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**SOUTHEASTERN COLORADO WATER  
CONSERVANCY DISTRICT**

**MINUTES**

**May 21, 2015**

A regular meeting of the Board of Directors of the Southeastern Colorado Water Conservancy District (District) was held on Thursday, May 21, 2015 at 9:51 a.m. in conjunction with the Enterprise Board meeting at the District office, 31717 United Avenue, Pueblo, Colorado. The District meeting was recessed at 10:00 a.m. and reconvened at 10:37 a.m.

President Long announced a quorum was present.

**DIRECTORS PRESENT:**

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

**DIRECTOR(S) ABSENT AND EXCUSED:**

Gary Bostrom, Curtis Mitchell, and Alan Hamel-Advisory Board Member

**DISTRICT OFFICIALS PRESENT:**

Executive Director James Broderick; General Counsel Lee Miller; Administrative Manager Toni Gonzales; Water Resource Specialist/Engineer Garrett Markus; Program-Project Coordinator Jean Van Pelt; Finance Coordinator/IT Leann Noga; Special Water Counsel Alix Joseph; and Federal Lobbyist Ray Kogovsek.

**VISITORS PRESENT:**

Chris Woodka, The Pueblo Chieftain; Doug Fitzgerald, U.S. Congressman Scott Tipton's office; Dwight Gardner, U.S. Senator Michael Bennet's office; Cathy Garcia, U.S. Senator Gardner's office; Roy Vaughan, U.S. Bureau of Reclamation; Steve Witte, Colorado Division of Water Resources-Division 2; David Mau, U.S. Geological Survey; Jerry Peña, GEI; Abby Ortega, Colorado Springs Utilities; Terry Book, Board of Water Works of Pueblo; Ron Gasser, Penrose Water District; Rick Kienitz, Aurora Water; Mike Weber, Colorado Water Protective Development Association; Roy Heald, Security Water District and Fountain Valley Authority; Paul Flack, RBI; and Mike Kissack, Bob Hamel and Luke Urbine, Arkansas River Outfitters Association.

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**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 said the minutes of the April 16, 2015 Board meeting were posted to the Board website for review, and if there were any corrections or additions. Hearing none, Mrs. Ortegon moved, seconded by Mr. Howard "Bub" Miller, to approve the minutes. Motion unanimously carried.

**FINANCE COMMITTEE REPORT:**

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

**CONSENT ITEMS:**

None

**PRESENTATIONS:**

**2014 ANNUAL AUDIT**

President Long convened the District Board meeting to order at 9:51 a.m. to be held in conjunction with the Enterprise Board meeting to present the 2014 Annual Audit presentation.

Mitchell Downs, from Osborne, Parsons & Rosacker, LLP., who represents the firm that conducted the 2014 audit 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.

**ACTION ITEMS:**

**ACCEPTANCE OF 2014 ANNUAL AUDIT**

Treasurer Nichols moved, seconded by Mr. Goodwin, the audit of the 2014 finance statements of the Enterprise be approved as presented. Motion unanimously carried.

**APPROVAL OF 2014 FINANCIAL STATEMENTS**

Treasurer Nichols moved, seconded by Mr. Howard "Bub" Miller, that the 2014 finance statements of the Enterprise be approved as audited. Motion unanimously carried.

**PRESENTATIONS CONTINUED:**

**ARKANSAS RIVER OUTFITTERS ASSOCIATION**

Bob Hamel from the Arkansas River Outfitters Association (AROA) thanked the Board for their support of the Voluntary Flow Management Program, providing sufficient water when available. The AROA sponsored the lunch today, to express their thanks.

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**ACTION ITEMS CONTINUED:**

**ELECTION OF OFFICERS**

Mr. Broderick reported the annual election of officers is usually done at the May Board meeting. The Executive Director usually serves as the Assistant Secretary-Treasurer. A nomination is required for Assistant Secretary-Treasurer.

Mr. Karney moved, seconded by Mr. Goodwin, to retain the current slate of officers for the offices of President, Vice-President, Secretary, and Treasurer and to reappoint Mr. Broderick to serve as Assistant Secretary-Treasurer. Motion unanimously carried.

**EXECUTIVE COMMITTEE APPOINTMENT**

Mr.. Broderick reported pursuant to the District's bylaws, *"An Executive Committee consisting of eight members of the Board, including the President (in office) may be appointed by the Board of Directors annually at the first meeting of the Board held after the appointment of directors by the court. The Executive Directors of said Board shall be a nonvoting member ex officio (only in sessions not dealing with personnel matters relating to the Executive Director). It shall have all the powers of the Board in the interim between Board meetings. The actions of the Executive Committee shall be subject to the approval of the whole Board. Meetings may be held at any time, and at any place within the State of Colorado, upon call by any Committee member. Notice of any meeting shall be given to each member in person, or by telephone, or it may be mailed electronically, mailed or telegraphed to him or her at his or her residence or business address at least 24 hours before the meeting. Public notice shall be provided consistent with applicable statutes. Three members shall constitute a quorum. The Secretary shall keep record of the minutes of each Executive Committee meeting in a book kept for the purposes and shall report same to the Board of Directors at its next meeting."*

Mr. Edelmann moved, seconded by Mr. Pruett, to approve President Long's recommendation and appoint the following to the Executive Committee:

- Bill Long, President and Chairman of the Arkansas Valley Conduit Committee
- Harold Miskel, Vice President and Chairman of the Excess Capacity and Enlargement Committees
- Vera Ortegon, Secretary and Chairwoman of the Resource & Engineering Planning Committee
- Ann Nichols, Treasurer and Chairwoman of the Finance Committee
- Tom Goodwin, Chairman of the Colorado River Committee
- Gary Bostrom, Chairman of the Human Resources Committee
- Carl McClure, Chairman of the Allocation Committee
- James Broderick, Executive Director (nonvoting member ex officio)

Motion unanimously carried.

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WATER COURT RESUME

Mr. Lee Miller reported on the following:

Case No. 2014CW4 – This is an amended application. Mountain Mutual Water Augmentation Company is leasing water from AGUA to augment depletions from wells in Saddle Mountain Subdivision. From the resume, it appears that they are requesting permission to store water in Pueblo Reservoir. It is unclear whether Mountain Mutual plans to use AGUA’s account, Poncha Springs’ account (from whom AGUA leases water) or its own account. Additionally, Mountain Mutual is leasing water from Board of Water Works of Pueblo that is stored in Project facilities. Since this case involves the use of Fryingpan-Arkansas Project (Project) facilities, staff and counsel recommend filing a statement of opposition to ensure appropriate terms and conditions regarding use of Project facilities are included.

Case No. 2015CW3005 – In this application, Park Center Water District seeks to change Canon Heights Irrigation Company (CHIRC) and Mount Pisgah Reservoir Company shares from irrigation alone to irrigation, municipal, replacement and augmentation use, and as a source of exchange water. The changed water rights will be used in part to augment the BLM well as described in Case No. 12CW125, in which the District has already filed a statement of opposition. Because Park Center has requested storage in Pueblo Reservoir, staff and counsel recommend filing a statement of opposition. One other element is an exchange of Canon Heights Irrigation and Reservoir Company shares to Mt. Pisgah Reservoir. In previous cases, the District has been concerned that such exchanges may interfere with delivery of Project water to its constituents on Fourmile Creek. The District may also address this issue during the course of this application.

Mr. Hazard moved, seconded by Mr. Simpson to authorize special water counsel to file statements of opposition in Case Nos. 2014CW4 (Mountain Mutual Water Augmentation Company) and Case No. 2015CW3005 (Park Center Water District). Motion unanimously carried.

APPROVAL OF STIPULATION WITH THE COLORADO RIVER WATER CONSERVATION DISTRICT (CASE NO. 06CW8)

Alix Joseph reported this exchange was designed to facilitate Arkansas Valley Conduit “AVC” operations by making non-Project water available in Pueblo Reservoir for use in the AVC. The Application requested co-equal priority with exchange applications filed in December 2005 by the City of Aurora (which has since been dismissed), Colorado Springs Utilities (CS-U) and the City of Lamar. The exchanges applied for in Case No. 06CW8 were designed to facilitate use of non-Project water by participants in the AVC and excess capacity storage. Nineteen parties filed statements of opposition. A Ruling of the Referee was not entered by the December 15, 2014 deadline and, accordingly, the case was re-referred to the Water Judge on December 19, 2014.

Following initial comments from several Opposers (including the River District), special water counsel provided a revised proposed decree on February 20, 2015. This revised version of the proposed decree defines the entities eligible to participate in these exchanges and sources and amounts of non-Project water available for use in the exchange based on the Participants and water sources studied in the AVC

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EIS. The proposed decree limits the annual amounts exchanged to 525 acre-feet from storage, and 2,000 acre-feet for direct-flow exchanges. It also specifies the number of shares from each ditch's water rights that are used in the exchange. Both the revised proposed decree and the recommended settlement with the River District are consistent with the strategy that was outlined to the Board in the February 2015 Executive Session discussion about case No. 06CW08.

After the District's April Board meeting, the River District Board approved stipulating to entry of a decree in a form no less restrictive than the February 20, 2015 Proposed Decree.

Mr. McClure moved, seconded by Mr. Goodwin, to authorize special water counsel to execute a stipulation with the Colorado River Water Conservation District, consenting to entry of a decree no less restrictive than the Proposed Ruling dated February 20, 2015. Motion unanimously carried.

**CITY OF MANITOU SPRINGS (CASE NO. 13CW3027), APPROVAL OF STIPULATION**

Ann Nichols recused herself from this action item discussion, and left the room.

Ms. Joseph reported Case No. 13CW3027 is Manitou Springs's applied-for approval of a plan for augmentation. Manitou Springs proposes to replace out-of-priority depletions from springs and wells on Fountain Creek with Project water or Project water return flows. The District had four primary objectives in this case, including to ensure: (1) all structures to be augmented are within District boundaries; (2) the decree included appropriate terms and conditions for use of Project water and Project return flows by including appropriate standard language terms; (3) that Project water and Project return flows are used and stored consistent with the terms and conditions in the Decree in Case No. 08CW61; and (4) terms and conditions regarding transit loss are consistent with other Fountain Valley entities. District staff has ensured that all augmented structures are within District boundaries. The proposed decree includes the requested standard language. Manitou Springs has also included a statement in paragraph 14.A of the proposed decree that ensures that Project water and return flows are stored consistent with the terms and conditions in the Decree in Case No. 08CW61.

Paragraph 17 is a relatively standard statement on the Division Engineer's assessment of transit losses. Special water counsel and general counsel did not feel that it was necessary to provide further detail on the Fountain Creek Transit Loss Model here. The State and Division Engineers have stipulated to the language in paragraph 17. The one remaining issue is ensuring that use of Project water and Project return flows are now being appropriately accounted for. Special water counsel and general counsel understand that Manitou Springs has asked their engineer to address this issue to the District's satisfaction. Special water counsel has not yet seen a revised accounting form.

Mr. Hazard moved, seconded by Mr. McClure, to authorize special water counsel to enter into a stipulation with Manitou Springs consenting to entry of a decree that is no less restrictive on Manitou Springs and no less protective of the District than the proposed decree dated April 19, 2015, once Manitou Springs provides an accounting form that is acceptable to District staff and legal counsel. Motion passed with Mrs. Nichols recusing.

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**MONTHLY/QUARTERLY REPORTS:**

**U.S. BUREAU OF RECLAMATION REPORT**

Roy Vaughan provided a PowerPoint presentation reviewing the following:

- As of May 19, 2015 there were 242,698 acre-feet stored in Pueblo Reservoir; 143,623 acre-feet of Project water; 51,869 acre-feet of Excess Capacity water; 41,155 acre-feet of Winter water.
- There is currently 113,326 acre-feet of Project space in Pueblo Reservoir and 56,869 acre-feet of space in Turquoise and Twin Lakes Reservoirs.
- Project Reservoirs: Turquoise 98%; Twin Lakes 100%; Pueblo 132%
- Arkansas River Basin Time Series Snowpack Summary April 14, 2015 and May 18, 2015
- Upper Colorado River Basin Time Series Snowpack Summary April 14, 2015 and May 18, 2015
- Arkansas River Basin Snowpack and Streamflow Forecasts, May 1, 2015
- Upper Colorado River Basin Snowpack and Streamflow Forecasts, May 1, 2015
- Boustead Imports 4,254 Acre-Feet
- Flood Control Inflow into Pueblo Dam
- U.S. Drought Monitor WEST

**DIVISION ENGINEER'S REPORT**

Steve Witte reported on the following:

- River and Reservoir Report  
Reference Arkansas River Daily Report. River Call is
  - 5/31/1949 Compact call at Stateline  
<http://www.dwr.state.co.us/div2/aras/arascal.asp>
- Current River/Res. Operations
  - ArkDaily: Pueblo inflow = 2500 cfs, ARKPUECO = 1100 (+ 2000 today), Admin = 12,900 acre-feet (af) since Tuesday, May 19. Attempting to release at maximum non-damaging rate
  - Temporary Flood Detention at Pueblo
    - (1) 5/9/15 – 5/11/15, Maximum admin 5,660 acre-feet, Ark Avondale Peak approx. 10,200 cfs
    - (2) 5/19/15 – 5/21/15, Ark Avondale Peak approx. 11,000 cfs
- Other movements of water from Meredith (12,182 total)
  - (1) 3,860 af of Winter Water (Holbrook and Ft. Lyon) exchanged from Meredith to Pueblo
  - (2) 1,922 af of Winter Water for Las Animas Consolidate Canal was released from Meredith to John Martin Section 3
  - (3) 2,000 af of Colorado Canal Companies consumable (CSU) for delivery to the Downstream Consumable sub-account within the Offset Account in John Martin
  - (4) 2,200 af to Colorado Parks and Wildlife from Aurora for delivery to the Permanent Pool in John Martin
  - (5) 2,200 af CSU exchange from Meredith to Pueblo this morning

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- John Martin Storage – Conservation Storage since 5/9/15 = 26,766 af, Amity Section 3 limit approaching 50,000 af limitation from Great Plains transfer decree. Total storage as of 5/20/15 = 82,000 af

Miscellaneous

- Rule 10 Compact Compliance plans reviewed in April.
- Participated as the sole remaining opponent to Town of Monuments novel claim for original absolute water right with a priority date of 1891 (00CW146). The Division Engineers office was unsuccessful in getting the case dismissed through pre-trial motions, they succeeded in having the claim dismissed at the conclusion of applicant's case. Agreed in concept to terms of settlement awarding an absolute right for a 2000 priority date having an appropriation date of 1939 for recreation and 2000 for other claimed uses, except hydropower. A right of refill with a 2000 priority date, etc. Applicant has reserved their right to appeal. The Division Engineers office had two principle objectives, protection of senior water rights, including those of applicants in the Winter Water Storage Program, and to thwart the attempted exception to the process of securing water right priorities.

U.S. GEOLOGICAL SURVEY REPORT

David Mau reported Bill Banks will begin his duties as Office Chief in the Pueblo office on June 1, 2015.

STATE LEGISLATION UPDATE

Lee Miller reported the First Regular Session of the Seventieth General Assembly adjourned on May 6, 2015. A status sheet of bills of interest to the Colorado Water Congress State Affairs 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 the House on March 31, 2015. Despite having passed the House on March 31, 2015, the bill was not signed by the legislative leadership until May 8, 2015. The Governor signed the bill into law earlier in the week, at a ceremony at the Lower Arkansas Valley Water Conservancy District office.
- **SB15-198**, introduced by Senator Crowder and Representative Vigil seeks to expand the program for pilots to test rotational crop following 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

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industrial, recreational, environmental or farm-to-farm arrangements. The Governor signed this bill into law on May 1, 2015.

- **SB15-183**, sponsored by Senator Hodge and Representative Arndt, stabilizes the methodology for the calculation of historical consumptive use when the associated water right is pending a transfer case. The bill was amended to not apply to a case pending before the Colorado Supreme Court, but it does apply to cases that are pending before the district water courts. The Governor signed the bill into law on May 4, 2015.
- **SB15-212**, sponsored by Senator Sonnenberg and Representative Winter, addresses the operation of certain water retention facilities that have been constructed to intercept storm runoff and to control the discharge of that excess water into the stream system in a controlled and safe manner. Because of the recent experience with wild fires throughout the state, the bill includes the facilities that are designed to control post-wildland fire runoff as well. The bill sets forth a definition of both types of facilities, and several provisions in the bill are intended to preclude detention facilities that do not meet the new strict definitions from using the new operation guidelines. The bill was modified in conference committee and then readopted by both houses. It is pending consideration by the Governor.

The meeting schedule for the Water Resources Review Committee (WRRC) has been released. The following table displays the meeting dates and locations:

Regular Meeting			SB14-115 Hearings on State Water Plan			
Date	Time	Location	River Basin	Date	Time	Location
June 11-12	Foundation for Water Education – Metro Tour					
July 20	2:00 PM	Durango	Dolores-San Miguel-San Juan	July 20	6:00 PM – 8:00 PM	Durango
July 21	2:00 PM	Montrose	Gunnison	July 21	6:00 PM – 8:00 PM	Montrose
July 22	2:00 PM	Craig	Yampa-White	July 22	6:00 PM – 8:00 PM	Craig
			Rio Grande	August 10	6:00 PM – 8:00 PM	Alamosa
			Arkansas	August 11	6:00 PM – 8:00 PM	Salida
			Colorado River	August 12	6:00 PM – 8:00 PM	Granby
August 19-21	This meeting will be in conjunction with the Water Congress summer meeting					
			North Platte	September 14	12:00 PM – 1:00 PM	Walden
			S. Platte	September 14	6:00 PM –	Greeley



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					8:00 PM	
October 7	9:00 AM	State Capitol – Denver				
October 29	9:00 AM	State Capitol – Denver				

**INFORMATIONAL ITEMS:**

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

- Committee Appointments
- Water Court Resume
- Bureau of Reclamation Status Report on Proposed Inclusions into the SECWCD
- Bob Appel Award
- 2015 Xeriscape Tours

President Long asked if there were any other matters to come before the meeting, and hearing none, adjourned the meeting at 11:55 a.m.

Respectfully submitted,

Toni Gonzales  
Administrative Manager

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Secretary

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