

RECORD OF PROCEEDING

**SOUTHEASTERN COLORADO WATER
CONSERVANCY DISTRICT**

MINUTES

November 9, 2017

A regular meeting of the Board of Directors of the Southeastern Colorado Water Conservancy District (District) was held on Thursday, November 9, 2017 at 9:38 a.m. at the District office, 31717 United Avenue, Pueblo, Colorado.

President Long announced a quorum was present.

President Long read a letter Vera Ortegon submitted, notifying him and Mr. Broderick that she was resigning from the Board of Directors of the District.

DIRECTORS PRESENT:

Bill Long	Ann Nichols	Kevin Karney
Gibson Hazard	Tom Goodwin	Howard "Bub" Miller
Carl McClure	Dallas May	Greg Felt
Mark Pifher	Seth Clayton	Alan Hamel

DIRECTOR(S) ABSENT AND EXCUSED:

Curtis Mitchell

DISTRICT OFFICIALS PRESENT:

Executive Director James Broderick; General Counsel Lee Miller; Administrative Manager Toni Gonzales; Principal Engineer Kevin Meador; Water Resources Engineer Garrett Markus; Issues Management Program Coordinator Chris Woodka; Finance Coordinator/IT Leann Noga; Accounting Specialist Stephanie Shipley; Special Water Counsel Stephen Leonhardt and Alix Joseph; and Federal Lobbyist Christine Arbogast.

VISITORS PRESENT:

Andy Colosimo, Colorado Springs Utilities; Roy Vaughan, U.S. Bureau of Reclamation; Curt Thompson and Todd Shafer, AECOM; Cathy Garcia, U.S. Senator Cory Gardner's office; Dwight Gardner, U.S. Senator Michael F. Bennet's office; and Doug Fitzgerald, Congressman Scott Tipton's office.

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 October 19, 2017 Board meeting were posted to the Board website for review, and if there were any corrections or additions. Hearing none, Mr. Howard “Bub” Miller moved, seconded by Mr. Clayton, to approve the minutes. Motion unanimously carried.

FINANCE COMMITTEE REPORT:

Treasurer Ann Nichols reported there were no financial statements prepared, due to the meeting being earlier than usual this month.

CONSENT ITEMS:

None

MONTHLY/QUARTERLY REPORTS

U.S. BUREAU OF RECLAMATION

Roy Vaughan provided a PowerPoint presentation reviewing the following:

- As of November 6, 2017 there were 212,017 acre-feet stored in Pueblo Reservoir; 126,970 acre-feet of Project water; 55,167 acre-feet of Excess Capacity water; 29,485 acre-feet of Winter water.
- There is currently 118,403 acre-feet of Project space in Pueblo Reservoir and 21,736 acre-feet of space in Turquoise and Twin Lakes Reservoirs.
- Charts illustrating storage amounts in Turquoise, Pueblo, and Twin Lakes.
- Total M&I Project Water in the System
- Project Reservoirs: Turquoise 115%; Twin Lakes 102%; Pueblo 149%
- Turquoise Reservoir Total Capacity
- Twin Lakes Reservoir and Forebay Capacity
- Total M&I Project Water in the System
- U.S. Drought Monitor WEST
- Water Operations from Pueblo Dam
- Reservoir Spills
- Where Does the Water Come From?
- Trans-Mountain Diversions
- Pictures of the work being done at the reservoir on the Hydro Project
- Current water in Pueblo Reservoir
- Boustead Imports to Date 67,009 acre-feet

Mr. Vaughan stated the collection system is being winterized, and Mt. Elbert conduit is currently running 375 cfs. At the present time Reclamation is moving 260 cfs of Project water from Twin Lakes to Pueblo. Reclamation plans to move an additional 42,000 af from the upper reservoirs. Movement of water will be adjusted according to the forecast and customer’s needs.

RECORD OF PROCEEDING

PRESENTATIONS:

PUBLIC HEARING ON 2018 PROPOSED BUDGET

President Long convened the Public Hearing on the 2018 Proposed Budget at 9:45 a.m. The Enterprise meeting was called to order to be held in conjunction with the District meeting for the Public Hearing.

Leann Noga thanked all the staff for their part in preparing the 2018 Proposed Budget, and recognized Stephanie Shipley for her assistance in this year's process.

Leann Noga presented a PowerPoint presentation titled, *Public Hearing November 9, 2017 2018 Proposed Budget*, reviewing the following:

- Presentation Section Outline
- Budget Strategy
- Government Activity
- Fryingpan-Arkansas Revenue
- Fryingpan-Arkansas Expenditures
- Grant Revenue/Expenditures
- Operating Revenue
- Operating Revenue Interfund Reimbursement
- Operating Expenditures
- Capital Outlay Expense Budget Compared to Actual
- Government-Budget Comparison
- Water Fund (Enterprise)
- Operating Revenue
- Grant Revenue/Expenditure
- Operating Revenue
- Other Revenue Overview
- Operating Expenditures
- Operating Expense Overview
- Summary Capital Outlay Expense
- Project Revenue and Expense
- Water Fund (Enterprise) Budget Comparison
- Project Revenue and Expense
- Hydroelectric Power Project
- Operations-Government Wide Overview
- Capital Outlay-Government Wide Overview
- Fund Balance Summary
- Framing the Future
- Public Hearing Questions

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.

RECORD OF PROCEEDING

Mrs. Noga was complimented on the job well done on the presentation of the 2018 Proposed Budget.

Mr. Broderick recognized that Mrs. Noga had completed 11 years of school this week, completing her Bachelor's and Master degrees in that time period. With the completion of Mrs. Noga Master's Degree in Finance, she will be promoted to Finance Manager. Mr. Broderick said that the District is always providing the opportunity to develop the skills of the staff to enhance skill sets.

COMMUNICATION PLAN FOR CONTRACT NEGOTIATIONS

Chris Woodka reported at the September 21, 2017 Board meeting, the Board approved a request to amend the current Contract with Reclamation, and voted to request negotiations for a new Reclamation contract.

Because the 0.9 mill property tax would continue, and be used to establish reserve funds, the Board asked for a communication plan to explain District purposes and finances to constituents.

District staff has prepared 12-page booklets, customized for each of the nine counties within the District called "Keeping the Promise". The booklets are intended to explain the purpose of the Project, the role of the District, and the benefits to each county within the District boundaries.

Staff would like the Board's input on the booklets before they are finalized to assure that the message is accurate, and conveys all of the points correctly.

The publications are meant to be shared with the general public, and also can provide talking points for Board members who are approached by constituents

Mr. Woodka presented a PowerPoint summarizing the information that is in each of the booklets.

ACTION ITEMS:

ANNUAL AGING FACTOR (AAF) POLICY

Mr. Broderick reported the Human Resources Committee met on October 19, 2017.

When the 2015 Total Compensation Study was completed, it was recommended to maintain competitive ranges, the District monitor average base salary structure adjustments within Colorado and the water resources industry, and make those adjustments to the ranges annually.

On March 16, 2017 the Board approved the Annual Aging Factor Policy. At the October 19, 2017 HR Committee meeting the Committee agreed to recommend to the Board the approval of the AAF Policy with the 1.6 percent annual salary structure adjustments to the salary ranges for 2018.

Mr. Hamel moved, seconded by Mr. Goodwin, to approve the Annual Aging Factor Policy with the 1.6 percent annual salary structure adjustments to the salary ranges for 2018. Motion unanimously carried.

RECORD OF PROCEEDING

MONTHLY/QUARTERLY REPORTS CONTINUED:

DIVISION ENGINEER'S REPORT

None

U.S. GEOLOGICAL SURVEY

None

STATE LEGISLATION UPDATE

Lee Miller provided his report, which was in the Board binders for review, which read:

The Water Resources Review Committee (WRRC) met for the last time this year on October 31, 2017, where it approved committee legislation on the following topics:

1. Substitute water supply plans for gravel pits;
2. The "Mussel-Free Colorado Act";
3. Reclaimed water use for marijuana crops;
4. Reclaimed water use for industrial hemp crops; and
5. Related to the loan programs for the Colorado Water Resources and Power Development Authority.

Each bill recommended by the WRRC must go through the normal legislative process during the Colorado General Assembly session beginning next January. For more information on the WRRC, please see <https://leg.colorado.gov/committees/water-resources-review-committee/2017-regular-session>.

Apart from the WRRC, Lee Miller continues to participate in meetings convened by Northern Water to address issues related to Northern Water's mitigation requirements for permitting of its Northern Integrated Supply Project. Another meeting was set for November 7, 2017. The District's main goal in working with Northern Water during the session and these most recent meetings is to assure that the bill would not impact the Upper Arkansas Voluntary Flow Management (VFMP) Program and agreement that the District has been instrumental in effectuating since 1991.

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
- Arkansas River Compact Administration – December 13-15, Lamar
- 2017 CRWUA Annual Conference, December 13-15, Las Vegas, NV
- Four States Irrigation Council – January 10-12, 2018 – Fort Collins
- Colorado Water Congress Convention – January 24-26, 2018 - Denver
- December Board Meeting – December 7

EXECUTIVE SESSION

Lee Miller said there would not be an Executive Session. The Board members were provided an Executive Session Memorandum, which is confidential-attorney/client privileged communication. The memorandum

RECORD OF PROCEEDING

was prepared by our Special Water Counsel team, reviewing the District's Application for Diligence, Case No. 16CW3079, and Application for Change, Case No. 16CW3076, Water Division 2.

President Long asked if there were any other matters to come before the meeting, and hearing none, adjourned the meeting at 10:58 a.m.

Respectfully submitted,

Toni Gonzales
Administrative Manager

Secretary

