

RECORD OF PROCEEDING

**SOUTHEASTERN COLORADO WATER
CONSERVANCY DISTRICT**

MINUTES

October 16, 2014

A regular meeting of the Board of Directors of the Southeastern Colorado Water Conservancy District (District) was held on Thursday, October 16, 2014 at 10:01 a.m. at the District office, 31717 United Avenue, Pueblo, Colorado.

President Long announced a quorum was present.

DIRECTORS PRESENT:

Bill Long	Ann Nichols	Gibson Hazard
Harold Miskel	Kevin Karney	Gary Bostrom
Carl McClure	Curtis Mitchell	Leonard Pruett
Jay Moore	David Simpson	Pat Edelmann
Alan Hamel-Advisory Board Member		

DIRECTOR(S) ABSENT AND EXCUSED:

Tom Goodwin, Howard "Bub" Miller, and Vera Ortegon.

DISTRICT OFFICIALS PRESENT:

Executive Director James Broderick; General Counsel Lee Miller; Administrative Manager Toni Gonzales; Director of Engineering and Resource Management Bob Hamilton; Project Engineer Kevin Meador; Water Resources Specialist/Engineer Garrett Markus; Project-Program Coordinator Jean Van Pelt; and Special Water Counsel Steve Leonhardt.

VISITORS PRESENT:

Chris Woodka, The Pueblo Chieftain; Tom Simpson, Aurora Water; Doug Fitzgerald, U.S. Congressman Scott Tipton's office; Doris Morgan, U.S. Congressman Cory Gardner's office; Dwight Gardner, U.S. Senator Michael Bennet's office; Roy Vaughan, U.S. Bureau of Reclamation; Rodger Ortiz, U.S. Geological Survey; Steve Witte and Bill Tyner, Colorado Division of Water Resources-Division 2; Jerry Peña, GEI Consultants; Roy Heald, Security Water District and Fountain Valley Authority; Terry Book, Board of Water Works of Pueblo; Bob Hartzman, City of Canon City Water; Kevin Niles, Arkansas Groundwater Users Association; Jim Baldwin, Otero County; Terry Scanga, Upper Arkansas Water Conservancy District; Jack Goble, Lower Arkansas Valley Water Conservancy District; and Dan Henrichs, High Line Canal Company.

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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 September 18, 2014 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 Mr. Karney, to approve the minutes. Motion unanimously carried.

FINANCE COMMITTEE REPORT:

Treasurer Ann Nichols reported the financial statements for September 2014 were posted to the Board website for review. Treasurer Nichols moved, seconded by Mr. Edlmann, for acceptance of the September 2014 financial statements and payment of the October 2014 bills. Motion unanimously carried.

CONSENT ITEMS:

None

PRESENTATIONS:

DISTRICT'S DIVISION 2 WATER RIGHTS

Lee Miller reviewed the following regarding the Southeastern Colorado Water Conservancy District's Division 2 water rights:

- Water Rights (priority number)
- Priority Date
- Original Decree
- Diligence Decrees
- Source of Water
- Total Decreed Amount
- Remaining Conditionally Decreed Amount
- Next Diligence Due

ACTION ITEMS:

SET PUBLIC HEARING FOR 2015 PROPOSED BUDGET

The Board of Directors conduct a Public Hearing each year prior to adopting the annual budget in compliance with Colorado State Law C.R.S. 29-1-108(1). Ms. Nichols moved, seconded by Mr. Pruett, that the Board set November 20, 2014 at 9:45 a.m. at the office of the Southeastern Colorado Water Conservancy District for a Public Hearing for the 2015 Proposed Budget. Motion unanimously carried.

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BOARD OF WATER WORKS OF PUEBLO, APPROVAL OF STIPULATION (CASE NO. 12CW102, WATER DIVISION 2)

Mr. Leonhardt reported in this case, Board of Water Works of Pueblo (BWWP) seeks to change its Hamp Bell Ditch water rights to allow storage of the water in Pueblo Reservoir for subsequent release to the previously decreed uses. These water rights were previously changed by Transit Mix for multiple uses in Case No. 03CW8. BWWP has a long-term contract with the Bureau of Reclamation for storage of non-Project water in Pueblo Reservoir for use within the Southeastern District.

The District was primarily concerned with: (1) Ensuring that BWWP's proposed use of Pueblo Reservoir is consistent with BWWP's contract and the District's Contract, principles, and policies; and (2) ensuring that the change of water rights is consistent with the previous change of water rights in Case No. 03CW8 and will not injure the District. The proposed decree dated September 22, 2014, and the stipulation the Board was provided include appropriate terms and conditions to ensure that BWWP's use of Pueblo Reservoir is consistent with its contract with the Bureau of Reclamation and that it will not otherwise injure the District. In particular, the proposed decree and Stipulation both acknowledge the requirement that BWWP's storage in Pueblo Reservoir must be for use within the District.

Mr. Simpson moved, seconded by Mr. Bostrom, the Board authorize legal counsel to enter into a stipulation with BWWP consistent with the proposed stipulation, consenting to entry of a decree that is no less restrictive on BWWP and no less protective of the District than the proposed decree dated September 22, 2014. Motion unanimously carried.

CITY OF LAMAR, APPROVAL OF STIPULATION (CASE NO. 05CW107 (A))

Mr. Leonhardt reported Lamar filed its application in Case No. 05CW107 in December 2005. Southeastern filed a Statement of Opposition in February 2006. In January 2008, at Lamar's request, the Referee bifurcated the case into two parts, and Lamar amended one part of the application. Part A of the application includes the change of use of Fort Bent shares and a plan for augmentation. Part B includes the exchanges proposed in the application. Lamar is proceeding first with Part A.

The District's primary concern in Part A was the use of Project water as an augmentation source. Lamar has agreed to include protective terms and conditions taken from the District's standard language that protect the District's rights to allocate project water based on its policies. Lamar has a well field that is located outside of Lamar's city limits and outside District boundaries. According to the Allocation Policy, "Project water also may be delivered for augmentation or replacement of depletions from your wells that are located and used within the District. . ." Thus, the District has taken the position that neither Project water nor return flows may be used to augment Lamar's wells that are located outside of District boundaries. The one exception to this has been Lamar's augmentation plan adjudicated in Case No. W-4015. The Decree in Case No. W-4015 was entered on May 28, 1976, prior to the District's adoption of the Allocation Principles and Allocation Policy, and approved the use of Project water and Project return flows. The proposed stipulation requires any use of Project water and return flows above and beyond that decreed in Case No. W-4015, to be consistent with the allocation principles and policies as amended.

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Special water counsel believes that this proposed decree and stipulation adequately protect the District's interests.

Mr. Pruett moved, seconded by Mr. Edelmann, to authorize special water counsel to enter into a stipulation with Lamar consistent with the proposed stipulation, consenting to entry of a decree that is no less restrictive on Lamar and no less protective of the District than the proposed decree dated September 2, 2014. Motion unanimously carried.

MONTHLY/QUARTERLY REPORTS:

U.S. BUREAU OF RECLAMATION REPORT

Roy Vaughan provided a PowerPoint presentation reviewing the following:

- As of October 13, 2014 there were 171,700 acre-feet stored in Pueblo Reservoir; 112,519 acre-feet of Project water; 45,746 acre-feet of Excess Capacity water; 13,387 acre-feet of Winter water.
- There is currently 144,430 acre-feet of Project space in Pueblo Reservoir and 17,772 acre-feet of space in Turquoise and Twin Lakes Reservoirs.
- Project Reservoirs: Turquoise 100%; Twin Lakes 106%; Pueblo 126%

Mr. Vaughan reported the collection system has been winterized and Mt. Elbert conduit is closed off. Reclamation will move 48,000 acre-feet down from upper reservoirs. The movement of water will be adjusted according to the forecast and customer's needs.

There was discussion regarding the Conservation Pool, and what process is being followed to request an extension from the U.S. Army Corps of Engineers.

DIVISION ENGINEER'S REPORT

Steve Witte presented a PowerPoint presentation titled, *Concept for Rule Making for Post-1985 State Engineer Approved Plans in the Arkansas River Basin, Colorado*, reviewing the following:

- Arkansas Well Use Rules
- Rule 14 Plans
- Types of Substitute Water Supply Plans
- Additional Types of Substitute Water Supply Plans
- New Rules Concept and Reasoning
- Scenarios for Re-Irrigation with Wells is Desirable
- Why Not Just Do a Plan for Augmentation
- What Might a Plan Under the New Rules Look Like

Mr. Witte said a public meeting has been scheduled for November 13, 2014 at the auditorium at the visitor center at Lake Pueblo State Parks at 1:00 p.m.

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U.S. GEOLOGICAL SURVEY REPORT
Rodger Ortiz said he did not have a report.

STATE LEGISLATION UPDATE

Lee Miller reported the Water Resources Review Committee met for its final meeting September 30, 2014 to consider possible legislation to be proposed by the Committee. The Committee requested 10 bill concepts to be drafted; two of the requested bill concepts were withdrawn by the sponsors and were not drafted. The following tables show the action taken on the remaining bills.

Proposed Legislation Recommended to Legislative Council

Bill Designation Short Title

Bill A	Promote Water Conservation in Land Use Planning
Bill B	Promote Precipitation Harvesting Pilot Projects
Bill C	Repeal New Augmentation Standard Dawson Aquifer
Bill D	House Bill 12-1278 Recommendations
Bill E	Invasive Phreatophyte Management Grant
Bill F	Appellate Review of Ground Water Commission's Decisions

Bills Not Recommended to Legislative Council

Bill Designation Short Title

Bill 5	More Water Protection Voluntary Clean-up Plans
Bill 10	Water Flexible Markets

The six bills recommended to Legislative Council would be introduced as Committee bills, and would not count against the sponsors five bill limitation; however, the Committee is only authorized to have three bills, unless an expansion of this limit is approved by Legislative Council. Legislative Council, which is composed of the bi-partisan joint leadership of the House and Senate, will meet on October 15, 2014 to consider all the reports from all the interim committees. The Legislative Council will vote on each recommended bill to give it dispensation from the five bill allocation rule. If the Legislative Council grants the dispensation, the sponsor of the bill may introduce it as well as his or her five bills. If the Legislative Council does not grant the dispensation, the presumptive sponsor is free to introduce it as one of the five allocated bills.

INFORMATIONAL ITEMS:

Mr. Broderick announced that the Winter Water Storage Program Board of Trustees annual meeting is scheduled for October 17, 2014 at Otero Jr. College at 10:30 a.m.

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

- Water Court Resume
- Legal Quarterly Report
- Winter Water Annual Meeting – October 17, Otero Jr. College
- NWRA 2014 Annual Conference – November 11-14, Coronado, CA
- CRWUA Annual Conference – December 10-12, Las Vegas, NV

President Long asked if there were any other matters to come before the meeting, and hearing none, adjourned the meeting at 11:31 a.m.

Respectfully submitted,

Toni Gonzales
Administrative Manager

Secretary

