

RECORD OF PROCEEDING

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**SOUTHEASTERN COLORADO WATER  
CONSERVANCY DISTRICT**

**MINUTES**

**October 19, 2017**

A regular meeting of the Board of Directors of the Southeastern Colorado Water Conservancy District (District) was held on Thursday, October 19, 2017 at 9:37 a.m. at the District office, 31717 United Avenue, Pueblo, Colorado.

President Long announced a quorum was present.

**DIRECTORS PRESENT:**

Bill Long	Vera Ortegon	Kevin Karney
Gibson Hazard	Tom Goodwin	Howard "Bub" Miller
Carl McClure	Curtis Mitchell	Dallas May
Mark Pifher	Seth Clayton	Alan Hamel
Greg Felt		

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

Ann Nichols

**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 Coordinator/IT Leann Noga; and Federal Lobbyist Christine Arbogast.

**VISITORS PRESENT:**

Brett Gracely and Andy Colosimo, Colorado Springs Utilities; Roy Vaughan and Shane Hayden, U.S. Bureau of Reclamation; Kevin Rein, State Engineer; Steve Witte, Colorado Division of Water Resources; Bill Banks, U.S. Geological Survey; Alex Zipp, the Drifx Fly Shop and Parks and Wildlife Commission; Jack Goble, Lower Arkansas Valley Water Conservancy District; Curt Thompson, AECOM; Mark Scott, CHD; Tom Simpson, Aurora Water; Cathy Garcia, U.S. Senator Cory Gardner's office; Dwight Gardner, U.S. Senator Michael F. Bennet's office; and Judy Leonard, Pueblo West Metropolitan District.

**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 September 21, 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. Clayton, to approve the minutes. Motion unanimously carried.

**FINANCE COMMITTEE REPORT:**

Kevin Karney reported the financial statements for September were posted to the Board website for review. Mr. Karney moved, seconded by Mr. Pifher, for acceptance of the September financial statements and payment of the October 2017 bills. Motion unanimously carried.

**CONSENT ITEMS:**

None

**PRESENTATIONS:**

None

**ACTION ITEMS:**

**ELECTION OF VICE PRESIDENT**

Due to the passing of Gary Bostrom, who was serving as the Vice President of the Board of Directors, an election for that office is required to serve as Vice President for the remainder of the term.

President Long asked for nominations for Vice President, Tom Goodwin nominated Vera Ortegon and Mark Pifher nominated Curtis Mitchell. President Long asked if there were any other nominations, and hearing none, closed the nominations. Ballots were handed out to the Board members and picked up by Mr. Broderick and Mr. Lee Miller, which were tallied by them. The outcome of the vote was that Mr. Mitchell was elected to serve the remainder of the term of Vice President.

**STATEMENT OF OPPOSITION IN APPLICATION OF BOARD OF WATER WORKS OF PUEBLO, (CASE NO. 17CW3050)**

President Long stated that Seth Clayton would not participate in the discussions or vote on this issue.

Lee Miller reported Case No. 17CW3050 is Board of Water Works of Pueblo (Pueblo Water) application to change 5,540.88 Bessemer shares, which is equivalent to 28.071 percent of all issued and outstanding Bessemer shares, for use in its municipal system and water leases. Pueblo Water's Bessemer shares include direct flow rights and Winter water allocated to the Bessemer Ditch, but Pueblo Water does not seek to change Project water that is allocated to the Bessemer Ditch. Pueblo Water's application seeks to: (1) add municipal and related uses, including rights of reuse and successive use after replacing historical return flows; (2) change the place of use to all areas Pueblo Water provides water; (3) divert the Bessemer shares from the Pueblo Dam Outlet Works, Pueblo Water's Arkansas River Intake Works, or the Bessemer Ditch; (4) store the Bessemer shares in Pueblo Reservoir; and (5) quantify the amounts of water available for exchange in its related exchange application in Case No. 16CW3103. Pueblo Water would continue irrigation use in the Bessemer Irrigating Ditch Company system until it needs the Bessemer shares for

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changed uses. The Bessemer Irrigating Ditch Company approved Pueblo Water's application in this case with conditions in an Agreement entered August 21, 2017. The Company's conditions address several issues including Project Water, Winter Water, and revegetation.

District staff and General Counsel recommend filing a Statement of Opposition in this case for the purpose of ensuring that appropriate terms and conditions for any use of Project facilities, compliance with the District's Allocation Policies and protection of the Winter Water Storage Program. Recognition of the need to appropriately handle these issues are contained within Pueblo Water's application, so this likely will simply require identifying and providing to Pueblo Water appropriate terms and conditions for inclusion in the final decree.

Mr. McClure moved, seconded by Mr. Pifher, to authorize Special Water Counsel to file a Statement of Opposition in Case No. 17CW3050 is Pueblo Water's application to change 5,540.88 Bessemer shares. Motion passed with Mr. Clayton abstaining.

**SECURITY WATER DISTRICT (CASE NO. 16CW3055): APPROVAL OF STIPULATION**

Lee Miller reported Security Water District (Security) filed an application in Case No. 16CW3055 on August 31, 2016. The District filed a Statement of Opposition on October, 31, 2016. Case No. 16CW3055 seeks to change Security's rights in Hayden Ditch, Hayden Ditch No. 2, Hayden Ditch No. 3, and the Hoagg Ditch from direct flow for irrigation use to irrigation, all municipal uses, and use for replacement, storage, exchange and augmentation within Security's service area. The means of conveyance will be through or from Pueblo Reservoir by Security's water infrastructure, including the Fountain Valley Conduit (FVC). Security also seeks approval of a plan for augmentation to augment Widefield Aquifer and Windmill Gulch Aquifer wells with the changed water rights and Twin Lakes shares.

The District's objectives in Case No. 16CW3055 are to ensure that: (1) Security's proposed storage and use of Pueblo Reservoir is consistent with its storage contract terms; (2) the proposed decree includes appropriate terms and conditions for Security's use of Project facilities, including Pueblo Reservoir and the FVC; (3) the proposed decree is clear that it does not award an appropriative right of exchange; and (4) the proposed decree is clear that Security's rights to use Twin Lakes Reservoir are based on its ownership of Twin Lakes shares and are not a part of its Project rights. The attached Proposed Decree satisfies all of these objectives.

The Proposed Decree contains terms governing the use of Pueblo Reservoir, and is consistent with the District's contracts with Reclamation and the Fountain Valley Authority. Paragraph 8.8 of the Proposed Decree states that Security has a right to a conveyance of Project water through the FVC, which is consistent with the District's contracts with Reclamation and the Fountain Valley Authority. The Proposed Decree also includes Standard Language terms and conditions for Security's use of Project Facilities. (¶¶ 8.8.2 and 16). The Proposed Decree unambiguously states that Security does not seek an appropriative right of exchange. (¶ 15). Paragraph 25 of the Proposed Decree states that Security's accounting will confirm that Security's use of Twin Lakes Reservoir is based exclusively on its Twin Lakes Shares.

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Mr. Hazard moved, seconded by Mr. Hamel, to authorize Special Water Counsel to enter into a stipulation with Security in Case No. 16CW3055, consenting to entry of a decree that is no less restrictive on Security and no less protective of the District than the proposed decree dated October 10, 2017. Motion unanimously carried.

**SOUTH FORTY RECREATION, LLC (CASE NO. 17CW3021): APPROVAL OF STIPULATION**  
Lee Miller reported the South Forty Recreation, LLC (South Forty) filed an application in Case No. 17CW3021 on April 28, 2017. The District filed a Statement of Opposition on June 16, 2017. Case No. 17CW3021 seeks a plan for augmentation to replace out-of-priority evaporative depletions associated with ponds on a former mine site that is currently used for recreational purposes. The augmentation sources include supplies leased from Upper Arkansas Water Conservancy District (UAWCD), and Project Water and/or Project Water Return flows allocated to Cañon City and leased to South Forty.

The District's objectives in Case No. 17CW3021 are to ensure that: (1) the proposed decree specifies that South Forty has a replacement source other than Project Water and Project Water Return Flows available to replace depletions during times when there may be a call between the depletion location and Pueblo Reservoir; (2) the proposed decree includes appropriate terms and conditions to protect the District's interests in the allocation and sale of Project Water and Project Water Return Flows; (3) the proposed decree includes terms to protect the District's water rights in operation of an augmentation plan above Pueblo Reservoir; (4) the Court retains jurisdiction for an appropriate time frame; and (5) all depletions to the Arkansas River are replaced in an appropriate time, place, and manner. The attached Proposed Decree satisfies all of these objectives.

The Proposed Decree, at Paragraph 12, specifies that South Forty has replacement sources (UAWCD water) other than Project Water and/or Project Water Return Flows available to replace depletions when there may be a call between the depletion location and Pueblo Reservoir. Paragraphs 11.1.1.1, 11.1.1.2, and 14 of the Proposed Decree include Standard Language terms and conditions to protect the District's interests in the allocation and sale of Project Water and Project Water Return Flows. Paragraph 15 of the Proposed Decree protects the District's water rights in operation of an augmentation plan above Pueblo Reservoir. Paragraph 34.1 of the Proposed Decree requires that the court retain jurisdiction for 5 years after entry of the decree, which should be sufficient for the District to evaluate whether operation of the augmentation plan will result in injury because the plan for augmentation will commence operation once the decree enters. Paragraph 12 of the Proposed Decree describes the plan for augmentation and shows that depletions, including lagged depletions, should reach the Arkansas River in an appropriate time, place, and manner.

Mr. Hamel moved, seconded by Mr. Pifher, to authorize Special Water Counsel to execute a stipulation with South Forty in Case No. 17CW3021, consenting to entry of a decree that is no less restrictive on South Forty and no less protective of the District than the proposed decree dated October 9, 2017. Motion unanimously carried.

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

Roy Vaughan provided a PowerPoint presentation reviewing the following:

- As of October 15, 2017 there were 205,178 acre-feet stored in Pueblo Reservoir; 121,339 acre-feet of Project water; 54,318 acre-feet of Excess Capacity water; 29,643 acre-feet of Winter water.
- There is currently 129,034 acre-feet of Project space in Pueblo Reservoir and 13,676 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 110%; Twin Lakes 105%; Pueblo 131%
- U.S. Drought Monitor
- Pictures of the work being done at the reservoir on the Hydro Project
- Current water in Pueblo Reservoir
- Boustead Imports to Date 67,009 acre-feet
- Upper Colorado River Basin Time Series Snowpack Summary
- Arkansas River Basin Time Series Snowpack Summary

Mr. Vaughan stated the collection system is being winterized, and Mt. Elbert conduit is currently off. At the present time Reclamation is not moving any Project water from Twin Lakes to Pueblo. Reclamation plans to move an additional 50,000 af from the upper reservoirs. Movement of water will be adjusted according to the forecast and customer's needs.

A lengthy discussion was had on space available in Project reservoirs.

**DIVISION ENGINEER'S REPORT**

Steve Witte reported on the following:

- River and Reservoir Report
  - 1) Reference Arkansas River Daily Report. River Call is:
    - 8/1/1896 Great Plains Reservoir
    - 5/31/1949 Compact Call

<http://www.dwr.state.co.us/div2/aras/arascal.asp>
  - 2) Current River/Res. Operations
    - Pueblo Reservoir
      - (1) Content is 205,837 af
      - (2) No demand for Project and WW account release
      - (3) Planned experimental release to front load delivery of 200 cfs Project Water to Ft. Lyon set to begin 9/22 scuttled by rain
    - John Martin current content is 245,182 af
      - (1) Currently, no ditch can call through

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- Compact Issues
  - 1) ARCA Special Engineering Committee – No progress to report
  - 2) Pre-ARCA Issues briefing scheduled for November
  - 3) USBR Draft of 2005-2014 Review of Trinidad Operating Principles and Operations is now available.
    - Comments due 11/20/17.
    - Principle author hopes to publish final report by 12/7/17
- Administrative Activities
  - 1) Winter Water Storage Program Board of Directors meets this Friday 10/20/17, in La Junta, CO
    - Limited Storage and carrying capacity available, may result in some participants not receiving their entitlement when the final distribution is made.
    - Mr. Witte interprets 84CW179 to authorize change in place of storage, subject to reservoir owner consent
- Mr. Witte introduced Kevin Rein, State Engineer
  - Joined DWR 1998
  - Deputy State Engineer since 2008
  - Appointed State Engineer in early July 2017
    - (1) Exec Director DWR – 260 employees
    - (2) Water rights administration, dam safety, well permitting, etc.

Mr. Rein said he welcomed the opportunity to meet with the Board. He also expressed his pleasure to be able to work with Steve Witte and the internal leadership of the Division Engineer's Office. Mr. Rein said he will continue to work on water administration, injury determination (well permitting), and water ad hoc issues. President Long welcomed Mr. Rein and invited him to join the monthly meetings whenever his schedule allows.

## U.S. GEOLOGICAL SURVEY

Bill Banks presented a PowerPoint reviewing the following:

- Map of Monthly-average Streamflow for the Month of Year-September 2017
- Average Monthly Stream Flow September, 2016 and 2017
- Map of 28-Day Average Streamflow Compared to Historical Streamflow for the Day of the Year-October 18, 2017
- Real-Time Specific Conductance
- Real-Time Water Temperature
- Runoff Hydrograph
- Most Recent Flow and Stage for Colorado
- Arkansas River at Avondale

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**STATE LEGISLATION UPDATE**

Lee Miller provided his report, which was in the Board binders for review, which read: The Water Resources Review Committee (WRRC) has met for seven days over the course of August, September, and October. The WRRC will meet for the last time this year on October 31, 2017.

During the WRRC meeting on September 7, 2017, WRRC members requested the Legislative Counsel Office to draft 11 bills for consideration by the WRRC. After further consideration by the WRRC, one bill request was dropped and another was modified. The remaining requests to draft committee legislation or a resolution included the following topics:

1. Municipal water sharing;
2. Substitute water supply plans for gravel pits;
3. The "Mussel-Free Colorado Act";
4. Expand Uses for Reclaimed Water Use
5. Reclaimed water use for marijuana crops;
6. Reclaimed water use for industrial hemp crops;
7. To improve efficiencies within CDPHE;
8. Keeping groundwater levels to a certain level below the ground surface;
9. The study of high groundwater levels in the South Platte basin; and
10. Related to the loan programs for the Colorado Water Resources and Power Development Authority.

Each bill recommended by the WRRC must be approved by a two-thirds vote of the WRRC members, or at least seven members. The WRRC is limited to recommending three bills to the Legislative Council, unless two-thirds of the WRRC members vote to recommend a greater number. Such greater number may not exceed one bill or other measure per member or up to ten bills and resolutions. Bills will be considered for recommendation at the October 31 meeting.

For more information on the WRRC, please see <https://leg.colorado.gov/committees/water-resources-review-committee/2017-regular-session>.

**INFORMATIONAL ITEMS:**

Mr. Broderick announced that the process to fill the El Paso County seat left vacant, due to Mr. Bostrom's passing will begin in October.

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

- Water Court Resume
- 2018 Proposed Budget
- Appointment to Human Resources Committee
- Update on Colorado River Issues
- District Rate Structure Analysis
- Winter Water Annual Meeting – October 20, La Junta

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- NWRA 86<sup>th</sup> Annual Conference – November 15-17 – Tucson, AZ
- 2017 CRWUA Annual Conference, December 13-15, Las Vegas, NV
- November Board Meeting – November 9
- December Board Meeting – December 7

President Long announced that past Board member Lee Simpson passed on October 18.

There is a Human Resources Committee scheduled for 1:00 today (October 19, 2017).

President Long asked if there were any other matters to come before the meeting, and hearing none, adjourned the meeting at 10:54 a.m.

Respectfully submitted,

Toni Gonzales  
Administrative Manager

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Secretary

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