

RECORD OF PROCEEDING

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**SOUTHEASTERN COLORADO WATER  
CONSERVANCY DISTRICT**

**MINUTES**

**June 15, 2017**

A regular meeting of the Board of Directors of the Southeastern Colorado Water Conservancy District (District) was held on Thursday, June 15, 2017 at 9:36 a.m. at the District office, 31717 United Avenue, Pueblo, Colorado.

President Long announced a quorum was present.

**DIRECTORS PRESENT:**

Bill Long	Ann Nichols	Gary Bostrom
Vera Ortegon	Kevin Karney	Gibson Hazard
Tom Goodwin	Carl McClure	Dallas May
Howard "Bub" Miller	Mark Pifher	Seth Clayton
Greg Felt		

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

Curtis Mitchell and Alan Hamel-Advisory Board Member

**DISTRICT OFFICIALS PRESENT:**

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

**VISITORS PRESENT:**

Tom Simpson, Aurora Water; Abby Ortega, Colorado Springs Utilities; Roy Vaughan, U.S. Bureau of Reclamation; Curt Thompson, AECOM; Doug Fitzgerald, Congressman Scott Tipton's office; Bill Banks, U.S. Geological Survey, and Steve Witte, Colorado Division of Water Resources.

**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 May 18, 2017 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.

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**FINANCE COMMITTEE REPORT:**

Treasurer Nichols reported the financial statements for May were posted to the Board website for review. Ms. Nichols moved, seconded by Mr. Clayton, for acceptance of the May financial statements and payment of the June 2017 bills. Motion unanimously carried.

**ACTION ITEMS:**

**INCLUSION OF LAND BY THE CITY OF COLORADO SPRINGS TRUE UP**

Garrett Markus reported the Colorado Springs True-Up process was initiated in 2014 to ensure that the District's boundaries and Colorado Springs' service boundaries matched; if not, this process would take those parcels outside of the District's boundaries and include them via the District's inclusion by annexation process.

This process requires assent from the Secretary of Interior, for which Reclamation requires a National Environmental Policy Act (NEPA) review of the lands to be included in the District boundaries. Once the Board approves the inclusion by Resolution, then the inclusion will be submitted to the District Court as the final step.

Assent has been granted to these parcels and is awaiting District approval.

<b>RESOLUTION No.</b>	<b>More Commonly Known As</b>	<b>Ord. No.</b>	<b>Legal Description</b>		<b>Acres</b>
2017-05D INCL-AX	Allison Ranch Addition Annexation Plat*	05-131	17, 18, 19 & 20	T12SR66	476.22
2017-06D INCL-AX	Annexation of Academy Christian Church	04-204	SE4NE4 SEC 29	T12SR66	7.28
2017-07D INCL-AX	Austin Bluffs Assembly Add Annex	98-108	SE4NE4,NE4SE4 SEC 23	T13SR66	7.51
2017-08D INCL-AX	Banning-Lewis Ranch No. 14 Annexation Plat	04-147	SE4SE4 SEC26;NE4NE4,S E4NE4, NE4SE4,NW4SE4 SEC 35	T13SR65	123.86
2017-09D INCL-AX	Banning-Lewis Ranch No. 18 Annexation Plat	04-155	NW4 SEC 3; NE4 SEC 4	T14SR65	54.40
2017-10D INCL-AX	Banning-Lewis Ranch No. 19 Annexation Plat	04-158	NE4, SE4 SEC 33	T13SR65	1.83
2017-11D INCL-AX	Cheyenne Village	98-123	SE4SW4 SEC 23	T13SR66	0.54

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	Add Annex				
2017-12D INCL-AX	Dublin North 3 Annexation Plat	06-169	NW4SE4 SEC 7	T13SR65	14.45
2017-13D INCL-AX	Eastview Estates Annexation Plat	04-203	NE4NE4, SE4NE4 SEC 20; SW4NW4, NW4NW4 SEC 21	T13SR65	45.84
2017-14D INCL-AX	Getz Annexation No. 1 Annexation Plat	06-65	NW4NW4 SEC 9	T13SR65	39.45
2017-15D INCL-AX	Hadnagy Addition Annexation Plat*	98-147	SW4NW4, NW4NW4 SEC 28	T12SR66	9.52
2017-16D INCL-AX	Hittle Addition; Hittle Addition No. 2	12-84	SE4 SEC12	T13SR66	2.54
2017-17D INCL-AX	Interquest Market Place Addition Annexation Plat	07-182	SW4NW4 SEC 20	T12SR66	5.42
2017-18D INCL-AX	Nielson Addition Annexation Plat*	07-99	NE4SW4 SEC 16	T12SR66	26.56
2017-19D INCL-AX	Northgate Annexation Plat No. 7	08-223	NW4 SEC 7	T12SR66	0.68
2017-20D INCL-AX	Powerwood Annexation	03-88	NW4NW4 SEC 7	T13SR65	35.56
2017-21D INCL-AX	Powerwood No. 6 Addition	05-167	NE4SW4, NW4SE4 SEC 6	T13SR65	5.46
2017-22D INCL-AX	Siferd Add Annex	92-131	NE4NW4 SEC26	T13SR66	1.20
2017-23D INCL-AX	Siferd Add No. 2 Annex	02-15	SW4NW4 SEC 26	T13SR66	0.17
2017-24D INCL-AX	Siferd Add No. 4 Annex	04-93	SE4NW4 SEC 26	T13SR66	2.75
2017-25D INCL-AX	Siferd Addition Annexation Plat	92-131	Sec26	T13SR66	0.34
2017-26D INCL-AX	Siferd Addition No. 3 Annexation Plat	04-91	SW4NW4 SEC 26	T13SR66	1.30
2017-27D INCL-AX	Stetson Hills East Addition Annexation Plat	00-52	SW4NE4 SEC 20	T13SR65	40.29

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2017-28D INCL-AX	Woodmen Heights No. 1 Annexation Plat	04-123	NE4NE4 SEC 8	T13SR65	13.13
2017-29D INCL-AX	Woodmen Heights No. 5 Annexation Plat	04-127	NE4NW4 SEC 9	T13SR65	39.41
2017-30D INCL-AX	Woodmen Heights No. 6 Annexation Plat	04-128	NW4NW4 SEC 8	T13SR65	11.69
				Total	967.40

Mr. Markus said the Resource and Engineering Planning Committee met and was provided a detailed report on each of the 26 parcels.

Mr. Markus read the motion, which Mr. Goodwin moved, seconded by Mr. Bostrom, that the Board approve, by individual Resolutions, the inclusion of the twenty-six parcels annexed by the City of Colorado Springs subject to the following terms and conditions:

1. Approval of these inclusions into the Southeastern Colorado Water Conservancy District will not increase the amount of Fryingpan-Arkansas Project water available to the City of Colorado Springs. Any Fryingpan-Arkansas Project water used on these included lands will need to come from the water allocated to the City of Colorado Springs through Fryingpan-Arkansas Project water allocations made pursuant to the District's Allocation Principles and Policies; and
2. Any use of Fryingpan-Arkansas Project water on the included lands is subject to the decrees for the Fryingpan-Arkansas Project, and to all lawful rules, regulations, principles, policies, and contractual obligations of the District; and
3. The annexed lands will be subject to ad valorem taxes levied by the District as any other similarly situated lands in the District at the time of this inclusion; and
4. Prior to the District filing a petition for District Court approval of these inclusions, the Municipality, and/or owner(s) of the annexed lands shall have paid all the costs charged by the United States in connection with the contracting officer's assent to this inclusion.

Motion unanimously carried.

Mr. Broderick complimented the City of Colorado Springs for their efforts of getting the true up accomplished, and continuing the process.

**EXECUTIVE COMMITTEE APPOINTMENTS**

Mr. Broderick reported President Long recommends to the Board members an Executive Committee. Per the bylaws the Board members are required to approve the Executive Committee appointments.

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*

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*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. Howard “Bub” Miller moved, seconded by Mr. Pifher, the Board approve President Long’s recommendation and appoint the following to the Executive Committee:

**Bill Long**, President and Chairman of the Arkansas Valley Conduit Committee

**Gary Bostrom**, Vice President and Chairman of the Human Resources Committee

**Gibson Hazard**, Chairman of the Excess Capacity Committee

**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

**Carl McClure**, Chairman of the Allocation Committee

**James Broderick**, Executive Director (nonvoting member ex officio)

Motion unanimously carried.

**WATER COURT RESUME**

South Forty Recreation, LLC, Case No. 2017CW3021 and Town of Buena Vista, Case No. 2017CW3022

Lee Miller reported South Forty Recreation, LLC Case No. 2017CW3021, submitted an application for approval of a plan for augmentation. South Forty Recreation, LLC seeks to augment South Forty West Pond and South Forty East Pond that were formerly gravel mine sites in Fremont County. Augmentation of out-of-priority evaporation will be made using water leased from Upper Arkansas Water Conservancy District, shares in Twin Lakes Reservoir and Canal Company, and Fryingpan-Arkansas Project water Allocated to Canon City and supplied to applicant as a customer of the Canon City. The District believes that the proposed operations are to be utilized in accordance with the District’s principles and policies and to Bureau of Reclamation’s (Reclamation) guidelines. The applicant’s attorney discussed this application with District staff prior to filing. Special water counsel attempted to have Applicant’s counsel provide a proposed decree including language to address all of the District’s issues, including necessary standard language, but Applicant’s counsel could not provide a proposed decree at this time, necessitating the filing this Statement of Opposition.

Lee Miller reported the Town of Buena Vista Case No. 2017CW3022, submitted an application for approval of a plan for augmentation. Buena Vista seeks to augment McPhelemy Pond which is an on-

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channel impoundment on Cottonwood Creek. Augmentation of out-of-priority storage and evaporation will be made using fully-consumable Fryingpan-Arkansas Project water. The filing mentions the Fryingpan-Arkansas structures and Project water usage. The District believes that the structures are proposed to be utilized in accordance with the District's principles and policies and to Bureau of Reclamation's guidelines. The applicant's attorney discussed this application with District staff prior to filing. General Counsel is recommending a Statement of Opposition in this case because of concerns raised in the process by the Division Engineer and Reclamation to operations under the District's 1939 exchange and to ensure that the proposed decree appropriately addresses the use of Project water.

Mr. Hazard moved, seconded by Mr. Pifher, to authorize special water counsel to file Statements of Opposition in Case Nos. 2017CW3021, Application of South Forty Recreation LLC and 2017CW3022, Application of Town of Buena Vista. Motion unanimously carried.

**CONSENT ITEMS:**

None

**PRESENTATIONS:****FRAMING THE FUTURE**

Mr. Broderick presented a PowerPoint titled, *Framing the Future*, reviewing the following:

- Historic timeline of Fry-Ark Project (Planning Era, Construction, Development, Multi-use efficiencies, Repairs, replacement)
- Financial timeline of Fry-Ark Project(Planning Era, Construction, Development, Multi-use efficiencies, Repairs, replacement)
- Facing the challenges
- 2017 Strategic Plan
- 2017 Business Plan
- 2017 Adopted Budget
- Federal spending decisions for the Fryingpan-Arkansas Project for local benefits
- Revenues are tied to the contract between Southeastern and Reclamation
- Decisions which have changed local revenues for local benefits
- Changes in the ad valorem tax
- Miscellaneous revenues for local benefit
- Water and storage rates for local benefit
- Coming attractions

Mr. Broderick provided a list of upcoming meetings, and President Long said that Board members are welcome to attend any of the scheduled meetings, along with and interested constituents.

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**MONTHLY/QUARTERLY REPORTS:****U.S. BUREAU OF RECLAMATION REPORT**

Roy Vaughan provided a PowerPoint presentation reviewing the following:

- As of June 13, 2017 there were 244,131 acre-feet stored in Pueblo Reservoir; 152,778 acre-feet of Project water; 48,512 acre-feet of Excess Capacity water; 42,476 acre-feet of Winter water.
- There is currently 92,595 acre-feet of Project space in Pueblo Reservoir and 35,937 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 92%; Twin Lakes 113%; Pueblo 136%
- Arkansas River Basin Time Series Snowpack Summary June 14, 2017
- Upper Colorado River Basin Time Series Snowpack Summary June 14, 2017
- May 1 Forecast-77,700 Acre-Feet
- U.S. Drought Monitor West and Colorado
- Pueblo Precipitation

Mr. Vaughan stated Mt. Elbert conduit is presently off. Reclamation plans to move an additional 3,000-5,000 af from the upper reservoirs. Movement of water will be adjusted according to the yield, customers needs, and to support the Voluntary Flow Management Program.

**DIVISION ENGINEER'S REPORT**

Steve Witte reported on the following:

- River and Reservoir Report
  - 1) Reference Arkansas River Daily Report. River Call is:
    - 5/31/1949 Compact Call (State line to John Martin & J.M. to Ft. Lyon)  
<http://www.dwr.state.co.us/div2/aras/arascal.asp>
  - 2) Current River/Reservoir Operations
    - Indicators tell us that the peak of the native runoff on the Arkansas at Wellsville occurred on Sunday, June 11, 2017
    - Pueblo Reservoir
    - John Martin Storage resumed May 11, 2017
      - (1) Conservation Storage and Section III combined storage; expect to remain in Conservation Storage through the end of June.
      - (2) Total content 270,000 af (approximately 60,000 from spill)
      - (3) Kansas has called for a release beginning June 15, 2017.
    - Other off channel storage full.
- Compact Issues
  - 1) Arkansas River Compact Administration Special Engineering Committee continues to meet.
    - Topics
      - (1) Additional source of water for John Martin Permanent Pool.

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(2) Remaining concerns related to the LAWMA decree 02CW181.

- Administrative Activities
  - 1) Have coordinated with Twin Lakes Reservoir and Canal Company, Reclamation and Colorado Parks and Wildlife to accommodate maximum permissible flows for some of the FIB-Ark events scheduled. Resumed storage at Twin Lakes Reservoir June 14, 2017. Annual appropriation should be satisfied by June 18, 2017.
  - 2) Bessemer has been forced to reduce diversions due to concerns with canal embankment integrity in the reach between Pueblo Reservoir and the City of Pueblo. Hope to complete reinforcement of embankment next week.

U.S. GEOLOGICAL SURVEY

Bill Banks presented a PowerPoint titled, *Summary of Hydrologic Conditions in the Arkansas River Basin*, reviewing the following:

- Runoff Hydrograph
- Map of 28-Day Average Streamflow Compared to Historical Streamflow for the Day of the Year
- Most Recent Flow and Stage for Colorado
- Arkansas River at Parkdale Graph
- U.S. Geological Survey Budget-FFY 2018
- Bureau Budget Overview
- Proposed Budget Supports
- Proposed Budget Reduces or Eliminates

STATE LEGISLATION UPDATE

Lee Miller reported plans are currently being made for the 2017 Water Resources Review Committee (WRRC). The following is the schedule for the WRRC meetings:

Date	Location
August 2-3, 2017	State Capitol
August 23, 2017	CWC Summer Conference, Vail
September 6-7, 2017	State Capitol
October 4-5, 2017	State Capitol
October 31, 2017	State Capitol

Lee Miller reported the date has passed for Governor Hickenlooper to veto, pass or sign bills.

On Friday, June 2, 2017, Governor John Hickenlooper announced appointments to the Colorado Water Conservation Board: Jack Goble for the Arkansas Basin, Heather Dutton for the Rio Grande Basin, and Celene Hawkins for the San Miguel-Dolores-San Juan Basin.

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**INFORMATIONAL ITEMS:**

President Long announced that Gary Bostrom was awarded the Bob Appel Award at the Arkansas River Basin Water Forum, and congratulated him on receiving the award.

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

- Water Court Resume
- Committee Appointments
- NWRA Western Water Seminar – August 8-10 – Santa Fe, NM
- Colorado Water Congress Summer Conference –August 23-25 – Vail

President Long asked if there were any other matters to come before the meeting, and hearing none, adjourned the meeting at 11:25 a.m.

Respectfully submitted,

Toni Gonzales  
Administrative Manager

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Secretary

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