

**February 20, 2008
Minutes-Board Meeting**

The regular monthly meeting of the Lower Arkansas Valley Water Conservancy District Board of Directors was held on Wednesday, February 20, 2008 at 10:05 AM, at 801 Swink Avenue, Rocky Ford, CO 81067.

Chairman Singletary announced a quorum was present with Director Mauch being excused.

DIRECTORS PRESENT:

John Singletary-Chairman
Pete Moore-Vice Chairman
Melissa Esquibel -Secretary
Wayne Whittaker - Treasurer
Loretta Kennedy
Lynden Gill

DISTRICT STAFF PRESENT:

Jay Winner –Executive Director
Bill Hancock – Conservation Program Manager
Kim Chavez– Financial Officer
Carla Aragon-Quezada-Administrative Assistant
Bart Mendenhall- Attorney

DIRECTOR EXCUSED:

Leroy Mauch

MOTION TO ENTER INTO WATER ACTIVITY ENTERPRISE:

Director Gill moved that the Board convene into the Water Activity Enterprise, seconded by Director Esquibel. Motion unanimously carried.

At the conclusion of the Water Activity Enterprise meeting Director Gill moved to reconvene the District Meeting at 10:09 A.M., seconded by Director Esquibel. Motion unanimously carried.

INTRODUCTION OF VISITORS:

Chairman Singletary welcomed each of the visitors to the meeting, asked them to introduce themselves and identify the organization which they represent.

VISITORS PRESENT:

Dwight Garner, Senator Salazar's Office; Alan Ward, Pueblo Board of Water Works; Ken Weber, CSU-Pueblo; John Fredell, Colorado Springs Utilities; Gary Bostrom, Colorado Springs Utilities; Del Nimmo, CSU-Pueblo; Fred Heckman, FLCC; GW Werdel, Larkspur; Pat Edelmann, USGS; Matt Proctor, Rocky Ford Farmer; Virgil Cochran, SE Land and Environment; Tabitha Fleming, La Junta Tribune Democrat; Chris Woodka, Pueblo Chieftain; Kelly Roesch, Pure Cycle; Don McBee, Lamar farmer; Rick Kienitz, Aurora Water; Brenda Fillmore, AGUA; Jim Valliant, CSU.

APPROVAL OF MINUTES:

- ❖ *January 16, 2008 Monthly Board Meeting Minutes-* Chairman Singletary asked if the Board members had reviewed the minutes for the January 16, 2008 Board meeting and whether there were any corrections or additions. Director Esquibel moved to approve the minutes for January 16, 2008, seconded by Director Gill. Motion unanimously carried.

TREASURER'S REPORT:

Chairman Singletary reported that the financial report for the month of January was included in the Board's Monthly Meeting Packet. Director Whittaker reported January total revenues \$18,058.25 and total expenditures \$135,930.53 with total net <\$117,872.28>. Director Whittaker moved to accept the January Financial Statement, seconded by Director Esquibel. Motion unanimously carried.

GM REPORT:

Executive Director Winner introduced Steve Witte, Division II State Engineer.

PRESENTATIONS:

Water Division II Engineer Steve Witte talked to the board about agricultural efficiency rules the state is proposing. He stated meetings have begun with farm groups, conservancy districts and water lawyers to seek rules palatable to all. He also stated that the state is planning more general public meetings.

Witte stated, "We want to send the message that we all should be working together."

Under the proposed rules, only improvements such as sprinklers, drip systems, gated pipe and ditch lining would be regulated. Only surface works would be covered, since wells are subject to 1996 rules.

Chairman Singletary stated, "How can you make good decisions without good information?"

Director Gill stated, "I don't see how you can write the rules without the data."

Director Esquibel stated, "I have a fundamental problem with saying more efficient measures will mean more consumptive use." "I can understand the logic, but you have nothing to support the argument."

Executive Director Winner introduced Del Nimmo, Professor at CSU.

Del Nimmo, Professor gave an update on the project. He stated, "Plants in the water are absorbing high amounts of harmful elements like selenium, which could expose fish and other wildlife to toxic levels of harmful substances."

“It could be a harbinger of things to come in the Lower Arkansas.” Students under the direction of CSU-Pueblo Professor Herrmann will sample 27 sites on Fountain Creek within the same hour on March 13 to get a snapshot of E. coli levels on the creek. The samples will then be analyzed in the laboratory.

Nimmo thanked the Lower Arkansas Valley Water Conservancy District for its support of funding the project, and said letters have been sent to Pueblo City Council, Pueblo County Commissioners and the Rawlings Foundation in hopes of getting other partners for the project.

Executive Director Winner introduced John Ferdell, SDS Project Director, Colorado Springs Utilities.

Mr. Ferdell presented a power point on Southern Delivery System.

Water for our future:

- Cost effective
- Dependable
- Responsible
 - To the region
 - To the environment

Proposed action:

Water rights we own from Arkansas River

- Could deliver water by 2012
- 43 miles of 66-inch pipe from Pueblo Reservoir
- Treatment facility and 3 pump stations
- Dependable water supply beyond 2040

Future depends on it

- Growing Community
- Drought Protection
- System Reliability

Why the Southern Delivery System

- Already own water rights
- Most economical
- No new trans-basin diversions
- No new high-altitude main-stem dams
- No agricultural dry-up

Conservation

- Award-winning conservation efforts
- Per capita residential use lowest on Front Range
- Conservation alone won't meet need

Conservation programs

- Tiered pricing

- Landscape permits for new homes
- Special events
- Efficiency rebates
- Customer education
- Commercial landscape code
- Collaboration with conservation groups
- Rebates for water efficient appliances

Reuse

- Pioneered recycling of treated wastewater for irrigation in 1960s
- Non-potable reuse important portion of our water supply
- Potable reuse:
 - Not cost effective
 - Energy intensive
 - Solid waste issues

Addresses Regional Issues

- Water for 4 Communities
- Recreational water needs
- Continues cooperation with agricultural users
- Renewed interest in improving Fountain Creek

Draft Environmental Impact Statement (End of February)

- Evaluates 7 alternatives
 - 5 in Pueblo County
 - 2 in Fremont County
- Extensive public comment
- Input from stakeholders
- Record of Decision anticipated in early 2009
- Technical reports available at www.sdeels.com

SDS Partners:

- Security
- Fountain
- Pueblo West (if pipeline from Pueblo Dam)

Executive Director Winner introduced Gary Bostrom, Colorado Springs Utilities.

Mr. Bostrom presented a power point on Fountain Creek Watershed Progress Update.

Fountain Creek/ Doing Our Part

- Mid 1990's: Upgrade wastewater treatment plant (\$40 million).
Result: "Improvement in effluent water quality is orders of magnitude better"—USGS.
- 2000-2007: Wastewater collection upgrades (\$90 million).

Result: Spills per 100 miles of pipe among lowest in the nation

- 2007: Spill recovery project on Fountain Creek (\$10 million).

Result: 300 days of the year can capture spills.

Colorado Springs Storm Water Enterprise

- Formed in 2006
- \$17 million per year
- Updating all Drainage Basin Planning Studies (DBPS)
- Jimmy Camp Creek (DBPS)- State of the Art
- Updating city drainage criteria

Army Corps of Engineers Study

- 17 non-structural recommendations
- 13 reaches being evaluated for structural solutions
- 33 other reaches identified for possible structural needs
- Finalized by Q3 2008

Fountain Creek Vision Task Force

- Current conditions on 11 topics being finalized
- Strategies for addressing 11 topics under way
- Organization & funding options being evaluated
- Task Force completed by Q2 2008

Fountain Creek Corridor Master Plan

Goals:

- Improve watershed health by reducing erosion, sedimentation, flooding: improving water quality.
- Create stable riparian & wetland ecosystems to attract & support native wildlife and vegetation.
- Sustain productive agricultural lands along corridor.
- Lay-out trail from Colorado Springs to Pueblo with recreational and educational opportunities.
- Gain public, private support through partnerships to facilitate implementation, future funding.

Corridor Master Plan/ Progress to Date

- Meeting with key stakeholders
- Opportunities & Constraints Map
- Demonstration Projects (1 in Pueblo County, 1 in El Paso County)
 - Identified
 - Initial plans done
 - Pursing funding
- Non-Profit entity being evaluated

Fountain Creek Progress on all Fronts
Coordinated Plans

- Working to coordinate Fountain Creek Improvements with:
 - Corps of Engineers recommendations
 - Fountain Creek Vision efforts
 - Corridor Master Plan

PRESIDENT'S REPORT:

Bold step introducing Bill 073 it put a burden on developers and also local governments to make sure there is going to be enough water supply to the support the Fountain Project.

Arkansas Native, LLC has joined the lawsuit against BOR.

Lake County wants to join our District in this year's election. Executive Winner with the board's permission if you could help Lake County, you need to call Commissioner Olson to find out how we can help.

LEGAL REPORT:

Attorney Bart Mendenhall stated since the last Board Meeting, there have been two Steering Committee meetings. The first was on January 17th, at which time the Committee indicated general agreement with the form of the Articles and Bylaw, and agreed to review them with their Boards, and to report back at the next meeting, hopefully to act as incorporators for the Super Ditch, if there were no needed changes. The most recent was yesterday, February 19th. At that time there were some suggested changes, which are being implemented. The changes will be reviewed on the next Steering Committee March 18th.

Attorney Mendenhall attended the Colorado Water Congress on January 24-25, 2008. The general mood was that the old "buy and dry" methodology was on its way out, and that methods which did not cause so much disruption and injury to the areas providing the water had to be found.

Counsel consulted with Financial Officer Kim Chavez and auditor Richard White, and worked out some details of water leasing contracts which should simplify accounting procedures.

Bill Hancock and I continue to work at cleaning up the details of the conservation easements we closed at the end of last year, while working on new easements.

The Farm and Ranch Symposium, which the District co-sponsors, was well attended. The presentation concerning the State Engineer's proposed rule changes were a concern.

On February 13, 2008 Executive Director Winner and I attended the Fort Lyon Board meeting. We felt we were well received. They continue to be cautious concerning their participation until they see terms. We would expect nothing less. On February 14, 2008, Bill Hancock and I attended the Otero Ditch Board meeting. Again, we were well received, and we felt that they wanted to proceed.

Counsel recommends filing a statement of opposition in the following case: 07CW122, an application by Colorado Springs Utilities for an absolute right of exchange from Pueblo Reservoir to storage locations on Fountain Creek

Director Esquibel Motion that we authorize counsel to file statement of opposition 07CW122, Seconded by Director Kennedy. Motion unanimously carried.

1. Resolution 08-01

The Lower Arkansas Valley Water Conservancy District has requested that the Colorado Bank and Trust Company provide certain credit card services to persons who are in the employment of Lower Arkansas Valley Water Conservancy District., on pre-approved forms, to authorize the issuance of a credit card to officers, directors and employees of Lower Arkansas Valley Water Conservancy District in the aggregate principal amount not to exceed \$20,000 principal, plus any accrued interest and charges in addition . Motion was made by Director Esquibel, seconded by Director Moore, to adopt Resolution 08-01, motion unanimously carried.

2. Resolution 08-02

The Lower Arkansas Valley Water Conservancy District holds a conservation easement donated by Cuerno Verde, LLC in 2005 and 2007 and Cuerno Verde, LLC has respectively proposed a conservation easement to be donated to the District in 2008, consisting of irrigated farmland in Pueblo County, Colorado. Motion was made by Director Kennedy, seconded by Director Esquibel, to adopt Resolution 08-02, motion unanimously carried.

3. Resolution 08-03

The Lower Arkansas Valley Water Conservancy District has been offered Temporary Water Storage Contracts #08XX6C0017 (temporary storage for non-project municipal and or domestic water) and contract #08XX6C0021 (temporary storage of non-project water) – Lower Arkansas Valley Water Conservancy District – Fryingpan Arkansas Project, Colorado by the United States Department of Interior, Bureau of Reclamation. Motion was made By Director Kennedy, seconded by Director Esquibel, to adopt Resolution 08-03, motion unanimously carried.

COMMITTEE REPORTS:

Personnel: Nothing at this time.

Liaison: Nothing at this time.

Legal: We review the contract for legal services for 2008 and there weren't any changes.

DIRECTOR'S COMMUNITY REPORT:

Director Esquibel stated, nothing right now except that from Lamar to Golden, Colorado it's starting to look green.

Director Whittaker stated, "Farmers are starting to plant their onions and also the efficiency rules are a big concern."

Director Moore reported it was quiet in Crowley County.

Director Gill reported that the Bent County Courthouse project is underway. Also, the efficiency rules are a big concern.

Director Kennedy stated, "I've been doing a lot of traveling in and out the area. The congress is very interested in this water District.


Chairman Singletary stated Director's Mauch, Gill, Kennedy, Executive Director Winner, Conservation Manager Hancock, attorney Mendenhall and I went to the Colorado Water Congress and made a presentation on the Lease Fallow Program. Director Winner and I will be going to San Luis to do a presentation at the DARCA (Ditch and Reservoir Company Alliance) convention on the Lease Fallow Program February 21-22, 2008. Also some of us will be attending the Governor Forum at the end of this month.

PUBLIC COMMENT:

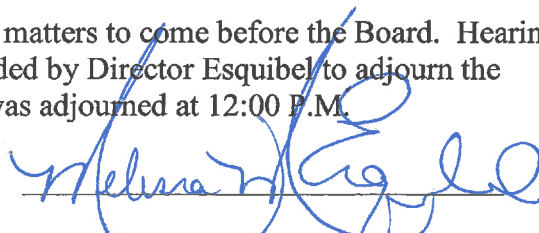
Chairman Singletary asked if there were any comments.

ADJOURNED:

Chairman Singletary asked if there were any other matters to come before the Board. Hearing none, motion was made by Director Moore, seconded by Director Esquibel to adjourn the meeting. Motion unanimously carried. Meeting was adjourned at 12:00 P.M.



John Singletary Chairman



Melissa Esquibel Secretary