

RECORD OF PROCEEDING

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**SOUTHEASTERN COLORADO WATER  
CONSERVANCY DISTRICT**

**MINUTES**

**May 20, 2010**

A regular meeting of the Board of Directors of the Southeastern Colorado Water Conservancy District was held on Thursday, May 20, 2010 at 9:36 a.m., at the District office, 31717 United Avenue, Pueblo, Colorado.

President Long announced a quorum was present.

**DIRECTORS PRESENT:**

Bill Long	Harold Miskel	Ann Nichols
Scott Reed	Gibson Hazard	Greg Johnson
Lissa Pinello	Howard "Bub" Miller	Carl McClure
Gary Bostrom	David Simpson	Reed Dils
Shawn Yoxey (arrived at 9:38)		
Alan Hamel-Advisory Board Member		

**DIRECTORS ABSENT AND EXCUSED:**

Kevin Karney and Vera Ortegón

**DISTRICT OFFICIALS PRESENT:**

Executive Director James Broderick; Administrative Manager Toni Gonzales; Project Manager Phil Reynolds; Finance Coordinator Tina White; Director of Engineering and Resource Management Bob Hamilton; Engineering Support Specialist Margie Medina; Conservation Outreach Coordinator Jean Van Pelt; Legal Counsel Steve Leonhardt and Lee Miller; and Federal Lobbyists Ray Kogovsek and Christine Arbogast.

**INTRODUCTION OF VISITORS:**

President Long welcomed the visitors to the meeting, and asked them to introduce themselves and identify the organization they represented.

**VISITORS PRESENT:**

Roy Vaughan, U.S. Bureau of Reclamation; Chris Woodka, The Pueblo Chieftain; Dan Kugler, Black & Veatch; Bob Hartzman, City of Cañon City; Bill Hower, Beulah Water District; Shirley Klipfel; Dwight Gardner, Senator Bennet's office; Mark Carmel, Merrick & Co.; Pat Edelmann, U.S. Geological Survey; Rick Kienitz, Aurora Water; Roy Heald, Security Water District and Fountain Valley Authority; Jerry Peña, MWH; Jay Winner, Lower Arkansas Valley Water Conservancy District; Dan Henrichs, High Line Canal Company; Scott Stevens, URS Corporation; and Scott Lorenz, AGUA.

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**APPROVAL OF MINUTES:**

President Long asked if the members of the Board had received their copy of the minutes of the April 15, 2010 Board meeting, and if there were any corrections or additions. Hearing none, Mrs. Pinello moved, seconded by Mr. Johnson, to approve the minutes. Motion unanimously carried.

**FINANCE COMMITTEE REPORT:**

Treasurer Ann Nichols reported the financial statement for April was posted to the Board website for review. Treasurer Nichols moved for acceptance of the April 2010 financial statement and payment of the May bills. Howard Miller seconded the motion, the motion unanimously carried.

**CONSENT ITEMS:**

None

**PRESENTATIONS:**

None

**ACTION ITEMS:**

**EXECUTIVE COMMITTEE APPOINTMENT**

Pursuant to the SECWCD bylaws, "An Executive Committee consisting of seven members of the Board, including the President (in office) may be appointed by the Board of Directors annually at the first meeting of the Board held after the appointment of directors by the court. The Executive Directors of said Board shall be a nonvoting member ex officio (only in sessions not dealing with personnel matters relating to the Executive Director). It shall have all the powers of the Board in the interim between Board meetings. The actions of the Executive Committee shall be subject to the approval of the whole Board. Meetings may be held at any time, and at any place within the State of Colorado, upon call by any Committee member. Notice of any meeting shall be given to each member in person, or by telephone, or it may be mailed electronically, mailed or telegraphed to him or her at his or her residence or business address at least 24 hours before the meeting. Public notice shall be provided consistent with applicable statutes. Three members shall constitute a quorum. The Secretary shall keep record of the minutes of each Executive Committee meeting in a book kept for the purposes and shall report same to the Board of Directors at its next meeting."

President Long said his appointments to each of the Committees were posted to the Board website, and hearing no comments to his appointments he has recommended the following to serve on the Executive Committee:

Bill Long, President and Chairman of the Arkansas Valley Conduit Committee  
Harold Miskel, Vice President and Chairman of the PSOP Implementation Committee  
Scott Reed, Secretary  
Ann Nichols, Treasurer and Chairwoman of the Finance Committee  
Lissa Pinello, Chairwoman of the Human Resources Committee  
Carl McClure, Chairman of the Allocation Committee  
Vera Ortegón, Chairwoman of the Resource & Engineering Planning Committee  
James Broderick, Executive Director (nonvoting member ex officio)

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Mrs. Yoxey moved, seconded by Mr. Johnson, to approve President Long's recommendation of the Executive Committee. Motion unanimously carried.

ALLOCATION OF PROJECT WATER

Mr. Broderick reported at the Tuesday, May 12, 2010, Allocation Committee meeting, the Bureau of Reclamation released its forecast of 56,500 acre-feet (AF) of gross Fry-Ark Project water imports. Based on this forecast, together with the 4,500 AF of unallocated 2009 Project water, staff calculated there would be 48,276 AF available for allocation. The Committee recommended this water be allocated at the May Board meeting and upon payment for one hundred percent (100%) of the allocation, eighty percent (80%) of the allocation will be distributed to the M&I or Ag entities; and the remaining twenty percent (20%), if available, be designated for distribution no later than the July Board meeting date. If there is not sufficient water to meet the allocation, refunds will be made for up to 20% of the amounts paid.

Mr. Johnson moved, seconded by Mrs. Pinello, that the Board allocate 48,276 AF of Fry-Ark Project water for 2010 as recommended by the Committee. Motion unanimously carried. (Attachments 1, 2, and 3 are attached showing the calculations and allocation awarded to each entity).

Mr. Broderick said the District has an additional 5,000 AF of unallocated 2009 Project water. The Committee recommended not allocating this water, instead using it to maintain an annual allocation at a level approaching the average allocations based on average imports.

Mr. Johnson moved, seconded by Mrs. Pinello, that the Board not allocate the 5,000 AF of unallocated 2009 Project water, using this water to maintain future annual allocations at a level that approximates the allocations of an "Average Import" year. Motion unanimously carried.

Mr. Henrichs asked if there would be a second allocation. Mr. Broderick responded saying that depends on how much more is imported after the first allocation amounts are met.

AMENDMENT OF QUALIFIED RETIREMENT PLAN

Mr. Broderick reported due to the resignation of the Chief Finance Officer, the Qualified Retirement Plan requires an amendment to designate a trustee to accept the responsibilities and obligations set forth under the Plan and Adoption Agreement. The proposed Resolution designates Toni Gonzales, Administrative Manager, to serve as trustee for the Qualified Retirement Plan.

Mr. Simpson moved, seconded by Mr. Hazard, to approve Resolution No. 2010-02, which reflects the change in the trustee designation. Motion unanimously carried.

FREMONT PASS DITCH COMPANY (COLUMBINE DITCH): CASE NOS. 09CW187 AND 188, WATER COURT DIVISION 5

Mr. Leonhardt reported Case 09CW187 (Division 5) is an application filed by Fremont Pass Ditch Co. (also filed in Water Division 2 as Case No. 09CW143) for change of Columbine Ditch water rights

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purchased from the Board of Water Works of Pueblo, Colorado (Pueblo Board). Case No. 09CW188 (Water Division 5) is another application by Fremont Pass Ditch Co. for new water rights enlarging those previously decreed to the Columbine Ditch. The Columbine Ditch is a transmountain diversion taking water from the Eagle River drainage into the Arkansas River basin in Lake County, near Fremont Pass and the Climax Mine. The Pueblo Board has used the water in Water Division 2, until the sale to Aurora and Climax last year. Pueblo Board changed the water rights to municipal use in a 1993 decree (Case No. 90CW340). Both cases include storage of the water in Twin Lakes and Turquoise Reservoir. The basis of the District's participation is to protect the District's interests in Fry-Ark Project facilities and operations.

Legal counsel and District staff met with Aurora to discuss this matter in February, and the Board directed legal counsel to execute an extension letter agreement through May 29. Fremont Pass Ditch Co.'s attorneys were to provide legal counsel a draft proposed stipulation for potential settlement of these cases, but have not yet done so. They currently plan to provide proposed decrees and an engineering report by June 1, 2010. When legal counsel receives the proposed decrees, they will see to what extent they address the District's concerns regarding storage in Project facilities, and whether they may provide a basis for a settlement stipulation. Accordingly, Fremont Pass Ditch Co. has requested that Southeastern agree to a further extension of the May 28 deadline in the previous agreement, allowing sufficient time to provide and review the proposed decree and then negotiate a settlement stipulation.

Mr. Leonhardt recommended the Board authorize legal counsel to enter into a letter agreement with Fremont Pass Ditch Co.'s attorneys for a further extension of three months, within which Southeastern can reach stipulations with Fremont Pass Ditch Co. or, absent an agreement, file statements of opposition in these cases by intervening with Fremont Pass Ditch Co.'s consent. Mr. Simpson moved, seconded by Mr. Bostrom, to approve the recommended three month extension agreement with the Fremont Pass Ditch Company for Case Nos. 09CW187 and 188. Motion unanimously carried.

**MONTHLY REPORTS:****U.S. BUREAU OF RECLAMATION REPORT**

Roy Vaughan presented a PowerPoint reviewing the following:

- As of May 17, there were 244,818 acre-feet of water stored in Pueblo Reservoir, 156,285 acre-feet of Project water, 43,378 acre-feet of Excess Capacity water, 45,023 Winter water.
- There is currently 100,664 acre-feet of Project space in Pueblo Reservoir, and 56,724 acre-feet of Project space available in Turquoise and Twin Lakes Reservoirs.
- As of May 17, 2010 Project Reservoirs, Turquoise is 82% of average, Twin Lakes is 108% of average, and Pueblo is 131% of average.
- Boustead Tunnel Stipulation
- Monthly Import Forecasts
- Snowpack Summary for: Arkansas River Basin and the Upper Colorado River Basin
- Snow Water Equivalent for: Independence Pass, Ivanhoe, Kiln, and Nast Lake

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Mr. Vaughan said the Boustead Tunnel Stipulation provides that Reclamation will provide the River District forecasts for transmountain diversion and anticipated storage in Ruedi Reservoir. The River District must concur that Ruedi will fill and that there will be no injury to the senior Ruedi decrees. Reclamation must approve the increase in the design capacity of Boustead Tunnel, and will not change its operation of the Project in a manner that contemplates the intentional diversion of greater than 945 cfs. If all conditions of the stipulation are met, Boustead Tunnel's 1983 enlargement right may be used to divert 45 cfs over the original decreed capacity of 900 cfs.

## DIVISION ENGINEER'S REPORT

Mr. Witte was unable to attend the meeting. He submitted a written report, which Mr. Broderick presented the following:

- A) River and Reservoir Reports (handout provided)
- B) Compact matters
  - 1) A meeting was held to discuss proposed changes to the Irrigation Improvement Rules 2009CW110 on April 29, 2010.
  - 2) Similarly, a meeting of experts involved in 2009CW110 occurred on May 3, 2010. Opponents' expert witness reports are due July 19, 2009.
- C) Personnel matters
  - 1) We hope to extend an offer to fill a vacant PE position today.
  - 2) A hydrographer position will be transferred to Division 2 to assist with operation of an ever increasing demand for stream-flow and administrative measurement stations within the basin.
  - 3) The following is a summary of recent or pending personnel actions to fill water commissioner positions.
    - i) Brian Sutton has been appointed to replace Charlie Judge as the water commissioner for District 12, centered in Canon City following Charlie's retirement as of May 1.
    - ii) Brian Sutton was transferred from his position in Colorado Springs (District 10) and Doug Hollister is the acting water commissioner until Brian's old position is filled on a permanent basis.
    - iii) Don Taylor, the water commissioner for District 17 located in La Junta retired after 28 years on April 1. Lonnie Spady is acting as the water commissioner for District 17 until Don's position can be refilled.
  - 4) Next furlough date will be Friday, May 28, 2010. There are no additional furlough days planned for the remainder of this fiscal year or for next year. Instead, state employees will have salaries reduced by 2.5 percent.

## U.S. GEOLOGICAL SURVEY REPORT

None

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**INFORMATIONAL ITEMS:**

The Board was provided written material on the following topics, which were posted to the Board website:

- Committee Appointments
- Water Court Résumé
- Legal Matters

**OTHER BUSINESS MATTERS:**

Mr. Broderick said that the June meeting may be a lengthy one, due to several issues that are of significant impact to the District.

President Long asked if there were any other matters to come before the meeting, and hearing none, adjourned the meeting at 10:40 a.m.

Respectfully submitted,

Toni Gonzales  
Administrative Manager

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Secretary

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