

RECORD OF PROCEEDING

**SOUTHEASTERN COLORADO WATER
CONSERVANCY DISTRICT**

MINUTES

December 8, 2011

A regular meeting of the Board of Directors of the Southeastern Colorado Water Conservancy District was held on Thursday, December 8, 2011 at 11:01 a.m., at the District office, 31717 United Avenue, Pueblo, Colorado.

President Long announced a quorum was present.

DIRECTORS PRESENT:

Bill Long	Ann Nichols	Harold Miskel
Greg Johnson	Kevin Karney	Gibson Hazard
Vera Ortegón	Carl McClure	David Simpson
Tom Goodwin	Shawn Yoxey	

DIRECTORS ABSENT AND EXCUSED:

Gary Bostrom, Reed Dils, Howard "Bub" Miller, Scott Reed, and Alan Hamel-Advisory Board Member

DISTRICT OFFICIALS PRESENT:

Executive Director James Broderick; General Counsel Lee Miller; Administrative Manager Toni Gonzales; Finance Coordinator Tina White; Conservation Outreach Coordinator Jean Van Pelt; Legal Counsel Steve Leonhardt; and Federal Lobbyist Ray Kogovsek.

VISITORS PRESENT:

Curtis Mitchell, City of Fountain; Terry Book, Board of Water Works of Pueblo; Dwight Gardner, U.S. Senator Michael Bennet's office; Bernice McClure; Keith Goodwin and Jim Baldwin, Otero County; Curt Thompson, Merrick & Company; and Mark Carmel, Carmel Management Company.

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 asked if the members of the Board had received their copy of the minutes of the November 10, 2011 Board meeting, and if there were any corrections or additions. Hearing none, Mr. Hazard moved, seconded by Mr. McClure, to approve the minutes. Motion unanimously carried.

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FINANCE COMMITTEE REPORT:

Treasurer Ann Nichols reported the financial statement for November has not been prepared because of the early meeting date. It will be posted later this month to the Board website for review. Treasurer Nichols moved for acceptance of the October financial statement and payment of the December 2011 bills, seconded by Mr. Johnson. Motion unanimously carried.

CONSENT ITEMS:

None

ACTION ITEMS:

PROPOSED 2012 BUDGET AND RESOLUTIONS APPROVAL

Mr. Broderick reviewed the changes that had been made since the November 10, 2011 Public Hearing.

Tina White, Budget Officer reviewed the Proposed 2012 Budget.

Mr. Simpson moved, seconded by Mr. Karney, the Board approve Resolution and Order No. 2011-1DF for the adoption of the Proposed 2012 Budget as presented. Motion unanimously carried.

Mrs. White said the Finance Committee recommends adopting Government Accounting Standards Board Statement (GASB) No. 54 and setting the Southeastern Colorado Water Conservancy District Board of Directors as the governing body to commit funds for a specified purpose. It would set appropriate fund designations and amounts for fund balances in restricted, committed, and assigned funds for Fiscal 2012.

Ms. Nichols moved, seconded by Mr. Hazard, the Board approve Resolution and Order No. 2011-2DF for the adoption of GASB No. 54 and setting the Southeastern Colorado Water Conservancy District Board of Directors as the governing body to commit funds for a specified purpose. Set the appropriate fund designations and amounts for fund balances in restricted, committed, and assigned funds for Fiscal 2012. Motion unanimously carried.

Mr. Broderick said the Strategic Plan (Plan) was presented to the Board at the June 16, 2011 Board meeting. The Plan will guide the budget priorities for the District and Enterprise.

Mr. Goodwin moved, seconded by Mrs. Yoxey, to approve Resolution and Order No. 2011-3DF for the adoption of the Strategic Plan to accomplish the District's goal of meeting the water storage and supply challenges of southeastern Colorado, especially within the District's boundaries. Motion unanimously carried.

MONTHLY/QUARTERLY REPORTS:

U.S. BUREAU OF RECLAMATION REPORT

Mr. Vaughan submitted a written report with the following information:

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- As of December 4, there were 180,904 acre-feet stored in Pueblo Reservoir; 118,777 acre-feet of Project water; 45,753 acre-feet of Excess Capacity water; 16,373 acre-feet of Winter water.
- There is currently 138,172 acre-feet of Project space in Pueblo Reservoir and 16,798 acre-feet of space in Turquoise and Twin Lakes Reservoirs.
- Project Reservoirs: Turquoise 100%; Twin Lakes 97%; Pueblo 118%.
- Winter Operations
 - Currently moving 150 cfs from Twin Lakes to Pueblo
 - Will be moving 55,000 to 60,000 acre-feet from October 2011 through March 2012
 - Movement of water will be adjusted according to the forecast and customers' needs

DIVISION ENGINEER'S REPORT

Mr. Witte submitted a written report with the following information:

A) River and Reservoir Reports

- 1) Reference Arkansas River Daily Report for December 7. River Call is set at March 1, 1910 due to the provision of the Winter Water Storage Decree (84CW179).
<http://www.dwr.state.co.us/div2/aras/arascal.asp>
- 2) Reference November 30, 2011 Winter Water Program Report.
<http://www.secwcd.org/WinterWtr.htm>
- 3) Compact Storage began in John Martin Reservoir on November 1.

B) Compact Matters

- 1) Arkansas River Compact Administration is meeting in Lamar, CO, December 8.
- 2) A brief presentation concerning the final Compact Compliance Status for 2010 is planned for the January meeting of the Southeastern board.

C) Personnel Matters – recent appointments

- 1) River Operations Coordinator, John Van Oort – former water commissioner districts 14 & 15
- 2) Water District 67 Commissioner, Joshua Kasper—former deputy water commission district 40

U.S. GEOLOGICAL SURVEY REPORT

None

COLORADO WATER CONSERVATION BOARD (CWCB)

Mr. Hamel, CWCB member submitted a written report with the following information:

The CWCB held its November meeting in Berthoud, Colorado November 14-16, and the meeting was hosted by Northern Colorado Water Conservancy District. This report will focus on those agenda items that have a direct impact on the Arkansas Basin.

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- I. The CWCB began their November meetings with a half-day workshop on November 14, focusing on the Colorado River Cooperative Agreement. It is an historic settlement of longstanding water disputes between Denver Water and 34 West Slope entities, including resolution of Denver Water's proposed Moffat Collection System Project. The CWCB has an important role in this settlement, as do many other state agencies and departments. The role of CWCB will be instream flow (ISF) water acquisitions to support the Colorado River Cooperative Agreement. At this meeting the CWCB initiated a 120-day period for CWCB review of the requested ISFs. This more formal direction took place on the second day of the meeting, November 15.
- II. The CWCB adopted the final guidelines regarding the Reporting of Water Use and Conservation Data by Covered Entities. These guidelines are to implement HB10-1051, which requires covered entities to annually report water use and water conservation data to be used for Statewide Water Supply Planning. A covered entity is one that has a total customer water demand of 2,000 acre-feet or more. I would like to commend Jean VanPelt for her extensive involvement with the Colorado Technical Advisory Group over this past year in helping develop these guidelines and goals.
- III. The CWCB approved a staff recommendation that the general assembly authorize \$2 million from the Construction Fund to be appropriated to the CWCB for work tasks associated with Phase II of the Colorado River Water Availability Study. CWCB staff is in the process of completing Phase I. A risk assessment analysis was included in the approval of the Phase II staff request. I anticipate the CWCB will have additional extensive discussions on this plan of work for Phase II at their January meeting.
- IV. The CWCB approved a grant of \$125,000 for building and assessing accounting and administration tools for lease following in Colorado's Lower Arkansas River Valley. This grant will be administered by the Upper Arkansas Water Conservancy District and will be supported by matching cash funds from the Upper Arkansas Water Conservancy District, Southeastern Colorado Water Conservancy District, Lower Arkansas Valley Water Conservancy District, Board of Water Works of Pueblo, and Colorado Springs Utilities. Others may join as this project moves forward. The total project cost for this Project One accounting tool is \$279,000. The next project, which will be a methods reference document, will be a \$77,000 component. The third project to complete the administration tool and to tie it to DSS will be a \$255,000 project. This is one of seven ongoing projects of the Arkansas Basin Roundtable to develop lease following programs in our basin. I would like to thank Jim Broderick for his significant participation, leadership, and contribution to this project and the Arkansas Basin Roundtable activities. I would also like to mention the leadership and involvement of Gary Barber, Terry Scanga, and Jay Winner. The CWCB also approved requested funding for the Alternative Agricultural Water Transfer Methods Statewide Competitive Grant Program in the amount of \$1 million to continue the support of critical projects and activities that advance methods providing for alternatives to permanent transfers of agricultural water rights to urban areas from municipal and industrial use.

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- V. The CWCB also approved a \$1.2 million loan to the Two Rivers Water Company for engineering and construction costs related to the Orlando Reservoir Rehabilitation Project. This Project will include improvements to Cucharas Reservoir. Two Rivers has purchased a controlling interest in the Huerfano Cucharas Irrigation Company.

INFORMATIONAL ITEMS:

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

- Water Court Résumé
- Arkansas River Compact Administration – December 8-Lamar
- Four States Irrigation Council Annual Meeting – January 11-13-Fort Collins
- Colorado Water Congress Annual Meeting – January 25-27-Denver
- Family Farm Alliance Annual Conference – February 23-24-Las Vegas
- Conference Calendar for 2012
- Board Meeting Schedule for 2012

OTHER BUSINESS MATTERS:

President Long asked the Board members to notify Toni Gonzales if they would like to be registered for upcoming conferences.

President Long asked if there were any other matters to come before the meeting, and hearing none, adjourned the meeting at 11:20 p.m.

Respectfully submitted,

Toni Gonzales
Administrative Manager

Secretary