her water rights is requested to so indicate in the party status request submitted. In order for this potential to be considered fully by the Commission and the other agencies listed in the statute, persons must fully explain the basis for their claim in the prehearing statement which is due in the Commission Office on the date specified above. This explanation should identify and describe the water right(s), and explain how and to what degree the material injury will be incurred.

Dated this _____ day of August, 1993 at Denver, Colorado

WATER QUALITY CONTROL COMMISSION

Maria L. Biberstine, Staff Assistant

EXHIBIT 1

The following additions and deletions are proposed to sections 3.12.4 and 3.12.5 (1) of the regulation. Proposed new language is indicated capital letters within a shaded background; proposed deletions are indicated by strikeouts.

3.12.4 DEFINITIONS

Add the following definition and renumber the remaining definition:

(5) "STATE" IS DEFINED IN THE CONSTITUTION OF THE STATE OF COLORADO, ARTICLE 1 AS COMMENCING ON THE THIRTY-SEVENTH PARALLEL OF NORTH LATITUDE, WHERE THE TWENTY-FIFTH MERIDIAN OF LONGITUDE WEST FROM WASHINGTON CROSSES THE SAME; THENCE NORTH, ON SAID MERIDIAN TO THE FORTY-FIRST PARALLEL OF NORTH LATITUDE; THENCE ALONG SAID PARALLEL WEST TO THE THIRTY-SECOND MERIDIAN OF LONGITUDE WEST FROM WASHINGTON; THENCE SOUTH, ON SAID MERIDIAN, TO THE THIRTY-SEVENTH PARALLEL OF NORTH LATITUDE; THENCE ALONG SAID THIRTY-SEVENTH PARALLEL OF NORTH LATITUDE TO THE PLACE OF BEGINNING.

3.12.5 INTERIM NARRATIVE STANDARD

- (1) The "Interim Narrative Standard" in 3.12.5 (2) (a) below is applicable to all unconfined ground water, TO WHICH STANDARDS HAVE NOT ALREADY BEEN ASSIGNED in the following specified areas: STATE, WITH THE EXCEPTION OF THOSE AREAS WHERE THE TOTAL DISSOLVED SOLIDS (TDS) EXCEED 10,000 MG/L.

The above action would result in the deletion of subsections (1) (a), (b), (c), (d), and (e) and the deletion of Figures 1,2,3,4a and b, and 5.

- (2) (a) Until such time as use classifications and numerical standards are adopted for the ground water in this area ON A SITE-SPECIFIC BASIS THROUGHOUT THE STATE, and subject to the provisions of subsection (b) below, ground-water quality shall be maintained for each parameter at whichever of the following levels is less restrictive:
- (i) existing ambient quality as of THE EFFECTIVE DATE OF THE REGULATION, or
 - (ii) that quality which meets the most stringent criteria set forth in Tables 1 through 4 of "The Basic Standards for Ground Water."
- (b) (UNCHANGED)
- (c) (REPLACE OCTOBER 30, 1991 EACH TIME IT APPEARS WITH THE EFFECTIVE DATE OF THE REGULATION)

3.12.13

STATEMENT OF BASIS, SPECIFIC STATUTORY AUTHORITY, AND PURPOSE:
DECEMBER 7, 1993 HEARING ON STATEWIDE APPLICATION OF THE INTERIM NARRATIVE STANDARD
FOR GROUND WATER

The provisions of C.R.S. 25-8-202(1)(b)(2) and (7) and 25-8-204 provide the specific statutory authority for adoption of these regulatory provisions. The Commission has also adopted, in compliance with C.R.S. 24-4-103(4), the following statement of basis and purpose.

BASIS AND PURPOSE

A. Overview

In the continuing effort to ensure that the state's ground-water reserves remain viable for beneficial use, the Water Quality Control Commission has expanded application of the interim narrative standard, adopted in September, 1991 and applied to five select aquifer systems, to all ground waters of the state to which standards have not previously been assigned. In taking this action, the Commission has exempted those aquifers in which the total dissolved solids (TDS) exceed 10,000 mg/L. The exemption for high levels of TDS was included in recognition of the fact that currently, these waters could not be recovered for beneficial use within reasonable economic cost.

At the time the interim narrative standard was adopted in September, 1991, application was limited to the five regional aquifer systems due to the constraints of the public notice which had specified the aquifer systems to which the Division's original proposal (May 1991) would apply. In the Basis and Purpose Statement developed for the interim narrative standard, the Commission recognized that it may be appropriate to consider adoption of the interim narrative standard for ground water elsewhere in the state at a subsequent time. ((Subsection 3.12.11 B.1.) As a result of this rule, the unconfined ground water in the five regional aquifer systems continues to enjoy the protection of the INS. In addition, the INS will also apply to the confined ground waters in those aquifers as well as other ground waters in the state.

In the two years since its adoption, the interim narrative standard has been very effective in protecting the ambient quality of the state's ground-water reserves and preventing further deterioration. Expansion of the concept statewide will ensure that the remainder of the state's ground-water supplies are similarly protected until more appropriate site-specific use classifications and standards can be adopted.

B. Background and Rationale

The interim narrative standard (INS), adopted by the Commission in September, 1991, established a process to arrive at numeric standards for five (5) specific aquifer systems within the state. The intent of the regulation is to maintain ground-water quality in aquifers not yet contaminated, and to prevent further deterioration from human-induced pollution where contamination has occurred. It is important to note that it was not designed to prevent or control naturally occurring pollution.

In adopting the INS, the Commission made clear that the intent was to foster clean up of ground water contaminated by human activities to the maximum degree technically feasible within reasonable economic limits. The stated goal of clean up is to make the ground water useable for all existing and potential beneficial uses. The Commission further indicated that the intent of the INS is not to define the limits of remediation, but instead to ensure that a contaminated area will be stabilized or will improve (Subsection 3.12.5 (b)). The INS defines the protection provided unless and until replaced by site-specific use classifications and numerical standards at another time.

The growing number of people in the state who rely on ground water as a source of drinking water and for other beneficial uses prompted the Commission to consider expanding the application to all ground waters

of the state. The statistics maintained by the Drinking Water Section of the WQCD indicate that there are currently 532 public water systems in the state serving approximately 428,000 residents.

The numbers of people at risk are one indication of the need to protect ground water as a drinking water source. The growing incidences of ground water contamination are another. Expansion of the interim narrative standard allows the Commission to meet its statutory responsibility to protect ground water until more complete information is available to establish site-specific standards.

C. Implementation

Implementation of the interim narrative standard statewide will essentially be the same as it has been on a regional basis. The appropriate implementing state or local agency will use the best information available to determine or "estimate" existing ambient quality to make determinations regarding points of compliance, issuing permits, and taking remedial actions. Where this information is inadequate or unavailable, these agencies will rely on best professional judgment to determine existing ambient quality.

D. Default Standard

The interim narrative standard provides for a default standard that applies if there is inadequate information to determine or estimate existing ambient quality. The default standard is that quality which meets the most stringent criteria set forth in Tables 1 through 4 of the "Basic Standards for Ground Water."

A potentially regulated entity can avoid application of the default standard by generating site-specific data, even subsequent to the effective date of the regulation. The ambient quality established then becomes the standard for all appropriate regulatory purposes through the implementing agencies. If the regulated entity feels that an implementing agency is improperly determining or applying ambient quality-based standards, it can petition the Commission for a site-specific rulemaking hearing to revise the standard.

E. Remediation

As with regional application, statewide expansion of the interim narrative standard does not address the issues of when remediation of existing ground water quality contamination is necessary, or how much remediation is appropriate for any site-specific situations. These determinations are made by the implementing agencies. In expanding the INS to all ground waters of the state, the Commission provides the implementing agencies with guidelines to make regulatory decisions.

F. Water Rights

Pursuant to CRS 25-8-104, nothing in this rule shall be construed, enforced or applied so as to cause or result in material injury to water rights. These statutory prohibitions are not compromised with this rule. Any lawful right to withdraw and beneficially use ground water will not be affected by this narrative standard because its purpose is to provide a foundation for controlling discharges to the ground water, not withdrawals. Recharge or augmentation plans will have to consider the quality of the recharge water according to the current requirements of the State Engineer's Office, so this rule does not change that previous requirement. Ultimately, this rule should protect and enhance the value of water rights since its purpose is to maintain a level of quality that supports the beneficial uses to which the water will be applied.

Allen D. (Dave) Miller
P.O. Box 567
Palmer Lake, Colorado 80133
(719) 481-2003 • FAX (719) 481-4013

September 2, 1993

received
9/3/93

Mr. Peter Evans
Deputy Director
Colorado Water Conservation Board
1313 Sherman Street, Room 721
Denver, Colorado 80203

Re: Two Forks Veto And Pending Wolford Mountain Veto

Dear Peter:

In our frank discussion last Friday you said Arapahoe County's Gunnison alternative (Union Park) was not a factor in EPA's decision to veto Two Forks Dam. You also said Colorado water officials are not seriously concerned with my federal appeal of the Wolford Mountain (Muddy Creek) Transmountain Diversion Project.

To avoid another embarrassing state miscalculation, I respectfully suggest you and other Colorado water officials consider the following:

Comparison Of Colorado Water Basin Shortages and Surpluses
Colorado's South Platte and Arkansas River Basins are seriously over-appropriated. The Ogallala Aquifer in Eastern Colorado is steadily declining. Front Range water needs are rapidly growing.

All transmountain water for Colorado's Front Range is from the single, over used, Colorado River Main Stem Basin. There are currently 19 diversions totaling 450,000 acre feet from Main Stem headwater rivers. The proposed Wolford Mountain Diversion will further deplete this same area, while draining the Blue River to about 70% of its native flow.

In the meantime, Colorado is permanently losing over half its legal share of the Colorado River by administrative default to endangered fish and down river growth in other states. Most of this tragic loss is from the overlooked, untapped, Gunnison Basin. According to the Department of Interior's comprehensive Colorado River Consumptive Uses and Losses Report, Gunnison users are consuming only 17% of the Gunnison's native flow. This Gunnison loss is steadily growing, because of the long-term shift from irrigated farming to tourism. As with Two Forks, the under used Gunnison water source was not considered as a viable alternative for Metro Denver in the Wolford Mountain environmental study. This obvious oversight in a federal EIS, is a clear violation of national environmental laws.

Two Forks Environmental Studies By Corps of Engineers When the Corps completed its 5 year, \$40 million Draft EIS, it had considered a myriad of alternatives for Metro Denver, including a pump back concept from the Missouri River. Incredibly, the Corps completely overlooked Arapahoe's low cost gravity flow alternative from an off river reservoir on the Gunnison side of the Continental Divide. The Corps also overlooked the city-farm recycling alternative the City of Thornton was wisely pioneering.

In response to my protests over the Gunnison oversight, the Corps was pressured by EPA to conduct an evaluation of Arapahoe's Gunnison alternative. The resulting preliminary review confirmed the technical, economic, and environmental feasibility of this viable option. The Corps' hydrology modeling also confirmed an average 60,000 acre feet from Union Park could increase the safe annual yield of Metro Denver's existing reservoirs by 113,000 acre feet. Although the Corps seriously inflated the construction cost of Union Park, this unique 2 for 1 yield multiplier was recognized as a major economic and operational advantage over all other viable alternatives. This gravity flow storage capability is especially valuable for both slopes during the worst multiyear droughts.

Unfortunately, Colonel West made a major tactical mistake by disqualifying the Gunnison alternative in the Final EIS. His reasoning was based on the fact the water rights had not been fully perfected. The rationale was fatally flawed because NEPA procedures do not require resolution of water rights and other institutional constraints before each reasonable alternative is fully considered in a federal EIS.

EPA's Two Forks Veto Decision Dennis Sohocki was EPA's regional expert in charge of evaluating the Corps' analysis of each reasonable alternative. Although EPA was also embarrassed to discover Colorado's untapped Gunnison alternative after the Draft EIS had been completed, Dennis had the courage to write many internal and external papers requiring consideration of all reasonable alternatives -- including the untapped Gunnison.

When Lee DeHihns, Deputy Regional Administrator for EPA's Atlanta office was assigned the task of writing the final Two Forks decision, I was invited to Atlanta to brief the Gunnison alternative. Although EPA did not specifically mention the Gunnison and city-farm recycling oversights in the final veto decision, it did say there were less damaging alternatives that were not properly considered. When the Interior Board of Land Appeals is fully informed on the Gunnison oversight and Colorado's grossly unbalanced water usage, the Woford Mountain Diversion Project will surely be vetoed for the same fundamental reason as Two Forks. You may be interested to know I was the only water developer honored with an invitation to the Two Forks veto party.

Water Management Mistakes By State Officials Recently, the Colorado Water Conservation Board (CWCB) unanimously supported the Upper Gunnison River District water right decree (86CW203) in Colorado Supreme Court. This unreasonable decree requires 50% more water in the river than the total average virgin flow. Although the decree's stated purpose is to benefit local fish, recreation, and irrigation, the obvious real intent is to prevent 7% of the Gunnison's wasted flood waters from being stored and shared with Front Range users. The real winners are Arizona and California. This serious state management failure has now turned into a major state tragedy, because the Gunnison River District quietly transferred these invaluable, high altitude waters to the federal government on the 22nd of March 1993, without prior knowledge, analysis, or approval by state officials.

The annualized cost to store and divert these surplus Gunnison waters for Front Range use would be about \$300 per acre foot. This compares with \$600 for Two Forks. The current value of transmountain water rights is about \$5,000 per acre foot. The Colorado Springs area could also be served by the Gunnison alternative. When return flows to the South Platte and Arkansas Rivers are considered, another \$5,000 could be added to the value of each acre foot that was improperly transferred to the federal government. Is this transfer a disaster for Colorado, or what?

Lack Of A Statewide Perspective Currently, Colorado water studies and management actions are almost entirely oriented to single basin issues and agendas. In spite of their oath to the state, CWCB members primarily represent the parochial interests of each drainage basin. The state's Division Engineers are also organized in the same manner. Colorado's unique water court system is structured along single basin lines. As a result of this single basin mind set, almost all interbasin issues are either ignored or end up in endless legal battles. Colorado has 70% of the nation's water attorneys, and they love the current water leadership void at state level. When Colorado officials do get involved in politically charged interbasin issues, they must rely on lobbying, instead of reasoned analysis of statewide water data.

Corrective Action Colorado water officials could readily avoid major errors, resolve interbasin conflicts, and save state waters for future generations by implementing a few basic water management tools, commonly used by other Western states:

1. Compile existing water supply and demand data for each basin into a statewide data base for easy public review of the state's overall water situation. This critical information will quickly identify the areas and magnitude of water shortages, surpluses, losses, and needs throughout the state.

2. Initiate and continually update an appraisal of the

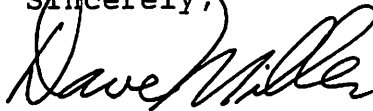
growing long-term threats to Colorado's water future. This threat analysis, coupled with a statewide data base will give Coloradans a chance to see the facts instead of allowing unfounded emotional fears to divide the state against interbasin water sharing.

3. Formulate a nonpolitical State Water Development Strategy to protect Colorado's environmental and economic future during the worst drought scenarios. There is no substitute for high altitude storage.

Peter, you are in a good position to help Colorado adjust to the rapidly changing high stakes competition for Western water. Bold initiatives are urgently required at the state level -- without upsetting Colorado's traditional water allocation system. Colorado's future generations are depending on young, imaginative lawyers like you.

Sadly, Colorado's water resource engineers are strangely silent at the policy level. Lawyers are now in charge, and they must realize that endless paper wars must be replaced by environmentally sound water development projects.

Sincerely,



Allen D. (Dave) Miller

ADM/bm

cc: Governor Romer
Ken Salazar
Colorado Congressional Delegation
Colorado Legislators
Colorado River Water Conservation District
Denver Board of Water Commissioners

Upper Gunnison River Water Conservancy District

MEMORANDUM

TO: Board Members,
Upper Gunnison River Water Conservancy District

FROM: Tyler Martineau

DATE: August 12, 1993

SUBJECT: Lunch for Legislative Interim Water Committee

In discussing our plans to host a barbeque with Chuck Lile, he suggested that Senator Ament and the Committee would prefer a lighter lunch such as a selection of sandwiches that would fit the limited time available for their stop in Gunnison.

I believe it would be best to serve a meal that meets their request. I checked out several sites along the Gunnison River and have decided that the Riverway Picnic Area on McCabe Lane will be a convenient site for a quick lunch and visiting among the Committee and board members. We expect to host about seventy-five people.

I will be traveling with the group by bus. The bus is scheduled to reach Riverway Picnic Area at 12:30 p.m. on Tuesday, August 17. Rita McDermott and Patrice Thomas will coordinate the arrival of the food. I look forward to seeing as many of you as possible there. If you can not attend please let us know.

Upper Gunnison River Water Conservancy District

MEMORANDUM

TO: Board Members
Upper Gunnison River Water Conservancy District

FROM: Tyler Martineau

DATE: August 13, 1993

SUBJECT: Alternate Rain Site-August 17, 1993 Lunch

If there is a threat of rain on Tuesday we will move the luncheon for the Legislative Interim Water Committee to the Multi-Purpose Building at the Gunnison County Fairgrounds. The lunch will begin about 12:30 p.m.

STATE OF COLORADO

COLORADO WATER CONSERVATION BOARD

Department of Natural Resources

721 State Centennial Building
1313 Sherman Street
Denver, Colorado 80203
Phone (303) 866-3441
FAX (303) 866-4474



Roy Romer
Governor

Daries C. Lile, P.E.
Director, CWCB

August 30, 1993

Mr. Robert Tyler Martineau
Upper Gunnison River Water
Conservancy District
393 County Road 8
Gunnison, CO 81230

Dear Mr. Martineau:

Tyler

Thank you for your participation in the August 16-17, 1993 Colorado River Tour for the Interim Legislative Committee on Water. In spite of early transportation difficulties, the tour was a success because each entity and individual involved took an active role in making it a success. The information which was shared provided everyone involved with a better understanding of each others needs and concerns. Please extend our heartfelt thanks to each member of your Board and organization for the warm hospitality that was extended to the group.

In addition, we want to especially thank you for the wonderful lunch at River View Park which your organization provided. Good food contributes greatly to the success of any tour of this nature and your generous participation in this respect is most appreciated.

Sincerely,

Daries C. Lile

Daries C. Lile, P.E.
Director

DCL/DRS/bj

bj1189.ltr

Upper Gunnison River Water Conservancy District

SCHEDULED MEETING

Monday, August 9, 1993
7:00 p.m.

Multi-Purpose Building - County Fairgrounds
Gunnison, Colorado

A G E N D A

1. Call to Order.
2. Approval of July 12, 1993 Minutes.
3. Consideration of Operational Expenses Paid.
4. Consideration of Other Expenses Payable.
5. Monthly Budget Report.
6. Schedule for development of 1994 Budget. *A designate Budget Officer.*
7. Proposed Revisions to Bylaws.
8. Legal Matters.
 - a. Union Park Project Water Availability Appeal.
 - b. Board Member Bonding.
 - c. Legal Opinion Concerning Control of Water within Streams.
 - d. Other Legal Matters.
9. Taylor Park Water Management Agreement.
10. Gunnison River (Black Canyon) Contract.
11. Stream Gaging Program.
12. Miscellaneous Matters.
13. Unscheduled Citizens.
14. Future Meetings.
15. Adjournment.

UPPER GUNNISON RIVER WATER CONSERVANCY DISTRICT

SCHEDULED BOARD MEETING MINUTES

August 9, 1993

The Board of Directors of the Upper Gunnison River Water Conservancy District conducted a Scheduled Meeting on August 9, 1993 at 7:00 p.m. in the Multi-Purpose Building at the Rodeo Grounds, Gunnison, Colorado.

Board members present were: Robert Arnold, Ralph E. Clark, III, Susan Lohr, Ramon Reed, Mark Schumacher, Lee Spann, Dennis Steckel, Doyle Templeton, and William S. Trampe. Board members not present were Peter Smith and Purvis Vickers.

Others present were:

L. Richard Bratton, Board Attorney
John McClow, Board Attorney
Tyler Martineau, Manager
Patrice Thomas, Office Secretary
Rita McDermott, Treasurer
Laura Anderson, Crested Butte Chronicle/Pilot Reporter
David Baumgarten, Gunnison County
Diane Lothamer, City of Gunnison
Bruce Driver, HCCA Attorney
Gary Sprung, HCCA
Steve Glazer, HCCA and POWER
Enid Peppard, KKYY

1. CALL TO ORDER

President Trampe called the meeting to order at approximately 7:14 p.m.

2. APPROVAL OF JULY 12, 1993 MINUTES

President Trampe stated that the first item on the agenda was approval of the July 12, 1993 minutes which had been circulated to the Board by mail.

Bob Arnold moved that the July 12, 1993 minutes be approved as circulated to the board. Butch Clark seconded the motion. The motion carried.

3. CONSIDERATION OF OPERATIONAL EXPENSES PAID

Bob Arnold moved to approve Operational Expenses Paid, as prepared by the treasurer, for July 1993. Lee Spann seconded the motion. The motion carried.

4. CONSIDERATION OF OTHER EXPENSES PAYABLE

Tyler Martineau reviewed his August 3, 1993 memorandum to the board regarding the outstanding invoices of Andy Williams for legal fees in connection with the Union Park Project Water Availability Appeal. John McClow reviewed his August 3, 1993 memorandum which addressed questions about the proposed billing arrangement by the Colorado River Water Conservation District and Amendment 1 implications.

Ramon Reed asked why the Colorado River Water Conservation District did not want to pay Andy Williams directly. Lee Spann explained that the Colorado River Water Conservation District is concerned about the appearance of conflict of interest in payment to Mr. Williams and their position on the 620(f) brief.

The board members discussed other possibilities and ramifications of the billing and payment procedures for Andy Williams. Tyler Martineau and John McClow summarized their conversation with the Colorado River Water Conservation District staff.

Ramon Reed moved that Lee Spann present the recommendations prepared by Mr. Martineau to the Colorado River Water Conservation District board for their discussion and consideration. Butch Clark seconded the motion. The motion carried.

Dick Bratton said that he will explain the position of the Upper Gunnison River Conservancy District and the efforts to resolve the payment procedure to Andy Williams. Tyler Martineau clarified that the board supported his recommendation that Mr. Williams'

not be paid until the method of billing and payment can be resolved with the Colorado River Water Conservation District.

Ramon Reed moved to approve Other Expenses Payable except for payment of board of directors' fees and mileage to members not present at this meeting and Andy Williams' outstanding invoices. Bob Arnold seconded the motion. The motion carried.

5. MONTHLY BUDGET REPORT

Rita McDermott, treasurer, had no comments on the monthly budget report for July, 1993.

Tyler Martineau reported that the current certificate of deposit for the Wetland Fund is due for renewal. He asked if the board preferred to roll it into another separate certificate of deposit or to put it into the general fund account.

Dennis Steckel asked if there were any Amendment 1 implications. Tyler Martineau said that there would not be problems because these funds are still part of the current general fund. Ramon Reed suggested that these funds continue to be separate.

Tyler Martineau said that he and Rita McDermott will roll the Wetland Fund into another one year certificate of deposit.

6. SCHEDULE FOR DEVELOPMENT OF 1994 BUDGET

Tyler Martineau referred the board to his memorandum on the proposed schedule for the 1994 budget. He asked if there were any comments or questions.

Bob Arnold said he thought that it is a good plan.

Ramon Reed said that the board needs to discuss separately how and by whom payments will be made in regard to the Taylor Park Water Management Agreement. Tyler Martineau replied that there will be no purchase of water in 1993, therefore, there will be no disbursement of funds for water under the Taylor Park Water Management Agreement until January, 1995 at the earliest. Ramon Reed said that he believes that the board needs to discuss where the money will come from prior to development of the 1994 budget. Dennis Steckel said that there is not enough specific information about the cost of the water to really consider these funds at this time.

Butch Clark suggested that the District request the auditor's assistance in establishing an enterprise fund.

Ramon Reed asked that this discussion of funds for the purchase of water be put on the agenda for the September board meeting.

President Trampe asked for other comments about the proposed budget schedule.

Ramon Reed moved that Tyler Martineau be appointed budget officer for development of the District's 1994 budget. Lee Spann seconded the motion. The motion carried.

Bob Arnold moved to adopt the budget schedule as presented by Mr. Martineau as a guideline for preparation of the District's 1994 budget. Butch Clark seconded the motion. The motion carried.

President Trampe asked for suggested guidelines for the addition of the purchase of water discussion on the September meeting agenda.

Ramon Reed suggested that other organizations be notified of the discussion.

Susan Lohr asked if enough information about the Taylor Park Water Management Agreement will be available by that date.

President Trampe clarified that an invitation will be extended to water users for commercial purposes to the September board meeting to discuss the District's budget and payment for water in conjunction with the Taylor Park Water Management Agreement.

7. PROPOSED REVISIONS TO BYLAWS

Tyler Martineau referred the board to his memorandum circulated with the August 2, 1993 draft of the revised bylaws. He asked the board for comments.

Bob Arnold asked for a review of Article I, Section 5. Compensation, to make sure that it is consistent with the court decree of Judge Goldsmith.

Lee Spann said that he believes that Article II, Section 8. Attendance, has already been set in the court decree and does not need to be included in the bylaws.

Ramon Reed moved to strike Article II, Section 8 from the draft of revised bylaws. Lee Spann seconded the motion. The motion carried.

Butch Clark suggested that representation by district or division be specified for elections. He also suggested that special elections for members should be included in the bylaws with pertinent information on how to petition. Dennis Steckel commented that this information is already in the statute and court decree and may be burdensome in the bylaws also. Lee Spann suggested that insertion of language for special elections would duplicate the language in the statute.

Steckel

Butch Clark suggested noting the parliamentary rules of order used for the board meetings.

Butch Clark pointed out that Article II, Section 4. Notice of Meetings, may be confusing in the last sentence of the section. After discussing several options to clarify the meaning of "any meeting", President Trampe suggested that the board identify any areas of concern in the bylaws and individually provide specific wording changes to Mr. Martineau. Lee Spann suggested making the language follow the statute.

President Trampe asked if the board wanted to set a public hearing for comments on the proposed revision of the bylaws or if the board wanted to review another revised draft based on comments provided to Mr. Martineau. It was the board consensus to review a revised draft prior to a public hearing.

8. LEGAL MATTERS

8a. Union Park Project Water Availability Appeal

Dick Bratton updated the board on the opposing attorney's division of labor and said that the consideration of some issues will be delayed pending the direction that Arapahoe County takes in its brief to the Supreme Court.

Dick Bratton also provided the board with memoranda on issues requested by the board. The memoranda prepared by John Hill are titled 1) Public Trust, Public Values, and Maximum Utilization, 2) Protection of Natural, Socioeconomic and Cultural Environments, and 3) Opinion on the Utilization of the District's Conditional Water Rights Including Instream Use to Create or Enhance Fish and Wildlife Habitat and Wetlands as a Means of Making Absolute or Satisfying the Diligence Requirement (Revised).

Butch Clark asked Mr. Bratton if all the items listed on the Outline of Major Issues on Appeal (6/22/93) are on appeal. Mr. Bratton said that the list was prepared by the Colorado River Water Conservation District and Mr. Bratton did not know if all issues are on appeal.

Bruce Driver, attorney representing the High Country Citizens Alliance, had been invited by the board to present information on the request by High Country Citizens Alliance

for the Upper Gunnison River Water Conservancy District to support the environmental groups on public values issues in the Colorado Supreme Court appeal.

Mr. Driver gave a brief historical background of public value issues, such as maximum utilization, and Judge Brown's interpretations of these issues in the Arapahoe County case. He said that the environmental groups which he represents have two main objectives by including public value issues in the Colorado Supreme Court appeal: (1) A change in Colorado water law to allow arguments of environmental and local basin economic issues, and (2) a safety net in case of a reversal in Judge Brown's decision. Mr. Driver stated that if the Upper Gunnison River Water Conservancy District will support maximum utilization he will ask his clients to drop the Public Trust Doctrine. He said that at this juncture there is not interest in limiting existing water rights.

Butch Clark said that his opinion is that conservancy districts were organized to protect public interests and there needs to be a move beyond water rights to a broader view.

Lee Spann asked Mr. Driver to expand on his statement that his clients may include only maximum utilization. Mr. Driver said that some of his clients do not want to give up the Public Trust Doctrine but if the District supports the environmental groups he will ask these clients to drop the Public Trust Doctrine as a compromise position.

Lee Spann asked Mr. Driver to clarify his statement that the present intent is not to put the Public Trust Doctrine before existing water rights. Mr. Driver said that he would advise his clients to avoid litigation and to negotiate on these matters.

Susan Lohr said if the District provided a narrow scope of support on maximum utilization and the case is remanded it can say no to support on other issues.

Ramon Reed asked Dick Bratton if his concerns about political considerations about drawing in other opponents by support of these public interest issues still matters. Mr. Bratton responded that if the issues are raised by the environmental groups then opponents will be drawn to the case, if the District supports or remains neutral the same groups will still be drawn as opponents, but if the District opposes the environmental groups on these issues it may be a deterrent to others to oppose the case on these issues. Mr. Bratton said that he is concerned that if the District takes an active role to support the position that maximum utilization is a part of water law that major water users may withdraw their support from the district down the road on other issues and there may be ramifications later of the application of maximum utilization if it becomes a part of the law.

Lee Spann asked John Hill what his opinion would be if the maximum utilization concept were enforced in the Upper Gunnison basin in future years. John Hill responded that the determination of water rights would be made by the court and not the legislature and statute and referred the board to page 7 of his August 5, 1993 memorandum on Public Trust,

Public Values and Maximum Utilization for details of case history. He said that new rulings would have a major impact on Colorado water law.

Susan Lohr said that her reading of page 7 in Mr. Hill's memorandum shows that the Court stated "Optimum use can only be achieved with proper regard for all significant factors, including environmental and economic concerns." Ms. Lohr said that she thinks that a tool for the District would be to demonstrate in a productive manner environmental and economic concerns at the headwaters.

Dick Bratton and Bruce Driver discussed some of the precise legal applicabilities of the broadening of Colorado water law.

Bill Trampe asked Bruce Driver how other water rights applications, say one by the City of Gunnison, might be affected if maximum utilization were to become a part of Colorado water law. Mr. Driver said that it would be difficult to confine the ruling to this one case and it would need to be considered by other appropriaters but that it would be possible to work on language to confine it.

Dennis Steckel asked how these issues might affect applications for change of use or applications for change of diversion. Bruce Driver replied that this is an application for a conditional water right not a change of use.

Dennis Steckel asked if the concept of maximum utilization might be limited to out-of-basin diversions.

Ramon Reed said that the issues raised by Bruce Driver should interest the District as a public body concerned with future water cases and that previous experience indicates that some opposers to the District can be turned around to become supporters.

Susan Lohr said that she supports narrow agreement with the approach of Mr. Driver's clients.

Lee Spann said that he is concerned about the future impact of the maximum utilization concept on water users in the Gunnison Valley. He said that as an appropriater he would be willing to not oppose but he would be unable to support it.

Butch Clark said that it is an application of a standard of public property management. He suggested considering how the management of a public resource has been dealt with in other contexts. He said that he could offer narrow support for the issues brought forth by Bruce Driver.

Mark Schumacher asked if the case could return to the Colorado Supreme Court after being remanded to Judge Brown. Mr. Bratton said that it would not be likely but it might be possible if new criteria are applied.