

RECORD OF PROCEEDING

**SOUTHEASTERN COLORADO WATER
CONSERVANCY DISTRICT**

MINUTES

March 19, 2015

A regular meeting of the Board of Directors of the Southeastern Colorado Water Conservancy District (District) was held on Thursday, March 19, 2015 at 10:34 a.m. at the District office, 31717 United Avenue, Pueblo, Colorado.

President Long announced a quorum was present.

DIRECTORS PRESENT:

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

DIRECTOR(S) ABSENT AND EXCUSED:

Harold Miskel and Alan Hamel-Advisory Board Member

ENTERPRISE OFFICIALS PRESENT:

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

VISITORS PRESENT:

Chris Woodka, The Pueblo Chieftain; Tom Simpson, Aurora Water; Doug Fitzgerald, U.S. Congressman Scott Tipton's office; Dwight Gardner, U.S. Senator Michael Bennet's office; Roy Vaughan, U.S. Bureau of Reclamation; Steve Witte, Colorado Division of Water Resources-Division 2; Kurt Thompson; Bob Hartzman, City of Canon City Water; David Mau and Rodger Ortiz, U.S. Geological Survey; Kevin Niles, AGUA; Jim Baldwin, Otero County; Terry Scanga, Upper Arkansas Water Conservancy District; Mike Weber, Colorado Water Protective Development Association; Jerry Edwards, Bohannon Huston, Inc.; Scott Lorenz, Colorado Springs Utilities; Terry Book, Board of Water Works of Pueblo.

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 February 15, 2015 Board meeting were posted to the Board website for review, and if there were any corrections or additions. Hearing none, Mr. Howard “Bub” Miller moved, seconded by Mr. Bostrom, to approve the minutes. Motion unanimously carried.

FINANCE COMMITTEE REPORT:

Treasurer Nichols reported the financial statements for February 2015 were posted to the Board website for review. Ms. Nichols moved, seconded by Mr. Pruett, for acceptance of the February 2015 financial statements and payment of the March 2015 bills. Motion unanimously carried.

CONSENT ITEMS:

None

PRESENTATIONS:

None

ACTION ITEMS:

ADOPTION OF QUALIFIED RETIREMENT PLAN

Mr. Broderick reported a restatement of the District’s 401(a) Plan is required every six years. Resolution No. 2015-02D restates that the District’s 401(a) is a qualified plan.

Mr. Bostrom moved, seconded by Mr. Karney to approve Resolution No. 2015-02D, which adopts the District’s 401(a) Plan as a qualified retirement plan with the Department of the Treasury (section 401 of the Internal Revenue Code). Motion unanimously carried.

MONTHLY/QUARTERLY REPORTS:

U.S. BUREAU OF RECLAMATION REPORT

Roy Vaughan provided a PowerPoint presentation reviewing the following:

- As of March 15, 2015 there were 263,076 acre-feet stored in Pueblo Reservoir; 146,036 acre-feet of Project water; 52,637 acre-feet of Excess Capacity water; 62,701 acre-feet of Winter water.
- There is currently 110,913 acre-feet of Project space in Pueblo Reservoir and 57,640 acre-feet of space in Turquoise and Twin Lakes Reservoirs.
- Project Reservoirs: Turquoise 95%; Twin Lakes 106%; Pueblo 130%
- Arkansas River Basin Time Series Snowpack Summary March 18, 2015
- Upper Colorado River Basin Time Series Snowpack Summary March 18, 2015
- February 1, 2015 forecast for Project water 68,560 acre-feet

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DIVISION ENGINEER'S REPORT

Steve Witte reported on the following:

- River and Reservoir Report
 - Reference Arkansas River Daily Report. River Call is
 - 3/1/1887 Fort Lyon
 - 5/31/1949 Compact Call
 - <http://www.dwr.state.co.us/div2/aras/arascal.asp>
- Current River/Res. Operations
 - Winter Water Storage status as of March 15, 2015=129,359 acre-feet (af) or 129 percent last year and 96.8 percent of 20 year average.
 - John Martin Storage status as of March 15, 2015 = 191 percent of last year but only 73.4 percent of 1950-1975 average.
 - (1) Expect to remain in Compact Storage until at least April 1, 2015.
 - Colorado Springs Utilities Leases
 - 2,000 af to LAWMA for delivery to the Downstream Consumable sub-account within the Offset Account in John Martin.
 - 2,000 af to Colorado Parks and Wildlife for delivery to the Permanent Pool in John Martin.
 - Board of Water Works of Pueblo lease of 1,000 af to Colorado Park and Wildlife will also be delivered to Permanent Pool in John Martin. The release of all 5,000 af will begin March 20, 2015 in the morning.
- Compact Issues
 - Began storing inflow to John Martin on November 1, 2014.
 - Division Engineer's Office is currently in the process of compiling 2014 update input data sets for HI model Compact Compliance run.
- Miscellaneous
 - 14 Replacement Plans will be reviewed in March.
 - Rule 8 Compact Compliance Plan approved for Aurora Water's Arkansas Valley Range Project revegetation efforts on 900 acres using fully consumable water from 99CW169(A) case approved March 14, 2015.
 - Rule 10 Compact Compliance Plans will be reviewed in April.
 - Results of Pond Study continue to be considered.
 - HB-1248 Pilot Program given approval to operate on March 13, 2015.

U.S. GEOLOGICAL SURVEY REPORT

Rodger Ortiz reported that David Mau will assist with the transition period. Bill Banks, the Office Chief in Maryland will begin in the Pueblo office on June 1, 2015.

STATE LEGISLATION UPDATE

Lee Miller reported the General Assembly is more than half way through the 2015 session. The Colorado Constitution limits the length of regular legislative session to no more than 120 consecutive

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calendar days. The last day upon which the General Assembly may adjourn sine die is May 6, 2015. The General Assembly may adjourn earlier than that date, but not later than May 6, 2015.

The District participates in the Colorado Water Congress State Affairs Committee (Committee). A status sheet of bills of interest to the Committee was provided to the Board members. Some bills of particular interest to the District:

- **SB15-121**, eligibility of non-governmental water providers for financing provided by the Colorado Water Resources and Power Development Authority, sponsored by Senator Crowder. This bill specifies that the drinking water revolving fund may be used to provide financial assistance to private, nonprofit entities and clarifies that public water systems may be owned or operated by private, nonprofit entities. This bill addresses some of the financing hurdles faced earlier by Arkansas Valley Conduit participants, where the water system was not owned and managed by a governmental entity. This bill passed the Senate on March 3, 2015 and is scheduled for a hearing in the House Committee on Agriculture, Livestock, and Natural Resources on March 16, 2015.
- **HB15-1038**, concerning flexible water markets, sponsored by Representative Arndt, passed the full House on February 10, 2015. Once introduced in the Senate, the bill was sent to the Agriculture, Natural Resources and Energy Committee, where it was postponed indefinitely, ending the bill's consideration for 2015.
- **SB15-198**, introduced by Senator Crowder and Representative Vigil seeks to expand the program for pilots to test rotational crop fallowing to municipal lease arrangements authorized by the General Assembly only a couple of years ago (HB13-1248) and underwent an extensive process in developing guidelines for the approval of such pilots by the Colorado Water Conservation Board (CWCB). The bill seeks to accomplish two things. First, it seeks reduction in the statutory comment period from the just enacted 75 days to 60 days. Second, the bill seeks to expand the purposes of such pilots from the agriculture to municipal arrangement to authorize industrial, recreational, environmental or farm-to-farm arrangements. The bill is assigned to the Senate Agriculture, Natural Resources and Energy Committee and is scheduled for hearing on March 12.
- **HB15-1222**, the newest version of the agricultural efficiency bill, sponsored by Representative Becker has been introduced and assigned to House Agriculture, Livestock & Natural Resources. The bill authorizes the CWCB to select the sponsors of up to 12 pilot projects for the CWCB's acquisition of water efficiency savings for instream flow use without the need for a water court-decreed change of water right. The CWCB may approve up to 5 pilot projects in any one water division, but only in divisions 4, 5, 6, and 7. In order to be able to collect sufficient data, each project should operate for at least 10 years. The CWCB cannot accept an application for a pilot project after July 1, 2020. Each pilot project must cease operations within 10 years after its approval and after the conclusion of any water court appeals; except that if no claim of injury due to the operation of a pilot project has been filed or if all such claims have been resolved to the satisfaction of the party who filed the claim, the board may extend the operation of the pilot project for up to an additional 15 years. The board will establish criteria and guidelines for the pilot projects. The bill specifies procedures for the CWCB's consideration of pilot project

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applications, including ways to resolve claims of injury to other water rights through the imposition of terms and conditions to prevent injury. The amount of water efficiency savings acquired by the CWCB cannot be more than the minimum amount necessary to preserve the natural environment to a reasonable degree. A party can appeal the CWCB's determination with the appropriate water judge within 35 days after the CWCB's decision has been mailed to the appropriate water clerk. A party may also file comments with the CWCB by January 1 of the year following each year that a pilot project is operated concerning potential injury to such party's water rights due to the operation of the pilot project, in which case the original procedural safeguards must again be followed. By December 31, 2025, the CWCB will file a report with the general assembly that evaluates and makes recommendations regarding the pilot projects' operation. The bill passed the House Committee on Agriculture, Livestock, and Natural Resources on March 9, 2015.

Lee Miller also reviewed HB15-1278, Use Ag Water Rights to Cultivate Marijuana; and HB15-1259, Residential Precipitation Collection Rain Barrels.

INFORMATIONAL ITEMS:

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

- Water Court Resume
- NWRA Federal Water Issues Conference – April 12-15-Washington, DC
- Colorado Rural Water Association Annual Conference – April 13-15-Denver
- Arkansas River Basin Water Forum –April 22-23-Pueblo

Mr. Broderick said all Board members were sent an invitation to attend a dinner on April 21, 2015, which is part of the Arkansas River Basin Water Forum. He asked that those attending the dinner to please RSVP to Jean Van Pelt.

Mr. Broderick announced the District will host a retirement luncheon for Bob Hamilton at the conclusion of the March Board meeting.

President Long asked if there were any other matters to come before the meeting, and hearing none, adjourned the meeting at 11:28 a.m.

Respectfully submitted,

Toni Gonzales
Administrative Manager

Secretary

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