

RECORD OF PROCEEDING

**SOUTHEASTERN COLORADO WATER
CONSERVANCY DISTRICT**

MINUTES

May 16, 2019

A regular meeting of the Board of Directors of the Southeastern Colorado Water Conservancy District (District) was held on Thursday, May 16, 2019 at 9:39 a.m. at the District office, 31717 United Avenue, Pueblo, Colorado.

President Long announced a quorum was present.

DIRECTORS PRESENT:

Bill Long	Curtis Mitchell	Ann Nichols
Carl McClure	Tom Goodwin	Alan Hamel
Seth Clayton	Mark Pifher	Kevin Karney
Andy Colosimo	Patrick Garcia	Howard "Bub" Miller
Greg Felt	Dallas May (arrived at 9:54 a.m.)	

DIRECTOR(S) ABSENT AND EXCUSED:

None

DISTRICT OFFICIALS PRESENT:

Executive Director James Broderick; General Counsel Lee Miller; Administrative Manager Toni Gonzales; Principal Engineer Kevin Meador; Water Resources Engineer Garrett Markus; Senior Policy and Issues Manager Chris Woodka; Finance Manager Leann Noga; and Federal Lobbyist Christine Arbogast.

VISITORS PRESENT:

Doug Fitzgerald, U.S. Congressman Scott Tipton's office; Cathy Garcia, U.S. Senator Cory Gardner's office; Roy Vaughan, U.S. Bureau of Reclamation; Judy Leonard and Jim Quam, Pueblo West Metropolitan District; Bill Tyner, Colorado Division of Water Resources; Krystal Brown, U.S. Geological Survey; Brett Gracely, Matrix Design Group; Jenny Bishop and Earl Wilkinson, Colorado Springs Utilities; Kevin Niles, Arkansas Groundwater Users Association; Jerry Peña, GEI Consultants; Rick Kienitz, Aurora Water; and Roy Heald, Security Water District and Fountain Valley Authority.

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

APPROVAL OF MINUTES:

President Long said the minutes of the April 18, 2019 Board meeting were posted to the Board website for review, and asked if there were any corrections or additions. Hearing none, Mr. Howard “Bub” Miller moved, seconded by Mr. Colosimo, to approve the minutes. Motion unanimously carried.

FINANCE COMMITTEE REPORT:

Treasurer Nichols reported the financial statements for April 2019 were posted to the Board website for review. Treasurer Nichols moved, seconded by Mr. Clayton, for acceptance of the April 2019 financial statements and payment of the May 2019 bills. Motion unanimously carried.

CONSENT ITEMS:

None

PRESENTATIONS:

FINANCIAL STRATEGY AND SUSTAINABILITY STUDY

Leann Noga presented a PowerPoint reviewing the following:

- Workshop 1: Preparing Long-Term Financial Planning
- Workshop 1: Summary
- Workshop 2; Establishing Appropriate Reserves
- Where to Find Information on District Website
 - <https://secwcd.org/content/finance-strategy-and-sustainability-study>

The next Executive Committee meeting will be held May 23, 2019

ACTION ITEMS:

ELECTION OF OFFICERS

Alan Hamel made a motion to nominate the following:

- President – Bill Long
- Vice President – Curtis Mitchell
- Secretary – Seth Clayton
- Treasurer – Ann Nichols

Mr. Karney seconded the motion. Motion unanimously carried

Mr. Hamel moved, seconded by Mr. Clayton, to reappoint Mr. Broderick to serve as Assistant Secretary-Treasurer. Motion unanimously carried.

MONTHLY/QUARTERLY REPORTS:

U.S. BUREAU OF RECLAMATION REPORT

Roy Vaughan presented a PowerPoint presentation reviewing the following:

- As of May 13, 2019 there were 235,526 acre-feet stored in Pueblo Reservoir; 125,297 acre-feet of Project water; 38,381 acre-feet of Excess Capacity water; 28,912 acre-feet of Winter water

RECORD OF PROCEEDING

- There is currently 118,152 acre-feet of Project space in Pueblo Reservoir and 80,400 acre-feet of space in Turquoise and Twin Lakes Reservoirs
- Project Reservoirs: Turquoise 75%; Twin Lakes 90%; Pueblo 114%
- Total M&I Project water in the System
- Colorado SNOTEL Snow Water Equivalent (SWE) Update Map with Site Data Current as of May 14, 2019
- Upper Colorado River Basin Snow Water Equivalent (Se) Summary Current as of May 14, 2019
- Arkansas River Basin Snow Water Equivalent (SWE) Summary Current as of May 14, 2019
- Colorado River Basin Time Series Snowpack Summary-May. 14, 2019
- Arkansas River Basin Time Series Snowpack Summary-May 14, 2019
- Forecast: February 1 70,600 af; March 1 67,900 af; April 1 91,500 af; May 1 84,000 af
- One Month Outlook Precipitation Probability
- Three Month Outlook Precipitation Probability
- U.S. Drought Monitor WEST – May 14, 2019
- U.S. Drought Monitor Colorado – May 14, 2019
- SWE vs Space Avail for Imports
- Upper Colorado River Basin Snow Water Equivalent (SWE) Summary Current as of May 14, 2019

Mr. Vaughan reported the collection system is open and diversions have begun. Mt. Elbert Conduit is currently off. Reclamation is currently not releasing any Project water from Twin Lakes Reservoir, and plans on moving an additional 9,000 acre-feet from the upper reservoirs to Pueblo. Movement of water will be adjusted according to the forecast and customer needs.

Discussion was had on the issue of being prepared for the abundance of water that may be coming.

DIVISION ENGINEER'S REPORT

Bill Tyner presented a PowerPoint reviewing the following:

- Trends in Snowpack Peak/Runoff Peak
- Snow Water Equivalent Timing
- Snow Water Equivalent Value
- Peak Runoff Timing Portland
- Peak Runoff Value Portland

U.S. GEOLOGICAL SURVEY REPORT

Krystal Brown presented a PowerPoint titled, *USGS Update*, reviewing the following:

- Water Supply Forecast-Lower Arkansas Basin in Colorado Water Supply – April thru September, 2018
- Daily Average Discharge Arkansas River Near Avondale
- Daily Average Discharge Arkansas River at Las Animas
- Daily Average Discharge Purgatoire River at Las Animas

RECORD OF PROCEEDING

- USGS Streamgages Purgatoire River
- USGS Colorado Real-Time Precipitation Network
- Instantaneous Discharge Purgatoire River Below Trinidad Reservoir
- Instantaneous Discharge Purgatoire River at Las Animas

STATE LEGISLATION UPDATE

Lee Miller reported the General Assembly has adjourned. Absent a special session this summer or fall, legislators are gone from the Capitol until January 8, 2020. Highlighted are the final disposition of the bills of interest as of the adjournment. Governor Polis has until June 2, 2019 to act on bills that reach his desk following adjournment.

- **HB19-1279:** This bill prohibits the use of class B firefighting foam that contains intentionally added perfluoroalkyl and polyfluoroalkyl substances (PFAS foam) for training purposes and creates a civil penalty for doing so. PFAS chemicals do not break down in the environment and are toxic to people and wildlife at very low levels, causing a variety of serious health effects. These substances are not regulated at the federal or state level. Their use as Class B firefighting foam at Petersen Air Force Base has contaminated groundwater supplies for the communities of Fountain, Weld and Security. The bill passed both Houses with some technical amendments and awaits action by the Governor.
- **SB19-212:** Governor Hickenlooper had requested \$30 million for implementation of the State Water Plan covering a three-year period. Due to a reduced economic forecast, the JBC provided \$10 million funding from the General Fund for the current year. The money is divided into a grant program to be administered by CWCB of \$8.3 million and \$1.7 million to the department for use by the board for stakeholder outreach and technical analysis to develop a water resources demand management program. This bill has been enacted into law.
- **SB19-220:** In 2018, the federal government enacted the "Agricultural Improvement Act of 2018" (2018 Farm Bill), which removed hemp from schedule I of the federal "Controlled Substances Act". The 2018 Farm Bill requires the United States Department of Agriculture (USDA) to develop a plan for the regulation of hemp and authorizes each state to seek approval from the USDA to have primary regulatory authority over hemp production within the state by preparing and submitting a state plan of regulation to the secretary of the USDA. This bill updates the laws governing Colorado's industrial hemp regulatory program to align with the federal act and to put the Colorado Department of Agriculture in a position to prepare and submit a state plan to the USDA. This bill is awaiting action by the Governor.
- **HB19-1327:** The bill decriminalizes sports betting in Colorado, effective May 1, 2020, under the following conditions:
 - The collection of a tax on the net proceeds of sports betting must be approved by the registered electors of Colorado at the November 2019 general election;
 - Sports betting will be regulated by the department of revenue, subject to supervision by the existing limited gaming control commission;

RECORD OF PROCEEDING

- A limited number of licenses will be issued. Persons or entities currently licensed to conduct limited gaming (i.e., the owners of casinos in Central City, Black Hawk, and Cripple Creek) are the only persons or entities eligible to hold a "master license" to conduct sports betting upon paying a license fee and submitting to background checks. A master license entitles the licensee to contract with a licensed "sports betting operator" or a licensed "internet sports betting operator", or both, for the operation of sports betting.
- The conduct of sports betting in Central City, Black Hawk, and Cripple Creek is further conditioned on approval by the voters of each city in a local election to be held concurrently with the statewide election in November 2019; and
- The state will collect a tax of 10 percent on the net proceeds of sports betting activity to fund implementation of the state water plan and other public purposes. Of the total amount of tax collected, after first repaying the general fund appropriation for startup and initial operating costs, 6% is set aside annually to compensate the beneficiaries of revenues generated by limited gaming and other wagering activities for any losses attributable to competition from sports betting.

This bill also awaits action by the Governor.

Lee Miller reported HB19-1087, regarding posting requirements for posting notice of Board meetings, will result in an amendment to our resolution regarding A Resolution Relating to the Compliance by the Southeastern Colorado Water Conservancy District with the Colorado Open Meeting Law. After the review of the bill, the amendment to the resolution will be prepared.

Once the Governor has taken all final actions, we will provide a final update on bills from this session.

With the session complete, focus turns to the Water Resources Review Committee (WRRC). This year, the chairman will be Senate Kerry Donovan. The vice chairman will be Rep. Dylan Roberts. The full membership of the WRRC has not been named. WRRC Senators include: Jeff Bridges, Don Coram, Jessie Danielson, and Jerry Sonnenberg. WRRC Representatives include: Jeni James Arndt, Marc Catlin, Barbara McLachlan, and Lori Saine. The current WRRC schedule is as follows:

- August 21, 2019, at the Colorado Water Congress summer meeting in Steamboat Springs
- September 11-12, 2019, at the State Capitol
- September 23-24, 2019, at the State Capitol

COLORADO RIVER ISSUES STATUS

Lee Miller said as reported at the last Board meeting, President Trump signed the Colorado River Drought Contingency Plan (DCP) legislation on April 15, 2019. On that same day, the Imperial Irrigation District (IID) sued the other California signatories to the DCP for violations of the California Environmental Quality Act (CEQA), the California version of the National Environmental Policy Act

RECORD OF PROCEEDING

(NEPA). We understand that the IID complaint has not been formally served on the defendants. Without service, this lawsuit cannot begin to be considered by the court.

With the federal legislation in place, the next step is for the states to sign the DCP agreements. A signing ceremony has been scheduled for May 20, 2019, at Hoover Dam. It would not be surprising for IID to attempt service just prior to this signing ceremony, or to take some injunctive action to stop the California representative from signing.

Both the State of Colorado and the Upper Colorado River Commission (UCRC) have begun steps necessary to implement the Demand Management Program (DMP). The CWCB approved the “2019 Work Plan for Intrastate Demand Management Feasibility Investigations,” at the March 21, 2019 CWCB meeting. One element of the Work Plan is the formation of work groups to evaluate issues related to the feasibility of a potential demand management program within Colorado. Since the March meeting, staff has provided notice on the CWCB website of a two-week window in which parties could indicate their interest in serving on one of these workgroups. Interest in participation has been high, and the Project Management team has worked to designate work group members to an effective and efficient number based on their subject matter expertise on particular elements of the demand management investigation and a demonstrated commitment to explore issues and potential workable solutions to the benefit of the state. We do not have any information on the makeup of the work groups, or Lee Miller’s or Chris Woodka’s applications to participate. This work will focus on demand management considerations within Colorado in addition to outreach and workshops activities in which the CWCB staff can inform and receive feedback on demand management considerations from interested water users and stakeholders throughout the state. It will continue on a parallel track with interstate efforts led by the UCRC. The CWCB is scheduled to hear an update on May 15, 2019, at its meeting in Gunnison.

The midyear UCRC work and regular meetings will be held on Thursday, June 27 and Friday, June 28, 2019, respectively, at the Keystone Resort and Conference Center in Keystone, CO. Lee Miller will attend the meetings as an advisor to the Colorado Commissioner. The regular meeting on Friday is open to the public. No agendas have been provided as of this date.

INFORMATIONAL ITEMS:

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

- Water Court Resume
- Special Water Counsel Legal Report
- Committee Appointments
- NWRA Western Water Seminar
- Colorado Water Congress Summer Conference

SECWCD
May 16, 2019
7

RECORD OF PROCEEDING

President Long asked if there were any other matters to come before the meeting, and hearing none, adjourned the meeting at 10:50 a.m.

Respectfully submitted,

Toni Gonzales
Administrative Manager

Assistant Secretary

