

RECORD OF PROCEEDING

**SOUTHEASTERN COLORADO WATER
CONSERVANCY DISTRICT**

MINUTES

November 19, 2015

A regular meeting of the Board of Directors of the Southeastern Colorado Water Conservancy District (District) was held on Thursday, November 19, 2015 at 9:50 a.m. at the District office, 31717 United Avenue, Pueblo, Colorado. The District meeting was recessed at 10:25 a.m., and reconvened at 10:29 a.m.

President Long announced a quorum was present.

DIRECTORS PRESENT:

Bill Long	Vera Ortegon	Ann Nichols
Gibson Hazard	Kevin Karney	Carl McClure
Gary Bostrom	Tom Goodwin	David Simpson
Pat Edelmann	Curtis Mitchell	Leonard Pruett

DIRECTOR(S) ABSENT AND EXCUSED:

Howard "Bub" Miller; Harold Miskel; Jay Moore; and Alan Hamel-Advisory Board Member.

DISTRICT OFFICIALS PRESENT:

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

VISITORS PRESENT:

Chris Woodka, The Pueblo Chieftain; Cathy Garcia; U.S. Senator Cory Gardner's office; Doug Fitzgerald, U.S. Congressman Scott Tipton's office; Roy Vaughan, U.S. Bureau of Reclamation; Steve Witte, Colorado Division of Water Resources-Division 2; Jerry Peña, GEI; Brett Gracely, Colorado Springs Utilities; Terry Book, Board of Water Works of Pueblo; Kevin Niles, Arkansas Groundwater Users Association; Jack Goble, Lower Arkansas Valley Water Conservancy District; Bill Banks, U.S. Geological Survey; Bob Hartzman, Canon City Water Department; Mike Weber, Colorado Water Protective Development Association; and Bob Hamilton, retired.

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 said the minutes of the October 15, 2015 Board meeting were posted to the Board website for review, and asked if there were any corrections or additions. Hearing none, Mrs. Ortegon moved, seconded by Mr. Bostrom, 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. Treasurer Nichols moved, seconded by Mr. Pruett, for acceptance of the October 2015 financial statements and payment of the November 2015 bills. Motion unanimously carried.

CONSENT ITEMS:

None

PRESENTATIONS:

PUBLIC HEARING ON 2016 PROPOSED BUDGET

Leann Noga thanked the staff for their input into preparing the budget and presented a PowerPoint presentation titled, *2016 Proposed Budget*, reviewing the following:

- Budget Policy
- All District Activity
- Fryingpan-Arkansas Revenue
- Fryingpan-Arkansas Tax 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
- Enterprise Operating Revenue
- Enterprise Operating Expenditures
- Summary Capital Outlay Expenses
- Partnership Contributions
- Enterprise Activity-Budget Comparison
- Government-Wide Overview
- Fund Balance Summary

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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. Mr. Broderick said there is a possibility there will be a supplemental budget in 2016, if project dollars need to be shifted to move a project along.

Mrs. Noga was complimented on the job well done on the presentation of the 2016 Proposed Budget.

Mr. Broderick said beginning in 2017 a two-year budget will be prepared.

ACTION ITEMS:

None

MONTHLY/QUARTERLY REPORTS:

U.S. BUREAU OF RECLAMATION REPORT

Roy Vaughan provided a PowerPoint presentation reviewing the following:

- As of November 16, 2015 there were 184,828 acre-feet stored in Pueblo Reservoir; 113,751 acre-feet of Project water; 45,667 acre-feet of Excess Capacity water; 23,416 acre-feet of Winter water.
- There is currently 131,622 acre-feet of Project space in Pueblo Reservoir and 13,504 acre-feet of space in Turquoise and Twin Lakes Reservoirs.
- Project Reservoirs: Turquoise 106%; Twin Lakes 101%; Pueblo 134%
- Boustead Imports 72,206 acre-feet
- Storage Capacity and Remaining Storage

Mr. Vaughan reported the collection system has been shut down and is being winterized and the Mt. Elbert Conduit is currently running 250 cfs. Reclamation is moving 225 cfs. to Pueblo Reservoir and plans on moving an additional 52,000 acre-feet from the upper reservoirs. Movement of water will be adjusted according to the forecast and customer's needs.

Mr. Broderick reported Garrett Markus, Pat Edelmann, Roy Vaughan, and he met with the U.S. Army Corps of Engineers in Albuquerque to discuss a deviation of the conservation pool. The U.S. Army Corps of Engineers declined to approve a deviation of the amount of water that could be stored in the conservation pool.

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 Storage Program
 - 5/31/1949 Compact Call

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

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- Current River/Reservoir Operations
 - Winter Water Storage
 - Fort Lyon and Amity Substitute Water Supply Plan operations
 - John Martin Storage
 - Excess diversions by Las Animas Consolidated Canal Company prior to November 15, 2015 have complicated the Section III / Conservation Storage determination that normally rely on stable flows for the purpose of establishing the Conservation Storage base flow. Base flow will be adjusted to benefit John Martin Conservation Storage and result in a smaller Winter water total system.
 - Nineteen cfs base flow (2013), 30 cfs base flow (2014) vs 90 cfs base flow (2015)
- Compact Issues
 - Began storing inflow to John Martin on November 1, 2015
 - ARCA will meet in Garden City, KS on Thursday, December 10, 2015 at the Clarion Inn, 1911 E. Kansas Ave. Committee meetings will be on the day before.
 - 1)The continuing concern related to the procedure used to determine the portion of John Martin inflow that is credited to the Winter Water Storage interests from that which is credited to Compact conservation storage, 2) resolution to amend Section III A. of the 1980 Operating Resolution, 3) Colorado Parks and Wildlife's initiative to secure approval for an additional source of water for the Permanent Pool.

U.S. GEOLOGICAL SURVEY REPORT

Bill Banks presented a PowerPoint titled, *Summary of Hydrologic Conditions in the Arkansas River Basin*, reviewing the following:

- Map of 28-Day Average Streamflow Compared to Historical Streamflow for the Day of the Year, Tuesday, November 17, 2015
- Streamflow (in cfs) November 18, 2015
- Duration Hydrograph Arkansas River Near Leadville
- Duration Hydrograph Arkansas River Near Avondale
- Cumulative Hydrograph Arkansas River Near Leadville
- USGS Publications Warehouse (pubs.er.usgs.gov)

STATE LEGISLATION UPDATE

Lee Miller reported at the October 29, 2015 meeting, none of the proposed legislation obtained the necessary "super majority" to move forward as a bill recommended by the Water Resources Review Committee (WRRC). The WRRC did adopt three resolutions for consideration by the General Assembly during the 2016 session.

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Proposed Legislation		
Bill Designation	Bill Topic	Former Bill Designation
Resolution A	Good Samaritan Remediation Abandoned Mines	Resolution 6
Resolution B	Federal Funding for Catastrophic Wildfire	Resolution 3
Resolution C	Timely Access to Federal Lands for Dam Restoration Projects	Resolution 2

One other note of interest from the October 29 WRRC meeting, Lower Arkansas Valley Water Conservancy District (Lower Ark) General Manager Jay Winner and Special Counsel Leah Martinsson testified regarding their intent to propose new water banking legislation during the upcoming session. Details on the Lower Ark bill proposal were sparse, but they had several criticisms of the existing water bank statute. As you may recall, the existing water bank statute was an initiative of Steve Arveschoug, during his time as District general manager. We understand that Lower Ark is working with Representative Jenny Arndt from Larimer County on the legislative proposal. When we have additional information on the water bank proposal, we will bring that information to the Board.

Lee Miller said Colorado's Water Plan will be approved and presented to the Governor today, November 19, 2015, in Denver.

Some of the discussions in the Colorado Water Conservation Board staff's Action Report are:

- “The final version of the plan, building on comments across interests and geography, includes a set of measurable objectives that help us move forward together and provides goals Colorado must meet regarding water for farms, for the environment, and for cities and industries.
- “Those goals include numerical benchmarks of 400,000 acre feet for both urban conservation and new storage by 2050; identifying 50,000 acre-feet of agricultural water for voluntary alternative transfers that do not result in permanent dry up of farmland; having 75 percent of the state's population reside within communities that have incorporated water saving options by 2025, and extending management plans to cover 80 percent of locally prioritized streams and watersheds by 2030.
- “Colorado's Water Plan doesn't prescribe specific projects. Instead it outlines how various interests across basins can attain locally driven, collaborative solutions, and how balanced approaches can garner the broad support needed to accelerate projects and shorten the federal regulatory process often associated with water-related actions in Colorado.
- “The Plan will honor and respect Colorado water law and continue to rely on the Doctrine of Prior Appropriation, an approach that has guided water use in our state since its earliest days.
- “It safeguards Colorado's water by vigilantly protecting our interstate compacts and decrees. These provide certainty to Colorado – and our neighbors – on allocation of supplies.

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- “At the same time, Colorado’s Water Plan avoids dogmatic thinking, and encourages openness to new opportunities to evaluate and strengthen our water laws so we are better positioned to meet our needs and incorporates Colorado’s values.”

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
- Bureau of Reclamation Status Report on Proposed Inclusions into the SECWCD
- CRWUA Annual Conference, December 16-18, Las Vegas, NV
- Arkansas River Compact Administration-December 9-10, Garden City, KS
- Four States Irrigation Council and DARCA – January 13-15, 2016, Fort Collins
- Colorado Water Congress Annual Meeting – January 27-29, 2016, Denver

EXECUTIVE SESSION:

Lee Miller said a request has been made for the Southeastern Colorado Water Conservancy District to enter Executive Session for the purpose of:

Discussion with legal counsel on the on the following case:

- a. Southeastern Exchange (Case No 06CW8)

Pursuant to:

- C.R.S. §24-6-402(4)(b): (Conferences with an attorney for the local public body for the purposes of receiving legal advice on specific legal questions)
- C.R.S. §24-6-402(4)(e): (Determining positions relative to matters that may be subject to negotiations; developing strategy for negotiations; and instructing negotiators)

The presence of the following persons is requested at this Executive Session:

1. Non-Excused Board Members (state for the record any who are excused)
2. Executive Director
3. General Counsel
4. Special Water Counsel
5. Water Resources Specialist/Engineer

Minutes will be electronically recorded as required by the Colorado Open Meeting Act.

Mr. Bostrom moved, seconded by Mr. Hazard, to enter into Executive Session. Motion unanimously carried. Kevin Karney recused himself from the Executive Session. The District meeting was recessed at 11:15, and reconvened at 11:35 a.m.

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REPORT OUT OF EXECUTIVE SESSION:

Lee Miller reported discussion was had with legal counsel on the following item:

- a. Southeastern Exchange (Case No. 06CW8)

The Board received legal advice on Case No. 06CW8, and was provided guidance to assist in negotiations. There was no action as a result of the Executive Session.

President Long said if there were Board members that were going to attend the Colorado Water Congress Annual Convention, to inform Toni Gonzales, so that registrations and reservations can be sent in.

President Long asked if there were any other matters to come before the meeting, and hearing none, adjourned the meeting at 11:36 a.m.

Respectfully submitted,

Toni Gonzales
Administrative Manager

Secretary
