

RECORD OF PROCEEDING

**SOUTHEASTERN COLORADO
WATER CONSERVANCY
DISTRICT MINUTES
November 16, 2023**

A meeting of the Board of Directors of the Southeastern Colorado Water Conservancy District (District) was held on Thursday, November 16, 2023, 9:32 a.m., at the District office, 31717 United Avenue, Pueblo, Colorado. The ZOOM platform was also made available for Board members and visitors.

President Long asked Margie Medina for a roll call of those connected via ZOOM.

DIRECTORS PRESENT:

Alan Hamel	Howard "Bub" Miller (remote)	Patrick Garcia
Andy Colosimo	Kevin Karney	Seth Clayton
Ann Nichols	Mark Pifher	Tom Goodwin
Bill Long	Matt Heimerich (remote)	
Curtis Mitchell	Pat Edelmann	

DIRECTOR(S) ABSENT AND EXCUSED:

Dallas May, and Greg Felt.

President Long established that a Quorum was present.

INTRODUCTION OF VISITORS:

President Long asked all present to introduce themselves and welcomed the visitors to the meeting.

DISTRICT OFFICIALS:

Executive Director James Broderick; General Counsel Lee Miller (remote); Staff Attorney Peter Levish; Principal Engineer Kevin Meador(remote); Senior Policy and Issues Manager Chris Woodka; Water Resources Principal Engineer Garrett Markus; Director of Administration and Finance Leann Noga; Administrative Support Specialists Margie Medina and Patty Rivas (remote); Finance Manager Stephanie Shipley; Christine Arbogast, Kogovsek and Associates; Roy Vaughan, H2O Consultants; and Gordon Dillon, Kleinfelder.

VISITORS PRESENT:

Andrew Klakulak, and Krystal Brown, USGS; Jerry Pena, Kennedy Jenks; Jerry Pacheco, Pueblo Urban Renewal Authority; Joseph Stadterman, Colorado Parks and Wildlife; Lisa Sigler, Rich Vidmar, and Rick Kienitz Aurora Water; Mike Holmberg, USBR; Rachel Zancanella, Division Engineers Office.

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VISITORS CONNECTED VIA ZOOM:

Cathy Garcia, Representative Lauren Boebert's office; Curtis Thompson and Sean Berzins , AECOM; Derek Mickle, USBR; Luke Mecklenburg, Assistant Attorney General Interstate Water Unit; Lisa Windham and Scott Lorenz, Colorado Springs Utilities; Lisa Wade, Wilson Water Group; Noah Friesen, Division Engineers Office; and Roy Heald, Security Water & Sanitation District.

APPROVAL OF MINUTES:

President Long said the minutes from the October 19, 2023, District Board meeting were posted to OnBoard and the website for review and asked if there were any corrections or additions. Hearing none, Mr. Pifher moved, seconded by Mr. Karney, to approve the minutes. Motion unanimously carried.

TREASURER REPORT:

Ms. Nichols reported the financial statements for October 2023, were posted to OnBoard and the website for review. Ms. Nichols moved, seconded by Mr. Clayton, for acceptance of the October 2023 financial statements and payment of the November 2023 bills. Motion unanimously carried.

President Long convened the Enterprise meeting @ 9:35 to be held in conjunction with the District meeting.

PRESENTATION ITEMS:

PUBLIC HEARING ON 2024 PROPOSED BUDGET

Mrs. Noga presented a PowerPoint that reviewed the following:

- Southeastern Colorado Water Conservancy District Fund
 1. 2024 Mill Levy Tax Revenues
 2. 2024 Fry-Ark Project Budget
 3. 2024 Fry-Ark Extraordinary Maintenance
 4. Fry-Ark Project 2023 Vs. 2024 Budgets
 5. 2024 District Operation and Capital Budget
 6. 2024 District Operation Planning and Development
 7. 2024 District Capital Outlay
 8. District Operation 2023 Vs 2024 Budget
 9. District General Funds Estimated Fund Balance

- Southeastern Colorado Water Activity Enterprise Fund
 1. 2024 Water Sales & Storage Rate Planning and Outreach
 2. 2024 Water Sales & Storage Rate Recommendation
 3. Water and Storage Rate Revenues
 4. 2024 Enterprise Operations
 - a. Enterprise Operations, to include the Enlargement & Excess Capacity Project Budgets
 5. 2024 Enterprise Operation Capital

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6. Enterprise Operation 2023 Vs 2024 Budgets
7. 2024 Arkansas Valley Conduit
8. 2024 Hydroelectric Power
9. Enterprise Estimated Fund Balance
10. District General Fund 2024 Budget Resolution
11. Enterprise Proprietary Fund 2024 Budget Resolutions
12. Enterprise 2024 Water Sales and Storage Rate

Questions were asked of Mrs. Noga.

President Long recessed the Enterprise meeting at 10:04 a.m.

AURORA WATER: WILD HORSE RESERVOIR PROJECT

Mr. Rick Kienitz introduced Mr. Rich Vidmar. He has been with the City of Aurora for 18 years, prior to that with The Bureau of Reclamation. The presentation was a PowerPoint reviewing the Project:

- Water System Overview
 1. Aurora's service area
 2. Population and Distribution: 1976-2021
 3. Aurora Water Conservation
 - a. Efficiency
 - b. Education
 - c. Enforcement
 4. Treatment – Water Purification Facilities
- Enhancing System Reliability and Resilience
 1. Aurora's Comprehensive Approach to Water Supply Management
 2. Needs and Objectives
 3. Project Location/Configuration
 4. Source Water
 5. Dam Information
 6. Reservoir Renderings
 7. Wild Horse Project Benefits
 8. Recreational Considerations
 9. Wetlands
 10. Resources:
 - a. Current Focus on Affected Environment for the Proposed Action
 - A. Wildlife
 1. Large Game: Bighorn Sheep, Elk, Mule Deer, Pronghorn
 2. Aquatics: expecting no effect, pending streamflow modeling
 3. Birds: Golden Eagle, Plover, Migratory Birds
 - B. Vegetation – no federally listed species observed
 - C. Hydrology
 1. Streamflow modeling methodology under development
 2. Modeling Guide- Geomorphology, Aquatic Biological and Riparian Resources

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D. Additional Resources: Range, EJ & Socio, Geology Soils & Minerals, Air Quality, Noise, Traffic & Transportation, Lands and Realty
Additional Information about Aurora Water and Wild Horse Reservoir Project were provided. Questions were asked of Mr. Vidmar.

ACTION ITEMS:

PUEBLO URBAN RENEWAL AUTHORITY: NORTH ELIZABETH HOTEL RENEWAL AREA
Mr. Jim Broderick began his action item by introducing Mr. Jerry Pacheco, Executive Director of The Pueblo Urban Renewal Authority, to familiarize him to the Board.

Mr. Broderick then went on to present his item, recommending the Board authorize the Executive Director to execute an agreement with the Pueblo Urban Renewal Authority to provide tax increment financing for an urban renewal project: North Elizabeth Hotel Urban Renewal Area.

It is anticipated that the generally applicable real and commercial personal property taxes from this project could generate between \$0 to \$7,022,058 (\$63,978 District) over the 25-year period assuming the objective of site remediation and building of a hotel. This project would reverse years of stagnant property tax revenue receipts within this area, and as shown in the impact Report these new property revenues would not be realized in the future without this investment in the project area.

This was brought before the Resource Engineering and Planning Committee for approval before coming to the Board.

A copy of the Impact Report and Agreement was provided to the Board.

Mr. Hamel moved, seconded by Mr. Colosimo, the Board authorize the Executive Director to execute an agreement with the Pueblo Urban Renewal Authority to provide tax increment financing for an urban renewal project: North Elizabeth Hotel Urban Renewal Area. Motion unanimously carried.

APPROVAL OF STIPULATION OF SPRING FALLS, LLC, CASE NO. 22CW3077, WATER DIVISION 5

Mr. Peter Levish presented an action item recommending that the Board authorize Special Water Counsel to execute a stipulation with Spring Falls, LLC ("Spring Falls") in Case No. 22CW3077 Water Division 5, consenting to entry of a decree that is no less restrictive on Spring Falls and no less protective of the District's water rights than the proposed decree dated October 19, 2023.

On September 15, 2022, the Board authorized Special Water Counsel to file a statement of opposition to Spring Falls' application for conditional underground and surface water rights, conditional storage rights, conditional appropriative right of exchange and a plan for augmentation in the Fryngpan River basin.

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In Case No. 22CW3077, Spring Falls seeks conditional underground, surface, and storage water rights to operate a children's education and recreation camp, along with a plan for augmentation and conditional right of exchange on Spring Creek. Spring Creek is tributary to Lime Creek, which is tributary to the Fryingpan River upstream of Ruedi Reservoir. The District holds decreed conditional water rights for the Fryingpan-Arkansas Project ("Project") on Lime Creek and its tributaries, and the Project's water rights in the Fryingpan River drainage are subject to minimum stream flow requirements. Because Spring Falls' proposed conditional water rights may deplete the flows of the Fryingpan River and Lime Creek, Spring Falls' proposed plan for augmentation may reduce the amount of water available for Project diversions and may cause injury to the District's senior water rights. Spring Falls has applied for a water allotment contract from Basalt Water Conservancy District for augmentation water, including water stored in Ruedi Reservoir.

The Statement of Opposition was filed, the District received the Proposed Decree on October 19, 2023. The Proposed Decree provided by Spring Falls on October 19, 2023, includes appropriate terms to ensure that its augmentation plan replaces its depletions to Lime Creek and the Fryingpan River.

Wilson Water Group (WWG) has also reviewed the Spring Falls' preliminary engineering report and has confirmed it has no concerns about the engineering approach Spring Falls used to define its augmentation needs and replacements.

A copy of the proposed Decree was provided to the Board.

Mr. Clayton moved, seconded by Mr. Garcia, to authorize Special Water Counsel to enter a stipulation with Spring Falls consenting to entry of a decree in Case No. 22CW3077 that is no less restrictive on Spring Falls and no less protective of the District's water rights than the proposed decree dated October 19, 2023. Motion unanimously carried.

INCLUSION OF LAND ANNEXED BY COLORADO SPRINGS

Mr. Markus presented an action item to the Board recommending approval of the inclusion of the annexation to the City of Colorado Springs into the Southeastern Colorado Water Conservancy District (District) with the standard terms and conditions. Once approved by the Board of Directors, staff will send the annexation to the Bureau of Reclamation (Reclamation) for assent. The District will submit the inclusion to the District Court for final decree. In the Resource and Engineering Planning Committee meeting, it was brought up that usually lands that are annexed are contiguous, the Land just west of this, was previously approved for Annexations by the Board a few months ago.

There are three methods of including lands into the District:

1. Annexation by a town or city located in the District.
2. Petition of the property owners.
3. Vote of the property owners.

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All three of these methods require assent from the Secretary of Interior, for which Reclamation requires a National Environmental Policy Act (NEPA) review of the lands to be included in the District boundaries. Once the Board approves the inclusion by Resolution, then Secretarial Assent by Reclamation is requested. The inclusion is submitted to the District Court for a decree including the lands within the District. The Application of Assent has been submitted to the District and will be forwarded to Reclamation for the property.

A copy of the maps, and the Resolution were provided to the Board.

Mr. Edelman moved, seconded by Mr. Garcia, that the Board approve, by Resolution, the inclusion of Colorado Centre Addition No. 3 annexed by Colorado Springs subject to the following terms and conditions:

1. Approval of these inclusions into the Southeastern Colorado Water Conservancy District will not increase the amount of Fryingpan-Arkansas Project water available to the city. Any Fryingpan-Arkansas Project water used on these included lands will need to come from the water allocated to the city through Fryingpan-Arkansas Project water allocations made pursuant to the District's Allocation Principles and Policies; and
 2. Any use of Fryingpan-Arkansas Project water on the included lands is subject to the decrees for the Fryingpan-Arkansas Project, and to all lawful rules, regulations, principles, policies, and contractual obligations of the District; and
 3. The annexed lands will be subject to ad valorem taxes levied by the District as any other similarly situated lands in the District at the time of this inclusion; and
 4. Prior to the District filing a petition for District Court approval of this inclusion, the Municipality, and/or owner(s) of the annexed lands shall have paid all the costs charged by the United States in connection with the contracting officer's assent to this inclusion.
- Motion unanimously carried.

MONTHLY/QUARTERLY REPORTS:

U.S. BUREAU OF RECLAMATION

Mr. Derek Mickle provided an update on the Arkansas valley Conduit (AVC)

Project Updates:

1. Injection Site update was given
2. Project Designs
 - a) Crowley Reach 1

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- b) Reg Tank 1/Crowley Reaches 2 & 3
- c) Trunk Line Pre-Design 2
- d) A walk thru was done the previous week, Tuesday & Wednesday, for any unforeseen issues
- 3. Current Construction
 - a) Boone Reach 1
 - b) Boone Reach 2
- 4. O&M Contract and Transfer Documents, a meeting is scheduled for February of 2024
- 5. Finance & Funding

Questions were asked of Mr. Mickle.

Mr. Mike Holmberg provided a written report reviewing the following as of November 12, 2023:

- 215,142 AF stored in Pueblo Reservoir
- 134,382 AF of Project Water
- 51,993 AF of Excess Capacity Water
- 13,828 AF of Winter Water/as of today it is now Winter Water Carry-Over
- 109,991 AF of Project Water Space Available in the System
- 38,849 AF of Project Space in Twin & Turquoise Lake
- Turquoise Lake, Twin Lakes, Pueblo Reservoir 2023, 2024 projected averages

- As of November 12, 2023, Project Reservoirs (percent of average):
 - 1. Turquoise 83%
 - 2. Twin Lakes 111%
 - 3. Pueblo 133%
 - 4. SYSTEM: 113%

- As of November 12, 2022, Project Reservoirs (percent of average):
 - 5. Turquoise 85%
 - 6. Twin Lakes 105%
 - 7. Pueblo 110%
 - 8. SYSTEM: 102%
- October 31, 2023
 - 1. Total M&I PW in the system = 112,760 AF
 - a. East = 19,054 AF
 - b. West = 9,994 AF
 - c. Pueblo = 20,752 AF
 - d. Other = 1,429 AF
 - e. FVA = 75,868 AF
 - CSU – 56,334 AF
 - Fountain = 6,521 AF
 - Security = 5,671 AF
 - Stratmoor = 2,175 AF
 - Widefield - = 5,167 AF

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- Other News:
 1. Recovery of Storage Sedimentation Study
 2. WaterSMART Grants for Snow Studies
 3. Winter Water Begins November 15
- Mt Elbert Project update
- Content 215,142 AF
 - + New WW 41,000 AF
 - + Project Water 20,000 AF
 - + M&I Inflow 24,500 AF
 - Total Releases 17,500 AF(no releases in anticipation of a spill included)
 - - Evap 3,000 AF
 - Spill Priorities

Questions were asked of Mr. Holmberg.

COLORADO DIVISION OF WATER RESOURCES – DIVISION ENGINEER

Mrs. Rachel Zancanella reported to the Board *DWR River Tools Updated*. The following topics were covered:

- Colors of Water: River Viewer – snap shots of the program was presented
- Colors of Water: Scenario Planner Update – snap shots of the program were presented
- Admin Tools: Administrative Calls
 1. Call Priority Analysis
 2. Progress is still being made, training as well

The Board was given opportunity to ask questions of Mrs. Zancanella

U.S GEOLOGICAL SURVEY

Mrs. Krystal Brown presented *Water Year 2023 Flows Summary*. The following topics were discussed:

- Historical Perspective
- Water Supply Forecasts – Lower Arkansas Basin
- Arkansas River near Leadville
- Fountain Creek near Fountain
- Fountain Creek at Pueblo
- Arkansas River near Avondale
- Arkansas River at Las Animas
- Purgatoire River at Las Animas

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COLORADO PARKS AND RECREATION

Mr. Joe Stadterman presented a chart reviewing visitor numbers, historical and current:

Lake Pueblo	Visitation Calendar Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
	2009	116039	83250	114762	126552	179589	219747	228088	195959	155144	205177	125199	90603	1,840,109
2010	87908	93179	113516	135952	166394	207682	237560	177513	155355	137641	89951	96032	1,698,683	
2011	82598	86549	106395	177698	171549	279067	203246	160908	167428	106077	92697	85280	1,719,492	
2012	124976	101151	129036	139259	210050	190517	183426	207905	127714	172344	85729	75401	1,747,508	
2013	108121	87280	105528	152989	162173	181811	226658	203363	139773	108273	93055	71619	1,640,643	
2014	134676	89879	106405	171726	162816	310378	174724	208310	148194	152578	113422	102517	1,875,625	
2015	107285	106145	138697	165734	216959	225694	224100	202371	177680	177798	122144	119168	1,983,775	
2016	102560	121251	128419	156152	258108	242104	212704	233843	156848	133204	127052	117966	1,990,211	
2017	92572	128836	147567	177003	227979	329761	253592	241675	227091	295204	142761	136704	2,400,745	
2018	128786	143204	149332	222138	234030	261096	307003	237050	204560	159666	133607	141821	2,322,293	
2019	115094	169537	159682	196072	281904	264793	320315	230443	252258	186231	150715	140201	2,467,245	
2020	163723	183139	195029	200691	365593	452698	364674	305513	310112	192265	186399	146831	3,066,667	
2021	170216	151815	266215	264642	375146	669552	425384	337972	471727	703505	392839	458356	4,687,369	
2022	159612	194912	172052	365643	360596	664684	355441	435167	316387	186495	146433	159775	3,517,197	
2023	198891	154585	189934	195575	238926	361848	545868	381172	245252	229062	0	0	2,741,113	
2024	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total	1,893,057	1,894,712	2,222,569	2,847,826	3,611,812	4,861,432	4,262,783	3,759,164	3,255,523	3,145,520	2,002,003	1,942,274	35,698,675	

Other topics:

- Challenges that come up with high visitor times
- Updates on staffing
- BOR Contracts
- Concession contracts with Marinas
- Commercial use
- Funding for ANS Traffic Control Project was received
- Starting Waste Water Project
- Paving for trails
- 2023 was a successful year over the year 2022, for keeping visitors safe
- New visitor center is in the works

Questions were asked of Mr. Stadterman.

STATE LEGISLATIVE UPDATE

Mr. Broderick updated the Board stating the Water Resources and Agriculture Review Committee (WRARC) met on October 31, 2023, and referred several bills to the Legislative Council of interest to the District for consideration during the next legislative session.

- **Bill 2** revises the Water Conservancy District Act to include several new authorities, including authorizing Districts to participate in a plan for augmentation; contract with water users outside the District for provision of services; exercise certain powers regarding the control, delivery, use and distribution of water; establish a water activity enterprise; and sell, lease, or otherwise dispose of the use of water or capacity in works by contract.
- **Bill 6** prohibits local governments and unit owners' associations of common interest communities from allowing the installation, planting, or placement of "nonfunctional turf," artificial turf, or an invasive plant species on any commercial, institutional, or industrial property.
- **Bill 9** authorizes a study of "Green Infrastructure" for water quality management

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Notably, the WRARC failed to garner the necessary seven votes to recommend **Bill 8**, which was a bill on conservation of water rights, derived from a 2021 Arizona statute. Despite this failure we expect Senator Dylan Roberts to introduce this bill during the regular session.

COLORADO RIVER ISSUES

Mr. Broderick updated the Board with the SB23-295 Colorado River Drought Task Force (CRDTF) met on November 9, 2023, in Glenwood Springs and meeting again on November 16, 2023, overlapping with the Board meeting. Lee Miller is the District's representative to the CRDTF; Jim Broderick is the alternate. Lee will be attending the meetings and will provide an update during the Board meeting, time permitting. The meeting will be livestreamed on the CRDTF website: crdroughttaskforce.com.

The final scheduled meeting is December 7, 2023. The deadline for the Committee to provide recommendations to the Legislature is December 15, 2023.

The Upper Colorado River Commission (UCRC) will hold a work session on November 28, 2023, in Denver. Lee will attend this meeting as a member of the UCRC Legal Committee.

INFORMATIONAL ITEMS:

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

- Water Court Resume
- Insurance Claim and Repair and/or replacement Services
- December Board Meeting, Thursday December 7
- CRWUA, Las Vegas, NV

President Long asked if there were any other matters to come before the Board, hearing none, Mr. Long adjourned the District Meeting at 12:07 p.m.

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Respectfully submitted,

Patty Rivas
Administrative Support Specialist

Seth Clayton – Secretary

Bill Long – President

Howard “Bub” Miller

Curtis Mitchell – Vice President

Kevin Karney

Ann Nichols – Treasurer

Mark Pifher

Alan Hamel

Matt Heimerich

Andy Colosimo

Pat Edelmann

Dallas May

Patrick Garcia

Greg Felt

Tom Goodwin