

RECORD OF PROCEEDING

---

---

**SOUTHEASTERN COLORADO WATER  
CONSERVANCY DISTRICT**

**MINUTES**

**April 16, 2015**

A regular meeting of the Board of Directors of the Southeastern Colorado Water Conservancy District (District) was held on Thursday, April 16, 2015 at 10:17 a.m. at the District office, 31717 United Avenue, Pueblo, Colorado.

President Long announced a quorum was present.

**DIRECTORS PRESENT:**

Bill Long	Ann Nichols	Vera Ortegon
Harold Miskel	Kevin Karney	Gibson Hazard
Carl McClure	Howard "Bub" Miller	Leonard Pruett
Jay Moore	Pat Edelmann	Tom Goodwin
Curtis Mitchell	Alan Hamel-Advisory Board Member	

**DIRECTOR(S) ABSENT AND EXCUSED:**

Gary Bostrom and David Simpson

**DISTRICT OFFICIALS PRESENT:**

Executive Director James Broderick; General Counsel Lee Miller; Administrative Manager Toni Gonzales; Principal Engineer Kevin Meador; Water Resource Specialist/Engineer Garrett Markus; Program-Project Coordinator Jean Van Pelt; Finance Coordinator/IT Leann Noga; and Federal Lobbyists Ray Kogovsek and Christine Arbogast.

**VISITORS PRESENT:**

Chris Woodka, The Pueblo Chieftain; Doug Fitzgerald, U.S. Congressman Scott Tipton's office; Dwight Gardner, U.S. Senator Michael Bennet's office; Roy Vaughan, U.S. Bureau of Reclamation; Steve Witte, Colorado Division of Water Resources-Division 2; Kurt Thompson; Tammy Ivahenko, U.S. Geological Survey; Jim Baldwin, Otero County; Terry Scanga, Upper Arkansas Water Conservancy District; Jack Goble, Lower Arkansas Valley Water Conservancy District; Dan Kugler and Bill Stoner, Black and Veatch; Mark Scott, GEI; Scott Lorenz, Colorado Springs Utilities; Katiana Dillon, Wells Fargo Securities; Terry Book, Board of Water Works of Pueblo; Kevin Bergschneider, HDR Engineering; and Bob Hamilton, citizen.

**INTRODUCTION OF VISITORS:**

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

RECORD OF PROCEEDING

---

---

**APPROVAL OF MINUTES:**

President Long said the minutes of the March 19, 2015 Board meeting were posted to the Board website for review, and if there were any corrections or additions. Hearing none, Mr. Hazard moved, seconded by Mrs. Ortegon, to approve the minutes. Motion unanimously carried.

**FINANCE COMMITTEE REPORT:**

Treasurer Nichols reported the financial statements for March 2015 were posted to the Board website for review. Ms. Nichols moved, seconded by Dr. Jay Moore, for acceptance of the March 2015 financial statements and payment of the April 2015 bills. Motion unanimously carried.

**CONSENT ITEMS:**

None

**PRESENTATIONS:**

**DUE ACCOUNTING AND THE STATEMENT OF NET POSITION**

Leann Noga presented a PowerPoint presentation titled, *Due Accounting and the Statement of New Position*, reviewing the following:

- Summary of Government Wide Statement of Net Position
- District and Enterprise Cash
- Due Accounting

Treasurer Ann Nichols said extensive discussions have been had on this procedure, and the way it is now shown, which displays transparency. Mrs. Ortegon welcomed feedback from the Board members on how things are reported. Mr. Broderick thanked Mrs. Noga for a job well done.

**INVESTMENT STRATEGY AND UPDATE**

Katiana Dillon, from Wells Fargo Securities provided the Board information on the investments, she presented a PowerPoint presentation reviewing the following:

- Comparison Report
- Market Commentary
- Treasury Yield Curve
- Summary Characteristics, Performance Characteristics, and Cash Flow Characteristics
- History
- Rate Shock
- Call Projection
- Two-Year Cash Flow
- Alerts
- Position by Sector
- Positions by Maturity
- Glossary

RECORD OF PROCEEDING

---

---

Mrs. Dillon meets with the Finance Committee on a quarterly basis. President Long invited Board members to join the Finance Committee at any of their upcoming meetings.

**ACTION ITEMS:**

None

**MONTHLY/QUARTERLY REPORTS:**

**U.S. BUREAU OF RECLAMATION REPORT**

Roy Vaughan provided a PowerPoint presentation reviewing the following:

- As of April 13, 2015 there were 254,972,076 acre-feet stored in Pueblo Reservoir; 146,206 acre-feet of Project water; 49,800 acre-feet of Excess Capacity water; 58,677 acre-feet of Winter water.
- There is currently 110,743 acre-feet of Project space in Pueblo Reservoir and 59,655 acre-feet of space in Turquoise and Twin Lakes Reservoirs.
- Project Reservoirs: Turquoise 94%; Twin Lakes 103%; Pueblo 129%
- Arkansas River Basin Time Series Snowpack Summary April 15, 2015
- Upper Colorado River Basin Time Series Snowpack Summary April 15, 2015
- Arkansas River Basin Snowpack and Streamflow Forecasts, April 1, 2015
- Upper Colorado River Basin Snowpack and Streamflow Forecasts, April 1, 2015
- February 1, 2015 forecast for Project water 53,000 acre-feet
- Fryingpan Weighted by VIPER Results
- U.S. Drought Monitor WEST

Mr. Vaughan reported the temporary deviation for extending the period of use of the Joint Use Pool in Pueblo Reservoir was granted on March 13, 2015.

Mr. Vaughan said the website for the Annual Operating Plans for the Fryingpan-Arkansas Project Water Year 2014-Summary of Actual Operations-Water Year 2015 Annual Operating Plans can be found at:

<http://www.usbr.gov/gp/aop/fa/fa14.pdf>

**DIVISION ENGINEER'S REPORT**

Steve Witte reported on the following:

- River and Reservoir Report  
Reference Arkansas River Daily Report. River Call is
  - 12/03/1884 Catlin
  - 1/29/1885 Buffalo
  - 5/31/1949 Compact call at Stateline

<http://www.dwr.state.co.us/div2/aras/arascal.asp>

RECORD OF PROCEEDING

---

---

- Current River/Reservoir Operations
  - John Martin Storage status until April 1, 2015 (Transfers completed April 11, 2015, currently Buffalo, Lamar and Keesee can call upstream of John Martin)
  - Arkansas Daily: Pueblo inflow = 246 cfs, Pueblo Account release = 448 cfs (Catlin, Holbrook and Fort Lyon Winter Water)
  - Colorado Springs Utilities Leases and Board of Water Works of Pueblo Lease
    - (1) 2,000 af to Lower Arkansas Water Management Association (LAWMA) for delivery to the Downstream Consumable sub-account within the Offset Account in John Martin
    - (2) 3,000 af to Colorado Parks and Wildlife for delivery to the Permanent Pool in John Martin
    - (3) Delivery efficiency approximately 75 percent
- Compact Issues
  - 2014 update input data sets for Hydrologic Institutional (HI) model Compact Compliance run result shows a deficit of 7,421 acre-feet in 2014 and a 39,989 acre-foot accretion over 2005-2014
  - Kansas response to two proposed changes to HI Model is due April 21st
- Miscellaneous
  - Rule 14 Replacement plans approved 112,277 af of pumping in 2015-16. This is up for compared to the 2014-15 estimate of 109,481 but, LAWMA's estimate is down 13,223 acre-feet compared to last year. Actual pumping 2014-15 was 61,904 acre-feet or 57 percent of last year's estimate and 55 percent of this year's estimate. Could be adjusted in final approval June 1.
  - Rule 10 Compact Compliance plans review in April
  - Results of Pond Study will be accepted on a limited and interim basis to the extent that seepage rate will be increased 38 percent above original assumptions used in Irrigation System Analysis Module (ISAM) model.
  - McKenna v. Witte decision by Colorado Supreme Court upheld the Division 2 court's ruling of abandonment.
  - Pilot project to make exchanges more transparent (a pre-Arkansas Decision Support System prototype)
  - Post-1985 Rule making has been tabled. Based on survey 39 percent favored, 32 percent were opposed and 29 percent were neutral on the question of whether the State Engineer should proceed.

## U.S. GEOLOGICAL SURVEY REPORT

Tammy Ivhenko from the U.S. Geological Survey presented a PowerPoint presentation titled, *Trends in Selected Categories of Water Withdrawals State of Colorado and Arkansas River Basin 1985-2010*, reviewing the following:

- Introduction
- Data Sources for Compilations
- Colorado Water Withdrawal Trends
- Arkansas River Basin Water Withdrawal Trends

RECORD OF PROCEEDING

---

---

- Arkansas River Basin Irrigated Acres Changes 1985-2010
- Summary State of Colorado and Arkansas River Basin Trends

## STATE LEGISLATION UPDATE

Lee Miller reported the District participates in the Colorado Water Congress State Affairs Committee (Committee). A status sheet of bills of interest to the Committee was provided to the Board members. Some bills of particular interest to the District:

- **SB15-121**, eligibility of non-governmental water providers for financing provided by the Colorado Water Resources and Power Development Authority, sponsored by Senator Crowder. This bill specifies that the drinking water revolving fund may be used to provide financial assistance to private, nonprofit entities and clarifies that public water systems may be owned or operated by private, nonprofit entities. This bill addresses some of the financing hurdles faced earlier by Arkansas Valley Conduit participants, where the water system was not owned and managed by a governmental entity. This bill passed the Senate on March 3, 2015 and the House on March 31, 2015. The bill awaits action by the Governor.
- **SB15-198**, introduced by Senator Crowder and Representative Vigil seeks to expand the program for pilots to test rotational crop fallowing to municipal lease arrangements authorized by the General Assembly only a couple of years ago (HB13-1248) and underwent an extensive process in developing guidelines for the approval of such pilots by the Colorado Water Conservation Board (CWCB). The bill seeks to accomplish two things. First, it seeks reduction in the statutory comment period from the just enacted 75 days to 60 days. Second, the bill seeks to expand the purposes of such pilots from the agriculture to municipal arrangement to authorize industrial, recreational, environmental or farm-to-farm arrangements. This bill passed the Senate on March 18, 2015 and the House on April 2, 2015. The bill awaits action by the Governor.
- **HB15-1222**, the newest version of the agricultural efficiency bill, sponsored by Representative Becker has been introduced and assigned to House Agriculture, Livestock and Natural Resources. The bill authorizes the CWCB to select the sponsors of up to 12 pilot projects for the CWCB's acquisition of water efficiency savings for instream flow use without the need for a water court-decreed change of water right. The CWCB may approve up to 5 pilot projects in any one water division, but only in divisions 4, 5, 6, and 7. In order to be able to collect sufficient data, each project should operate for at least 10 years. The CWCB cannot accept an application for a pilot project after July 1, 2020. Each pilot project must cease operations within 10 years after its approval and after the conclusion of any water court appeals; except that if no claim of injury due to the operation of a pilot project has been filed or if all such claims have been resolved to the satisfaction of the party who filed the claim, the CWCB may extend the operation of the pilot project for up to an additional 15 years. The CWCB will establish criteria and guidelines for the pilot projects. The bill specifies procedures for the CWCB's consideration of pilot project applications, including ways to resolve claims of injury to other water rights through the imposition of terms and conditions to prevent injury. The amount of water efficiency savings acquired by the CWCB cannot be more than the minimum amount necessary to preserve the natural environment to a reasonable degree. A party can appeal the CWCB's determination with the appropriate water judge within 35 days after the CWCB's decision has been mailed to the

RECORD OF PROCEEDING

---

---

appropriate water clerk. A party may also file comments with the CWCB by January 1 of the year following each year that a pilot project is operated concerning potential injury to such party's water rights due to the operation of the pilot project, in which case the original procedural safeguards must again be followed. By December 31, 2025, the CWCB will file a report with the general assembly that evaluates and makes recommendations regarding the pilot projects' operation. The bill passed the House on March 17, 2015. Unusually, in the Senate the bill was assigned to the Finance Committee, despite the fact that the Senate Agriculture Committee Chair, Senator Jerry Sonnenberg, was the Senate sponsor. The Senate Finance Committee, ending consideration of the bill for this year, postponed the bill indefinitely.

- **HB15-1278**, a bill concerning using irrigation water to grow marijuana, was postponed indefinitely at the request of the sponsor, Representative Vigil, as a result of the issuance of a written instruction and order by the State Engineer. Former Board President Wally Stealey was the proponent of this legislation.
- **SB15-212**, sponsored by Senator Sonnenberg and Representative Winter, addresses the operation of certain water retention facilities that have been constructed to intercept storm runoff and to control the discharge of that excess water into the stream system in a controlled and safe manner. Because of the recent experience with wild fires throughout the state, the bill includes the facilities that are designed to control post-wildland fire runoff as well. The bill sets forth a definition of both types of facilities, and several provisions in the bill are intended to preclude detention facilities that do not meet the new strict definitions from using the new operation guidelines. The bill is scheduled in Senate Agriculture, Natural Resources and Energy at 1:30 p.m. on April 16, 2015.

The Colorado Constitution limits the length of regular legislative session to no more than 120 consecutive calendar days. The last day upon which the General Assembly may adjourn sine die is May 6, 2015. The General Assembly may adjourn earlier than that date, but not later than May 6, 2015.

**INFORMATIONAL ITEMS:**

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

- Water Court Resume
- Legal Quarterly Report
- Arkansas Basin Roundtable: Basin Implementation Plan-Executive Summary
- Arkansas River Basin Water Forum –April 22-23-Pueblo

President Long announced the Arkansas River Basin Water Forum. He asked that those attending the dinner to please RSVP to Jean Van Pelt.

SECWCD  
April 16, 2015  
7

RECORD OF PROCEEDING

---

---

President Long asked if there were any other matters to come before the meeting, and hearing none, adjourned the meeting at 12:03 p.m.

Respectfully submitted,

Toni Gonzales  
Administrative Manager

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_