

MINUTES OF THE
ARKANSAS RIVER COMPACT ADMINISTRATION

SPECIAL MEETING
August 6, 1981
Wheatlands Convention Center, Garden City, Kansas

A special meeting of the Arkansas River Compact Administration was held at the Wheatlands Convention Center in Garden City, Kansas, on August 6, 1981. The agenda for the meeting is included as Attachment A. The meeting was called to order at 10:15 a.m. (CDT) by Mr. Frank G. Cooley, Chairman and United State representative. Other members in attendance were:

For Kansas: Carl E. Bentrup--Deerfield, Kansas
Guy E. Gibson--Topeka, Kansas
Ronald Olomon--Garden City, Kansas

For Colorado: Leo Idler--Lamar, Colorado
J. William McDonald--Denver, Colorado
Kent Reyher--Las Animas, Colorado

Mr. Gibson introduced Mr. Olomon, the newly appointed member representing Kansas. Mr. Olomon had been appointed by the Governor of Kansas to replace Mr. Fred Stoeckly. Mr. Gibson indicated that Mr. Bentrup had been reappointed.

Mr. Cooley asked Mr. McDonald to present the minutes of previous meetings. Mr. McDonald distributed minutes for the special meeting of June 30, 1980, and the annual meeting of December 9, 1980, and summarized each. These minutes not having been distributed in advance of the meeting, it was agreed that the Administration would not act upon them until the annual meeting of December, 1981.

With respect to the agenda item concerning a report of the Colorado State Engineer, Dr. Jeris Danielson, and Mr. Gibson, Mr. Cooley called upon Mr. Gibson. Mr. Gibson noted that Dr. Danielson and he had met in Topeka, Kansas, on July 1, 1981, to discuss matters pertaining to the operation of Trinidad Reservoir in 1979 and 1980. Mr. Gibson briefly reviewed the discussions held at this meeting with Dr. Danielson.

Mr. Gibson noted that he had, during the meeting, questioned: (1) whether or not the transfer among accounts in Trinidad Reservoir had affected the river in the same manner had Trinidad Reservoir not been there, and (2) the right to make such "paper" transfers. Mr. Gibson noted that Dr. Danielson had provided information to him on the 10 year running average at the Thatcher gage, which average had been exceeded by actual flows for the entire period of available record. Mr. Gibson stated, however, that the available record covered only 10 or 11 years.

Mr. Gibson went on to note that he had requested additional information at the meeting, which information was subsequently provided by Dr. Danielson. Mr. Gibson then called upon his deputy, Mr. Jerry Hilmes, to report on his review of the data provided to Mr. Gibson by Dr. Danielson in a letter dated July 29, 1981 (see Attachment B). Mr. Hilmes then reiterated the information contained in Dr. Danielson's letter of July 29.

Mr. Bentrup asked if the Colorado State Engineer had also provided a report. Mr. McDonald responded that Dr. Danielson's letter of July 29 constituted his report on this matter. Mr. Bentrup indicated that the Kansas ditches were anxious to have the Administration's deliberations concluded if no further steps under Article VIII, paragraph H of the compact were to be taken. Mr. Cooley then reviewed the chronology of the Administration's actions and the exchange of information between Colorado and Kansas. He commented that it appeared to him that Dr. Danielson's July 29 letter disposed of the questions thus far raised by Kansas. Mr. Gibson responded that he did not believe that all relevant information had yet been addressed, citing examples of what he had in mind.

Discussion ensued about the Administration's process concerning the Trinidad Reservoir matter. Mr. Bentrup reiterated his concern that the Administration not prolong the process or delay its disposition of this matters. He noted that he had expected Dr. Danielson to report to the Administration at this meeting.

Mr. McDonald reiterated his earlier observation that the July 29 letter from Dr. Danielson constituted his report. He further stated that Colorado had responded to every request for information made to date by Kansas. He also noted that the Administration, by resolution, had asked only that the Kansas chief engineer confer with the Colorado state engineer. The Administration had not formed a committee nor asked the state engineers to prepare a report. Mr. McDonald commented that he considered the initiative to be with Kansas to decide whether they were or were not satisfied with the information thus far provided to them.

At this time the Kansas delegation asked for a brief recess, which was granted by the chairman. Upon returning from the recess, the Kansas delegation indicated that they had in preparation a motion concerning the Trinidad Reservoir matter which was not then ready. They asked to go on to the next item on the agenda.

The chairman then called upon Mr. Reyher, in his capacity as the chairman of the Engineering Committee, to provide that committee's report. Mr. Reyher indicated that the committee had nothing additional to provide with respect to the Trinidad Reservoir matter in light of the Administration's preceeding discussion. With respect to a request by Kansas that tables be

included in the annual report reflecting the end of month total contents of John Martin Reservoir and the transfer of water into accounts in John Martin Reservoir, Mr. Reyher noted that such tables had been included in the draft of the 1980 annual report.

The last item on which Mr. Reyher reported was a letter, dated February 10, 1981, to Mr. Charles L. Thomson from the U.S. Geological Survey concerning the storage of winter water in Pueblo Reservoir. Mr. Reyher indicated that Kansas had this matter under consideration and that no action had been taken, nor did the Engineering Committee have any report to make, concerning the storage of winter water in Pueblo Reservoir.

Mr. Cooley then called upon Mr. Jerry Hughes, Pueblo, Colorado subdistrict chief of the U.S. Geological Survey, to describe the analysis presented in his February 10, 1981, letter to Mr. Thomson. Mr. Hughes responded by summarizing the information presented in his letter and by describing other analytical techniques which could have been used in performing the analysis presented in the letter. He commented on several aspects of the analysis and the manner in which it was performed.

Discussion ensued during which members of the Administration asked Mr. Hughes a number of questions. At the conclusion of the discussion, Mr. Gibson reminded the Administration that it had directed the Engineering Committee, at its December 9, 1980, annual meeting, to prepare criteria for the conduct of a study on the storage of winter water in Pueblo Reservoir. Mr. Gibson indicated that he felt that the Engineering Committee should meet and follow up on this matter. Mr. McDonald asked that timely, advanced notice of any such committee meeting or meetings be given to all members of the Administration.

Mr. Cooley then called upon Mr. Hughes to report on the costs of the stream gaging stations to which the Administration contributes. Considerable discussion ensued concerning the gaging stations and associated communications network (i.e., telemarks) and the costs thereof relating to federal FY 1982. It being the consensus that the Administration should review the current stream gaging network and the associated communications network to see if any changes, additions, or deletions might be in order, Mr. McDonald moved, seconded by Mr. Gibson, that the Operations and Engineering Committees jointly undertake the necessary review with the assistance of Mr. Jesse and Mr. Gibson and report their findings to the Administration at the December, 1981, annual meeting. The motion passed upon the affirmative vote of both states.

Mr. Cooley asked Mr. Robert Jesse, Colorado Division Engineer, to chair an informal, ad hoc committee composed of Mr. Jesse, Mr. Howard Corrigan, Kansas Water Commissioner, and representatives of the U.S. Geological Survey to undertake the

suggested review and report its findings to the committees. There being no objection, the informal committee was formed for this purpose.

Mr. Bentrup then asked leave of the Administration to return to the matter of Trinidad Reservoir. He offered the following motion:

The State of Kansas moves that the Chief Engineer of Kansas and the State Engineer of Colorado be directed to meet and prepare a joint report regarding their investigation of the legality of the paper transfer on September 28, 1979, of the 18,290 acre-feet of water stored under the Model Reservoir right in Trinidad Reservoir during the period April 15, 1979, to September 28, 1979, into the joint use pool of Trinidad Reservoir. This report shall be presented to the Compact Administration at the Decemember, 1981, annual meeting of the Compact Administration. At the 1981 annual meeting an item shall be placed on the agenda to consider whether the Compact Administration still has any recommendation to the State Engineer of Colorado concerning this matter as permitted by Article VIII, paragraph H, of the Arkansas River Compact.

Mr. Bentrup indicated that it was Kansas' thought that if the Colorado State Engineer had information in addition to that contained in his July 29, 1981, letter which he wanted to provide, then he should make it available by the annual meeting. Mr. Bentrup further indicated that Kansas wanted a termination date after which the Administration would no longer be concerned about this matter. Mr. McDonald requested that the proposed motion be laid over and taken up immediately after lunch. There were no objections to this request.

Mr. Cooley then called the Administration's attention to the balance sheet for FY 79-80 (July 1, 1979, through June 30, 1980), and the auditor's report covering the same period, both of which had been tabled at the December 9, 1980, annual meeting due to a discrepancy between the cash balances shown in each. The auditor, Crimond, Schemahorn & Co., under letter dated April 29, 1981 (see Attachment C) had explained that the discrepancy resulted from slightly different accounting techniques. Mr. McDonald then moved, seconded by Mr. Gibson, that the Treasurer's balance sheet for the period July 1, 1979, through June 30, 1980 (see Attachment D), the auditor's report for the same period (see Attachment E), and the April 29, 1981 letter from the auditor be accepted. The motion passed on the affirmative vote of both states.

Mr. Cooley then declared the meeting in recess for the lunch hour at 12:15 p.m. Following lunch the meeting was called back to order by Mr. Cooley at 1:45 p.m.

Upon reconvening, Mr. Bentrup indicated that the Kansas delegation no longer wished to offer the proposed motion on Trinidad Reservoir which was discussed prior to lunch. Rather, Mr. Bentrup indicated that Kansas would be asking the Colorado State Engineer for additional information and data concerning the operation of Trinidad Reservoir within the next couple of weeks. It was agreed that this matter would be placed on the agenda for the December, 1981, annual meeting.

Mr. Cooley then called upon Mr. McDonald to relate the concerns which had been expressed by the Fort Lyon Canal Company concerning the operating plan for John Martin Reservoir adopted by the Administration on April 24, 1980. In particular, Mr. McDonald referred to letters from the legal counsel for Fort Lyon, Mr. Wayne Schroeder, dated April 8, 1981, and August 5, 1981, and requested that those two letters be made a part of the record for the meeting (see Attachments F and G, respectively).

Mr. McDonald advised the Administration that he was acknowledging the concerns of the Fort Lyon Canal Company in the absence of Mr. Schroeder, who was not able to attend the meeting. Mr. McDonald indicated that he would work with the Fort Lyon Canal Company and all other interested Colorado ditches in an effort to resolve these ditches' concerns over the impact of the operating plan for John Martin Reservoir. Mr. McDonald further indicated that he would keep the Administration advised of this matter as necessary.

Mr. Cooley then called upon Mr. Olomon to present the report of the Operations Committee. Mr. Olomon noted that he and Mr. Idler had met the previous evening with Mr. Robert Jesse, Colorado Division Engineer, in his capacity as the Administration's assistant secretary. Mr. Jesse had provided information on the operation of John Martin Reservoir during 1981 to the Operations Committee.

Mr. Cooley then called upon Mr. Hughes of the U.S. Geological Survey to make a presentation on a computerized surface and ground water hydrologic model which the Geological Survey was proposing to apply to the Arkansas River Basin. Mr. Hughes and members of his staff then proceeded to explain the proposed modeling effort and to make a slide presentation concerning the same to the Administration.

At the conclusion of the slide presentation, Mr. Cooley called for discussion of the proposed model. Mr. Bentrup suggested that the chairman should send a letter of support for the proposed model to the U.S. Geological Survey. Mr. McDonald noted that he was still in the process of reviewing the proposal

and was not prepared to take a position on the proposal at this time. He did note that he was concerned that the Administration not lend its support to efforts that cannot assist the Administration in making the decisions for which it is responsible. In this regard, Mr. McDonald specifically noted that he doubted the utility of the model for purposes of administering the river since it was proposed that the model operated on monthly data. U.S. Geological Survey personnel confirmed that the model would be more in the nature of a planning tool, as opposed to a daily administration tool. After further discussion, it was agreed that the chairman would not send a letter of support to the U.S. Geological Survey.

Mr. Cooley then called upon Mr. McDonald to explain the proposed amendments to the Administration's by-laws. Mr. McDonald indicated that the proposed amendments would change the position of Secretary to Recording Secretary and create a new position of Operating Secretary in lieu of the present assistant secretary. There being no further discussion, Mr. McDonald moved the proposed amendments as presented (see Attachment H). Mr. Bentrup seconded the motion. Upon the affirmative vote of both states, the motion was declared passed.

Mr. McDonald then noted that the Administration's Rules and Regulations needed to be amended to reflect the new designations. In particular, Mr. McDonald moved, seconded by Mr. Gibson, that references to the "Secretary" in paragraphs 2 and 3 of the Rules and Regulations, under the caption "Rules and Regulations" be amended to read "Operations Secretary." There being no further discussion, the motion was passed upon the affirmative vote of both states.

Mr. Bentrup then advised the Administration that Kansas had some concerns about the handling of the transit loss account in the operating plan for John Martin Reservoir. He generally outlined these concerns, indicating that Kansas would like to discuss this matter further at the next annual meeting. Mr. McDonald indicated that he would take the matter under consideration and get back to the Kansas delegation as appropriate.

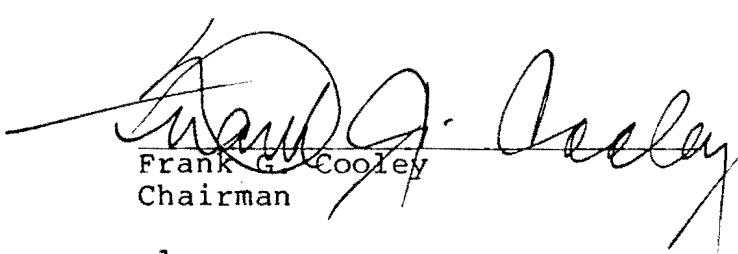
Mr. Cooley then asked Mr. McDonald to present the draft annual report for compact year 1980. Mr. McDonald noted that the draft was incomplete in the following respects: (1) the approved budget for FY 81-82 needed to be added, (2) a picture and appropriate recognition of Mr. Felix L. Sparks, retired director of the Colorado Water Conservation Board, needed to be added pursuant to the motion passed by the Administration at its December 9, 1980, annual meeting, and (3) two meeting dates of the Administration had been inadvertently left out of the list of such meetings at the front of the report. It was agreed that members of the Administration should convey any comments that they might have on the draft annual report to Mr. McDonald not later than Monday, August 24, 1981. If no changes were


forthcoming other than those already noted by Mr. McDonald, then he was to prepare the final copy of the annual report and forward it to Mr. Idler for printing and distribution.

As the final item of business, Mr. McDonald moved, seconded by Mr. Bentrup, that Mr. Idler continue as Recording Secretary and Treasurer with the annual salary then in effect for the balance of compact year 1981, and that Mr. Jesse be elected Operations Secretary. There being no discussion, the motion was passed upon the affirmative vote of both states.

There being no further business to come before the Administration, Mr. Cooley adjourned the meeting at 4:10 p.m.

The foregoing minutes were adopted on December 14, 1982, at the annual meeting of the Administration held in Lamar, Colorado.


Frank G. Cooley
Chairman


Leo Idler
Recording Secretary

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ATTACHMENT A

ARKANSAS RIVER COMPACT ADMINISTRATION

Post Office Box 1156
LAMAR, COLORADO 81052

KANSAS

GUY E. GIBSON, Topeka
CARL E. BENTRUP, Deerfield
Vice Chairman
W. F. STOECKLY, Garden City

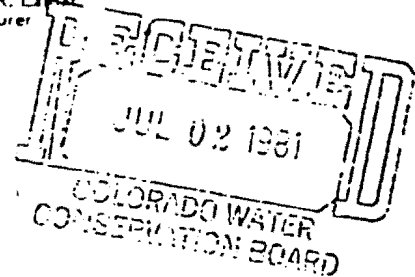
FRANK G. COOLEY
Chairman and Federal Representative
P.O. Box 98
Meeker, Colorado 81641

COLORADO

J. WILLIAM McDONALD, Denver
KENT A. REYHER, Las Animas
LEO IDLER, Lamar
Treasurer

June 30, 1981

Members of the Arkansas
River Compact Administration



NOTICE

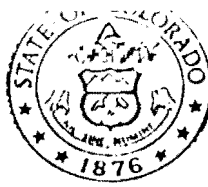
A meeting of the Arkansas River Compact Administration will be held on Thursday, August 6, 1981, in Garden City, Kansas.

The meeting will convene at 10:00 o'clock Kansas daylight savings time at the Wheatland Convention Center.

The agenda is as follows:

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| 10:00 | Call meeting to Order
Introduction of guests |
| 10:05 | Approve Minutes of Annual Meeting |
| 10:10 | Report of Dr. Jeris Danielson, Colorado
State Engineer, and of Guy E. Gibson,
Chief Engineer Kansas State Board of
Agriculture |
| 10:35 | Report of Engineering Committee
a. Investigation of Pueblo Reservoir
b. Investigation of Trinidad Reservoir |
| 11:30 | Program: Report of Study by U. S. Geological
Survey |
| 12:15 | Recess for lunch |
| 1:30 | Protest of The Fort Lyon Canal Company |
| 2:15 | Proposal for Study of Arkansas River by
U. S. Geological Survey |
| 3:00 | Duties and business of the Compact Officers* |
| 3:20 | Adjourn |

*Including consideration of amendments to Art. II of the by-laws.



ATTACHMENT B

DIVISION OF WATER RESOURCES

Department of Natural Resources
1313 Sherman Street - Room 818
Denver, Colorado 80203

Administration (303) 866-3581
Ground Water (303) 866-3587

July 29, 1981

Mr. Guy Gibson, Chief Engineer
Kansas Division of Water Resources
901 Kansas Avenue, 2nd Floor
Topeka, KS 66612

Re: Trinidad Reservoir Operations

Dear Mr. Gibson:

This letter is to confirm the discussion that you and I had in Topeka on July 1, 1981, with respect to the operation of Trinidad Reservoir during 1979 and 1980. The meeting was held as a result of a resolution passed by the Arkansas River Compact Administration on September 25, 1980, which so recommended.

During the discussion, you stated to me that if Colorado could demonstrate that the Model Reservoir and Ditch right had historically diverted more than 38,000 acre-feet in any two-year period that the concern by Kansas over the 1979 and 1980 operations would be satisfactorily addressed and that the issue would be dropped. I agreed to review the historic record as you requested and to provide you with such. Attached to this letter (Attachment A), please find a table indicating the annual diversions by the Model Reservoir and Ditch decree for the period 1925 through 1976. The basis for these data are the official records of the Office of the State Engineer of Colorado as recorded by the water commissioner for Water District 19. The data for the years 1925-1957 can also be found at page 571 of the U.S. Bureau of Reclamation's special report on Irrigation Functions which was prepared for the Trinidad Project in April, 1961 (Attachment B).

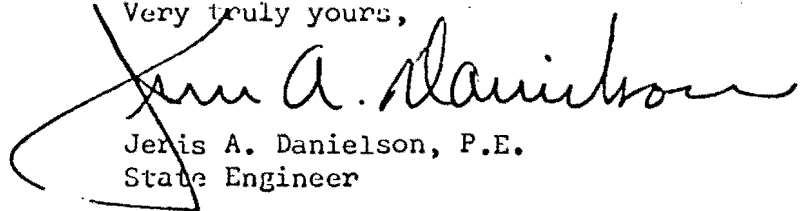
As you can see from Attachment A, there were six years when the total two-year diversion by the Model Right exceeded 38,000 acre-feet. The range was from 39,000 acre-feet to 43,400 acre-feet. Further examination indicates that total two-year diversions exceeded 30,000 acre-feet in each of 10 years and exceeded 20,000 acre-feet in each of 20 years. Based upon the historic record, it is clear that the combined diversion or storage of 38,290 acre-feet in 1979 and 1980 was not anomalous nor questionable in any way but occurred, in fact, in six previous two-year periods. I would point out, also, that the record indicates six years when one-year diversions exceeded 20,000 acre-feet and, in fact, ranged from 20,200 acre-feet to 30,100 acre-feet per year. This event could not occur now, of course, since the Model Decree has been limited to a maximum of 20,000 acre-feet per year unless John Martin Reservoir should spill.

Mr. Guy Gibson
July 29, 1981

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Based upon this information and our discussion, it seems that the issue of injury to water users in Colorado below John Martin Dam and in Kansas as a result of the Trinidad Project operation in 1979 and 1980 can be laid to rest. The demonstrated facts here combined with the provisions of the transfer decree for the Model water right clearly provide adequate protection to downstream users.

Very truly yours,

A handwritten signature in cursive script, reading "Jeris A. Danielson". The signature is written in dark ink and is positioned above the printed name and title.

Jeris A. Danielson, P.E.
State Engineer

JAD/pjl

cc: Dennis Montgomery, Assistant Attorney General
Frank G. Cooley, Esq.
Robert W. Jesse, Division Engineer
J. William McDonald, Director, Colorado Water Conservation Board
Monte Pascoe, Executive Director, Dept. of Natural Resources
C. A. Garlutz, Esq.

A T T A C H M E N T "A"

HISTORIC DIVERSIONS BY THE MODEL RESERVOIR AND DITCH DECREE

YEAR	ACRE-FEET	TWO-YEAR TOTAL IN ACRE-FEET
1925	11,600	--
1926	30,100	41,700
1927	8,900	39,000
1928	15,700	24,600
1929	15,000	30,700
1930	27,800	42,800
1931	15,600	43,400
1932	6,300	21,900
1933	13,600	19,900
1934	2,200	15,800
1935	5,300	7,500
1936	6,100	11,400
1937	9,200	15,300
1938	8,500	17,700
1939	5,300	13,800
1940	3,100	8,400
1941	20,800	23,900
1942	6,700	27,500
1943	4,500	11,200
1944	20,200	24,700
1945	11,000	31,200
1946	5,700	16,700
1947	12,900	28,600
1948	16,500	29,400
1949	11,500	28,000
1950	2,200	13,700
1951	1,400	3,600
1952	5,100	6,500
1953	5,500	10,600
1954	3,700	9,200
1955	2,000	5,700
1956	4,800	6,800
1957	25,700	30,500
1958	17,400	43,110
1959	7,900	25,300
1960	14,500	22,400
1961	25,100	39,600
1962	10,300	35,400
1963	7,100	17,400
1964	4,900	12,000
1965	6,400	11,300
1966	11,700	18,100
1967	3,800	15,500
1968	12,200	16,000
1969	4,700	16,900
1970	6,800	11,500
1971	2,900	9,700
1972	2,000	4,900
1973	11,600	13,600
1974	2,200	13,800
1975	800	3,000
1976	2,700	3,500

TABLE 20.

TABLE 20 - HISTORIC TRADING FRONT AREA DATA (BASIC DATA SHEET)

Period	Reporting River Year	River Navigation and Canal Development Account										Estimated Expenditure										Estimated Receipts										Estimated Balance																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																	
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ATTACHMENT C

crimond, schemahorn & co.

certified public accountants

richard p. crimond, c. p. a.
robert g. schemahorn, jr., c. p. a.
ronny r. farmer, c. p. a.

203 east oak
post office box 1173
lamar, colorado 81052
telephone (303) 336-7428

April 29, 1981

Arkansas River Compact Administration
Lamar
Colorado 81052

Gentlemen:

We have been asked to determine the difference between the cash balance at June 30, 1980 shown by our audit report and by the secretary to your compact.

In reviewing the treasurer's report we note that our audited cash balances at June 30, 1980 was \$308 higher than the cash balance shown by the treasurer's report. This was the result of our including a July 1980 interest posting on the savings account at First National Bank as income for the fiscal year ended June 30, 1980 in that it was available as of that date. The treasurer on a strict cash basis, included this \$308 as interest after July 1, 1980 and it is included in the \$822.35 interest shown on his report.

The net result of this is that the \$308 difference is only a timing difference and is properly now reflected in the treasurer's report for the period ended December 9, 1980. We trust this information will suffice to explain the differences brought to our attention.

Yours very truly,

Crimond, Schemahorn & Co.



Richard P. Crimond

RPC/lk

ATTACHMENT D

TREASURER'S REPORT

Balance Sheet

July 1, 1979 thru June 30, 1980

Cash on hand July 1, 1979	\$12,157.58
Receipts:	

Revenues from Assessments:

Colorado	14,203.50
Kansas	8,058.00
Interest	543.42
Stanford University (Annual Report)	2.00
Total Receipts	<u>22,806.92</u>

Total Funds Available	<u><u>34,964.50</u></u>
-----------------------	-------------------------

Disbursements:

Geological Survey	4,900.00	
Professional Fees	539.50	
Office Expense	491.64	
Printing	233.45	
Secretary's Salary	3,126.31	
Payroll Taxes	331.02	
Telephone	1,437.63	
Office Equipment	627.12	
Travel & Meetings	825.54	
Total Disbursements:	<u>12,512.21</u>	<u>12,512.21</u>
Excess of Receipts over Disbursements		<u>10,294.71</u>
Cash Balance June 30, 1980		<u><u>22,452.29</u></u>

ATTACHMENT E

ARKANSAS RIVER COMPACT ADMINISTRATION

CASH BASIS FINANCIAL STATEMENTS

JUNE 30, 1980

ARKANSAS RIVER COMPACT ADMINISTRATION
INDEX TO CASH BASIS FINANCIAL STATEMENTS
JUNE 30, 1980

	EXHIBITS	PAGE
Index		i
Auditors Opinion Letter		1
Statement of Assets & Liabilities Arising from Cash Transactions	A	2
Statement of Cash Receipts & Disbursements and Changes in Cash Balance	B	3
Statement of Cash Receipts & Disbursements with Budget	C	4
Notes to Cash Basis Statements		5

crimond, schemahorn & co.

certified public accountants

richard p. crimond, c. p. a.
robert g. schemahorn, jr., c. p. a.
ronny r. farmer, c. p. a.

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lamar, colorado 81052
telephone (303) 336-7428

To the Representatives
Arkansas River Compact Administration
Lamar, Colorado 81052

We have examined the Statement of Assets & Liabilities Arising from Cash Transactions of the Arkansas River Compact Administration as of June 30, 1980, and the Statement of Cash Receipts and Disbursements, Changes in Cash Balance and the Statement of Cash Receipts and Disbursements with Budget Comparison for the year ended June 30, 1980. Our examination was conducted in accordance with generally accepted auditing standards, and accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

As described in Note 1 of the Notes to Financial Statements, the accompanying statements are prepared on the cash basis of accounting and accordingly they are not intended to be presented in conformity with generally accepted accounting principles.

In our opinion, Exhibits A, B & C present fairly the Assets & Liabilities Arising from Cash Transactions of the Arkansas River Compact Administration as of June 30, 1980, and the results of Cash Transactions for the year then ended on a basis consistent with the previous year.

Crimond, Schemahorn & Co.

Certified Public Accountants

July 25, 1980
Lamar, Colorado

EXHIBIT A

ARKANSAS RIVER COMPACT ADMINISTRATION
STATEMENT OF ASSETS & LIABILITIES ARISING FROM CASH TRANSACTIONS
JUNE 30, 1980

ASSETS:

Cash & Savings	\$ 22,760
Equipment	2,407
Concrete Control	<u>8,000</u>
TOTAL ASSETS	<u>33,167</u>

LIABILITIES

CASH BASIS EQUITY:

Expended:

Equipment	2,407
Concrete Control	8,000

Unexpended:

22,760

TOTAL CASH BASIS EQUITY - NOTE 1a

33,167

TOTAL LIABILITIES & CASH BASIS EQUITY

\$ 33,167

The accompanying notes are an integral
part of the financial statements.

EXHIBIT B

ARKANSAS RIVER COMPACT ADMINISTRATION
STATEMENT OF CASH RECEIPTS & DISBURSEMENTS & CHANGES IN CASH BALANCE
FOR YEAR ENDED JUNE 30, 1980

CASH IN BANK, JULY 1, 1979	\$	<u>\$ 12,157</u>
RECEIPTS:		
Revenue from Assessments:		
Colorado	14,204	
Kansas	8,058	
Interest	851	
Miscellaneous Income	<u>2</u>	
TOTAL RECEIPTS		23,115
DISBURSEMENTS:		
Geological Survey	4,900	
Equipment	692	
Professional Fees	200	
Office Supplies	657	
Printing	26	
Secretary's Salary - Net	3,127	
Payroll Taxes	331	
Telephone	1,438	
Typing & Mailing	352	
Travel & Meetings	<u>789</u>	
TOTAL DISBURSEMENTS		<u>12,512</u>
EXCESS OF RECEIPTS OVER DISBURSEMENTS		<u>10,603</u>
CASH BALANCE, JUNE 30, 1980		<u>\$ 22,760</u>

The accompanying notes are an integral
part of the financial statements.

EXHIBIT C

ARKANSAS RIVER COMPACT ADMINISTRATION
STATEMENT OF CASH RECEIPTS & DISBURSEMENTS WITH BUDGET COMPARISON
FOR THE BUDGET YEAR JULY 1, 1979 to JUNE 30, 1980

	BUDGET	ACTUAL	ACTUAL OVER(UNDER)
CASH IN BANK, JULY 1, 1979	\$ ---	\$ 12,157	\$ 12,157
RECEIPTS:			
Revenue from Assessments:			
Colorado - 60%	12,087	14,204	2,117
Kansas - 40%	8,058	8,058	---
Interest	---	851	851
Miscellaneous Income	---	2	2
TOTAL RECEIPTS	<u>20,145</u>	<u>23,115</u>	<u>2,970</u>
TOTAL TO ACCOUNT FOR	<u>20,145</u>	<u>35,272</u>	<u>15,127</u>
DISBURSEMENTS:			
U. S. Geological Survey	4,800	4,900	100
Secretary's Salary - Net	3,600	3,127	(473)
Bond & Insurance	75	---	(75)
Telephone	1,000	1,438	438
Payroll Taxes	220	331	111
Typing & Mailing	---	352	352
Travel & Meetings	1,350	789	(561)
Professional Fees	1,000	200	(800)
Office Supplies	500	657	157
Printing	1,000	26	(974)
Contingency	1,500	---	(1,500)
Office Equipment	100	692	592
Data Acquisition Improvement Plan	<u>5,000</u>	<u>---</u>	<u>(5,000)</u>
TOTAL DISBURSEMENTS	<u>20,145</u>	<u>12,512</u>	<u>(7,633)</u>
CASH IN BANK, JUNE 30, 1980	\$ ---	\$ 22,760	\$ 22,760

The accompanying notes are an integral
part of the financial statements.

ARKANSAS RIVER COMPACT ADMINISTRATION
NOTES TO CASH BASIS STATEMENTS
JUNE 30, 1980

Note 1 - Summary of significant accounting policies:

- a. The Administration maintains financial records using the cash basis of accounting. By using the cash basis of accounting certain key accounts needed to present financial position and results of operations are omitted; examples of these accounts are accounts receivable and accounts payable.

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 THOMAS T. GRIMSHAW, P.C.
 RICHARD L. HARRING
 VICTOR L. WALLACE II, P.C.
 GORDON F. GARRETT, P.C.
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 JOHN J. TIPTON, P.C.
 GILBERT F. McNEISH, P.C.
 RICHARD E. STODDARD, P.C.
 WAYNE B. SCHROEDER, P.C.
 MARTHA B. TAYLOR, P.C.

OF COUNSEL
 MICHAEL E. REIDY

CALKINS, KRAMER, GRIMSHAW & HARRING

A LAW PARTNERSHIP INCLUDING
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 DAVID M. BERRETT
 C. MICHAEL SAYRE
 J. KEMPER WILL
 THOMAS T. TORNOW
 JOHN W. PHARRIS
 HOLY I. HOLDER
 CHARLES E. NORTON
 DAVID C. HALLFORD
 RICHARD F. NIPERT
 TERRY L. COOK
 RICHARD L. SHEARER
 KEVIN J. FUNNELL
 CAROLE J. LOBDELL

APR 13 1981
 CONSERVATION BOARD

April 8, 1981

EXPRESS MAIL

Frank G. Cooley, Chairman
 Arkansas River Compact Administration
 First National Bank Building
 P. O. Box 98
 Meeker, Colorado 81641

Dear Mr. Cooley:

The Board of Directors of The Fort Lyon Canal Company has asked me to notify the Chairman of the Compact that the operation of the summer storage program caused injury to its water rights during the last season, and that it cannot permit the Compact to store water this summer under the storage resolution as it operated during the last season.

Specifically, the Board of Directors requires that inflow to the conservation pool in John Martin Reservoir not be pencilled out into the various accounts at a rate greater than 600 c.f.s. In the past, the inflow has been pencilled out at rates up to 1,000 c.f.s. and 1,200 c.f.s. That practice kept the river call on the Fort Lyon priorities, and prevented diversions which would have otherwise occurred.

Next, The Fort Lyon Canal Company requires that there shall be no carryover storage in the various accounts from year to year.

Finally, The Fort Lyon Canal Company requires that inflow to the conservation pool not be pencilled out of conservation storage into the various accounts earlier than April 10.

If the operation of the summer storage resolution cannot be modified as set forth, this letter, with a copy to the Division Engineer for Water Division No. 2, shall serve as the Fort Lyon demand to the state water officials that water be delivered to the Fort Lyon canals to fill the Fort Lyon priorities in accordance with the priority system.

Frank G. Cooley, Chairman
Arkansas River Compact Administration
April 8, 1981
Page Two

The Fort Lyon Canal suffered injury to its water rights last year, and it cannot permit the same injury to continue. To ensure that this message is received, I have arranged to have this letter read to your office personnel over the telephone. The original and a copy of the original are being mailed to you and to the Division Engineer by Express Mail.

Sincerely,

CALKINS, KRAMER, GRIMSHAW & HARRING

A handwritten signature in cursive script, reading "Wayne B. Schroeder".

Wayne B. Schroeder, P.C.

WBS/kll

cc: Robert W. Jesse
John J. Lefferdink
Board of Directors
The Fort Lyon Canal Company

H. HAROLD CALKINS, P.C.
RUSSELL P. KRAMER
THOMAS T. GRIMSHAW, P.C.
RICHARD L. HARRING
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RICHARD L. SHEARER
KEVIN J. FUNNELL
CAROLE J. LOBDELL
MARK C. FOSTER
JOHN A. ECKSTEIN
DAVID A. EDSTROM

*ADMITTED ONLY IN INDIANA

August 5, 1981

Mr. Frank G. Cooley
Chairman & Federal Representative
Arkansas River Compact Administration
P.O. Box 98
Meeker, Colorado 81641

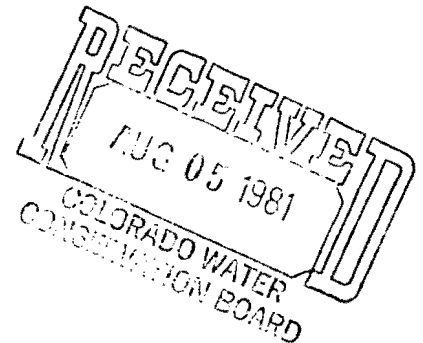
RE: Fort Lyon Canal Company
Protest to John Martin Storage Reservoir

Dear Mr. Cooley:

The Colorado Water Conservation Board presented data in Pueblo last Friday (July 31) which confirms the proposition that the operation of the summer storage program in John Martin Reservoir is causing injury to the Fort Lyon water rights. The Fort Lyon Canal Company's protest to the Compact Administration has been scheduled for the Administration's meeting in Garden City, Kansas. However, the Colorado Water Conservation Board has expressed an interest in meeting with Fort Lyon at the end of August to determine whether other terms and principles of operation can be worked out to the mutual benefit of all the ditch companies, in lieu of the present operating principles.

In an effort to compromise, and to cooperate, the Fort Lyon Canal Company would prefer to meet first with Colorado's officials before presenting its views to the Compact Administration.

I therefore respectfully request that the Compact Administration table the matter of the Fort Lyon protest until the next meeting of the Compact Administration. In the meantime, Fort Lyon will continue to cooperate with officials of Colorado and Kansas to work out operating principles which do not result in the present injury to Fort Lyon.



Page 2
Mr. Frank Cooley
August 5, 1981

I have communicated this request to J. William McDonald by telephone, and I have had a copy of this letter hand delivered to his offices this date. Mr. McDonald has assured me that he will take appropriate action at the Compact Administration meeting in Garden City to allow Fort Lyon to negotiate operating principles before presenting a protest to the Compact Administration. The Fort Lyon Board of Directors would appreciate additional time to work out acceptable operating principles. The long-awaited study by the Colorado Water Conservation Board was presented only last Friday, and it would be premature to present the protest to the Compact Administration without first talking to the state officials of Colorado and Kansas.

Sincerely,

CALKINS, KRAMER, GRIMSHAW & HARRING


Wayne B. Schroeder, P.C.

WBS/meb

cc: John J. Lefferdink
Board of Directors
Fort Lyon Canal Company
Duane Helton
J. William McDonald ✓

ATTACHMENT H

Amendments to the Bylaws of the
Arkansas River Compact Administration
Adopted August 6, 1981

1. Amend Article II, paragraph 1 as follows:
 - A. Change "Secretary" to "Recording Secretary".
 - B. Delete "Assistant Secretary".
 - C. After "Treasurer", add "Operations Secretary".
2. Amend Article II by deleting paragraph 4 in its entirety and inserting a new paragraph 4 to read as follows:
 4. (a) The Recording Secretary may or may not be a member of the Administration. He shall be elected by the Administration at its annual meeting and shall serve until the next annual meeting or until his successor is elected. In the case of a vacancy in the office of the Recording Secretary, the Administration shall, at its next meeting, whether regular or special, elect a Recording Secretary to serve for the unexpired term. The Recording Secretary shall perform such duties as are imposed on such officer by subparagraph (b) of this paragraph 4, by other provisions of these bylaws, or by the Administration from time to time. He shall furnish a bond for the faithful performance of his duties if the Administration so directs. The cost of such bond shall be paid by the Administration.
 - (b) The Recording Secretary's duties shall include, but not be limited to:
 - (i) Preparing, or causing to be prepared, the Administration's annual reports and printing and distributing, or causing to be printed and distributed, the same, the draft of such annual reports to be distributed to the members of the Administration not later than the February 1st following the end of the immediately preceding compact year.
 - (ii) Preparing and distributing, or causing to be prepared and distributed, minutes of all meetings, whether special, special telephonic, or regular, of the Administration, drafts of which minutes shall be provided to the members of the Administration within thirty days of the meeting involved.

- (iii) Maintaining the principal office and the records, equipment, and supplies therein, and maintaining the seal of the Administration.
- (iv) Sending notices of annual and special meetings to members of the Administration.
- (v) Publishing the necessary public notices for proposed changes of the Administration's Rules and Regulations as required herein and compiling those Rules and Regulations.

3. Amend Article II by renumbering paragraph 6 to 7 and inserting a new paragraph 6 to read as follows:

6. (a) The Operations Secretary shall not be a member of the Administration, but may be the Division Engineer for Division 2, Colorado Division of Water Resources. He shall be elected by the Administration at its annual meeting and shall serve until the next annual meeting or until his successor is elected. In the case of a vacancy in the office of the Operations Secretary, the Administration shall, at its next meeting, whether regular or special, elect an Operations Secretary to serve for the unexpired term. The Operations Secretary shall perform such duties as are imposed on such officer by subparagraph (b) of this paragraph 6, by other provisions of these bylaws, or by the Administration, acting through the Operations Committee, from time to time.
- (b) The Operations Secretary's duties shall include, but not be limited to:
- (i) Regulating the gates of John Martin Reservoir in accordance with the Compact and any operating plans or procedures adopted thereunder.
 - (ii) Keeping accurate daily records on the water stored in John Martin Reservoir, including all matters appurtenant thereto such as the amount of water residing in or being transferred to special reservoir accounts, evaporation of water from the reservoir which is to be prorated among such accounts, and the determination of transit losses and the procedures for computing such in all matters regarding water being transferred to or from said reservoir and accounts therein.

- (iii) Preparing accurate reports of deliveries of water, which reports shall be presented to the Operations Committee.