

RECORD OF PROCEEDING

**SOUTHEASTERN COLORADO WATER
CONSERVANCY DISTRICT**

MINUTES

November 17, 2016

A regular meeting of the Board of Directors of the Southeastern Colorado Water Conservancy District (District) was held on Thursday, November 17, 2016 at 10:00 a.m. at the District office, 31717 United Avenue, Pueblo, Colorado. President Long recessed the meeting at 10:59 a.m., and reconvened at 11:13 a.m.

President Long announced a quorum was present.

DIRECTORS PRESENT:

Bill Long	Gary Bostrom	Vera Ortegon
Ann Nichols	Kevin Karney	Carl McClure
Pat Edelmann	David Simpson	Curtis Mitchell
Tom Goodwin	Dallas May	Mark Pifher
Howard "Bub" Miller	Jay Moore	

DIRECTOR(S) ABSENT AND EXCUSED:

Gibson Hazard and Alan Hamel-Advisory Board Member

DISTRICT OFFICIALS PRESENT:

Executive Director James Broderick; General Counsel Lee Miller; Administrative Manager Toni Gonzales; Water Resource Specialist/Engineer Garrett Markus; Finance Coordinator/IT Leann Noga; Issues Management Program Coordinator Chris Woodka; and Federal Lobbyists Ray Kogovsek and Christine Arbogast.

VISITORS PRESENT:

Roy Vaughan, U.S. Bureau of Reclamation; Steve Witte, Colorado Division of Water Resources-Division 2; Susan Colarullo, U.S. Geological Survey; Bob Hartzman, Canon City Water Department; Dwight Gardner, U.S. Senator Michael Bennet's office; Jerry Peña, GEI Consultants; Michael Weber, Lower Arkansas Valley Water Conservancy District; Brett Gracely, Colorado Springs Utilities; Terry Book and Seth Clayton, Pueblo Water; Kevin Niles, Arkansas Groundwater Users Association; Jim Baldwin, Otero County; Benny Siljenberg, Lithos Engineering; Cathy Garcia, U.S. Senator Cory Gardner's office; Doug Fitzgerald, Congressman Scott Tipton's office; Mark Scott, GHD; Josh Cowden, MWH-Stantec; and Bob Hamilton, citizen.

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INTRODUCTION OF VISITORS:

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

APPROVAL OF MINUTES:

President Long said the minutes of the October 20, 2016 Board meeting were posted to the Board website for review, and if there were any corrections or additions. Hearing none, Mrs. Ortegon moved, seconded by Mr. Howard "Bub" Miller, to approve the minutes. Motion unanimously carried.

FINANCE COMMITTEE REPORT:

Treasurer Nichols reported the financial statements for October were posted to the Board website for review. Ms. Nichols moved, seconded by Mr. Karney, for acceptance of the October financial statements and payment of the November 2016 bills. Motion unanimously carried.

CONSENT ITEMS:

None

PRESENTATIONS:

None

ACTION ITEMS:

PUBLIC HEARING ON 2017 PROPOSED BUDGET

Leann Noga thanked the Board for appointing her Budget Officer and staff for their input into preparing the budget and presented a PowerPoint presentation titled, *2017 Proposed Budget*, reviewing the following:

- Budget Policy
- All District Activity
- Fryingpan-Arkansas Revenue
- Fryingpan-Arkansas Expenditures
- Grant Revenue
- Grant Expenditures
- Operating Revenue
- Operating Revenue Overview
- Operating Revenue Interfund Reimbursement
- Operating Expenditures
- Capital Outlay Expense Budget Compared to Actual
- Government Activity-Budget Comparison
- Enterprise
- Enterprise Operating Revenue
- Enterprise Grant Revenue
- Enterprise Grant Expenditures

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- Enterprise Operating Revenue
- Enterprise Operating Expenditures
- Hydroelectric Power Project
- Hydroelectric Operating Expenditures
- Summary of Capital Outlay Expense
- Partnership Contributions
- Enterprise Activity-Budget Comparison
- Government-Wide Overview
- Fund Balance Summary

President Long asked the Board members if there were any questions. President Long then asked if there were any questions from the public, there were none.

Mrs. Noga was complimented on the job well done on the presentation of the 2017 Proposed Budget.

PUBLIC HEARING ON INCLUSION EVELYN DRIVE LAND INTO THE DISTRICT

President Long called this hearing to order. It is November 17, 2016, at approximately 10:30 a.m.

This is the Public Hearing on the petition for inclusion filed by Richard Barlow for Evelyn Drive which consists of 46.87 acres, more or less, of property southwest of Canon City into the Southeastern Colorado Water Conservancy District (District).

President Long asked if a representative of the petitioner was present? Bob Hartzman with Canon City and Richard Barlow representative for Evelyn Drive petition were present, and would have the opportunity to provide comments after staff provides its input into this petition.

Garrett Markus said this is the Public Hearing on the petition for inclusion of 46.87 acres, more or less, of property filed by Richard Barlow near Canon City into the Southeastern Colorado Water Conservancy District, pursuant to Colorado Revised Statutes, Section 37-45-136.

At the Board Meeting held on October 20, 2016 the Board ordered that notice of the filing of this petition to be published in a newspaper of general circulation within the county where the land is located, which notice consisted of two publications, and that the notice stated the filing of this petition, the name of the petitioner, and a descriptions of lands -- giving notice to all persons interested to appear at this time and location to show cause in writing why the petition should not be granted, and that this Hearing must be held within 30 days of the last publication - pursuant to Colorado Revised Statute Section 37-45-136(2).

The notice was published in the Canon City Daily, a newspaper of general circulation in Fremont County. A copy of the newspaper's affidavit of publication is in the public record. The last publication date was November 14, 2016 which was less than 30 days ago.

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The District administers the Fryingpan-Arkansas Project which is a federally authorized Reclamation project. Under the District's Repayment Contract with Reclamation, and applicable federal reclamation law, no changes can be made to District's boundaries through inclusions of land - except upon the Secretary of Interior's written permission. As Petitioner, Evelyn Drive will bear the responsibility and costs for obtaining this federal permission. Any favorable action the District takes on this petition is subject to Department of the Interior's approval. If the Board approves the petition, staff will file the appropriate documents with Reclamation.

After review, District staff is recommending that this petition be approved, subject to Department of Interior assent. That concludes my report at this time.

President Long said at this time we would hear a short presentation by a representative of the petitioner.

Bob Hartzman said the City of Canon City has been providing the petitioner water since 1993. In February of 2013 Mr. Barlow asked the City of Canon City to take over the system, and one of the requirements of Canon City was that the land be annexed in the Southeastern District. Which brought on the annexation process. The petitioner is asking for a reduction in payment of back taxes and administrative fees.

President Long asked if the Board members had any questions of Bob Hartzman, Richard Barlow, or Mr. Markus.

President Long said the District would hear from any of those opposers who have provided written comments, if they so choose.

Mr. Markus said the District has not received any written objections, and we have no one present who has provided written comments.

President Long asked if the Board members had any questions of any of these objectors? And asked if there were any questions from the audience who didn't submit a written objection? Hearing none, President Long stated the Public comment period of this inclusion petition is now closed.

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ACTION ITEM:

INCLUSION OF EVELYN DRIVE LAND INTO THE DISTRICT

Mr. Markus thanked President Long, at this time staff believes it would be appropriate for the Board to entertain a motion, after which this petition may be discussed. Staff has drafted three potential motions, any one of which may be appropriate for this petition. These are:

Motion to Approve the Petition for Inclusion of Evelyn Drive lands, subject to Department of Interior assent; or

Motion to Not Approve the Petition of Evelyn Drive.

Table the action to a future meeting.

As mentioned earlier, District staff is recommending that this petition be approved, subject to Department of Interior approval.

President Long stated, at this time he would close the Public Hearing and entertain motions.

Mrs. Ortegon moved, seconded by Mr. Bostrom, the Board approve the Petition for the Evelyn Drive lands, subject to Department of Interior assent and direct staff to file the appropriate documents with the Bureau of Reclamation. Motion unanimously carried.

After discussion, Mr. McClure moved, seconded by Mr. Bostrom, not to reduce the back taxes or administrative fees. Motion unanimously carried.

Mr. May left the meeting at 10:30 a.m., and returned at 10:53 a.m.

MONTHLY/QUARTERLY REPORTS:

U.S. BUREAU OF RECLAMATION REPORT

Roy Vaughan provided a PowerPoint presentation reviewing the following:

- As of November 13, 2016 there were 182,301 acre-feet stored in Pueblo Reservoir; 121,382 acre-feet of Project water; 42,401 acre-feet of Excess Capacity water; 18,371 acre-feet of Winter water.
- There is currently 123,991 acre-feet of Project space in Pueblo Reservoir and 22,456 acre-feet of space in Turquoise and Twin Lakes Reservoirs.
- Charts illustrating storage amounts in Turquoise, Pueblo, and Twin Lakes.
- Project Reservoirs: Turquoise 104%; Twin Lakes 92%; Pueblo 133%
- First Use Project + PCO Municipal Water
- Total M&I Project water in the System as of October 31, 2016
- Arkansas and Upper Colorado River Basin Time Series Snowpack
- U.S. Drought Monitor (west)

Mr. Vaughan reported the collection system has been winterized. Mt. Elbert Conduit is presently running 250 cfs. Currently Reclamation is moving 100 cfs from Twin to Pueblo. The plan is to move an

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additional 37,000 af from the upper reservoirs. The movement of water will be adjusted according to the forecast and customer's needs.

DIVISION ENGINEER'S REPORT

Mr. Witte reported on the following:

- River and Reservoir Report
 - Reference Arkansas River Daily Report. River Call is:
 - 3/1/1910 Winter Water
 - 5/31/1949 Compact Call (State line to John Martin)
 - <http://www.dwr.state.co.us/div2/aras/arascal.asp>
- Current River/Reservoir Operations
 - Inflow to Pueblo for Winter water storage is currently approximately 25 percent below average
 - Big Johnson Substitute Water Supply Plan (SWSP) to store in Pueblo temporarily
 - Ft. Lyon SWSP to store Amity's Winter water in Adobe
 - John Martin Storage resumed November 1, inflow is only slightly below average
- Compact Issues
 - Arkansas River Compact Administration (ARCA) Special Engineering Committee met telephonically on November , 2016
 - Topics
 - Additional source of water for John Martin Permanent Pool
 - Remaining concerns related to the LAWMA decree 02CW181
- Pre-ARCA meeting held November 15, 2016
- ARCA will meet in Lamar, CO December 8 and 9, 2016
- Topical
 - Pueblo County (Napa Valley) voters did nothing to reduce our workload regarding ballot issues 200 and 300
 - Of the 890 licensed Marijuana cultivation facilities in Colorado, 131 of those are located in Pueblo County
 - 56 supplied 100 percent by water hauling
 - 17 supply commercial / industrial needs by hauling water
 - 29 are supplied directly by municipal providers
 - 26 are supplied based on SWSPs
 - 14 Plans for Augmentation pending (also included in SWSP count)
 - 3 Surface water supplied
 - Intend to include usage as part of 2016 diversion records
 - 41 "Grey Market" operations under investigation in Pueblo (El Paso County)
- Greening of Colorado and the Nation (e.g. Crowley County)
- Department of Ag reports 9,000 acres of hemp cultivated outdoors and 1M sf indoors in 2016 statewide in Colorado.

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U.S. GEOLOGICAL SURVEY REPORT

Garret Markus introduced Susan Colarullo from the U.S. Geological survey who presented a PowerPoint reviewing the following:

- Upgrade of the Transit-Loss Fortran Code
- FORTRAN Programing Language
- Drawbacks of FORTRAN77
- Features Available in Fortran 90
- How Can We Be Sure the Modified Code Produces the Same Transit-Loss Estimates as the FORTRAN77 Code?
- Proposed Future Changes Beyond the Scope of the Current Work

INFORMATIONAL ITEMS:

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

- Water Court Resume
- Winter Water Storage Program Board of Trustees Annual Meeting
- Reclamation Reform Act Water District Review and Audit
- Arkansas River Compact Administration
- CRWUA Annual Conference
- Four States Irrigation Council
- Colorado Water Congress Convention
- December Board Meeting Date: December 8, 2016

President Long acknowledged Terry Book's retirement from the Board of Water Works of Pueblo, and thanked him for the work he has done working with the District. Mr. Long welcomed Seth Clayton, who will fill the position of Executive Director.

President Long asked if there were any other matters to come before the meeting, and hearing none, adjourned the meeting at 12:10 p.m.

Respectfully submitted,

Toni Gonzales
Administrative Manager

Secretary

