

RECORD OF PROCEEDING

**SOUTHEASTERN COLORADO WATER
CONSERVANCY DISTRICT**

MINUTES

April 19, 2018

A regular meeting of the Board of Directors of the Southeastern Colorado Water Conservancy District (District) was held on Thursday, April 19, 2018 at 9:35 a.m. at the District office, 31717 United Avenue, Pueblo, Colorado.

President Long announced a quorum was present.

DIRECTORS PRESENT:

Bill Long	Ann Nichols	Curtis Mitchell
Gibson Hazard	Kevin Karney	Carl McClure
Howard "Bub" Miller	Dallas May	Greg Felt
Mark Pifher	Alan Hamel	Seth Clayton
Andy Colosimo	Patrick Garcia	

DIRECTOR(S) ABSENT AND EXCUSED:

Tom Goodwin

DISTRICT OFFICIALS PRESENT:

Executive Director James Broderick; General Counsel Lee Miller; Administrative Manager Toni Gonzales; Water Resources Engineer Garrett Markus; Issues Management Program Coordinator Chris Woodka; Finance Manager Leann Noga; Special Water Counsel, Steve Leonhardt and Morgan Figuers; and Federal Lobbyist Christine Arbogast.

VISITORS PRESENT:

Roy Vaughan, Bureau of Reclamation-Pueblo Office; Scott Lorenz and Abby Ortega, Colorado Springs-Utilities; Mitch Downs and Hillary Carlosn, Osborne, Parsons & Rosacker, LLP; Doug Fitzgerald, U.S. Congressman Scott Tipton's office; Cathy Garcia, U.S. Senator Cory Gardner's office; Dwight Gardner, U.S. Senator Michael Bennet's office; Jerry Peña, GEI Consultants; Scott Eilert and Judy Leonard, Pueblo West Metropolitan District; Tom Simpson, Aurora Water; Bill Banks, U.S. Geological Survey; Brandon Bernard, Widefield; Kortney Kelly, Fountain Valley Authority; Curt Thompson, AECOM; and Erin Wilson, Wilson Water Group.

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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ACTION ITEMS:

SWEARING IN OF APPOINTED BOARD MEMBERS

Lee Miller said he had received a Court Order appointing Bill Long, Ann Nichols, Curtis Mitchell, and Alan Hamel to four-year terms on the District Board. Mr. Patrick Garcia was appointed to fill the vacancy resulting from the resignation of Vera Ortegón. Mr. Garcia's term will expire April 16, 2020. He asked that Mr. Long, Mr. Mitchell, Ms. Nichols, Mr. Garcia and Mr. Hamel, stand and repeat the oath. After reading the oath, the appointed Board members were asked to sign the oath, for filing with the court. Mr. Thomas Goodwin was not present.

President Long welcomed Mr. Garcia and congratulated the reappointed members.

APPROVAL OF MINUTES:

President Long said the minutes of the March 15, 2018 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. Felt, to approve the minutes. Motion unanimously carried.

FINANCE COMMITTEE REPORT:

Treasurer Nichols reported the financial statements for March were posted to the Board website for review. Ms. Nichols moved, seconded by Mr. Clayton, for acceptance of the March financial statements and payment of the April 2018 bills. Motion unanimously carried.

CONSENT ITEMS:

None

PRESENTATIONS:

2017 ANNUAL AUDIT

President Long convened the Enterprise Board meeting to order at 9:40 a.m. to be held in conjunction with the District Board meeting to present the 2017 Annual Audit presentation.

Treasurer Nichols introduced Mitchell Downs and Hillary Carlson, from Osborne, Parsons & Rosacker, LLP, who represent the firm that conducted the 2017 audit. Mr. Downs read the Independent Auditor's Report. Treasurer Nichols recognized the work of Leann Noga and the staff with assisting the auditors with the audit process. Leann Noga gave a special thank you to Stephanie Shipley, for the great work she did in the process.

ACTION ITEMS-CONTINUED:

APPROVAL OF 2017 ANNUAL AUDIT

Treasurer Nichols moved, seconded by Mr. Clayton, the audit of the 2017 finance statements of the Enterprise be approved as presented. Motion unanimously carried.

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APPROVAL OF 2017 FINANCIAL STATEMENTS

Treasurer Nichols moved, seconded by Mr. Clayton, that the 2017 finance statements of the Enterprise be approved as audited. Motion unanimously carried.

President Long recessed the Enterprise meeting at 9:50 a.m.

PRESENTATIONS-CONTINUED:

VOLUNTARY FLOW MANAGEMENT PROGRAM

Bob Hamel reported the Colorado Department of Natural Resources (CDNR) on behalf of the Division of Wildlife (DOW), and the Division of Parks and Outdoor Recreation (DPOR), now Colorado Parks and Wildlife or CPW, has made annual recommendations, with annual concurrence and implementation by Reclamation and the Southeastern Colorado Water Conservancy District (District), for operation of a Voluntary Flow Management Program (VFMP). An integral part of the VFMP is the method in which Reclamation operates Twin Lakes and Turquoise Reservoirs to manage flows in the Arkansas River above Pueblo Reservoir. The flows are managed to benefit recreational and fishery purposes while fully satisfying the primary purposes of the Fryingpan-Arkansas Project (Project) and other contractual obligations, pursuant to its recommendations made by the CDNR in consultation with the District. The District participates in the VFMP as the holder of the decreed water rights for Project water. Mr. Hamel thanked the District for the continued support of the VFMP.

COMMUNITY OUTREACH PUBLICATION

Mr. Woodka reported the two publications which look at the people and purposes of the Fryingpan-Arkansas Project (Project) and Southeastern Colorado Water Conservancy District (District) are now printed and ready for distribution.

“Keeping the Promise” is meant as a report to the community about past accomplishments, current operations, and future goals of the Project and District. These were prepared in response to the Board’s September 21, 2017, meeting as part of a communication plan to talk to District stakeholders.

Each “Keeping the Promise” publication is geared toward one of the nine counties within the District to show direct past or future benefits those counties will receive. Board members made several suggestions for changes to the first drafts, and these have been incorporated in the final publication.

The next step in the “Keeping the Promise” program will be to schedule public meetings in each of the counties to explain how the District will proceed with negotiations of its Repayment Contract with Reclamation.

The “Legacy of Service” publication is intended for distribution during 2018 as a way to celebrate the service of people who have provided leadership for the District, and the Arkansas River basin, over the past 60 years.

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“Legacy of Service” provides biographical sketches of water leaders who were honored with the “Wayne N. Aspinall Water Leader of the Year” award, sponsored by the Colorado Water Congress; who served on the Colorado Water Conservation Board; who served on the Colorado Water Resources and Power Development Board; every District Board member for the past 60 years; and all of the winners of the “Bob Appel Friend of the Arkansas” award, which is given annually by the Arkansas River Basin Water Forum.

The publications are intended as an educational program during the District’s 60th anniversary year, and as a way of memorializing individual contributions for future generations.

ACTION ITEMS-CONTINUED:**EXECUTIVE DIRECTOR’S EVALUATION**

President Long reported the Human Resources (HR) Committee evaluates the executive director’s performance. President Long reviews the evaluations submitted by the HR Committee members, and recommends an amount to be awarded, if any, to the HR Committee for recommendation to the Board.

The HR Committee met on March 15, 2018 and discussed Mr. Broderick’s annual performance review. During Executive Session, Mr. Broderick’s performance was evaluated by the HR Committee. It is recommended that based on Mr. Broderick’s excellent performance for the following:

- Hydroelectric Project-Maximizing the Fry-Ark Project to the benefit of the District.
- AVC – Continued creativity for a challenging project.
- Budget Book – Exceptional document that is very informative.
- Staff Development – He is getting the best out of a great staff.
- Contract and AVC negotiations – a vision and planning for the future.
- Water Rate Study – Maintaining the financial health of the District.

The HR Committee recommends to the Board, that a two percent (2%) increase be retroactive to January 2018.

Mr. Hamel moved, seconded by Mr. Hazard, to approve a two percent (2%) increase to be retroactive to January 2018 for the executive director. Motion unanimously carried.

APPROVAL OF STIPULATION IN SOUTHEASTERN’S DIVISION 2 CHANGE CASE (CASE NO. 16CW3076)

Mr. Leonhardt reported the Board directed Special Water Counsel to file the Application in this case on October 20, 2016, through Resolution No. 2016-02D. The Board has authorized stipulations with five of the eleven opposers in Case No. 16CW3076: Pueblo Board of Water Works (Pueblo Water), District 67 Irrigation Canals Association (District 67), and The Amity Mutual Irrigation Company (Amity) on July 20, 2017, and with Tri-State Generation and Transmission Association, Inc. (Tri-State) and Penrose Water District (Penrose) on January 18, 2018. Legal counsel provided the Board a confidential Executive Session memorandum on this case in November 2017.

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The District's remaining conditional Fryingpan-Arkansas Project (Project) Water rights in Water Division 2, on the East Slope, include six rights related to the Project's unbuilt Arkansas Power Canal System (APCS): Malta Canal, Otero Conduit, Otero-Wapaco A, Otero-Wapaco B, Wapaco Diversion, and Chalk Creek Diversion (collectively, "APCS Rights").

With the Board's authorization through Resolution No. 2016-02D, Special Water Counsel filed a Change Application on November 23, 2016 (Case No. 16CW3076) to change the District's APCS Rights to allow diversion and storage of those water rights at Pueblo Reservoir, to allow diversion and storage of the Otero-Wapaco A right in Clear Creek Reservoir, and to correct three legal descriptions, and filed a Diligence Application on November 29, 2016 (Case No. 16CW3079).

The District's objectives in Case No. 16CW3076 are to (1) change the point of diversion for the District's APCS Rights to Pueblo Reservoir, and for the Otero-Wapaco Subsection A right, to Pueblo Reservoir and Clear Creek Reservoir; (2) obtain a decree that allows storage of the APCS Rights in Pueblo Reservoir (including future enlargement space), and for the Otero-Wapaco Subsection A right, in Pueblo Reservoir and Clear Creek Reservoir; and (3) correct the errors in some previously decreed legal descriptions.

There are eleven opposers in Case No. 16CW3076. Five have stipulated. (Pueblo Water stipulated to a proposed decree dated June 12, 2017; District 67 and Amity stipulated to a proposed decree dated June 13, 2017; Penrose stipulated to the proposed decree dated October 11, 2017; Tri-State stipulated to a proposed decree dated December 28, 2017.)

Aurora will stipulate to the proposed decree dated March 22, 2018. This proposed decree includes procedural updates now that the Water Referee has referred the case to the Water Judge. These updates do not affect the District's objectives. The proposed decree otherwise contains the same conditions that the District recently stipulated to with Tri-State and Penrose. Thus, the March 22, 2018 proposed decree satisfies the District's objectives, consistent with the previously approved stipulations. Attachment 2 to this Action Item is a proposed decree showing the changes from the December 28, 2017 proposed decree. If the Board approves the stipulation with Aurora, five opposing parties will remain in Case No. 16CW3076: Colorado Springs Utilities (CS-U), Public Service Company (PSCo), Colorado Water Conservation Board (CWCB), Lower Arkansas Water Management Association (LAWMA), and Pueblo West Metropolitan District.

Case Nos. 16CW3076 and 16CW3079 have been re-referred to the Water Judge. Counsel expects that the Water Judge will set trial dates in a status conference on May 18, 2018. The District's expert disclosures and report will be due approximately nine months prior to trial.

Mr. Hamel moved, seconded by Mr. Felt, to authorize Special Water Counsel to execute stipulation with the City of Aurora in the District's Change Case No. 16CW3076, consenting to entry of a decree that is no less restrictive on the District than the proposed decree dated March 22, 2018. Motion unanimously carried.

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MONTHLY/QUARTERLY REPORTS:

U.S. BUREAU OF RECLAMATION REPORT

Roy Vaughan provided a PowerPoint presentation reviewing the following:

- As of April 15, 2018 there were 241,748 acre-feet stored in Pueblo Reservoir; 135,715 acre-feet of Project water; 37,760 acre-feet of Excess Capacity water; 66,940 acre-feet of Winter water
- There is currently 109,658 acre-feet of Project space in Pueblo Reservoir and 40,852 acre-feet of space in Turquoise and Twin Lakes Reservoirs
- Charts illustrating storage amounts in Turquoise, Pueblo, and Twin Lakes
- Total M&I Project Water in the System
- Project Reservoirs: Turquoise 106%; Twin Lakes 110%; Pueblo 123%
- Arkansas River Basin Time Series Snowpack Summary April 18, 2018
- Upper Colorado River Basin Time Series Snowpack Summary April 18, 2018
- U.S. Drought Monitor COLORADO
- U.S. Drought Monitor WEST
- Upper Colorado River Basin Snow Water Equivalent (SWE) Summary Current as of April 18, 2018
- Arkansas River Basin Snow Water Equivalent (SWE) Summary Current as of April 18, 2018
- April 1 Forecast-40,800 Acre-Feet

Mr. Vaughan reported the collection system is being opened up and site setup continues. Mt. Elbert Conduit is currently off. At present Reclamation is moving 120 cfs. of Project water from Twin to Pueblo. Movement of water will be adjusted according to the forecast and customer needs.

DIVISION ENGINEER'S REPORT

None

U.S. GEOLOGICAL SURVEY

Bill Banks presented a PowerPoint titled, *USGS Update-Evaluation of Selected Water-Quality Issues*, reviewing the following:

- Discrete Specific Conductance Data
- Specific Conductance Relationship with Total Dissolved Solids
- Specific Conductance Relationship with Discharge
- Average Annual Streamflow (2000-2006)
- Average Annual Dissolved-Solids Loads (2000-2006)
- 2-Year Project Funded by Regional Resources Planning Group (RRPG)

STATE LEGISLATION UPDATE

Lee Miller reported the Southeastern Colorado Water Conservancy District (District) participates in the Colorado Water Congress State Affairs Committee, which generally meets on Monday mornings in Denver before the Legislature begins its work for the week..

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Among the bills the District is actively following is **SB18-038**, sponsored by Senator Donovan with Senator Coram and Representative Esgar with Representative Willett, concerning the use of reclaimed water to produce hemp passed Senate Agriculture, Natural Resources, and Energy with an amendment. The bill passed on second reading in the Senate on April 11, 2018, and is awaiting final action of the Senate, before beginning the legislative trek in the House.

As reported previously, Lee Miller has been actively participating in meetings convened by Northern Water to address issues related to Northern Water's mitigation requirements for permitting of its Northern Integrated Supply Project. The multiple meetings have involved more than 50 people representing water interests throughout the state, resulting in the introduction of **SB18-170**. Senator Jerry Sonnenberg introduced a predecessor bill, **SB17-282**, during the last session to address this problem, but that bill failed. This bill is designed to allow the use of certain stored water to satisfy mitigation requirements established by the State of Colorado. The stored water that could be applied to this use must be in a newly constructed reservoir or an existing reservoir that has been expanded. The bill sets forth the process and requirements for the water right owner to follow in order to be able to use the stored water for mitigation purposes. Once the applicant has secured the mitigation requirements, the applicant could make an application to the Colorado Water Conservation Board (CWCB) to establish the conditions under which the stored water could be released in the designated stream reach. The considerations for the CWCB are related to the amount of water to be released, the timing requirements associated with the release, and the termination point on the designated stream reach. Once those matters have been resolved, an application is to be made to the water court for approval and assurance that no other water users would be adversely affected by the release.

A key element of the concept is that the water to be released is considered to be an increment of water that travels along the stream in addition to the usual water that flows in the stream. This increment would be restricted from diversion by other water users, but the normal flow of water would remain available for diversion and use in conformance with existing water law and the doctrine of prior appropriation.

The District's main goal in working with Northern Water during the past session and these most recent meetings is to assure that the bill would not impact the Upper Arkansas Voluntary Flow Management Program (VFMP) and agreement that the District has been instrumental in effectuating since 1991. Lee Miller worked with lawyers from the River District and the environmental community to fashion the "savings clause" language that addresses the VFMP concern and similar concerns on the west slope. The bill has passed both the House and Senate, and was signed by the Governor on April 12, 2018.

Another bill of interest is **HB18-1008**, sponsored by Representative Esgar with Representative Arndt and Senator Donovan with Senator Coram, the "Mussel Free Colorado Act" would provide a partial solution to the funding problems of interdicting and eradicating the invasive aquatic nuisance Zebra mussels and quagga mussels. The bill proposes to levy a decal fee on motorboats and sail boats to raise an estimated \$2.3 million to combat the invasive species. For Colorado resident boaters, the fee would be \$25 and \$50 for non-resident boaters if the boat is to be in Colorado waters for more than 60

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consecutive days. The program would go into effect beginning on January 1, 2019. This bill passed the House Agriculture, Livestock and Natural Resources Committee, with amendments, on a 10-3 vote. The bill is awaiting action by the Governor.

A bill that would amend the Water Conservancy Act and the Water Activity Enterprise Act is **HB 18-1073**, sponsored by Representative Gray and Senator Gardner. The bill clarifies the contracting authority under the water conservancy district and water activity enterprise statutes. It adds the words “capacity in works” and uses broad language to allow the district board to set the security it will accept under the contract. The broad range of contract terms includes those found under the statutes governing municipal water and sewer contracts. The bill adds language to the water activity enterprise statute to expressly allow water districts and water activity enterprises to contract with other such entities. The reason for the bill is that the Northern Colorado Water Conservancy District (Northern) is developing the Northern Integrated Supply Project (NISP) on behalf of 15 project participants and the Municipal subdistrict of the Northern Colorado Water Conservancy District is developing the Windy Gap Firing Project on behalf of 12 project participants. Each project has formed a water activity enterprise under existing statute under which it will issue contracts to project participants. Northern believes it necessary to clarify and confirm in the Water Conservancy Act that both water supply and water capacity may be contracted for under the statute. While there is no harm to the District in adding this authority, because the District does not have its own facilities (Reclamation owns the facilities), it is unlikely to provide a benefit to the District at the current time. The House bill, as amended, passed second reading in the Senate without amendment on March 6, 2018. The Governor signed this bill into law on March 22, 2018.

A final bill the District is watching is **HB18-1151**, sponsored by Representative Arndt with Representative Catlin and Senator Crowder. This bill originated with the Lower Arkansas Valley Water Conservancy District and seeks to expand the types of programs that can be approved by the CWCB for inclusion in the crop fallowing pilot programs. The bill seeks to add deficit irrigation to the allowable projects. The bill defines “deficit irrigation” as using less than the optimal amount of water on a specific crop. The bill would also exclude the water use in such a deficit irrigation project from the calculation of historical consumptive use. The water generated from a deficit irrigation project could be used for lease. The bill has been amended to limit the applicability of the deficit irrigation program to Water Divisions 2, 3 and the boundaries of the Upper Gunnison River Water Conservancy District before passage in the House on March 6, 2018. The bill was postponed indefinitely by the Senate Committee on State, Veterans, and Military Affairs on March 20, 2018, effectively ending consideration of this bill for this legislative session. Representative Arndt, who will be chair of the Water Resources Review Committee (WRRC) during the interim session, has already indicated that this bill will be considered by the WRRC.

The Governor announced his appointments for the CWCB on April 11, 2018. For terms expiring February 12, 2021:

- Steven A. Anderson of Olathe, to serve as a representative of the Gunnison-Uncompahge drainage basin and as a Republican, appointed;

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- Curran A. Trick of Cowdrey, to serve as a representative of the North Platte drainage basin and as a Republican, appointed;
- James Thomas Yahn of Sterling, to serve as a representative of the South Platte drainage basin and as a Republican, reappointed.

The Governor did not appoint members for terms expiring in 2017, including the Arkansas River Basin, until after the legislative session last year. A hearing was held April 18, 2018 and the Senate confirmed all six appointments.

Lee Miller reported on the Central Arizona Project's recently posted and then withdrawn graphic on their website and the rapid response from the Upper Colorado River Commission (UCRC). Commissioners for the Upper Colorado River sent a letter on April 13, 2019, to Arizona Department of Water Resources Director Tom Buschatzke. In the letter, they specifically criticized a water management strategy of the Central Arizona Water Conservation District (CAWCD).

Lee Miller said that this is what the upper basin doesn't like: the CAWCD aims to keep Lake Mead at a so-called "sweet spot." If the level of the lake stays in that range, then under current agreements, more water comes down from Lake Powell. The Commissioners' letter expressed deep concern that CAWCD "intends to disregard the basin's dire situation at the expense of Lake Powell and all other basin states."

On April 16, 2018, Denver Water sent a letter stating that it is prepared to terminate funding of the system conservation pilot program unless the Central Arizona Water Conservancy District is able to verifiably establish it has ceased all actions to manipulate demands and is fully participating in aggressive conservation measures along with other entities in Arizona. On April 18, 2018, the Board of Water Works of Pueblo sent a letter to the UCRC rescinding its proposal to participate in the system conservation pilot program.

Representatives of CAWCD are scheduled to meet with the UCRC Commissioners on April 30, 2018 in Salt Lake City; Lee Miller plans to attend the UCRC work meeting.

EXECUTIVE SESSION:

Lee Miller said a request has been made for the Southeastern Colorado Water Conservancy District to enter Executive Session pursuant to:

- C.R.S. §24-6-402(4)(b): (Conferences with an attorney for the local public body for the purposes of receiving legal advice on specific legal questions)
- C.R.S. §24-6-402(4)(e): (Determining positions relative to matters that may be subject to negotiations; developing strategy for negotiations; and instructing negotiators)

The District has been asked to discuss the following matter:

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Diligence: District's Division 5 Conditional Water Rights

The presence of the following persons is requested at this Executive Session:

- Non-Excused Committee Members
- Executive Director
- General Counsel
- Special Water Counsel
- Engineering Consultant
- Water Resources Specialist/Engineer
- Issues Management Program Coordinator

Minutes will be electronically recorded as required by the Colorado Open Meetings Act.

Mr. Pifher moved, seconded by Mr. Hamel, to convene into Executive Session. Motion unanimously carried. The Board entered into Executive Session at 11:16 a.m., the District meeting was reconvened at 12:12 p.m.

REPORT OUT OF EXECUTIVE SESSION:

Lee Miller reported that the District Board received legal advice and provided instructions to the negotiators on the announced matters. The District Board has one action item as a result of the Executive Session.

ACTION ITEMS-CONTINUED:

DILIGENCE APPLICATION DISTRICT'S DIVISION 5 CONDITIONAL WTER RIGHTS

Mr. Leonhardt stated that the District holds decreed Fryingpan-Arkansas Project (Project) water rights on Colorado's West Slope. Although most of these water rights have been diverted and placed to beneficial use and have been decreed absolute, some remain conditional (Conditional Rights). The Project is authorized to divert a long-term average of 69,200 acre-feet from the West Slope through the water rights, but has not yet realized this yield.

The Conditional Rights are part of the Project's West Slope Collection System, which diverts water through the Boustead Tunnel across the Continental Divide for storage on the East Slope and use within the District. Most of the Conditional Rights are located on the Fryingpan River and its tributaries, and one on a tributary to Hunter Creek (all tributary to the Roaring Fork River). Conditional Rights are associated with both existing and unbuilt structures.

The District last filed for diligence on the Conditional Rights in 2009 in Case No. 09CW40, and it obtained a diligence decree on May 28, 2012. Pursuant to 09CW40 Decree, the District must file an application for diligence by May 31, 2018 to maintain the Conditional Rights. If the District does not file this application by the deadline, it will lose the Conditional Rights by default. Additionally, a stipulation in Case No.

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09CW40 between the District and the United States required the District to study its Conditional Rights and alternatives for realizing the Project's authorized yield, and to decide by May 2018 whether to request continuation of the Conditional Rights as decreed, changes in any of the conditionally decreed diversion points, or abandonment of any of the decreed conditional rights.

The District hired Wilson Water Group to perform the study required by the stipulation with the United States in Case No. 09CW40. Based on the study, Wilson Water Group recommends filing for diligence on the Conditional Rights. Continuing diligence on the remaining Conditional Rights will allow the District and the U.S. Bureau of Reclamation to continue to work toward obtaining the Project's full, authorized diversions from the West Slope. The Project may divert an average of 69,200 acre-feet/year from the West Slope, or up to 120,000 acre-feet in any given year as long as the diversions do not exceed an aggregate of 2,352,800 acre-feet in any period of thirty-four (34) consecutive years. These amounts were approved and authorized through the Project's Operating Principles, federal authorizing legislation, and Water Court decrees.

Wilson Water Group also recommends applying to make an additional one (1) cfs and five (5) cfs absolute for two Conditional Rights based on diversion records from 2010. The diversion records show that the Project diverted at rates up to 86 cfs (an additional one (1) cfs beyond the current absolute amount) from the No Name Creek diversion in the Hunter Creek Subsystem, and at least 400 cfs (an additional five (5) cfs beyond the current absolute amount) from the Fryingspan River and Marten Creek diversion in the Fryingspan River Subsystem. The District used these additional diversions for Project purposes.

Thus, the Committee, General and Special Water Counsel and District staff recommend filing for diligence on all of the Conditional Rights to continue those rights as decreed, and applying to make absolute an additional one (1) cfs from the No Name Creek diversion and an additional five (5) cfs from the Fryingspan River and Marten Creek diversion.

The Committee also recommends that the Board adopt a resolution, and authorize Special Water Counsel to file the application for diligence in May 2018. Adopting a resolution will confirm the District's continuing intent to maintain and develop the remaining Conditional Rights for the Project and to fully utilize the Project's West Slope Collection System to the extent allowed by the Project authorization and the District's decreed rights.

Mr. Pifher moved, seconded by Mr. Clayton, the Board adopt Resolution No. 2018-02D, and authorize Special Water Counsel to:

- (1) File an Application for Diligence with the Water Court during May 2018 to maintain all of the District's remaining conditional water rights decreed in Water Division 5; and
- (2) Include in the Application for Diligence a claim to make an additional one (1) cfs absolute from the No Name Creek diversion, and an additional five (5) cfs absolute from the Fryingspan River and Marten Creek diversion.

Motion unanimously carried.

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INFORMATIONAL ITEMS:

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

- Water Court Resume
- Bureau of Reclamation Quarterly Report on Inclusion

President Long asked if there were any other matters to come before the meeting, and hearing none, adjourned the meeting at 12:14 p.m.

Respectfully submitted,

Toni Gonzales
Administrative Manager

Secretary
