

RECORD OF PROCEEDING

**SOUTHEASTERN COLORADO WATER
CONSERVANCY DISTRICT**

MINUTES

August 15, 2013

A regular meeting of the Board of Directors of the Southeastern Colorado Water Conservancy District (District) was held on Thursday, August 15, 2013 at 11:52 a.m., at the District office, 31717 United Avenue, Pueblo, Colorado.

President Long announced a quorum was present.

DIRECTORS PRESENT:

Bill Long	Ann Nichols	Harold Miskel
Tom Goodwin	Vera Ortegon	Kevin Karney
Carl McClure	Greg Johnson	David Simpson
Leonard Pruett	Jay Moore	Gary Bostrom
Shawn Yoxey	Howard "Bub" Miller	

DIRECTOR(S) ABSENT AND EXCUSED:

Gibson Hazard and Alan Hamel-Advisory Board Member

DISTRICT OFFICIALS PRESENT:

Executive Director James Broderick; General Counsel Lee Miller; Director of Engineering and Resource Management Bob Hamilton; Administrative Support Specialist Leann Noga; Finance Manager Tina White; Project-Program Coordinator Jean Van Pelt; Special Water Counsel Steve Leonhardt and Bernard Gehris; and Federal Lobbyist Ray Kogovsek and Christine Arbogast.

VISITORS PRESENT:

Chris Woodka, The Pueblo Chieftain; Steve Witte Colorado Division of Water Resources-Division 2; Terry Book, Board of Water Works of Pueblo; Roy Vaughan, Bureau of Reclamation; Kevin Bergschneider, HDR Engineering; Dwight Gardner, Senator Michael Bennet's office; Terry Scanga and Chelsey Nutlee, Upper Arkansas Water Conservancy District; David Mau, U.S. Geological Survey; Curt Thompson, Merrick & Company; Mark Scott, GEI Consultants; Jerry Pena, CDM Smith; Roy Heald, Security Water District and Fountain Valley Authority; Scott Campbell, Colorado Canal and Twin Lakes; Tom Simpson, Aurora Water; Doris Morgan, Congressman Cory Gardner's office; Tim Payne, Fremont County.

INTRODUCTION OF VISITORS:

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

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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 June 20, 2013 Board meeting, and if there were any corrections or additions. Hearing none, Mrs. Yoxey moved, seconded by Dr. Moore, to approve the minutes. Motion unanimously carried.

FINANCE COMMITTEE REPORT:

Treasurer Nichols reported the financial statements for June and July was posted to the Board website for review. Treasurer Nichols moved, seconded by Mr. Johnson, for acceptance of the June and July 2013 financial statements and payment of the August 2013 bills. Motion unanimously carried.

CONSENT ITEMS:

None

PRESENTATIONS:

DISTINGUISHED BUDGET PRESENTATION AWARD

President Long informed the Board that the District received the Distinguished Budget Presentation Award from the Government Finance Officers Association for the 2013 budget. He recognized Ann Nichols and Tina White for their work in creating the budget and a well-managed finance system.

CERTIFICATE OF RECOGNITION FOR BUDGET PRESENTATION

President Long presented a certificate of recognition to Tina White from the Government Finance Officers Association for the 2013 Budget presentation.

COLORADO STATE UNIVERSITY – PUEBLO BACHELORS RECOGNITION

President Long recognized Leann Noga for the completion of a Bachelors of Science in Business Administration degree majoring in Business Management. He explained that Mrs. Noga had used the Continuing Education Program offered by the District to complete her degree.

PUBLIC TRUST

Mr. Lee Miller briefed the Board regarding the Public Trust Initiative. He then reviewed the following information provided by the Colorado Water Congress:

- Governance
- CWC Board Project Subcommittee
- Strategic Advisors
- Project Team
- Public Policy & Polling

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- Legal Scope
- Strategic Communications
- Stakeholders and Target Audience

ACTION ITEMS:

APPOINTMENT OF BUDGET OFFICER

Treasurer Nichols moved, to appoint Finance Manager Tina White as Budget Officer for the 2014 District budget preparations, seconded by Mr. Goodwin. Motion unanimously carried.

TWO RIVERS WATER COMPANY (CASE NO. 11CW94)

Mr. Steve Leonhardt explained that Two Rivers Water Co. (Two Rivers) filed an application in December 2011 for appropriative rights of exchange on the Huerfano River and a plan for augmentation using fully reusable water leased from the Board of Water Works of Pueblo, Colorado (BWWP). Two Rivers has since dropped its claim for an augmentation plan, but proposes to exchange the water leased from BWWP. BWWP has a long-term Excess Capacity storage contract with the Bureau of Reclamation for storing non-Project water in Pueblo Reservoir. The BWWP's contract price and associated spill priority are based upon use of the stored water only within the boundaries of the District. The District's primary concern is ensuring the decree has appropriate terms and conditions preventing BWWP from delivering Project water under the lease, or from delivering non-Project water stored in Pueblo Reservoir if inconsistent with BWWP's contract (i.e., unless the Secretary of the Interior or a duly authorized representative authorizes use of water stored by BWWP under its contract with Reclamation for irrigation uses as approved by the decree). Legal counsel negotiated a three-way stipulation with Two Rivers and BWWP addressing District's concerns. The July 31, 2013 proposed decree also contains appropriate terms and conditions, particularly in paragraph 11 as to the water leased from BWWP.

Mr. Howard "Bub" Miller moved, seconded by Mrs. Ortegon, to authorize legal counsel to execute the proposed three-way stipulation with Two Rivers Water Co. and BWWP, stipulating to entry of a decree that is no less restrictive on the applicants and no less protective of the District's than the proposed decree dated July 31, 2013. Motion unanimously carried.

COTTONWOOD CREEK EXCHANGE (CASE NO. 12CW99)

Mr. Bernie Gehris reported that this case is a diligence case for an exchange decree that allows the District and its constituents, Upper Arkansas Water Conservancy District (UAWCD) and the town of Buena Vista, to exchange allocated Fry-Ark Project water up Cottonwood Creek into Cottonwood Lake and/or Rainbow Lake, for late use within these constituents' service areas within the District boundaries. The District is a co-applicant because it executed a stipulation in 1979 with the Colorado Water Conservation Board (CWCB), providing that an exchange of Project water, when initiated by the District, will be subject to a reduced CWCB instream flow water right for this reach of Cottonwood Creek. The decree allows exchanges up to 10 c.f.s. for UAWCD, and

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another 10 c.f.s. for Buena Vista. In the previous diligence case (05CW51), 5 c.f.s. of UAWCD's 10 c.f.s. right was made absolute.

This application must be filed no later than August 30, 2013. The conditional exchange rights will be cancelled if no diligence application is filed by this date. UAWCD also will seek to make some of the conditional rights absolute in this diligence application. Any statements of opposition will needed to be filed by the end of October 2013, and the first status conference with the water referee should be scheduled by the end of December 2013.

Mr. Simpson moved, seconded by Mr. Karney, to authorize and direct special water counsel to join with counsel for UAWCD and the Town of Buena Vista to file a diligence application to maintain the remaining conditional exchange rights decreed in case No. 96CW17. Motion unanimously carried.

SECURITY WATER DISTRICT (CASE NO. 12CW99)

Mr. Gehris explained that Case No. 12CW99 is an application filed by Security Water District to augment depletions from its three Clear Springs wells in the Widefield Aquifer near Fountain Creek, using its Fountain Mutual shares, allocated Fry-Ark Project water, and return flows (both sewerred and non-sewerred), and other decreed consumable water rights as augmentation sources. Security has obtained decrees in similar cases involving augmentation of its Bender wells (Case No. 09CW92) and its Venetucci wells (Case No. 07CW51). The District stipulated to decree terms in those cases.

Security provided a proposed decree that closely followed Security's Bender wells decree (09CW92), and contained the same general provisions describing Security's rights to Project water negotiated with Security in that case. The District provided written comments to Security's counsel last month, addressing a few points to make this decree consistent with Security's similar decree in Case No. 09CW92., Security made the requested revisions, and provided a revised draft decree, dated July 12, 2013, that includes the revisions the District requested.

Mrs. Ortegon moved, seconded by Mr. Bostrom, to authorize legal counsel to execute a stipulation with Security Water District stipulating to entry of a decree that is no less restrictive on the applicants and no less protective of the District than the proposed decree sated July 12, 2013. Motion unanimously carried.

RESOLUTION IN APPRECIATION OF JENNIFER L. GIMBEL

Mr. Lee Miller read aloud a resolution in appreciation of Jennifer L. Gimbel's untiring service and wise counsel rendered in addressing the many legal, technical, and political resource problems that have confronted the State of Colorado during her tenure as Director of the Colorado Water Conservation Board (CWCB). Ms. Gimbel served as the Executive Director of the CWCB from

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2008-2013 and has recently taken a position with the Department of the Interior in Washington D.C.

Mr. Goodwin moved, seconded by Mrs. Yoxey, to adopt Resolution No. 2013-02D in appreciation of Jennifer L. Gimbel. Motion unanimously carried.

MONTHLY REPORTS:

U.S. BUREAU OF RECLAMATION REPORT

Mr. Vaughan provided a PowerPoint presentation reviewing the following

- As of August 15, there were 127,308 acre-feet stored in Pueblo Reservoir; 105,445 acre-feet of Project water; 20,788 acre-feet of Excess Capacity water; 1,507 acre-feet of Winter water.
- There is currently 151,504 acre-feet of Project space in Pueblo Reservoir and 28,372 acre-feet of space in Turquoise and Twin Lakes Reservoirs.
- Project Reservoirs: Turquoise 87%; Twin Lakes 81%; Pueblo 82%
- Reviewed Boustead Enlargement
- Provided photos of debris found in Pueblo Reservoir due to recent wildland fires

DIVISION ENGINEER REPORT

Mr. Witte reviewed the following topics:

River and Reservoir Reports

Reference Arkansas River Daily Report. River Call was

2/26/1887	Oxford
3/01/1887	Fort Lyon
4/1/1893	Amity

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

Current River/Reservoir Operations

- Period of Conservation Storage ended August 14, 2013
- Flow conditions
 - Purgatoire
 - Two Buttes storage

Compact Issues

- Special Arkansas River Compact Administration (ARCA) meeting tentatively scheduled for September 17, 2013 in Granada to discuss GP Irrigated Farms projects near Lamar, Granada, and Holly
- Scott Brazil has been appointed to a four year term as ARCA representative for the area above John Martin Reservoir
- Enforcement orders have been issued for violations of the Arkansas Surface Water Improvement Rules

Court involvement

- Busk-Ivanhoe trial

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- Abandonment hearings

U.S. GEOLOGICAL SURVEY REPORT

Mr. Mau presented a PowerPoint presentation titled, *Summary of Water Condition in the Arkansas River Basin*, reviewing the following:

- Stream Flow in Colorado
- U.S. Temperature and Precipitation
- U.S. Drought Monitor and Monthly Drought Outlook
- Crop Moisture Index

STATE LEGISLATION

Mr. Lee Miller reported the Water Resource Review Committee (WRRC) meets in the interim between the regular legislative sessions to discuss water issues and potential legislation for the upcoming legislative session. The WRRC is a joint committee of Senate and House members. The WRRC met on July 18, 2013 in Gunnison, where it heard reports on the Colorado Water Plan and the Interbasin Compact Commission activities, presentations on several Gunnison basin specific activities and an update on Wildland Fires in Colorado. In addition, the WRRC heard from representatives of the Colorado Agricultural Water Alliance and Trout Unlimited regarding Agricultural Water Conservation Measures. The WRRC chair, Senator Gail Schwartz, introduced S.B. 13-019 during the last legislative session on the topic of agricultural water conservation. That bill passed only after it was amended to greatly limit the scope of the bill's coverage. The District anticipates that the WRRC will propose another bill on this topic. The District had significant concerns with S.B. 03-019 as introduced.

The WRRC meets next on August 21, 2013 in Steamboat Springs, associated with the Colorado Water Congress summer meeting.

INFORMATION ITEMS:

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

- Budget Calendar
- Water Court Resume
- Legal Quarterly Update
- OM&R Update

OTHER BUSINESS MATTERS:

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

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Respectfully submitted,

Leann Noga
Administrative Support Specialist

Secretary

