

RECORD OF PROCEEDING

**SOUTHEASTERN COLORADO WATER
CONSERVANCY DISTRICT**

MINUTES

September 15, 2011

A regular meeting of the Board of Directors of the Southeastern Colorado Water Conservancy District was held on Thursday, September 15, 2011 at 10:02 a.m., at the District office, 31717 United Avenue, Pueblo, Colorado.

President Long announced a quorum was present.

DIRECTORS PRESENT:

Bill Long	Scott Reed	Harold Miskel
Gary Bostrom	Kevin Karney	Greg Johnson
Carl McClure	Howard "Bub" Miller	Reed Dils
Gibson Hazard	Shawn Yoxey	

DIRECTORS ABSENT AND EXCUSED:

Ann Nichols, Vera Ortegón, David Simpson, and Alan Hamel-Advisory Board Member

DISTRICT OFFICIALS PRESENT:

Executive Director James Broderick; Administrative Manager Toni Gonzales; Finance Coordinator Tina White; Director of Engineering and Resource Management Bob Hamilton; Conservation Outreach Coordinator Jean Van Pelt; Legal Counsel Lee Miller and Alix Joseph; and Federal Lobbyists Ray Kogovsek and Christine Arbogast.

VISITORS PRESENT:

Roy Vaughan, U.S. Bureau of Reclamation; Chris Woodka, The Pueblo Chieftain; Bob Hartzman, City of Canon City; Tom Simpson, Aurora Water; Brett Gracely, Colorado Springs Utilities; Jim Baldwin, Otero County; Christina Thiebaut, Senator Udall's office; Dwight L. Gardner, U.S. Senator Bennet's office; David Mau, U.S. Geological Survey; Shirley Klipfel, Pueblo; Tom Goodwin, Avalon Ranch; Connie Goodwin, Cheyenne Creek Metro; Lindsay George, Applegate Group; Russ Livingston, Livingston Professional Services-Hydro Sciences; Terry Book, Board of Water Works of Pueblo; Steve Witte, Colorado Division of Water Resources; Sean Chambers, Cherokee Metro District; Bill Hower, Beulah Water District; and Ken Weber.

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

Ms. Arbogast expressed thanks to the representatives from Senator Udall's and Senator Bennett's offices that were in attendance at the Board meeting for the speedy turnaround of the letter that was presented to Reclamation regarding the miscellaneous revenues.

APPROVAL OF MINUTES:

President Long asked if the members of the Board had received their copy of the minutes of the August 18, 2011 Board meeting, and if there were any corrections or additions. Hearing none, Mr. Hazard moved, seconded by Mrs. Yoxey, to approve the minutes. Motion unanimously carried.

FINANCE COMMITTEE REPORT:

Scott Reed reported the financial statement for August was posted to the Board website for review. He said that staff is working on an investment strategy. Mr. Reed moved, seconded by Mr. Johnson, for acceptance of the August financial statement and payment of the September 2011 bills. Motion unanimously carried.

CONSENT ITEMS:

None

PRESENTATIONS:

TRANSIT LOSSES AND TRAVEL TIMES OF RESERVOIR RELEASES ALONG THE ARKANSAS RIVER FROM PUEBLO RESERVOIR TO JOHN MARTIN RESERVOIR RE PORT Russ Livingston gave a PowerPoint presentation titled, *Transit Losses and Travel Times of Reservoir Releases along the Arkansas River from Pueblo to John Martin Reservoir*, reviewing the following:

- Background
- Discussion of Summaries and Conclusions 1-6
- Recap
- Discussion of Summaries and Conclusions 7-11

The hydrologic investigation was funded by; The Amity Mutual Irrigation Company, Board of Water Works of Pueblo, Catlin Canal Company, Colorado Canal Company, Colorado Water Conservation Board, Colorado Division of Water Resources-Division 2, Fort Lyon Canal Company, High Line Canal Company, Holbrook Mutual Irrigation Company, Las Animas Consolidated Ditch Company, Lower Arkansas Valley Water Conservancy District, Oxford Farmers Ditch Company, Southeastern Colorado Water Conservancy District, and Winter Water Storage Program Ditch Companies.

PUEBLO DAM HYDROPOWER FEASIBILITY

Lindsay George from the Applegate Group presented a PowerPoint presentation titled, *Pueblo Dam Hydropower Feasibility Study Findings*, reviewing the following:

- Lease of Power Privilege
- Project Development Tasks
- Summary of Feasibility Results
- Feasibility Study

RECORD OF PROCEEDING

- Resource Assessment
- Sizing the Turbine Based on Flows
- Power Production
- Conceptual Design and Engineering
- Hydropower Plant's Effect on SDS Hydraulics
- Power House Location
- Project Site Overview
- Conceptual Cost Estimate
- Available Low-Interest Financing
- Energy Sales
- Cash Flow
- Comparing Options
- Partnerships Structure Alternatives
- Next Steps

Mr. Broderick reported that at the August 18, 2011 Board meeting, the Board voted to move forward with the hydropower issue. The District was approved for Colorado Water Resources and Power Development Authority grant in the amount of \$15,000 for the development of the hydropower at Pueblo Dam. Mr. Broderick said he has contacted potential partners for the right to develop hydropower at Pueblo Dam, and is sure there are others that would like to be a partner.

ACTION ITEMS:**MISCELLANEOUS REVENUE DISTRIBUTION**

Mr. Broderick reported Public Law 111-11, enacted on March 31, 2009, changed the crediting of Miscellaneous Revenues generated by the Project and allows these revenues to be credited towards payment of the actual costs of Ruedi Reservoir, the Fountain Valley Conduit, and the South Outlet Works at Pueblo Dam until construction of the Arkansas Valley Conduit.

Reclamation has not distributed Miscellaneous Revenues since January of 2010, pending determination of where to credit these revenues. Reclamation held two public listening sessions to receive input on how to apply Miscellaneous Revenues. One of these listening sessions was held in Pueblo, and the other in Glenwood Springs. At the listening sessions, Reclamation presented six possible alternatives as to how it could apply the Miscellaneous Revenues. Because Reclamation currently is holding Miscellaneous Revenues for 2010 and 2011, Reclamation wanted to determine how to credit the Miscellaneous Revenues prior to September 30, 2011. Due to the numerous factors that Reclamation appeared to be considering in crediting Miscellaneous Revenues, it became clear to Southeastern, the State of Colorado, the Colorado River Conservation District, the Board of Water Works of Pueblo, and the Fountain Valley Authority, (Parties) that it would be beneficial for the Parties to agree upon a way of crediting the Miscellaneous Revenues.

RECORD OF PROCEEDING

Following the listening sessions, representatives of the Parties met to discuss crediting of Miscellaneous Revenues. Because of the September 30, 2011 deadline, the Parties agreed upon a temporary solution that will enable Reclamation to distribute the Miscellaneous Revenues it is currently holding. The Parties also agreed upon a crediting formula for 2012 Miscellaneous Revenues. This temporary solution will allow all interested Parties time to meet and discuss a long-term solution.

The Parties agreed that the Miscellaneous Revenues for 2010 and 2011 be distributed to fully pay off the South Outlet Works. Any remaining funds should be credited to Project financial obligations of Ruedi Reservoir and the Fountain Valley Conduit based on the percentage of their unpaid debt. Miscellaneous Revenues for fiscal year 2012 should also be credited to those Project obligations based on the percentages of their unpaid debt.

There is no consensus at this time regarding a joint recommendation for application of Miscellaneous Revenues for 2013 and beyond. The Parties are committed to addressing collaboratively the two remaining projects' financial obligation and presenting a recommendation to Reclamation concerning future allocations of Miscellaneous Revenues before the end of the 2012 Federal fiscal year. The Parties believe it is worthwhile to continue discussions in an effort to resolve jointly questions and alternatives associated with repayment of Ruedi Reservoir, and that temporarily crediting Miscellaneous Revenues as discussed above will provide the time necessary to facilitate a solution and resolution of repayment of Ruedi Reservoir.

The Board members were provided a copy of a letter to Michael Connor, Commissioner of Reclamation, in reference to Public Law 111-11, Crediting of Excess Capacity Revenues.

Mr. Johnson moved, seconded by Mr. Howard Miller, the Board ratify the proposal for distribution and crediting of Miscellaneous Revenues as described in the September 5, 2011 letter to Mr. Michael L. Connor, Commissioner, U.S. Bureau of Reclamation. Motion unanimously carried.

HISTORIC PRESERVATION

Alix Joseph reported the July 2011 Resume of Water Applications for Water Division 2 contained notice of a National Register nomination for Fort Talpa/Farisita, which is located in Farisita, Colorado (northwest of Walsenburg). The proposal also includes 0.50 c.f.s. of water rights in the Montoya Ditch under priority #224 of the Atwood Decree in Water District 79. Such a listing could create a precedent for including water rights (in addition to structures) in a listing on the National Register of Historic Places ("National Register"). Listing water rights on the National Register is problematic for two reasons: (1) water rights are not a structure that is eligible for listing under the Historic Preservation Act; and (2) listing water rights on the National Register imposes certain limitations on the exercise of water rights that are contrary to Colorado law. Accordingly, legal counsel recommended the Board authorize legal counsel to file a comment letter prior to the Historic Preservation Review Board's consideration of this nomination on September 30, 2011, asking the Historic Preservation Review Board to remove the water rights from the National Register nomination. Mr. Howard Miller moved, seconded by Mrs. Yoxey, to approve legal counsel's recommendation. Motion unanimously carried.

RECORD OF PROCEEDING

MONTHLY REPORTS CONTINUED:

DIVISION ENGINEER'S REPORT

Steve Witte reviewed the Arkansas River Daily Report for September 14. The call is 4/15/1884 Fort Lyon and 1/29/1885 Buffalo. Mr. Witte also reported on his office's initial response to Fountain Creek flood event September 15, 2011.

Mr. Witte reported on a situation involving Mt. Pisgah Reservoir. He reported that during efforts to drain the reservoir for outlet repairs, the Army Corps of Engineers asserted authority under the Clean Water Act for the first time in this type of situation. His office has been working with the reservoir operator and the Corps to reach a resolution of the issue.

Mr. Witte reported that his office has completed reviewing the Lower Arkansas Valley Water Conservancy District's (LAVWCD) Rule 10 Plan submitted on April 1, 2011. There are 81 improvements covered by the LAVWCD Plan on 62 farms. The majority of those structures are under the Fort Lyon Canal, but structures under the Bessemer, Catlin, Holbrook, Rocky Ford Highline, Rocky Ford, Consolidated, Fort Bent, Lamar, and Amity Canals are also included in the plan. Final approval was given August 31, 2011.

U.S. GEOLOGICAL SURVEY REPORT

David Mau presented a PowerPoint reviewing the following:

- NRCS Colorado Reservoir Storage Graph for end of August 2011
- Comparison of 2011 Year-to-Date Streamflow Volume to Historic Volumes
- Estimated Mean-Daily Salinity Concentrations (in mg/L) September 11, 2011
- Estimated Salinity Load (in tons) at Selected Monitoring Sites, January 1-September 11, 2011

President Long welcomed Mr. Mau, who is in charge in the interim, due to Mr. Edelman's retirement.

INFORMATIONAL ITEMS:

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

- Water Court Résumé

OTHER BUSINESS MATTERS:

President Long asked if there were any other matters to come before the meeting, and hearing none, adjourned the meeting at 12:05 p.m.

Respectfully submitted,

Toni Gonzales
Administrative Manager

Secretary

RECORD OF PROCEEDING


