

ORIGINAL

2001 ANNUAL MEETING

ARKANSAS RIVER COMPACT ADMINISTRATION

TUESDAY, DECEMBER 11, 2001

8:30 A.M. (MST)

COW PALACE INN

1301 NORTH MAIN STREET

LAMAR, COLORADO

Approved 12/12/06  
Bob Johnson

1 APPEARANCES

2

3 CHAIRPERSON: Aurelio Sisneros

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5 APPEARING FOR COLORADO:

6 Mr. James Rogers

Mr. Tom Pointon

7 Mr. Steve Miller

Mr. Rod Kuharich

8 Mr. Dennis Montgomery

Ms. Wendy Weiss

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10 APPEARING FOR KANSAS:

11 Mr. Randy Hayzlett

Mr. David Brenn

12 Mr. David Pope

Mr. John Draper

13 Mr. Dale Book

Mr. Leland Rolfs

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1           CHAIRMAN SISNEROS: Let's go ahead and call this  
2 meeting to order. I would like to welcome everybody here  
3 for another year of the ARCA.

4           First off, I would like to have the state  
5 representatives introduce themselves. That way you guys  
6 know who everybody is up here. If we will start here at  
7 the left.

8           PERSONS AT HEAD TABLE SPEAK AS FOLLOWS: Randy  
9 Hayzlett, Lakin. Dave Brenn, Garden City. David Pope,  
10 Topeka. John Draper, I'm here for the State of Kansas.  
11 I'm from Santa Fe. Dale Book, also for the State of  
12 Kansas. Lee Rolfs, Topeka. Jim Rogers, Lamar. Tom  
13 Pointon from Las Animas. Rod Kuharich, Denver. Dennis  
14 Montgomery, Denver. Wendy Weiss, Denver.

15          CHAIRMAN SISNEROS: Thank you. As far as the  
16 agencies that are going to be making reports, I think as  
17 they come up they can introduce themselves and introduce  
18 their people in the essence of time. We have Mr. Steve  
19 Arveschoug here this morning. He's going to...he's back  
20 there and he has to leave at 9:00 o'clock so we would  
21 like to speed up the agenda here and put him in front  
22 here so he can tell us...enlighten us or something.

23          MR. STEVE ARVESCHOUG: Mr. Chairman, members,  
24 thank you and thank you for indulging my schedule. I  
25 have a board of director's meeting today and they are

1       approving the budget for 2002 and if I'm not there, I'm  
2       not sure what would happen, actually I might get demoted  
3       or something like that, it's hard to say. So thank you  
4       for giving me this time. I very much appreciate you  
5       moving me up on the schedule.

6               By way of further introduction, I'm Steve  
7       Arveschoug, General Manager of the Southeastern Colorado  
8       Water Conservancy District. The District is the legal  
9       sponsor of the Fryingpan-Arkansas Project, Bureau of  
10      Reclamation project you are all familiar with. We have  
11      the responsibility for the administering the water rights  
12      for that project, allocating that water to the  
13      constituents in our nine county service area in  
14      southeast Colorado, in repaying the federal government the  
15      financial...portion of the financial obligation for that  
16      project. As this commission is probably aware, about,  
17      oh, four years or so ago we started talking about what  
18      the future looked like in southeast Colorado in terms of  
19      water resources and whether or not we would be prepared  
20      for growth in our region of Colorado in terms of water.  
21      We started a study process that took about four years. I  
22      had the opportunity to address this Commission a couple  
23      of years ago on that study process. With the goal of  
24      trying to get ourselves prepared for the year 2040 both  
25      in terms of what our municipal water resource demand

1 would look like as well as our demand to help sustain  
2 water supplies for agriculture within the District. That  
3 four year study process generated what we referred to as  
4 our Water and Storage Needs Assessment Report which we  
5 issued in 1998. And then most recently with two  
6 documents, one the Preferred Storage Options Plan Report  
7 that came out in the fall of 2000 and then more recently  
8 this spring with our Implementation Committee Report.  
9 That report was kind of adding details to that original  
10 Preferred Storage Options Plan. I want to give the  
11 Commission just a very quick overview of that plan,  
12 update you on where we are in our progress on  
13 implementation and then I would be happy to take any  
14 questions you might have.

15 First, the Preferred Storage Options Plan  
16 includes three basic elements. The first element is to  
17 better utilize space that we already have available to us  
18 in the Fry-Ark Project system and we have estimated  
19 through modeling and other engineering work on any given  
20 year, depending on conditions, we would have as much as  
21 49 thousand acre feet of excess capacity in the Fry-Ark  
22 Project primarily at Pueblo Reservoir. This year being  
23 one of those years where we have capacity not needed, at  
24 least at the present time, to store project water or to  
25 meet the other purposes of the project. That space or

1       that excess capacity then could be used to help our  
2       constituents meet their non-project water storage needs  
3       and we would propose to do that by allowing them to  
4       execute long term contracts with the Bureau of  
5       Reclamation to use that space on an if-and-when-available  
6       basis.

7               Secondly, we would look at the enlargement of  
8       Pueblo Reservoir which we are projecting a need for by  
9       about the year 2015. To enlarge Pueblo up to as much as  
10      75 thousand acre feet. We have requests from our  
11      constituents totaling about 68 thousand acre feet at the  
12      present time and we are hoping with the passage of  
13      federal legislation next year to do a feasibility study  
14      which will further articulate the exact proposed  
15      enlargement at Pueblo. Again, that is projected to be  
16      needed by about the year 2015 given the demand  
17      projections that we have put together. In order to get  
18      us out to the year 2040 we need additional storage beyond  
19      those first two elements, beyond re-operations and the  
20      enlargement of Pueblo, so we are looking at the  
21      enlargement of Turquoise Reservoir to come on line about  
22      the year 2025. With those three elements in place we  
23      feel we will be in a position in southeast Colorado to  
24      meet both of our domestic water demand as well as our  
25      agricultural water demand. Just to back up for a moment,

1       the proposed enlargement at Turquoise Reservoir would be  
2       as much as 19 thousand acre feet. In order to get a  
3       better understanding of what impacts those proposals  
4       would have on the environment, on recreation issues, on  
5       water rights in the basin, we will be asking the Bureau  
6       of Reclamation through legislation in Congress to do two  
7       federal level feasibility studies. We have a bill now  
8       pending before the House, HR 1714, which does that in  
9       addition to authorizing the re-operations contracts that  
10      I spoke about earlier. To give you a sense of our time  
11      line, we hope to have that federal legislation adopted in  
12      Congress next year mid-summer to early fall. We hope to  
13      begin those federal level feasibility studies with  
14      Reclamation the latter part of next year, completing them  
15      hopefully by spring of 2004. Following those feasibility  
16      studies we would go back to Congress and ask them to  
17      consider authorizing the enlargement of Pueblo Reservoir  
18      first and then subsequently Turquoise Reservoir, but that  
19      request to Congress would come through separate federal  
20      legislation and follow the feasibility studies. We hope  
21      following authorization which we would target for the  
22      year 2006 to then have a more formal NEPA process with  
23      Reclamation and begin construction at Pueblo Reservoir  
24      about the year 2008 and 2009. Again, with the target of  
25      having that enlargement at Pueblo completed by the year

1       2015. We have tried to make every effort to keep the  
2       commission members and the respective state  
3       representatives informed on the work of the District with  
4       respect to this Preferred Storage Options Plan. We will  
5       continue in that practice. If there's ever a question  
6       that any of the commission members from any of the states  
7       have regarding our proposal we are more than happy to  
8       provide that information or address those questions. I  
9       have provided for you today a copy of a briefing packet  
10      that we use to help our Congressional delegation work  
11      this issue. I should have enough for each of the  
12      representatives and maybe the Recording Secretary, and if  
13      I need more, let me know and I'll shoot one in the mail  
14      to you.

15               With that, Mr. Chairman, members, I would be  
16      happy to take questions.

17               MR. DAVID POPE: Mr. Chairman, I guess I would  
18      maybe start with one or two. Steve, what is the status  
19      of the proposed legislation at this time? Has any  
20      analysis or schedule been established for hearings or  
21      anything of that nature?

22               STEVE ARVESCHOUG: No schedule for hearings  
23      yet. The House is...the bill's been introduced in the  
24      House but not yet in the Senate. We hope for Senate  
25      introduction at the beginning of the session after the



1 holiday break. We are hopeful for a House hearing in  
2 early to mid-February. We had a conference call with  
3 some folks who are working the issue for us in Washington  
4 and that would be a target timeframe for hearing in the  
5 House.

6 MR. DAVID POPE: In the legislation I think as  
7 I understood your comments and some other just general  
8 information about it, it basically authorized the  
9 feasibility studies, is that what the legislation will  
10 do?

11 MR. STEVE ARVESCHOUG: Yeah. Let me give you a  
12 little better detail on the elements of the legislation.  
13 First, it would authorize the Bureau of Reclamation to  
14 enter into long term contracts to use excess capacity in  
15 the Fry-Ark Project system. That's what we call our  
16 re-operations contracts, the first element of our  
17 Preferred Storage Options Plan. It would then direct  
18 Reclamation to work with the District in conducting two  
19 federal level feasibility studies, one on Turquoise  
20 Reservoir and one on Pueblo Reservoir. Further, it  
21 provides clarity to the issue of having Reclamation  
22 cooperate with the state in utilizing excess capacity in  
23 the Fry-Ark Project for the Pilot Water Banking Program  
24 in the Arkansas River Basin. There had been some  
25 discussion and issues raised really by us as to whether

1 or not the project could be used in that manner and so we  
2 are trying to clarify that issue in this legislation. In  
3 addition, there's a section in the bill which would  
4 authorize the Bureau of Reclamation to enter into  
5 contracts with the City of Aurora for use of excess  
6 capacity in the Fry-Ark Project system. That's really  
7 codifying an existing practice that Reclamation now does  
8 with the City of Aurora.

9 Lastly, the bill provides the opportunity for  
10 the community of Pueblo West, which is in the District,  
11 to get a long term if-and-when contract. Pueblo West is  
12 unique in that they came into the District after its  
13 formation and so they are at the tail end of our  
14 allocation list and not eligible for re-operation  
15 storage, as we define it, and so we are carving out a  
16 unique opportunity for Pueblo West to get a long term  
17 if-and-when contract with Reclamation and that's the core  
18 of the legislation.

19 MR. DAVID POPE: I guess I'm struck by the fact  
20 that the a number of these provisions would be directly  
21 authorized without before completing the feasibility  
22 study of the proposed changes to the project or am I  
23 missing something here?

24 MR. STEVE ARVESCHOUG: Well, those changes are  
25 operational in nature and speaking to the existing

1 project. The two feasibility projects talk about  
2 enlargement of the project. So the studies themselves  
3 speak to adding space to the reservoir. Those other  
4 contracting authorities would be to utilize existing  
5 capacity in the project. Certainly those contracts would  
6 be subject to federal NEPA requirements. Reclamation  
7 will have to look at the issues associated with that  
8 contracting but it only talks about the existing  
9 facility.

10 MR. DAVID POPE: Steve, I appreciate that. I  
11 guess I would just at this point note I think you are  
12 aware of probably from previous comments and  
13 correspondence that obviously Kansas is acutely  
14 interested in this being done if it's going to be done in  
15 such a way that it clearly complies with the Compact.  
16 Secondly, I guess I would ask, and of course also I guess  
17 essentially have mentioned in the context of my question  
18 but I recognize there would be NEPA studies along the way  
19 at some of these steps as you've mentioned but the other  
20 broader issue that is I think clearly out there for both  
21 states to contend with is this matter of water quality  
22 and any additional storage of fresh waters has the  
23 potential of aggravating that already difficult problem  
24 that both states are dealing with and I guess I would ask  
25 what analysis or what consideration has been given by the

1 District to that issue thus far and urge your awareness  
2 of that issue to the extent that you haven't looked at it  
3 carefully.

4 MR. STEVE ARVESCHOUG: We are very aware of the  
5 water quality issue. It's not only perhaps a sensitive  
6 issue for Kansas but also for water users in Colorado.  
7 Part of our planning process in our Preferred Storage  
8 Options Plan recommended a development of a long term  
9 water quality monitoring program so that as we move into  
10 storing more water in Pueblo through our re-operations  
11 concept initially, we will monitor what if any impacts  
12 result from that re-operation and so our water users,  
13 those who would be contracting with Reclamation to use  
14 that excess capacity are committing to us in a separate  
15 Memorandum of Agreement that they'll work with the  
16 District on that long term quality monitoring program,  
17 the monitoring program to be done by the USGS. So  
18 it's an issue we are keenly aware of and will continue to  
19 include as an important element of our plan.

20 MR. DAVID BRENN: Mr. Chairman, I have a  
21 question. Where does all of this fit in regards to  
22 Region 7 and Region 8 EPA TMDLs, your process of looking  
23 at long term water quality planning and management  
24 strategies? Certainly every state that's being impacted  
25 by the TMDLs and certainly as you have two separate EPA

1 regions with different...you are well aware of that, I  
2 see your smile. Where does that fit into this whole  
3 scope of your planning and process?

4 MR. STEVE ARVESCHOUG: Well, the individual  
5 entities, the cities, primarily, where ouR participants  
6 are in our program, have the first responsibility to  
7 comply with Clean Water Act provisions. That's not  
8 necessarily a requirement that rests with the District  
9 but it clearly will rest with those entities that  
10 participate in this program. We will work with the State  
11 to make sure they are aware of what operational changes  
12 might result from our plan so that as we do theY work in  
13 compliance with those federal requirements they'll know  
14 what the river corridor will look like now and in the  
15 future in terms of operation. We luckily don't have to  
16 sit down with the EPA as a district and work on  
17 compliance but clearly our constituents do, so our  
18 program needs to be put together in such a way that they  
19 can comply with those requirements.

20 MR. DAVID BRENN: Would it be possible or even  
21 appropriate at some point as this unfolds, and I've  
22 raised this to the entire Compact, where both states  
23 could have an informational or an opportunity as far as  
24 an informational, not an action-oriented environment but  
25 an informational update in regards to the State of Kansas

1 and what is going on there in regards to the water  
2 quality issues associated with the Arkansas River and  
3 Colorado. The Compact in and of itself I don't believe  
4 needs to take a position on this but I think it would be  
5 prudent to be informed as to what is going on,  
6 particularly as we start looking at issues such as this,  
7 expanded storage, and certainly the secondary issues that  
8 develop from that. So I just kind of throw that out as a  
9 possible consideration that we might want to look in the  
10 future.

11 CHAIRMAN SISNEROS: Do you have a response to  
12 that?

13 MR. STEVE ARVESCHOUG: No, I don't. Just another  
14 comment. In addition to the water quality issue that was  
15 raised, there was the question of compliance with the  
16 Compact. It is our expectation and I think obligation  
17 that what we do with Pueblo Reservoir we believe we'll  
18 need to comply with the Compact and I would recognize  
19 that there are two opinions at this body as to exactly  
20 how to interpret that Compact. But we will work with  
21 this Compact Commission as we move forward to make sure  
22 that there's adherence to the Compact.

23 CHAIRMAN SISNEROS: Any other questions? From  
24 the audience, any other questions? Steve, thank you.

25 MR. STEVE ARVESCHOUG: Thank you and thanks again

1 for letting me slip in on your schedule.

2 CHAIRMAN SISNEROS: We have an attendance list  
3 going around, please sign up to it. In case someone  
4 wants to get in contact with you, they'll have the  
5 information for you.

6 Moving onto item number 3, review and revisions  
7 of agenda. Who is going to address that? Is that Steve  
8 Miller?

9 MR. STEVE MILLER: I had it on there really to  
10 let the Commission agree to let Mr. Arveschoug come out of  
11 sequence. I think you've covered it. I don't know if  
12 there's any additions to the agenda that anybody else  
13 would have but I'm not aware of any.

14 CHAIRMAN SISNEROS: Are there any additions to  
15 the agenda or revisions?

16 MR. DAVID POPE: Mr. Chairman, we are not aware  
17 of any.

18 CHAIRMAN SISNEROS: Thank you. Being none,  
19 let's move onto reports. Item number 4, reports of  
20 officers and committees for the Compact Year 2001. As  
21 Chairman, I would like to make a couple of statements  
22 here, and one was that I had originally tendered a  
23 resignation as chairman of this ARCA back, I believe it  
24 was in July. Fortunately or unfortunately, whichever,  
25 whatever, they did not accept. So I am here. If there's

1 any problem with that, let us know and we will rectify  
2 that. I'm looking forward to getting something  
3 accomplished this year with this Commission. I think  
4 that we have had some good indications that there's a  
5 possibility that we will get some things done this year.  
6 With that, unless there's any questions of me, we'll  
7 continue to item B of number 4, which is the Engineering  
8 Committees and Mr. Tom Pointon chairs that so we are  
9 going to turn that over to you.

10 MR. TOM POINTON: We didn't think we had any  
11 issues so we didn't meet last night. So I guess the  
12 Engineering Report would say that the reports from the  
13 federal agencies would probably take care of the  
14 Engineering Report.

15 CHAIRMAN SISNEROS: Thank you. Moving onto  
16 item C, Operations Committee. Mr. Brenn.

17 MR. DAVID BRENN: Fortunately or unfortunately,  
18 we didn't have the same shortage as the Engineering  
19 Committee, we did have quite a session last evening.  
20 Two reports were submitted. The one from Colorado  
21 included these two documents from the Operations  
22 Secretary and Kansas's response to some of those and the  
23 Assistant Operation's Secretary's Report and you will  
24 notice and understand that we don't have nearly as many  
25 trees in Kansas as you do in Colorado, a lot of paper. I



1       guess, you know, we recognize the reports but probably  
2       more importantly also recognize that there are still  
3       significant questions and differences in regards to the  
4       1980 Operating Plan, some accounting issues. Just to let  
5       the people know here, Mr. Chairman, that you certainly  
6       took the lead a couple of years ago along with Jim  
7       Rogers, then Chairman of this Operations Committee, to  
8       try to facilitate an objective non-abrasive environment  
9       to discuss the differences. And in that process issues  
10      were identified, there was an attempt made to establish  
11      Kansas's position on those issues, Colorado's position on  
12      those issues, and possibly some proposed conclusions or  
13      resolutions to those issues. Obviously, after hearing  
14      the reports and the discussion last night, we are still  
15      apart on those things. In a minute here I would like to  
16      have both Steve Witte and Mark Rude to give a brief  
17      summary of their report and then I would follow up with  
18      some comments after that.

19               CHAIRMAN SISNEROS:    Okay.

20              MR. DAVID BRENN:    And, Steve, would you like to  
21      address, at least in a summary fashion, your report or  
22      any comments that you might have pertinent to your  
23      report?

24              MR. STEVE WITTE:    Yes, I will. Mr. Chairman,  
25      members of the Administration, my name is Steve Witte.

1 I'm the Operations Secretary to the Arkansas River  
2 Compact Administration.

3 First of all, I would like to acknowledge the  
4 help of my staff in preparing this year's report. I  
5 would like to introduce Mr. Bill Tyner, my Assistant  
6 Division Engineer in the Pueblo office for Surface Water  
7 Operations. Mr. Charlie DiDomenico, who is my Surface  
8 Water Operations Coordinator, and Monique Morey, who has  
9 taken over responsibility for doing reservoir accounting  
10 including the John Martin accounting on a daily basis.  
11 Also here today is Chris Lytle, who is the person who is  
12 head of our Ground Water Information Section. So I just  
13 wanted to take the opportunity to acknowledge their  
14 contributions.

15 Before I go any further into my report, lest I  
16 forget, I wanted to read into the record a couple of  
17 corrections that I wish to have made to the text that  
18 I've identified since its distribution on or just prior  
19 to December 1. And the first correction comes on page 2  
20 of the letter report in the second to last paragraph  
21 which begins, "The City of Lamar requested..." The  
22 change to be made is in the final sentence where it  
23 refers the reader to Section 3, that should actually be  
24 changed to Section 2. So the sentence would read, "See  
25 Section 2 of this report for related documentation."

1           Secondly, on the third page of the report, the  
2 paragraph at the top of the page, about four lines from  
3 the...five lines from the bottom, there's a sentence that  
4 begins, "The transit loss account..." I would like to  
5 change that sentence to read as follows: "The transit  
6 loss account release was discontinued" rather than...and  
7 strike the word "depleted" on July the 2nd, 2001.

8           And then finally, three lines from the bottom  
9 there's a sentence that begins "Kansas Account Water  
10 comprised of 2,842," there is a typo in that number. It  
11 should read "2,812 acre feet."

12           Mr. Chairman, the report...the letter report  
13 simply summarizes operations that occurred throughout the  
14 year noting the fact that the sum of all water in the  
15 accounts at the beginning of the Compact Year was just  
16 under 111,000 acre feet. I describe the amounts of water  
17 that was stored pursuant to the Pueblo Winter Storage  
18 Program as other water under the 1980 Operating Plan in  
19 John Martin Reservoir as well as water that the Amity  
20 Ditch Company is allowed to store as other water in their  
21 Article III or Section III account. I describe the amount of  
22 water that was stored during the period of winter storage  
23 of which 41,475 acre feet was ultimately transferred into  
24 Article II accounts and made note of the fact that there  
25 was 200 acre feet added to the permanent recreational

1 pool during the year. The City of Lamar requested and  
2 was approved to use available capacity in John Martin  
3 Reservoir to regulate the delivery of Fryingpan-Arkansas  
4 Project Water to their recharge facilities from out of  
5 John Martin Reservoir during the year and there were two  
6 occasions during the year in which water was allowed to  
7 be stored as Compact water or within the conservation  
8 pool and stored for transferring to the respective  
9 states Article II accounts.

10 And then last evening we had a fair amount of  
11 discussion regarding the releases of water made to Kansas  
12 upon their demand of various types, both from the offset  
13 account and from their Article II accounts during the  
14 year.

15 Finally then, the closing...at the close of the  
16 Compact Year 2001, the content in John Martin Reservoir  
17 in accounts was 49,461 acre feet. And so I have  
18 submitted to you my report with the corrections noted  
19 this morning and thank you for your acceptance of it even  
20 acknowledging the differences that continue to exist.

21 Traditionally, at this point in time I'm asked  
22 by someone on the administration what the prospects for  
23 the coming year are. I did take the opportunity to check  
24 out the USDA website for snow precipitation yesterday  
25 morning. Those SNOTEL sites for the Arkansas River

1 Basin indicate the surface water or snow water equivalent  
2 being about 62 percent of average at this point in time.  
3 It's hard to find encouragement in those numbers except  
4 for the fact that a month ago those numbers were 32  
5 percent for that reach so they are perhaps heading in the  
6 right direction anyhow.

7 Finally, Mr. Chairman, I want to make it  
8 absolutely clear that I'm willing and eager to  
9 participate in a process to further discuss those issues  
10 of...those issues of significance that exist and  
11 hopefully to dispose of those controversies that have  
12 come to exist now for quite a number of years without  
13 being resolved regarding the accounting of the operations  
14 that I do as Operations Secretary.

15 CHAIRMAN SISNEROS: Thank you, Steve. Mr. Mark  
16 Rude, Assistant Operations Secretary, I think is going to  
17 give us a...the low down, right?

18 MR. MARK RUDE: Thank you, Mr. Chairman. Mr.  
19 Chairman, members of the Administration, my name is Mark  
20 Rude. I am currently serving as Assistant Operations  
21 Secretary for the Administration, and as you know, last  
22 evening we discussed a written report of the Assistant  
23 Operations Secretary that highlights a list of issues  
24 that were identified for Compact Year 2001 operations  
25 that appear to be items of concern. Some of them are

1 minor, some of them are quite significant. But all of  
2 them are noteworthy to the extent that I attempted to  
3 take a look at operations and weigh that against the  
4 black and white printing in the 1980 Operating Plan. And  
5 I also provide in that report some...just a brief review  
6 of the three runs of water that Kansas called for from  
7 John Martin Reservoir and graphs in the back of that  
8 report just kind of highlight the result at the stateline  
9 and then provided at the end of that report a list of  
10 issues that have been identified in past years with the  
11 operations in light of the 1980 Operating Plan.

12 I might pause for a moment, actually, and  
13 introduce to the Administration some members of my staff  
14 that are here. We have Kevin Salter and we have David  
15 Anderson and Kari Holloway and I believe that is it in  
16 the Garden City office.

17 I do have a few extra copies of this report,  
18 Kevin has those over there, if someone is interested in  
19 them.

20 Just have a couple of highlight comments here.  
21 I might also take this opportunity to correct a typo in  
22 that report on page 4 in the paragraph that discusses the  
23 offset account delivery. Towards the latter part of that  
24 paragraph there's a reference to the Offset Account  
25 delivery at the stateline was 364 cfs on June 22. That

1       should include 27 cfs from the Frontier Ditch, so the  
2       correct number should be 391 cfs. The associated graph  
3       at the back of the report isn't correct and includes that  
4       391 cfs.

5               Just as a couple of bullet comments, there were  
6       several items in this report reviewed that relate to the  
7       operation of the Pueblo Winter Water Storage Program.  
8       Concerns that I brought out last evening and in prior  
9       years is the determination of Section 2 water at the Las  
10      Animas gage and the way that split determination is  
11      operated. It has such significant effect upon the water  
12      accounted for as inflows into conservation storage, I  
13      think it warrants a careful review by the Administration  
14      on a regular basis.

15             Another item I would highlight, item number 3  
16      under that category, delay of 35 percent delivery to  
17      accounts. That again is an item not provided for in the  
18      '80 Operating Plan and can have a significant effect as  
19      it did last Compact Year in operations under the plan.  
20      Under Summer Storage Season Colorado's Agreement B and  
21      Section II C provisions of the plan there's a  
22      contradiction there that I think is a matter of concern  
23      to the Administration. As Mr. Witte described last  
24      evening, an awful lot of his report has modifications to  
25      accommodate the operation of Agreement B and that's a

1 significant item for the Administration to consider.  
2 Kansas demands for accounts I might just touch base on  
3 the graph that discusses the offset account delivery.  
4 Offset account delivery was made to the stateline. The  
5 anticipation, according to the provisions of the offset  
6 agreement, was that that water would show up in addition  
7 to be delivered in addition to antecedent flows at the  
8 stateline, and the result for various reasons was  
9 something less than what we were expecting. And then  
10 Kansas had two runs of water from their Section II account  
11 and those graphs are in the back of that report as well.  
12 That concludes my comments. Be glad to answer any  
13 questions.

14 CHAIRMAN SISNEROS: Are there any questions for  
15 Mr. Mark Rude? No, there being none, thank you, Mark,  
16 appreciate it.

17 MR. MARK RUDE: Thank you.

18 CHAIRMAN SISNEROS: Can we have the committee  
19 item number 2 under C, committee recommendations  
20 regarding the 2001 Operations Secretary's Report and 2001  
21 Assistant Operations Secretary Report.

22 MR. DAVID BRENN: Mr. Chairman, as you recall  
23 last evening there was general discussion in regards to  
24 possible direction to keep moving forward in the best  
25 interests of both states and certainly the Compact.



1       There was identified from the original meeting, six  
2       issues that were fairly specific and I think in the  
3       discussion last night some of those had expanded and  
4       become even more defined in regards to both states. But  
5       I think some of our discussion last night was based on  
6       the possibility that you had mentioned of a spring  
7       meeting of the Operations Committee and also the  
8       possibility of a third party objective mediator that  
9       would be non-binding but indeed could have the  
10      background, either technical, engineering, or otherwise  
11      to look at these issues. And then establish a report to  
12      both states again avoiding what is set forth within the  
13      Compact on binding arbitration and I throw this to the full  
14      commission for their discussion here, but possibly one  
15      direction would be that you would consider, as you have  
16      mentioned, facilitating a meeting in the spring whereas a  
17      third party, that third party to be determined by both  
18      states, and accepted by both states mediate and look at  
19      these issues. Those issues that can be addressed  
20      mutually, let's do it. Those issues that cannot, well,  
21      at least we know they cannot. So that's just a  
22      suggestion. Again the committee, and certainly I didn't  
23      get to visit with Jim in detail on this, but I do know he  
24      has indicated to me significant interest that we move  
25      forward and get some of these issues resolved.

1           CHAIRMAN SISNEROS: Thank you. Let me get some  
2       comments from the Colorado representatives. But prior to  
3       that, for the audience, last year we had determined that  
4       or decided that we would have a meeting sometime in the  
5       early part of this year asking the Kansas people to  
6       identify approximately five items that they thought would  
7       be easily resolvable. The same request was made of the  
8       Colorado representatives. This was all to be turned into  
9       me by, I believe it was April the 15th -- April the 5th,  
10      and then I would share them with the other state and then  
11      we would sometime in May or so, set up a meeting to  
12      finalize this. For different reasons we got the items  
13      identified and I've got a list of them here but the  
14      ensuing meeting did not occur for some obvious reasons  
15      that was going on in the legal area of both states. It  
16      was a good plan and I applaud Dave over here for bringing  
17      it up again. I think it's incumbent upon both Kansas and  
18      Colorado to try to resolve these issues or put them to  
19      bed or maybe get an arbitrator in here to facilitate and  
20      try to come up with a solution. These are issues that  
21      obviously the people that are benefiting the least  
22      because we are not solving this is the farmers and  
23      ranchers of both states and the citizens that rely on  
24      decisions that are made by this committee to move this  
25      water the way it was intended to be moved and stored and

1       so forth. You know, I can understand Kansas' position  
2       in that, you know, some of the things that are done in  
3       Colorado they are questioning, but on the other hand, if  
4       Colorado was at the other end of the river and Kansas was  
5       on the other end, Colorado would be asking the same  
6       questions. But I think we can agree to disagree on...on  
7       a lot of these things and resolve some of these issues  
8       and I think that we ought to work towards that and I  
9       appreciate your comments there, Dave. Any comments from  
10      Colorado?

11               MR. ROD KUCHARICH: Mr. Chairman, this is my  
12      first Compact Administration meeting and I guess I come  
13      with the hope that we can make some real progress. I am  
14      concerned that we have had point, counter-point in terms  
15      of, instead of, reports from the Operations Secretary and  
16      the Assistant Operations Secretary. I do think that many  
17      of the issues that were raised should have been dealt  
18      with at the time since we have near real time data on the  
19      operation of the river. I do think that arbitration can  
20      play an important role in solving some of these minor  
21      problems. I guess I'm concerned that after years of  
22      litigation even the most moderate or even the most  
23      moderate of issues are difficult to resolve for fear of  
24      one party or the other giving up some type of strategic  
25      advantage and I'm certainly willing to make a motion to

1       move forward with arbitration on those issues.

2               CHAIRMAN SISNEROS:   Do I have any comments from  
3       Kansas?

4               MR. DAVID POPE:   Mr. Chairman, I guess I would  
5       simply say that and you know, I appreciate those comments  
6       that Rod has made.   Kansas is very willing to try to  
7       proceed with the appropriate process to try to resolve  
8       the issues that I believe can be resolved as well.   There  
9       are several possibilities that have been talked about a  
10      little bit last night ranging from arbitration provisions  
11      provided within the Compact to more of a non-binding  
12      mediation type process and I think we would need at some  
13      point in time to set down and talk about the details of  
14      each and how that would be structured and pick an  
15      appropriate mechanism.   Kansas is not you know, I think  
16      our discussion so far is...has led us to believe both of  
17      some possibilities and there are several variations of  
18      each of those, so it becomes a question, I think, of  
19      which issues and which methodologies and when.   So that  
20      we have something that's meaningful and we know where it  
21      fits into the bigger picture.

22              MR. ROD KUCHARICH:   David, I guess I'm left  
23      wondering how do you want to proceed on this.   Is  
24      mediation the course you would like to pursue or do you  
25      want to go with the Compact provision of arbitration?

1           MR. DAVID POPE: We had concluded after the  
2       comments we had heard last night that you know we at that  
3       point did not, since the interest in the arbitration  
4       although obviously that was just informal discussion on  
5       your team's part, so we were thinking more along the  
6       lines of taking another step first in regard to some form  
7       of facilitated discussion, but again we are not backing  
8       away from the possibility that under the right  
9       circumstances and defined issues and schedule and those  
10      things there isn't some possibility, we are just not  
11      really sure whether we are ready in terms of making that  
12      decision right at the moment but yes, we think there is  
13      some validity of some of these issues that may very well  
14      be appropriate for arbitration.

15           MR. ROD KUCHARICH: I'm comfortable going with  
16      mediation or arbitration. I think if you want to do  
17      mediation, maybe what we need to come up with is some  
18      type of schedule on the issues to discuss at that point.  
19      Before a spring meeting, after a spring meeting, during a  
20      spring meeting, I don't know.

21           MR. DAVID POPE: I think maybe the appropriate  
22      thing to do would be perhaps to...to schedule the spring  
23      meeting. This is kind of off the top of my head, I  
24      haven't...the three of us haven't really had a chance to  
25      talk about that in detail but perhaps if the purpose of

1 the spring meeting would be to sort through those issues  
2 that seem to be appropriate for resolution, in other  
3 words, once we think there's a good chance it can be  
4 resolved and hopefully between now and then each of us  
5 could do our own internal thought processes and come  
6 prepared in terms of those issues at the spring meeting  
7 perhaps we could see which ones can be resolved at that  
8 point and which ones then we need to define specifically  
9 for arbitration if that's the other chosen format at that  
10 point in time. Now if we can lay out some protocol and  
11 ground work long before the meeting so that we go into it  
12 with, you know, having already agreed upon mechanism,  
13 that's fine too.

14 MR. TOM POINTON: I don't think I would be  
15 satisfied with a piece of the pie. I think if we're  
16 going to solve this whole issue we are required to report  
17 to the President annually that we are doing something and  
18 we haven't finalized any of those reports. So if you are  
19 going to hire an arbitrator and or a mediator, I think  
20 put the whole plate out there and do the whole thing. I  
21 don't think we can piecemeal this thing or we will be  
22 somebody else's life time also.

23 MR. DAVID POPE: Well, certainly Kansas is very  
24 interested in resolving these issues. We really are at a  
25 place where we are not able to complete an accounting

1       that both states are agreeable to and therefore have not  
2       been able to publish reports and the like and so I think  
3       there's certainly merit in trying to resolve all of the  
4       issues that relate to at least the, I presume we're  
5       talking about the issues related to the accounting for  
6       the 1980 Operating Plan? Does the Colorado Delegation  
7       have a choice or a...have a preference in terms of the  
8       mechanism?

9               MR. ROD KUCHARICH: I mean again without having  
10       discussed this specifically with the other two  
11       Commissioners I think something I would put on the table  
12       is that the Operation.and.Assistant Operations Secretary  
13       form the staff support for the identification of issues  
14       for the spring meeting. I mean, if that would work, that  
15       would...at least we would have some staff dedicated to  
16       issue identification and probably formulating responses  
17       from both of the states coming into that meeting.  
18       Possibly even the federal representative coming up with  
19       some recommendations on a mediator that we might jointly  
20       agree upon.

21              CHAIRMAN SISNEROS: Let me make a suggestion  
22       here. I think, you know, from what I'm hearing here is  
23       that we are talking about some complicated issues that  
24       possibly could be resolved with some work here although  
25       in order to set up a meeting and to try to resolve these

1 at that first meeting I think it's going to be  
2 impossible. You know, there's a lot of issues here and I  
3 think you have to take them one at a time and walk them  
4 through and make a decision on them. In regards to that  
5 spring meeting I think that would be a great opportunity  
6 to set there and take them one at a time, discuss them  
7 and see how you folks can resolve them or put them...or  
8 put them aside and move onto the next one and if you  
9 know, it becomes a little too difficult to try to resolve  
10 that particular issue I think we can come back to it  
11 after we have gone through the list of these and tackle  
12 it again. I don't know that, you know, a decision could  
13 be made as to what type of arbitration, mediation or  
14 binding or not binding could be made right now. I think  
15 there needs to be some discussion on both sides before  
16 those decisions can be made although I think after  
17 discussing these issues at this so-called spring meeting,  
18 I think that decision could also be made as to whether  
19 that decision should even occur. It is my understanding  
20 that representatives that were appointed by the governors  
21 have the authority to make...to make these decisions  
22 based on the state that they represent. I think you have  
23 the authority. Not only that, you have the mandate to do  
24 it by the Compact. I would be glad to facilitate a  
25 spring meeting and just depends on how you folks want to



1 set it up. Are there any comments on that?

2 MR. ROD KUCHARICH: I agree with what you say. I  
3 think that if we are ready for a motion I think we are  
4 all generally in agreement. I would attempt a motion  
5 that would address a spring meeting, issue identification  
6 among staffs prior to the spring meeting, and discussion  
7 of mediation on those issues that can't be resolved at  
8 the spring meeting.

9 MR. TOM POINTON: I'll second that.

10 CHAIRMAN SISNEROS: I have a motion on the floor  
11 and a second. Is there any discussion?

12 MR. ROD KUCHARICH: One item, Mr. Chairman. I  
13 think these are operational in nature. I do not think  
14 they are legal issues that are the subject of litigation.

15 CHAIRMAN SISNEROS: I think we understand that,  
16 yes. Yeah.

17 MR. DAVID POPE: Let me make sure I understand  
18 the motion then would be basically to ask the Operations  
19 Secretary and the Assistant Operations Secretary to serve  
20 as a staff to identify issues prior to the spring  
21 meeting. Secondly, at the spring meeting would be to  
22 resolve what issues could be resolved and then if they  
23 are not all resolved, develop a process at that time.  
24 One of the topics at one of the agenda items at the  
25 meeting itself would be the matter of mediation itself.

1           MR. ROD KUCHARICH: And the motion is  
2 specifically for mediation, it's not to the point of  
3 invoking the arbitration clause of the Compact.

4           MR. DAVID POPE: That would be a separate  
5 matter. You are not necessarily ruling that out forever  
6 but you are saying at this purpose we would be heading  
7 down the path of mediation first.

8           MR. ROD KUCHARICH: Correct.

9           MR. DAVID POPE: And the scope of this would be  
10 those operational issues except those that are legal  
11 issues that cannot be resolved in the forum of a ...the  
12 Compact Administration, is that in essence what you are  
13 saying?

14          MR. ROD KUCHARICH: Yes, that's correct.

15          MR. DAVID POPE: Let me pause here for just a  
16 second so our Delegation can talk for just a second.

17                   (Whereupon, a short recess was taken,  
18 after which the following proceedings  
19 were had:)

20          CHAIRMAN SISNEROS: Let's get back to the issue  
21 at hand here. I would like to back up just a little bit.  
22 I don't know that we had a motion to approve the  
23 Operation Secretary's Report for 2001. Can we have a  
24 motion to approve those reports and the Assistant  
25 Secretary's -- well, one at a time.

1           MR. TOM POINTON: I move we approve the  
2           Operation Secretary's report.

3           CHAIRMAN SISNEROS: Do I hear a second?

4           MR. JAMES ROGERS: I second it.

5           CHAIRMAN SISNEROS: Do we have any comments,  
6           questions?

7           MR. DAVID POPE: Mr. Chairman, just one  
8           clarification. We are talking about the report that...

9           CHAIRMAN SISNEROS: Mr. Steve Witte presented  
10          to the committee.

11          MR. DAVID POPE: I think we need to define what  
12          it is that we are approving. I guess the report that Mr.  
13          Brenn gave in regard to the meeting of the Operations  
14          Committee, I guess, is...I thought would be in a position  
15          to approve. I don't think we are in a position to  
16          actually approve the Operations Secretary Report, per se,  
17          because again there are the differences in accounting and  
18          issues there.

19          CHAIRMAN SISNEROS: I'm aware of that.

20          MR. DAVID POPE: If we are approving the report  
21          of the committee then I think that's probably something  
22          that is appropriate to do and I take it that this action  
23          ...and the other thing I guess I'm unclear is we had a  
24          motion on the floor to talk about the resolution of  
25          issues that is...that has been put aside.

1           CHAIRMAN SISNEROS: That's put aside until we  
2           get this report, the Operation Secretary's Report,  
3           whether it is approved or not. Reason for entertaining a  
4           motion is to get questions...to get a motion on the floor  
5           and a second, and if there's any questions we can vote on  
6           the thing and put it with the other reports that have  
7           never been approved or try to approve this with  
8           conditions.

9           MR. DAVID POPE: Well, again I think if...the  
10          motion really needs to be restated if possible. I think  
11          ...I just don't think we are in a position to approve the  
12          report, per se.

13          MR. TOM POINTON: This is the Operation  
14          Secretary Report, and that's what the motion pertains to.

15          MR. DAVID POPE: We are not in a position to  
16          support that motion then.

17          CHAIRMAN SISNEROS: Let's bring it to a vote.  
18          We have a motion and a second by the Colorado Delegation  
19          to approve the Operation Secretary's Report for the year  
20          2001 and can we have a vote on it. Colorado.

21          MR. ROD KUCHARICH: Aye.

22          CHAIRMAN SISNEROS: Colorado votes aye. Kansas.

23          MR. DAVID POPE: Kansas votes nay.

24          CHAIRMAN SISNEROS: Okay. Moving onto the  
25          committee recommendations for 2001 and the discussion

1       that was at hand, do we have any comments from Kansas in  
2       that regard to the scheduling the spring meeting to  
3       discuss resolvable issues and I think the discussion when  
4       we took a little break there was in regard to the  
5       mediation arbitration issue. Do we have any discussion  
6       on that? What did you guys decide?

7               MR. ROD KUCHARICH: Mr. Chairman, the state of  
8       Colorado I think is in favor of having a spring meeting,  
9       a Compact Commission Meeting rather than an Operational  
10      Committee Meeting. The reason why I say that is if there  
11      are items that can be agreed upon at that time then the  
12      Compact Administration can act on those items rather than  
13      wait until the next regularly scheduled meeting or to  
14      hold yet another special meeting of the Compact  
15      Administration. I do think that it would be limited to  
16      operational issues, as mentioned before. I guess I would  
17      ask Kansas where they would like to come down on this  
18      issue.

19             MR. DAVID POPE: Well, the...when we broke, I  
20      guess our thinking was that we were talking about a  
21      spring meeting of the Operations Committee to do the  
22      things that had been described, have the issues  
23      identified before and then the agenda would include  
24      trying to resolve the ones that could be and discuss a  
25      mediation process to resolve the remaining issues that

1 did not involve legal interpretations and essentially  
2 recognizing that it would take some time and the  
3 mediation process is probably not going to be a single  
4 day type meeting of the committee, that the ARCA...actual  
5 ARCA meeting would then be a second step beyond that.  
6 That's, I guess the way we sort of understood the  
7 process. And I guess it's a different process to do this  
8 as part of a full ARCA meeting and Rod, I guess I'm  
9 really trying to sort out you know, what can occur here.  
10 It seems like often times when you have these kinds of  
11 issues they do need to be laid out and looked at and I'm  
12 not really...I think our expectations maybe of having a  
13 final action at that first spring meeting may be more  
14 than we can bite off but certainly want to commit to the  
15 process to do that.

16 MR. DAVID BRENN: Mr. Chairman.

17 CHAIRMAN SISNEROS: Yes.

18 MR. DAVID BRENN: I would like to comment on  
19 that too. And I think in our earlier discussions here,  
20 and certainly demonstrated through Colorado's interest in  
21 mediation, I, for one, have sat through many of these  
22 committee meetings or ARCA meetings where we reach  
23 stalemates simply because both states are either not  
24 prepared to commit to what they don't really understand  
25 as far as implications and so my thoughts on this is that

1       it would be an Operations Committee Meeting and through  
2       that process once we do, and this is a significant issue  
3       for ARCA, that once we do address those things, both  
4       states have fully reviewed that and hopefully are in a  
5       position of resolve on certain issues and those that are  
6       not, the consideration of ARCA would then be to initiate  
7       arbitration on those other issues. So I echo what Mr.  
8       Pope has indicated here. I think that if we would have a  
9       full meeting of ARCA instead of a process of developing  
10      this protocol on mediation, it's going to result in a  
11      great deal of frustration by both states. I think it's  
12      entirely too optimistic to think that we can resolve this  
13      in a spring meeting.

14               CHAIRMAN SISNEROS: Thank you. Let me, you  
15      know, I have before me here a list of...from Kansas, from  
16      Mr. Mark Rude dated February 5, 2001. Kansas's list of  
17      resolvable issues under 1980 Resolution, no particular  
18      order, so we have a list here of six from Kansas. We  
19      also have seven, and I believe there's a few more, eight,  
20      nine, ten, eleven issues from Colorado that -- no, I'm  
21      sorry, seven issues from Colorado that Colorado thought  
22      were resolvable, so you know, I think the ground work has  
23      been laid here in Colorado's list of issues. They are  
24      stating Kansas's position, Colorado's position and  
25      proposed resolution as to how they think this could be

1 resolved so some of the work has already been done. I  
2 think that if we were to just take these 13 issues prior  
3 to the spring meeting and each state work on them and  
4 show up to the meeting and it could be an evening meeting  
5 with a work session and an ARCA meeting on the following  
6 morning to finish off, that might work as a suggestion,  
7 gentlemen.

8 MR. DAVID POPE: Mr. Chairman, I guess I was  
9 really trying to find a process here that would be  
10 workable and really make genuine progress on resolving  
11 these and I know that's your...certainly your intent, but  
12 it seems like we have...at ARCA meetings we have had  
13 discussions about the reports from the OS and AOS and you  
14 know, full meeting along the lines like this and we just  
15 don't seem to make progress and I was really trying to  
16 look for a format of, I think that's why we talked in  
17 terms of a mediation process, and trying to look at it a  
18 different way in setting down and communicating about  
19 these with help from somebody that's trained to deal with  
20 these issues and look for the possibilities of what the  
21 interests are and how to resolve those. I just think we  
22 really need some outside help if we are going to make  
23 progress on these. Seems like we do this each year. We  
24 just don't make any progress. And so that's all I was  
25 really, I think that's what we were suggesting is these



1       are complex issues, technical issues. We do have the  
2       structure of the committee, we have...some progress has  
3       been made in terms of discussing the issues and  
4       identifying them and I think now it's really ready for  
5       the next step in terms of really trying to find those  
6       solutions. But that's going to mean some give and take.  
7       It's going to mean some good communications, good  
8       understanding and...

9               CHAIRMAN SISNEROS: Correct me if I'm wrong.  
10       What I'm hearing then from Kansas is that you would like  
11       to have your spring meeting to discuss the issues in  
12       question and be prepared for mediation?

13              MR. DAVID POPE: Right.

14              CHAIRMAN SISNEROS: Do I have any comments from  
15       Colorado?

16              MR. DAVID POPE: Part -- I'm sorry, Mr.  
17       Chairman. Just to clarify, part of the process in the  
18       committee meeting would be further defining the issues  
19       but really developing the process and determining just  
20       how would this mediation thing work and hopefully we can  
21       get as far down the road as possible but maybe we can  
22       even between now and then, think along the lines of who  
23       could do that for us and you know, those kinds of things.  
24       Usually a mediation process, they want to be in on the  
25       front end and understand the issues and help facilitate

1 resolution. Been through a number of those and some  
2 worked good and some don't you know, but you have to give  
3 it your shot.

4 CHAIRMAN SISNEROS: Any comments from Colorado?

5 MR. ROD KUCHARICH: Yes, you know, I do think  
6 it's important to move forward on this. I personally was  
7 prepared to go to arbitration. My motion was to make  
8 Kansas feel a little bit more comfortable in the process  
9 and that's primarily because I have faith in the  
10 accounting process as it was explained to me. I like the  
11 Chairman's suggestion about having an Operational  
12 Committee Meeting and then an ARCA meeting the following  
13 day. This would enable us to take action on issues that  
14 we can mutually agree on. The sense of my motion was  
15 that the two staffs attempt to take the list that the  
16 Federal Commissioner has presented to us, attempt to  
17 solve those issues prior to the meeting, bringing to us  
18 what solutions they recommend and then further  
19 identifying how to proceed on the issues that they can't  
20 mutually agree on. You know, I do think that  
21 mediation in this sense must include recommendations from  
22 the mediator to the full ARCA Commission. I think that's  
23 a concrete step forward. It may not you know, be true  
24 mediation but we do need to have some type of  
25 recommendation before the Board if the respective staffs

1       can't come to a mutual agreement on these operational  
2       issues. So I do like the idea of the Operational  
3       Committee and I think rather than start it at 7:00  
4       o'clock at night, I would suggest we start that during  
5       the day so that there's more time to deal with these  
6       issues. It seems as though much of the meat was laid out  
7       there last night. And so if we had a day meeting and  
8       then the following day the ARCA Commission and there may  
9       be nothing for the Compact Administration to even deal  
10      with at that point other than to ratify a process of  
11      mediation. But I think it's at least worth a try to get  
12      the staffs together prior to a meeting, bring them to a  
13      meeting and then have the Administration meet the  
14      following day.

15               MR. DAVID POPE: Rod, are you then suggesting  
16      that after the committee meeting on that first day one of  
17      the issues that ARCA would take up would be the mediation  
18      topic at that point. You are not necessarily, I guess I  
19      don't hear you saying have actual mediation at the first  
20      meeting.

21               MR. ROD KUCHARICH: No, I don't think  
22      that's...you know, I think that we need to probably take  
23      action on the mediation process and who we would select  
24      as a mediator in the process, I mean, you know, this is  
25      the kind of process that is going to take very specific

1 skills. We aren't going to be able to choose someone  
2 that doesn't know about reservoir operation and complex  
3 accounting processes. So you know, that I think  
4 ...hopefully we can ratify some changes that both staffs  
5 can agree to and then move forward on identifying the  
6 issues and the mediation process for...for the future at  
7 that ARCA meeting and I would think that we would want to  
8 focus that ARCA meeting on those issues.

9 CHAIRMAN SISNEROS: Any other comments from  
10 Kansas?

11 MR. ROD KUCHARICH: I was told to offer up Garden  
12 City as a meeting place.

13 MR. DAVID POPE: Sweetening the pot, are you?

14 MR. ROD KUCHARICH: Yes, we'll sweeten the pot.

15 CHAIRMAN SISNEROS: Somebody is bribing  
16 somebody.

17 MR. TOM POINTON: I just want to make a comment.  
18 A year and a half ago we had an Operations Committee  
19 Meeting set up to do this very thing that we are talking  
20 about. Nothing came of it. So without the ARCA meeting  
21 as a follow-up, I think it would be just like the last  
22 one that happened.

23 CHAIRMAN SISNEROS: Your comments are noted.  
24 Dave -- oh, go ahead.

25 MR. DAVID POPE: I think under -- Mr. Chairman,

1 I think under the description that I heard from Mr.  
2 Kuharich just a minute ago, if I understand, it would be  
3 an...essentially a two day session with during the day of  
4 the first day Operations Committee would meet, do  
5 additional work in regard to the issues and trying to  
6 define those that can be resolved. Then the second day  
7 the full ARCA meeting would be to take action on anything  
8 that can be resolved from that plus to the extent that  
9 issues have not been resolved. Then work through the  
10 whole process of how to...how to resolve this or how to  
11 deal with mediation of remaining issues. So I guess I  
12 see the agenda then for that second day of full ARCA  
13 would be really focused on resolving issues that can be  
14 resolved and really prepare to try to agree on a  
15 mediation process itself for those things that cannot be  
16 resolved at that point. That, I think, is starting to  
17 bring into focus maybe a two step process right there  
18 that might be workable and hopefully we can both do some  
19 homework between now and then on all of that, but I think  
20 we are in a position to where we can support that  
21 process.

22 CHAIRMAN SISNEROS: Go ahead.

23 MR. ROD KUCHARICH: It is my intent that the two  
24 staffs meet and try to come up with resolution on these  
25 issues that they can present at the Operations Committee

1       that can then come to us. So it anticipates work on the  
2       front end with the issues that were identified for  
3       Aurelio and then I think we just, by a process of  
4       elimination, have identified the issues that we would  
5       move forward with mediation on.

6               MR. DAVID POPE: Yeah.

7               CHAIRMAN SISNEROS: Are there any other comments  
8       on this? The Chair would -- go ahead.

9               MR. TOM POINTON: We are not all the way through  
10      the agenda yet and there could be some other issues that  
11      we want to take up at this spring meeting also for ARCA.

12              CHAIRMAN SISNEROS: Okay. And I agree with you,  
13      I think we are looking at what did I say, 13 issues, I  
14      think, that if we were to accomplish six of them it would  
15      be a milestone. I can appreciate what you are saying,  
16      Tom.

17              CHAIRMAN SISNEROS: If that's the consensus then  
18      the Chair would entertain a motion from, I think Rod had  
19      the idea.

20              MR. ROD KUCHARICH: Do you want that motion  
21      restated?

22              CHAIRMAN SISNEROS: Yes.

23              MR. ROD KUCHARICH: Motion would be to set up a  
24      spring meeting of both the Operational Committee and the  
25      ARCA, the Compact Administration. The meeting would be

1 to discuss issue identification. Those issues that  
2 respective staffs from each state have come up with  
3 resolution to and identification of those issues that  
4 still remain to be resolved, begin to identify the  
5 mediation process and ratification of solution of the  
6 issues at the ARCA meeting itself the following day.

7 MR. TOM POINTON: I second as agreeable to all  
8 of those changes.

9 CHAIRMAN SISNEROS: We have a motion. We have a  
10 second. Are there any questions on that motion? Any  
11 comments on that motion or...

12 MR. DAVID POPE: I think we understand.

13 CHAIRMAN SISNEROS: Are there any amendments to  
14 that motion?

15 MR. DAVID POPE: The only thing I didn't hear  
16 said in there was Garden City.

17 MR. ROD KUCHARICH: I would make that amendment.  
18 I would make that an amendment.

19 CHAIRMAN SISNEROS: I was waiting for that one.  
20 That's why I said...

21 MR. ROD KUCHARICH: I would make that amendment  
22 that the special meeting be held in Garden City.

23 MR. DAVID POPE: I think Kansas is ready to  
24 pursue the motion.

25 CHAIRMAN SISNEROS: Before you get into that,

1       you did mention about the staffs prior to the motion but  
2       you did not include it in the motion. Is that something  
3       you wanted in there?

4               MR. ROD KUCHARICH: No, I think it's in there...

5               CHAIRMAN SISNEROS: Is it in there? I must have  
6       missed it...

7               MR. ROD KUCHARICH: ...I addressed the staff  
8       meeting prior to an attempt to resolve the issues we can  
9       identify. If we can come to a conclusion on some of  
10      these 13 issues among the staffs then I can...we can  
11      ratify those changes as a Compact Administration.

12              CHAIRMAN SISNEROS: We have a motion and a  
13      second. Can we have a vote on this? All in favor?

14              MR. ROD KUCHARICH: Yes.

15              CHAIRMAN SISNEROS: All in favor on this end?

16              MR. DAVID POPE: Kansas votes aye.

17              CHAIRMAN SISNEROS: So approved. Moving on. The  
18      Offset Account Operations Status Report by our State  
19      Engineer or the Colorado State Engineer, Hal Simpson

20              MR. HAL SIMPSON: Thank you, Mr. Chairman. I am  
21      Hal Simpson, Colorado State Engineer. I would like to  
22      introduce a couple of additional staff members who are  
23      with me.

24              First, Ken Knox, Assistant State Engineer and my  
25      Engineer Advisor on Interstate Compacts and Dan Neuhold



1 arrived a few minutes ago, he's the Water Commissioner  
2 for District 67, responsible for the administration of  
3 releases from John Martin Reservoir as well as protection  
4 of water rights in Colorado.

5 First, I would like to thank Steve Witte and his  
6 staff for their excellent work in accounting, for not  
7 only the Offset Account operations but the operations of  
8 John Martin Reservoir and the compliance with the  
9 Arkansas River Compact. Accounting in this basin, as you  
10 may know or may not know, is the most complex anywhere in  
11 the United States. In all of my travels throughout the  
12 west when I discuss our accounting with other state  
13 engineers they are amazed at the accounting that we do in  
14 the Arkansas River Basin for both groundwater and surface  
15 water and reservoir water. And I think that is...could  
16 probably be said if it's the most complex in the United  
17 States it's probably the most complex anywhere in the  
18 world. These reports that Chairman Brenn referred to are  
19 necessary. They are required by the 1980 Operations  
20 Resolution -- excuse me, 1980 Resolution. The Compact  
21 itself dealing with Compact compliance in the Offset  
22 Account Resolution.

23 First, I would like to briefly discuss Compact  
24 compliance for the Compact Year 2001. It's required and  
25 it's part of the agenda for today. I was going to use

1       overheads but because of the set-up of the room, I'm not,  
2       I'm just going to give some summary numbers.

3               First, there were 17 replacement plans approved  
4       by my office for the year 2001 that provided estimates of  
5       pumping and then also we determined actual pumping,  
6       estimated pumping was 204,765 acre feet. Actual pumping  
7       was 150,218 acre feet or 73 percent of the estimate. The  
8       number of wells enrolled in the plans was 1,980. Of  
9       these there were 1,440 irrigation wells within what we  
10      call the alluvial area, the area between Pueblo and  
11      the stateline and is subject to the litigation with  
12      Kansas. The number of irrigation wells was 1,440. Of  
13      those, 1,072 were active or in operation in the past  
14      year. Their actual pumping was 121,880 acre feet. The  
15      computed out of priority stream depletions from the  
16      pumping in the year 2001, and prior years as well, totaled  
17      44,482 acre feet. The actual amount of replacement made  
18      available during the Compact Year by these 17 plans  
19      totaled 47,092 acre feet. So there was, in fact, an over  
20      delivery or over compensation. Below John Martin we have  
21      one plan that operates, is of particular interest to  
22      Kansas that I discussed last night and that's the Lower  
23      Arkansas Water Management Association. During the  
24      Compact Year their depletions to usable stateline flow as  
25      computed by the 1996 Use Rules and also the Offset

1 Account resolution totaled 10,924 acre feet. The actual  
2 amount of replacement was 11,689 acre feet. These are  
3 depletions to usable stateline flow, and related  
4 replacement within Colorado out of priority depletions to  
5 Colorado water users totaled 6,598 acre feet. The actual  
6 replacements to those water rights in Colorado was 7,602  
7 acre feet. Again indicating over compensation pursuant  
8 to those rules. With that, I would conclude my report on  
9 Compact compliance and be glad to answer any questions.

10 CHAIRMAN SISNEROS: Any questions from Kansas?

11 MR. DAVID POPE: I don't know that I really have  
12 a question.

13 CHAIRMAN SISNEROS: Or comments.

14 MR. DAVID POPE: I guess I would just like to  
15 ...maybe it's a question, but clarify, I think what Mr.  
16 Simpson has described as the operation of the rules and  
17 regulations he promulgated in regard to the Arkansas  
18 River Valley related to groundwater pumping and as I  
19 understand, operations of the Offset Account. Just for  
20 purposes of clarification, I think I would note that  
21 Kansas does have some differences in regard to the way in  
22 which depletions to usable stateline flows are estimated  
23 and the analysis of replacement water for those  
24 depletions, the issues related to actually determining  
25 compliance with the Compact at least as related to the

1 issues before the U.S. Supreme Court are being dealt with  
2 in that forum and Kansas has provided to Colorado expert  
3 reports that show our analysis of that matter. And my  
4 purposes, I guess in just mentioning that here for the  
5 body is that we appreciate the accounting and the work  
6 that Mr. Simpson and his staff have done but there do  
7 still remain to be some issues in the future compliance  
8 aspect of the litigation and so when Mr. Simpson reports  
9 that there was over-compensation or more replacement than  
10 required, I take that to be in the context of the rules  
11 that have been promulgated by the State Engineer.

12 MR. HAL SIMPSON: That's correct.

13 CHAIRMAN SISNEROS: Any other comments or  
14 questions?

15 MR. MARK RUDE: I have just a quick question.  
16 Mr. Simpson, the...you reported that there was a  
17 component of the operations of this that involved  
18 estimated pumping and that the actual pumping was  
19 significantly less than the pumping.

20 MR. HAL SIMPSON: That's correct.

21 MR. MARK RUDE: Last year was somewhat of a dry  
22 year in the lower Arkansas basin in Colorado.

23 MR. HAL SIMPSON: I think it was maybe with the  
24 exception of...

25 MR. MARK RUDE: I'm curious as to why they

1        didn't use near as much as they estimated they would. Is  
2        that just a matter of a formula or...

3                MR. HAL SIMPSON: The projected pumping is based  
4        upon what the farmers anticipate they'll pump as reported  
5        prior to the irrigation season, I believe, March 31. As we  
6        move through the irrigation season we use reported  
7        pumping based upon either totalizing flow meters or the  
8        power conversion coefficient method to determine actual  
9        pumping. We filed, as you recall from the graph last  
10       night, for the last four years estimated pumping was  
11       always about 25 percent higher than actual for some  
12       reason, whether it's just they are optimistic at the  
13       beginning of the year because really that covers what  
14       they think they would pump under maximum conditions and  
15       never really turns out to be the situation.

16               MR. MARK RUDE: Okay, thank you.

17               CHAIRMAN SISNEROS: Thank you, Mr. Simpson. Did  
18       you have a question? Oh, I'm sorry. Thank you.

19               MR. HAL SIMPSON: Now if I may move onto the  
20       Offset Account Report briefly, the Resolution concerning  
21       the Offset Account in John Martin Reservoir provides  
22       benefits to both states and it certainly has some  
23       requirements for Colorado to do certain things. I'm  
24       going to summarize quickly what it does require the State  
25       Engineer to do. First, we're to provide timely notice to

1 Mr. Pope of deliveries to the Offset Account that is set  
2 forth in paragraph 3. We are to determine the extent to  
3 which water delivered is fully consumable or stateline  
4 return flow and compute delivery transit losses and  
5 notify Kansas, again, Mr. Pope, and that is required by  
6 paragraph 4. We are to notify Kansas, again Chief  
7 Engineer, of depletions to usable stateline flows by  
8 post-Compact well pumping on a monthly basis. That is  
9 set forth in paragraph 5. We are to notify again the  
10 Kansas Chief Engineer when the delivery of the 500 acre  
11 foot storage charge is made available and that is  
12 required by paragraph 9. We are to make accounting of  
13 the operation of the Offset Account for the previous  
14 Compact year available to the Operations Committee and  
15 interested parties by December 1. We discussed that  
16 report in some detail last night. That is required by  
17 paragraph 11. We are required to report to this  
18 Administration and to the Kansas Chief Engineer on a  
19 monthly basis the timing and the amount of deliveries,  
20 monthly post-Compact well pumping and monthly accounting  
21 of Colorado's Compact compliance. That is paragraph 12  
22 of the Resolution. During the past year the Lower  
23 Arkansas Water Management Association or LAWMA, as we  
24 refer to, made three deliveries into the Offset Account.  
25 First was made on March 29, 2001 from the XY Canal

1 Companies Article 2 Account totaled 1,688 acre feet and  
2 we provided Mr. Pope a notice in a letter dated April 16,  
3 2001. Delivery of another block of water occurred on  
4 August 10th. It totaled 1,101 acre feet of water. It  
5 was from the Lamar Canal Article II Account, again by  
6 LAWMA and the notice was provided on August 15, 2001 in a  
7 letter to Mr. Pope. The third delivery occurred  
8 throughout the summer months as fully consumable water  
9 from LAWMA's Highland Canal. Canal diversions where the  
10 land dried up up on the Purgatoire which was delivered  
11 into John Martin Reservoir including accounting for  
12 transit losses. That total was 1,929 acre feet. We  
13 provided notice to Mr. Pope in a letter dated November  
14 15, 2001. All of these notices are included in Section III  
15 of the Offset Account. There was one release from the  
16 Offset Account requested by the State of Kansas was for  
17 the period June 18, 2001 through June 21, 2001. This  
18 release included several types of water from different  
19 subaccounts. 467 acre feet of the Kansas Storage Charge  
20 Subaccount plus 100 -- 1,469 acre feet from the Kansas  
21 consumable subaccount released. This also included a  
22 release of 724 acre feet from the Colorado consumable  
23 subaccount not yet charged against well depletions which  
24 yielded at the stateline 593 acre feet of credit after  
25 deducting transit losses. Notice of this delivery was

1 provided to Mr. Pope on August 31, 2001. That letter is  
2 in the Section 3 part of the report. Monthly reports of  
3 Colorado's Compact Compliance were provided to this  
4 Administration and Colorado Chief Engineer within 60 days  
5 of the end of each month of the Compact Year. These  
6 reports are in Section 4 of the Offset Account Report.  
7 Then the Offset Account Report dealing with the entire  
8 operation for the entire Compact Year is the report with  
9 the orange cover that you received in the past few days  
10 or last night and that details all of the accounting of  
11 the Offset Account. I'll be glad to answer any questions  
12 if you have them.

13 MR. DAVID POPE: Mr. Chairman, again we had an  
14 opportunity last night to ask a few questions and there's  
15 no need of, I think, pursuing that further here. Again,  
16 I would like to thank Mr. Simpson and his staff for the  
17 very detailed accounting. There's a lot of work involved  
18 in preparing all of the notices and the monthly reports  
19 and the summaries of all of the data that are found in  
20 the extensive reports that are provided here so we  
21 certainly very much appreciate that and it does provide  
22 the information that I think allows both states to  
23 monitor and evaluate the implementation of the Offset  
24 Account. I think then it really does then set the stage  
25 and allow us to evaluate the issues of credits and I



1 think that's the one thing, as I said before, that may  
2 very well still be some issues outside the scope of this  
3 body that are being resolved in the other forum - the  
4 litigation and with that caveat, I just simply say that  
5 while there may be some differences there, I certainly  
6 still do appreciate the report itself and hopefully we  
7 can resolve our differences in terms of exactly what the  
8 credit should be as time goes on.

9 MR. HAL SIMPSON: Thank you.

10 CHAIRMAN SISNEROS: Thank you, Mr. Simpson.

11 MR. ROD KUCHARICH: Mr. Chairman, Hal's  
12 introduction of his staff is going to jog my memory.  
13 There's an individual in the audience that I need to  
14 introduce also. Harold Miskell is the chairman of my  
15 board, the Colorado Water Conservation Board, and  
16 coincidentally his area of representation is the Arkansas  
17 River and Harold is monitoring the meeting today. So in  
18 a very real sense Harold is my boss since he is Chairman  
19 of the Board.

20 CHAIRMAN SISNEROS: Okay. If there's no other  
21 questions or comments on Mr. Simpson's report, let's move  
22 onto item number 4.

23 MR. DAVID POPE: Mr. Chairman, can I interject  
24 one thing? While we were not able to take action earlier  
25 in terms of approving a motion in regard to the Operation

1 Secretary's Report, I think it probably would be  
2 appropriate for this body to make a matter of record both  
3 the reports from the Operations Secretary and the  
4 Assistant Operations Secretary. Again, that's not an  
5 action item in regard to approval of the reports but I  
6 think it is clear that we have had discussions of those  
7 last night and today and I think they ought to be a part  
8 of the record for the meeting.

9 CHAIRMAN SISNEROS: Okay.

10 MR. ROD KUCHARICH: I agree with that. Would a  
11 motion for acceptance of the reports be appropriate?

12 MR. DAVID POPE: I think, again, we need to stay  
13 away from action but I just think if we can have an  
14 agreement and if it needs a motion to at least make them  
15 part of the record then I would support that. These  
16 types of actions sometimes get misinterpreted and we've  
17 had that happen in other bodies and...but I don't really  
18 know whether we need a motion to make them a part of the  
19 record or if that can be done by consensus. I would be  
20 ...a motion is okay if...

21 CHAIRMAN SISNEROS: Yeah, I...unless we are  
22 going to approve or disapprove you know, his report or  
23 contents of his report, I think that just an indication  
24 that Mr. Hal Simpson did in fact present a compliance,  
25 Colorado Compact compliance efforts and Offset Account

1       Operations Report, and there was some questions in regard  
2       to that report and I think that probably would be  
3       sufficient unless you folks want to do something  
4       different and do it as a motion.

5               MR. DAVID POPE: I think that's acceptable. We  
6       have really the three reports. We have Steve Witte's  
7       report, Mark Rude's report and we have Hal Simpson's  
8       report and I think they can all be made a matter of  
9       record.

10              MR. ROD KUCHARICH: I agree.

11              CHAIRMAN SISNEROS: So if we would just enter  
12       those into the record, they were reported, that...

13              CHAIRMAN SISNEROS: Okay. We're moving onto  
14       item number 4, review of approval status of prior  
15       Operation Secretary's Reports. I think we discussed that  
16       a little bit ago. Myself and Steve Miller, was Jan going  
17       to make a presentation?

18              MR. STEVE MILLER: She can't come until after  
19       lunch, that's why we deferred those financial areas.  
20       That will allow the audience to leave after we are done  
21       with substantive matters.

22              CHAIRMAN SISNEROS: Agenda item number 10 and  
23       also Jim Rogers' report, item number 10. Legal  
24       committee, administrative, we will go on to item number  
25       10, we will move to the Reports of Federal Agencies, US

1 Bureau of Reclamation. Who is going to do that? Mr.  
2 Brian Person.

3 MR. BRIAN PERSON: Thank you Mr. Chairman and  
4 also thank you to the members of the Commission. I am  
5 Brian Person. I am the Bureau of Reclamation's Eastern  
6 Colorado Office Manager, located in Loveland, Colorado.  
7 I, too, would like to introduce other Reclamation staff  
8 members here to the Administration. Far left is Lisa  
9 Vehmas, Water and Environmental Policy Analysis. To her  
10 left is Alice Johns, the manager of our Resources  
11 Division, and Malcolm Wilson is a Water Resources  
12 Engineer in our eastern Colorado office. I would like to  
13 thank you for the opportunity to be here today and to  
14 provide these comments. As most of you know, the eastern  
15 Colorado area office operates and maintains two major  
16 transmountain diversion projects. They are the Colorado  
17 Big Thompson Project and the Fryingpan-Arkansas Project.  
18 One of our other roles is to also administer the  
19 irrigation repayment contract with the Purgatoire River  
20 Conservancy District for the Trinidad Dam and Reservoir  
21 Project. It is a Corps of Engineers project located on  
22 the Purgatoire River. Today I will discuss a number of  
23 items including the Operating Principles for the Trinidad  
24 Project, the 2000-2001 Water Year for the Fry-Ark Project  
25 and I'll touch on a few other ongoing issues involving

1 the Fry-Ark. Please pardon me in advance as I pay very  
2 particular attention to my notes but there are a number  
3 of important details that I don't want to risk missing.  
4 Following last year's ARCA meeting we continued to focus  
5 our efforts on support of the Purgatoire Water  
6 Conservancy District, primarily through our Water Field  
7 Services Program. Through the Field Services Program we  
8 assist water agencies to develop primarily water  
9 conservation plans but there are other aspects of our  
10 assistance as well. We provide information about water  
11 use and management, demonstration of innovative  
12 technologies such as canal lining and other similar  
13 projects, and implementation of other conservation  
14 measures. As I mentioned last year, through a  
15 Cooperative Agreement, we have helped the District fund a  
16 canal loss study, sometimes termed a transit loss study.  
17 At the request of the District the U.S. Geological Survey  
18 conducted gain - loss measurements and estimates on canals  
19 in the District during the July-August 2000 timeframe and  
20 also this past year during May and June. I am  
21 encouraged. The District has made considerable progress  
22 in implementing this study and some very useful data has  
23 been collected. Our agreement with Purgatoire River  
24 Water Conservancy District through which we helped to  
25 fund this work has been extended from its prior

1        termination of December 2001 to now extend through  
2        September of 2002, this full fiscal year. This will allow  
3        a third year of data collection and report writing. Our  
4        water conservation specialist Paula Sundeby administers  
5        our water conservation program. She will be meeting with  
6        the Survey and the District just after the first of the  
7        year to discuss the remaining work. Again, I'm  
8        encouraged by what we have seen thus far, very hopeful  
9        this will...this information will assist the District  
10       with water management. Another area of assistance has  
11       been acreage verification. Last year we reported that we  
12       in Reclamation have developed an acreage verification  
13       data base, a relatively straight forward system, a  
14       prototype, if you will. The District however, hired a  
15       consultant to develop a much more comprehensive process.  
16       We provided the data base prototype to the consultant.  
17       We also offered to provide certain funding assistance  
18       with the proviso that certain criteria be met with regard  
19       to the development of the system. As I stated in the  
20       November 9th letter of this year to the Chairman of  
21       ARCA, the District provided us, provided Malcolm, that  
22       is, a presentation of the acreage verification system in  
23       July of this year. Based on that presentation it  
24       appeared to us then and does today that when fully  
25       developed and implemented the AVS will meet the criteria

1       and it's my understanding we will have an opportunity to  
2       learn more about the AVS today. That November 9th  
3       letter, Mr. Chairman, I would like to enter for the  
4       record. Thank you.

5               Mention the financial assistance agreement.  
6       Through that agreement we would provide \$7,500 in  
7       financial assistance to the District the first year and  
8       an additional \$6,000 in the second year. The  
9       District then had agreed to provide us quarterly reports  
10      as was stipulated in the agreement. As we stated in the  
11      letter that you have before you Mr. Chairman,  
12      Reclamation's approach had been to work with the District  
13      to develop an AVS that would lead to closure on the  
14      acreage verification issues. Prior to consideration of  
15      the amendments transmitted to the District in the May 9  
16      letter. In an effort to explain this approach and to  
17      also voice not only to Mr. Danielson but also to the  
18      board our continued support of their work on the AVS, I  
19      attended the Purgatoire District Board meeting in July of  
20      this year. I've been very encouraged. We have been very  
21      encouraged by the District's progress on development of  
22      the acreage verification system and again look forward to  
23      the presentation I understand we will see later today. I  
24      also acknowledge that implementation of the acreage  
25      verification system has been...(inaudible)...of

1 Reclamation's but also to the states of Kansas and  
2 Colorado. While the District has made considerable  
3 progress, and when I look at where we were in this  
4 process last year and where we are now, where the  
5 District is now, for their efforts and the efforts of  
6 their consultant, there has been considerable progress  
7 made. I had hoped, though, that prior to this meeting  
8 signatories to the Operating Principles and the state of  
9 Colorado would have been provided reports on the acreage  
10 verification system and some verification maps to better  
11 understand its function and utility. I had hoped this  
12 information could be provided along with a reasonable  
13 time to review and provide comments on the information  
14 prior to taking it up today. In the May 9 letter...in  
15 the May 9 letter the District proposed some amendments to  
16 the Operating Principles which concerned stockwatering as  
17 well as a listing of the project participating water  
18 rights and a listing and reduction of the irrigated  
19 acreage. As I mentioned, our approach has been to work  
20 first with the District on the development of the acreage  
21 verification system. That would then lead hopefully to  
22 closure of the acreage verification issue. Late this  
23 fall it became apparent that sufficient time did not  
24 remain prior to this ARCA meeting as I mentioned a few  
25 moments ago for the signatories and the state of Colorado



1 to digest the system. In early November I initiated  
2 contact with Colorado, Kansas, and the District to  
3 discuss the status of the acreage verification system and  
4 the District's proposed amendments. Since that time, we  
5 in Reclamation have had several discussions with  
6 representatives from the state of Colorado, the District,  
7 and the Corps. On December 3 of this year I received from  
8 Kansas a copy of their letter to Mr. Kuharich of Colorado  
9 and following that Mr. David Pope and I briefly discussed  
10 the issues. Mr. Pope conveyed that Kansas would like a  
11 reasonable amount of time to review information on the  
12 AVS, acreage verification system, and provide comments  
13 prior to considering an action on this by the Compact  
14 Administration. This is also consistent with what we  
15 have stated in our November 9 letter. The letter from  
16 Kansas also states their understanding that the AVS will  
17 not be developed until September 30 of 2002, I believe.  
18 Since their statements suggested that coincided with the  
19 funding we were making available. That's not my  
20 understanding however on the information we received from  
21 the District and it's much further along than that and we  
22 expect a usable product prior to that time. Lastly,  
23 Kansas stated that they agreed with Reclamation's  
24 recommendation that the signatories conduct this review  
25 prior to consideration of amendments to the Principles

1        regarding either stockwater or the acreage verification.  
2        In actuality, in my letter I had intended to leave open  
3        the door for other meetings to resolve these matters.  
4        Reclamation's primary interest in the consideration and  
5        approval of amendments to the Operating Principles is to  
6        provide optimum beneficial use of available water. There  
7        must also be the assurance, however, that there will be  
8        no significant increase in water that would result in a  
9        depletion to the water yield to other Colorado and Kansas  
10       water users. This is one of Kansas's five conditions  
11       originally agreed to as part of the Operating Principles.  
12       With these thoughts in mind, I make the following  
13       comments: In early November Malcolm Wilson did meet with  
14       the District and obtain information to verify water  
15       rights listings in the District's Proposed Amendment. We  
16       have completed that verification and have also consulted  
17       with the Division Engineer for Colorado Water Division  
18       2. We have found that the water rights listing in the  
19       District's Proposed Amendment agrees with the District's  
20       original contracts with their constituents. There's an  
21       agreement there. We are very close to being able to  
22       support this amendment. We believe the only remaining  
23       question is whether the listing is consistent then with  
24       the state's water rights tabulation. That's the only  
25       question remaining and it's for only a portion of those

1 items listed. It's our understanding through discussions  
2 with the Division Engineer's Office that they have been  
3 working diligently to compare the list and the  
4 tabulation. It is also our understanding that only a few  
5 discrepancies remain and with some additional time it is  
6 likely to be resolved. Regarding the listing and  
7 limitation of irrigated acres in the amendment Article 4B  
8 proposed by the District, this amendment actually  
9 includes several changes to the Operating Principles.  
10 The first is a listing of irrigated acres. As with the  
11 water rights listing, the District was helpful in  
12 providing us information in early November. The  
13 information helped us to affirm that the acreage listing  
14 under individual ditches in the proposed amendment does  
15 in fact agree with contract acreages. There's one minor  
16 exception which we have attributed to perhaps a  
17 typographical or clerical error, very small fraction of  
18 one acre. This amendment includes additional changes.  
19 The acreages lowered from 19,717 to 19,499. And the  
20 listed contracts now total 20,608 acres. Also the  
21 amendment reads that the irrigable area is, and I quote,  
22 "composed as nearly as practicable of the acreages under  
23 individual ditches." This language deletes one word from  
24 the prior amendment which reads "the acreages under the  
25 following individual ditches." A sentence has also been

1       added, "the District shall insure that the acreage  
2       irrigated in any year shall be limited to not more than  
3       19,499 acres of District irrigable area." And we have  
4       every confidence that the acreage verification system  
5       when fully implemented will help to assure that nothing  
6       beyond that acreage is in fact irrigated. We believe  
7       that these changes will optimize the beneficial use of  
8       water provided an adequate acreage verification system is  
9       in place. While we have not yet been afforded the  
10      demonstration of the complete system, we have, in fact,  
11      been afforded a brief presentation on the system with Mr.  
12      Wilson, as I mentioned earlier. We have not yet received  
13      nor had reasonable amount of time to review and provide  
14      comments on the documentation of the acreage verification  
15      system and time to verify the reports or maps that the  
16      acreage verification system would produce. The acreage  
17      verification system is necessary to assure that no more  
18      than the allowable acreage is irrigated in any one year.  
19      Therefore, at this time Reclamation is not assured that  
20      there will be no significant increase in water use that  
21      would result in depletion of water yields to other  
22      Colorado or Kansas water users. Once we have received  
23      and have had adequate time to review the completed AVS we  
24      hope to be in a better position to support the amendment  
25      and when we have seen that we definitely will support the

1 amendment.

2           Next is the stockwater amendment. The parties  
3 approved a temporary one-year stockwater amendment in  
4 1998 during late negotiations in response to emergency  
5 conditions. As I understand it, pivotal to Kansas and  
6 Colorado reaching an agreement on the temporary amendment  
7 was the inclusion of the following language  
8 in...(inaudible)...Colorado and Kansas pledged their  
9 cooperation in the development and adoption of amendments  
10 to the Operating Principles for the verification and  
11 reporting of irrigated acreage for the project. In 1999  
12 Reclamation, Colorado, Kansas, the District and the Corp  
13 of Engineers and ARCA essentially agreed to language for  
14 a permanent stockwater amendment. Reclamation's 1996  
15 review of the Operating Principles concluded that  
16 allowing a release of 1200 acre feet of stockwater does  
17 not result in an impact on water for other water users  
18 and would in fact optimize beneficial use. I am not  
19 aware of any substantive concerns with the stockwater  
20 amendment. The State of Kansas in its October 13, 1999  
21 letter proposed an acreage verification amendment.  
22 Reclamation stated to Kansas, Colorado, the District and  
23 the Corps in discussions in 1999 and later discussions as  
24 late as just last week that it does not support that  
25 amendment as written for a number of reasons including

1       that it is too specific, too restrictive and too  
2       inflexible to be included as an operating principle.  
3       Again we believe the acreage verification system under  
4       development by the District when fully developed and  
5       implemented will in fact meet the intended purpose. We  
6       agree that there should be substantive procedures in  
7       place to verify on an ongoing basis no more than the  
8       maximum project acreage is irrigated. We are for this  
9       reason supportive of an amendment to Article IVB to the  
10      Operating Principles that is less specific than Kansas's  
11      proposed amendment but still assures that substantive  
12      procedures are in place to verify on an ongoing basis  
13      that no more than the maximum project acreage is  
14      irrigated. We have recently proposed language for such  
15      an amendment to Kansas and provided it to Colorado,  
16      District, and the Corps. We would support adoption of  
17      amendment that includes this language as well as the  
18      stockwater amendment, the 1999 version, and this very  
19      brief amendment that we had drafted. Many of you have seen  
20      but I have copies of it, if I might. I request that it  
21      be entered into the record, that we have provided copies  
22      for the Compact members. I have also suggested that ARCA  
23      consider the District's proposed water rights listing and  
24      acreage listing amendments at a later date. The acreage  
25      listing discussions we believe should occur after the

1 District provides the documentation and also the products  
2 of the acreage verification system. And after there has  
3 been reasonable time for review and comment. The water  
4 rights listing as I mentioned before, we believe is on  
5 the road to resolution of the discrepancies and that can  
6 be taken up just as soon as those discrepancies are  
7 addressed. If a special session is deemed necessary to  
8 do that, we are absolutely willing. You spoke earlier of  
9 perhaps a special session in the spring of this year if  
10 there's...if the work is done prior to that time and if  
11 there's time available on the agenda we would enjoy  
12 taking that up so we can resolve this thing. I also  
13 mentioned I would provide some comments, some information  
14 on Fry-Ark operations for this water year. We began the  
15 storage, we began the year of storage at 102 percent of  
16 average after a preceding year that was generally about  
17 average. Precip over the Fry-Ark Project area began the  
18 year slightly above average but then trailed off and  
19 ended up being below average through the winter period.  
20 At the beginning of April water for imports from the west  
21 slope are forecasted to be only 79 percent of average.  
22 There's ample space available on the east slope. In  
23 mid-April precip and snowpack levels dropped dramatically  
24 to below average levels. By the beginning of May, 112,600  
25 acre feet of storage space was available in east slope

1       reservoirs. The total west slope water imported through  
2       the Boustead Tunnel for the year was just over 46,680 acre  
3       feet.

4               Like to provide a brief update on Pueblo Board  
5       of Water Works Pipeline. This is an 84 inch pipeline  
6       that would extend from the base of Pueblo Dam  
7       approximately three miles downstream to their water  
8       treatment plant. They have...this will be an enhancement  
9       to water quality, will allow them to take diversions to  
10      their plants by means other than the river. The valve  
11      structure at the base of the dam is virtually complete.  
12      Construction of the pipeline is under way and it's my  
13      understanding that the completion is slated for around  
14      February of this year.

15             In the interest of time I won't elaborate much  
16      on the Preferred Storage Option Plan. You heard from Mr.  
17      Arveschoug this morning a relatively detailed description  
18      of what it does. I will offer only that Reclamation has  
19      been involved in a number of discussions with the  
20      Southeastern Colorado Water Conservancy District,  
21      Colorado Springs Utilities, City of Aurora, and we are  
22      very well aware of first storage option plan elements.  
23      We have discussed the elements of our feasibility study  
24      that if approved by Congress we would engage in and the  
25      Preferred Storage Option Plan will certainly be an



1       important piece of data, a good body of work with which  
2       to derive information for our feasibility study. On  
3       water banking we have engaged in discussions with the  
4       State Engineer's Office. We did receive just last night  
5       a copy of the draft rules which would promulgate the  
6       water banking pilot program. We have also been engaged  
7       in discussions with our counterparts from the Pacific  
8       northwest region in Boise, Idaho. Idaho has a quite  
9       active water banking program much different than the one  
10      that's envisioned here but it's been useful to discuss it  
11      with them. On the security front, in these times I think  
12      I would be remiss if I didn't say a word about our  
13      heightened security efforts since the terrorist attacks  
14      on September 11. Our security measures at dams have  
15      certainly not been the same and the directives we are  
16      receiving suggest it may never be the same. We are at a  
17      heightened level of security at virtually all Reclamation  
18      dams. I want to emphasize there has been no specific  
19      threat against any of the dams we oversee but nonetheless  
20      the heightened security exists. It comes at considerable  
21      expense but it's a very necessary effort.

22               I would like to close by stating that I had just  
23      recently come on board last year. I was almost out of my  
24      car into the car coming down here when I had the benefit  
25      of being naive to this process and it's history, then I

1       expressed optimism. I want to offer now that with the  
2       year under my belt, so to speak, and with some of the  
3       advancements that we have seen, my naivete has been  
4       reduced by one year but I remain optimistic that we can  
5       move on these things. I see no reason why we can't.  
6       Much good work has been done here over the course of the  
7       last year and we are anxious to do our part in moving  
8       things forward. So with that, I would entertain any  
9       questions. Depending upon the level of detail in your  
10      questions I may have to defer to a very able staff.

11               CHAIRMAN SISNEROS: Any questions, Kansas?

12              MR. DAVID POPE: Brian, I guess I would just  
13      follow up a little bit to make sure I understood your  
14      report. You are indicating that there's still some work  
15      to be done to verify all the numbers in the proposed  
16      amendment that would relate to water rights and irrigated  
17      acreage listing. That particular part of it I guess if  
18      we sever that from the other components.

19              MR. BRIAN PERSON: On the water rights I believe  
20      we are...we are 80 or 85 percent. There is the numbers  
21      that I've heard, but we have a bit of work to do yet in  
22      the correlation of listings and the state decrees, but as  
23      I mentioned, talked last night, that work is under way  
24      and I, it's also been suggested that all of the data that  
25      does exist has, in fact, been provided and there's what

1       there is. But I continue to hear we can make progress  
2       there and we can resolve that. I don't know if it can be  
3       in time for the spring meeting that you all discussed, but  
4       that's certainly my hope.

5               MR. DAVID POPE: In regard to the acreage  
6       verification system that you spoke of and the work that  
7       the District has done since last year, I think I recall  
8       your comment saying that once completed and fully  
9       implemented that you believe it would be adequate...

10              MR. BRIAN PERSON: We believe it will be, yes.

11              MR. DAVID POPE: ...to monitor and verify  
12       compliance with the terms of the Principles. What role  
13       do you see for Reclamation in evaluating that or  
14       reviewing that each year? Would the data become  
15       available from that?

16              MR. BRIAN PERSON: I believe it's our belief  
17       that the Bureau of Reclamation's role is as one of the  
18       parties receiving the information. I do not see  
19       Reclamation in an ongoing operation and maintenance role,  
20       if you want to call it that, to verify the data, and then  
21       make that verification available to all of the parties.  
22       I see...I envision that the information would be made  
23       available to the signatories and the state of Colorado for  
24       their own assessment.

25              MR. DAVID POPE: So you don't see a role of the

1 Bureau being the contract agency with the District  
2 checking to see if it's right or anything like that?

3 MR. BRIAN PERSON: We would receive the data and  
4 be one of the entities responsible for doing that but  
5 this is one point I think where we differ most  
6 significantly from the language that you posed in October  
7 of 1999. We don't see Reclamation in that role solely,  
8 no.

9 MR. DAVID POPE: That's one of the main  
10 differences you have with what we proposed at that time?

11 MR. BRIAN PERSON: Yeah.

12 MR. DAVID POPE: Okay.

13 MR. BRIAN PERSON: I hate to...I guess I hate to  
14 default to a common argument but we simply aren't  
15 budgeted for that. We pretty much exhaust the available  
16 budget we have for these discussions in the course of a  
17 normal year. We simply aren't set up for that role.

18 MR. DAVID POPE: I don't believe I have any  
19 further questions. Thank you.

20 CHAIRMAN SISNEROS: Colorado, any questions?  
21 Thank you, Brian.

22 MR. BRIAN PERSON: Thank you.

23 CHAIRMAN SISNEROS: Right now we're going to  
24 have the U.S. Army Corps of Engineers provide us with their  
25 report and I guess Susan is going to do that. Hold up

1       just a second. Are you ready?

2               REPORTER: Go ahead.

3               MS. SUSAN SHAMPINE: Great. Thanks. My name is  
4       Susan Shampine. I'm the Operations, Chief of Operations  
5       Division in the Albuquerque District and I sympathize or  
6       empathize with Brian because I've been at my job for  
7       about three months so I'm in the middle of my learning  
8       curve right now and very definitely relying heavily on  
9       our staff here. And so I would like to introduce those  
10      folks before we get started. Dick Kreiner. Many, I hope  
11      all of you know these folks, but Dick Kreiner is our  
12      Chief of Reservoir Control. Dennis Garcia is our  
13      Arkansas River Basin Coordinator. Key Merchant, he's the  
14      Operations Manager at Trinidad Lake and back here Van  
15      Truan who heads up our Pueblo Regulatory Office. And I  
16      would just like to encourage all of you, you know we're  
17      definitely a service organization and if you need  
18      assistance, feel free to contact any one of these folks.  
19      In addition, the Corps recently opened up an office,  
20      planning office in the Denver area, to service all of  
21      Colorado because we know we have been fragmented. I  
22      think we have got maybe three or four Corps Districts that  
23      service the state of Colorado and I was talking with some  
24      of the Kansas folks and you all have the same situation  
25      there where you have a number of Corps representatives and

1       so we are trying to kind of give you one go-to person  
2       that can help you with that and that fella's name is Van  
3       Shipley and he's located in Denver. Also a member of our  
4       staff who is not here today, we met with him yesterday,  
5       he's laid up with...following knee surgery, is Mark  
6       Stark, our Operations Manager at John Martin. Many of  
7       you know him. I was trying to figure out what I was  
8       supposed to say to you folks today and Dick was kind of  
9       counseling me on don't do that and say this and don't say  
10      that. One of the things he told me was brevity, so I'll  
11      try to do that although I'm going to depart from that a  
12      little bit and probably the other thing is not talk about  
13      things I don't know about. But we discussed whether I  
14      should share a joke or not and decided that my joke  
15      telling skills aren't very good so we will dispense with  
16      that. But I did want to share with you a story. Six  
17      days ago I was at sunrise standing at the base of Cochiti  
18      Dam which is just outside of Albuquerque, New Mexico  
19      with a group of tribal elders and council members  
20      and children from the Pueblo and we were at a healing  
21      ceremony, reconcilliation ceremony. The whole point of  
22      that was the Corps and the Pueblo by virtue of the fact  
23      that the Corps built a dam right in the middle of the  
24      Pueblo, we were partners. And whether we like it or not,  
25      we are partners. And for the last 25 years we have sat

1       in meetings and clenched our jaws and no matter what  
2       anybody said, the answer was no. And finally, I think  
3       just the right people were at the right place and there  
4       was a real effort made by the Governor of the Pueblo and  
5       by our District Engineer to say yes, we've got a  
6       relationship, it's going nowhere by doing business the  
7       way we have been doing it, let's move forward. And we  
8       started about six months ago with a facilitated process  
9       and that led to the healing ceremony and from, in a six  
10      month time period we went from being barely able to sit  
11      in the room with each other to actually hugging each  
12      other and not a dry eye in the room. So I do applaud you  
13      all for taking the steps that you are right now. I know  
14      it may seem little right now but it takes a lot of  
15      courage to move forward and I had heard all sorts of  
16      stories about the conflict here between the two states  
17      and I just...I wish you the best of luck and I think you  
18      all you can do it. If you are committed to making things  
19      work and servicing your constituents, you will come out  
20      with a good product, so God speed on that journey. What I  
21      would like to do now is quickly go over some highlights.  
22      You have a copy of the Corp's report for the last past  
23      year. Those of you in the audience who don't have a  
24      report, there's some copies on the back table there.  
25      Flood control operations for this year, our snow melt

1 runoff was dismal, it was below normal, and so very  
2 little in the way of flood control operations at Trinidad  
3 John Martin or Pueblo Reservoirs. Also like to touch on  
4 some of the planning, some of the programs that the Corps  
5 offers and the status of those; planning assistance for  
6 the state program in February of 2000, the Albuquerque  
7 District and the Colorado Water Conservation Board  
8 initiated a study to focus on three problem areas within  
9 a reach of the Arkansas River between the Otero and  
10 Pueblo County line and the upper reaches of John Martin  
11 Reservoir. That study was completed in August of this  
12 year and basically evaluated the existing channel  
13 capacity and sediment problems. Recommendations that  
14 came out of that included rehabilitating some existing  
15 berms, retiring land from agricultural production and  
16 restoring some native riparian vegetation, constructing  
17 and maintaining channel improvements in selected  
18 locations. So that's kind of the status of that effort.  
19 Many of you may be familiar with a project that was  
20 started, one of our Section 1135 projects at Lake Hasty,  
21 the borrow pit area, I guess, right below John Martin  
22 Dam. This was an aquatic habitat restoration project  
23 started in August of '98 or at least the planning was.  
24 We do have a plan that would route 5-8 cfs through Lake  
25 Hasty during...when irrigation releases are being made to



1       improve the aquatic habitat in Lake Hasty. And as far as  
2       I know, Colorado Department of Wildlife is very  
3       supportive of the project but funding has not been  
4       available so that's something that's just on the table  
5       and ready to go. We have also been working and I have to  
6       apologize, maybe not very successfully, working with  
7       Prowers County on a preliminary restoration plan to  
8       address river channel improvement, wetland and riparian  
9       habitat improvement west of Lamar. Been kind of...I'm  
10      personally unhappy and I know my staff are, with the lack  
11      of progress that we have made as an agency and so we are  
12      stepping back and I have assigned Mark Stark here at John  
13      Martin Reservoir to kind of head up that project and get  
14      that thing moving. So I'm in good hope that next year we  
15      will be able to report some real progress in that area.  
16      Section 206 projects. We completed a feasibility study  
17      for improving fishing and riparian habitats along nine  
18      miles of the Arkansas River just downstream of Pueblo Dam  
19      that was completed in September of 2001. Another project  
20      we have also been working on is the Longs Canyon Creek  
21      Aquatic and Riparian Habitat Preliminary Restoration  
22      Plan. Takes a mouth full just to say that. That  
23      basically is dealing with a five mile reach of Longs  
24      Canyon that comes into the right bend tributaries on the  
25      Purgatoire River just above Trinidad Reservoir. That

1 plan was completed in September and construction is  
2 scheduled to begin in the summer of 2002. Floodplain  
3 Management Services, one of the big efforts and I think  
4 has a lot of long term potential, is a request by the  
5 Colorado Water Conservation Board and local communities  
6 within the watershed of Fountain Creek, basically from the  
7 head waters of Fountain Creek to the confluence with the  
8 Arkansas, and so we have initiated some flood plain  
9 management services there and also received 20 requests  
10 from local entities for specific sites here in Arkansas,  
11 in the Arkansas River Basin. So I see that as a big  
12 project over the next few years.

13 Couple of things that I just want to conclude  
14 talking about, some of you may be familiar with the  
15 Colorado State Parks had approached the Corps about two  
16 years ago trying to find a place to implement their first  
17 state park in southeastern Colorado and as of September  
18 28, we did sign a 25 year lease with Colorado State  
19 Parks. They have basically assumed recreational  
20 responsibility at the reservoir from the Corps and as far  
21 as land management, that includes, if you are familiar  
22 with the area, the Lake Hasty area there below the dam  
23 and anything on the north side from the water fowl  
24 closure line back towards the dam. The rest of the area,  
25 for the most part, is leased to Colorado Department of

1 Wildlife and that remains the same. One of the things  
2 that I think has generated some concern is in the lease  
3 agreement there's a statement in there that management of  
4 the surface water area of the lake is being transferred  
5 to the State Parks and that may be language by people  
6 with real estate backgrounds and not water management  
7 backgrounds. So basically what the intent of that is  
8 just the recreational surface is what is being managed by  
9 the State Parks, so that if somebody is out doing a  
10 boating violation, then State Parks now has full  
11 authority over enforcing those regulations. And in no  
12 way does that impact water deliveries or any water  
13 operations at the dam.

14           The other thing that is kind of out on the  
15 horizon for us, back in the beginning of 2002 the Corps,  
16 Albuquerque District is part of a division that includes  
17 most of the western United States. Our division office  
18 is located in San Francisco, and I was on a committee  
19 that was tasked with trying to improve the efficiency of  
20 our operation and maintenance program. Basically, we  
21 have had a very flat budget over the last 10 years and as  
22 our facilities age it's been a real challenge to try to  
23 keep those facilities functioning and doing the job that  
24 they are supposed to do. And so one of the major  
25 recommendations that came out of that was to look at

1       automating our gates at various dams throughout the  
2       region. We are going to begin that on a trial basis this  
3       year at Cochiti Dam and Jemez Dam in New Mexico  
4       and if things go well, we will be looking at doing  
5       that here at John Martin probably in 2004-2005 time  
6       period. The effort of that is not to reduce bodies and  
7       people who will be out maintaining and operating the dam  
8       but to actually free up time for them to do a better job  
9       of operating and maintaining the dam. Right now if we  
10      make a release it takes you know, we have to call  
11      somebody in from wherever they are at, go down, make the  
12      release, go downstream, check the water gage, come back,  
13      make any adjustments and it's a fairly lengthy process.  
14      Also if there's a need for a release, for say an  
15      endangered species, and as for conservation of water  
16      purposes our ability to make releases in a very timely  
17      manner is a real important issue and by automating those  
18      gates we will be able to do that more effectively and  
19      serve our customers better so that's something we are  
20      looking at. We certainly aren't going to do it if we  
21      discover in our trial projects in New Mexico that it  
22      creates a problem for us but I just wanted to let you all  
23      know that that's on the horizon for us. Any questions?  
24      All right.

25               MR. DAVID POPE: Susan, quick one, and this may

1 be something maybe even somebody else from Kansas or my  
2 staff, on the point three in your report, on the planning  
3 assistance to states. Certainly aware of the channel  
4 studies that have taken place in cooperation with  
5 Colorado Water Conservation Board. Was the report  
6 published and distributed on the final part of the study  
7 on that? I didn't recall actually seeing the report.  
8 Maybe Mark or somebody does or maybe Rod knows or Dennis.

9 MR. STEVE MILLER: My understanding is that the  
10 report for the reach above John Martin, La Junta region,  
11 has been out as a draft for quite a while and I think  
12 maybe Colorado hasn't completed its review in commenting  
13 back to the Corps. I'm certainly not in the middle of  
14 that process so I'm probably the last person that should  
15 be giving an answer but if the second to the last person  
16 isn't here, I guess that will have to suffice.

17 MS. SUSAN SHAMPINE: And I apologize, I don't  
18 know, but I will get that answer for you.

19 MR. DAVID POPE: If you would, we would  
20 certainly be interested in receiving the report when it's  
21 available.

22 MS. SUSAN SHAMPINE: It's my understanding that  
23 it had been published but...

24 MR. STEVE MILLER: I think there's two reports.  
25 I think there's one for the reach below John Martin and

1       that has been out for some time, that's the one that Mark  
2       Stark has been moving ahead on.   My understanding is the  
3       above is not released as a final.

4               MR. DAVID POPE:   Thank you.

5               MS. SUSAN SHAMPINE:   Anything else?   All right,  
6       thanks.

7               MR. MARK RUDE:   I have a quick question on the  
8       automation of the gates.   That's a mechanism put on the  
9       gates themselves to allow the gatetender specifically to  
10      do those adjustments remotely?

11              MS. SUSAN SHAMPINE:   Right.

12              MR. MARK RUDE:   But as you said there's no  
13      ...there's not necessarily any contemplated reduction in  
14      staff, it's simply a tool enhancement that you are  
15      considering?

16              MR. SUSAN SHAMPINE:   Correct.   And basically  
17      what it allows us to do is we could make a...let me  
18      clarify it too.   At John Martin we are looking at putting  
19      them on the sluicing regulating gates, not on the  
20      tainter gates, because we feel like we really need  
21      somebody physically standing right there.   It's been  
22      interesting for me because when we do this we will have  
23      cameras and sound so that the operator can actually hear  
24      everything that's going on and pressure gages.   It's  
25      essentially like standing there turning a little knob but

1       that's from a remote location and that can be done from  
2       the project office which right now that is our intent,  
3       but if for some reason...we had a situation here a few  
4       years ago where we had because of a snow storm, had  
5       trouble getting operators to the dam. And I realize we  
6       don't do a lot of operations in the winter but we could  
7       have made a release from the Albuquerque District Office  
8       or wherever in a situation like that but because of the  
9       complexity of the dam we have no intention of reducing  
10      the staff or eliminating the staff at John Martin.

11               MR. MARK RUDE: Okay.

12               CHAIRMAN SISNEROS: Thank you, Susan.

13               Report from U.S. Geological Survey, is that  
14      Keith?

15               MR. KEITH LUCEY: Good morning, I'm Keith Lucey,  
16      I'm Pueblo Sub-District Chief. Couple other folks here  
17      from the USGS, the Kansas District, Bob Gauger and Gabe  
18      Luna. They are over here. I have some materials here to  
19      distribute to the Compact. If it's all right? While  
20      those are getting distributed, I'll just mention that the  
21      report there is a summary of water quality data for 10  
22      years on Fountain and Monument Creeks. That's prepared  
23      through a Cooperative Agreement with Colorado Springs  
24      Utilities. Report summarizes water quality  
25      characteristics at 11 stations on Fountain and Monument

1       Creeks and there are tables and color graphs in there  
2       that show trends and comparisons to in-stream regulatory  
3       standards. The fact sheet there is "Coordination Of  
4       Streamgaging Activities in Colorado." That was prepared  
5       by Colorado Division of Water Resources, Colorado Water  
6       Conservation Board and the USGS and that's just an  
7       information sheet.

8               Joint-funding agreements have been submitted to  
9       ARCA for work both in Colorado and Kansas. The Colorado  
10      agreement provides for \$54,650.00 for operation and  
11      maintenance of eight streamflow gages and extra discharge  
12      measurements at those gages that support the Compact. Of  
13      that total, \$28,950.00 is provided from ARCA and 25,700  
14      from the USGS in federal matching funds. Kansas'  
15      agreement is a total of \$14,400 for operation maintenance  
16      on two gages, Coolidge and Frontier Ditch. Of that total  
17      \$8,000 is being requested from ARCA for that work, so Mr.  
18      Chairman, I'm wondering if you want to act on those  
19      agreements or...I talked to Steve Miller on those numbers  
20      and apparently the dollars are in the budget.

21             MR. DAVID POPE: Just point of clarification.  
22      So this would be out of the existing fiscal year budget.  
23      Could you can clarify, Steve?

24             MR. STEVE MILLER: I guess I would ask you to  
25      trust me on this for about two hours, but there's enough



1 in the budget to cover this. If you will remember we  
2 converted from a federal fiscal year to a calendar year  
3 basis and so the agreement Keith is talking about is the  
4 agreement that would cover the Year 2002 gage operation  
5 of both states. The bill for that we've got GS to  
6 basically waive their current...their standard payment  
7 policies and we pay at the end of the year rather than  
8 quarterly so the payment for this contract that he just  
9 spoke about would be made in February of 2003, so it  
10 wouldn't be in this current year's budget. It would  
11 actually be in the budget you approved last year for the  
12 ARCA fiscal year that begins July 2002 and there is money  
13 at those amounts in those budgets.

14 MR. DAVID POPE: If I understand what you are  
15 saying, dollars we are talking about are from the budget  
16 we approved last year, it's not the budget we will be  
17 working on today later?

18 MR. STEVE MILLER: That's right.

19 MR. DAVID POPE: So the funds are already  
20 allocated for this purpose and they are there.

21 MR. STEVE MILLER: They may not be to the  
22 nearest dollar. They are based on an estimate we reached  
23 last year but they are very close...(inaudible)...

24 MR. DAVID POPE: I understand, that's good.  
25 That's fine.

1           MR. KEITH LUCEY: I should have mentioned this  
2 is from January 1 to December 31, 2002 coming up.

3           MR. DAVID POPE: So this would get us in a  
4 position of funding this just prior to the year for which  
5 the work is going to occur which begins January 1. That  
6 all makes sense to me now that I understand it.

7           CHAIRMAN SISNEROS: Do we need a motion to  
8 approve this?

9           MR. DAVID POPE: Mr. Chairman, I would  
10 approve... Actually, I would move that we approve the  
11 proposed Joint-Funding Agreements with both the Colorado  
12 and the Kansas Districts of US Geological Survey in the  
13 amounts proposed for the year beginning January 1, 2002  
14 and ending December 31, 2002 from the funds in the ARCA  
15 approved budget for Fiscal Year '02-'03.

16          MR. ROD KUCHARICH: I would second that.

17          CHAIRMAN SISNEROS: All in favor say aye.

18          BOARD MEMBERS: Aye.

19          CHAIRMAN SISNEROS: All opposed.

20          BOARD MEMBERS: (No audible response.)

21          CHAIRMAN SISNEROS: None opposed. It is  
22 approved. Go ahead, Mr. Keith...

23          MR. KEITH LUCEY: All righty. In my report the  
24 Colorado State Engineer and the USGS are conducting a  
25 cooperative study to compare the power conversion

1 coefficient method to totalizing flow meters for  
2 estimating ground-water pumpage in the lower Arkansas  
3 River Valley of the alluvial aquifer in Colorado. Data  
4 collection will continue in the summer of 2002 and at  
5 this point I believe plans are to prepare a report  
6 describing annual variability in the PCC and in the  
7 instantaneous discharge of the TFM the following year,  
8 2003. Brian mentioned our work with the Purgatoire River  
9 Water Conservancy District on gains and losses in the  
10 canals downstream of Trinidad Reservoir and there, of  
11 course, after data collection this summer we would be  
12 planning a report the following year, again 2003, for  
13 distribution describing that work. USGS currently  
14 operates 69 recording streamflow gages and three gages on  
15 reservoirs within the Arkansas River Basin in Colorado.  
16 All the streamflow stations are equipped with satellite  
17 transmitters which allow near real-time access to data on  
18 the web. Continuous recording water-quality monitors are  
19 operating at 16 sites and periodic water-quality data are  
20 collected at 35 surface-water sites, six sites in Pueblo  
21 Reservoir, and 180 wells. Suspended-sediment data are  
22 collected at 16 sites and we added the mouth of Fountain  
23 Creek this year to that network. Water level  
24 measurements are made annually or more frequently in 500  
25 wells and much of the streamflow and water quality data

1       are available on the web at "water" dot "usgs" dot "gov". Got  
2       a program with Colorado Springs Utilities, City of  
3       Pueblo, and the Southeastern Colorado Water Conservancy  
4       District to collect water-quality information from July  
5       of 1998 to April 2001 at 22 sites on the lower Arkansas  
6       River and its tributaries between Pueblo and John Martin  
7       Reservoirs. Currently we are preparing an interpretive  
8       report on that work that should be ready later this  
9       fiscal year.

10               This morning Steve Arveschoug described our work  
11       with the Preferred Storage Options Plan. In addition to  
12       the long term water-quality monitoring for that effort,  
13       we are also charged with developing a method that would  
14       indicate a threshold or action level in water quality at  
15       selected sites that would indicate water quality changes  
16       in the river related to the PSOP. That would conclude my  
17       report if there are any questions.

18               CHAIRMAN SISNEROS: Any questions from Colorado?

19               MR. DAVID POPE: I have a few. I guess I seem  
20       to be the main questioner today.

21               CHAIRMAN SISNEROS: That's fine.

22               MR. DAVID POPE: Keith, a couple points, couple  
23       questions. On the item you just reported on about the  
24       Preferred Storage Option Plan and the studies associated  
25       with that, you mentioned of course the long-term

1 monitoring component that's in the study you are doing  
2 with the District, as I understand it, and then also did  
3 I understand you to say, I guess I just need to get  
4 clarification what you did say in terms of developing a  
5 methodology for a threshold. What are you saying there?

6 MR. KEITH LUCEY: Right. That's no mean task.  
7 The purpose is...there are concerns in Colorado, from  
8 downstream users, about changes in the water quality that  
9 might be caused by a Preferred Storage Options Plan. And  
10 one of the criteria that's involved in the agreements  
11 there is to select a site. At this point we're focused  
12 on a site just downstream of Pueblo, downstream of  
13 Fountain Creek. Look at historical information and  
14 determine what action, what appropriate action level or  
15 threshold, whether it be a daily or weekly or monthly  
16 mean, we don't know what that is yet, determine what that  
17 action level might be that would trigger a concern then  
18 you know, there's changes going on and it might be  
19 related to PSOP and that would trigger a more intensive  
20 study to determine whether it actually is and what could  
21 possibly be done, if anything.

22 MR. DAVID POPE: Does that analysis include an  
23 assessment of the effects from the proposed project or is  
24 it...

25 MR. KEITH LUCEY: That particular analysis does

1 not, no.

2 MR. DAVID POPE: So it's really more reactive in  
3 terms of determining some thresholds so in the event it  
4 occurred in the future if it was implemented...

5 MR. KEITH LUCEY: There are other efforts going  
6 on in that regard. This particular is just to develop a  
7 method, some kind of rigorous statistical application to  
8 the data.

9 MR. DAVID POPE: Okay. Another question I guess  
10 I would have is, you had reported about some additional  
11 work on the PCC study and indicated that would continue  
12 for the summer of 2002, if I understood you right, in the  
13 course of the following year, you mentioned that would be  
14 studying the annual variability issue?

15 MR. KEITH LUCEY: Right. Yeah, first report was  
16 strictly between the two methods, whether there was a  
17 difference. This here would continue the data collection  
18 to determine whether there was annual variability between  
19 the methods, within the methods or between the methods.

20 MR. DAVID POPE: So this is really a  
21 continuation of your first study...

22 MR. KEITH LUCEY: (Interrupting) Right.

23 MR. DAVID POPE: ...into the coming year.

24 MR. KEITH LUCEY: Yes.

25 MR. DAVID POPE: Was there any additional data

1 collection efforts in the 2001 irrigation season.

2 MR. KEITH LUCEY: Right, yeah, continuing that  
3 data collection.

4 MR. DAVID POPE: There was some there too?  
5 Would that be part of the data you would use for this  
6 study of the variability then?

7 MR. KEITH LUCEY: Yeah, I believe we are looking  
8 at five years of data, yeah.

9 MR. DAVID POPE: Total of five years data  
10 collection?

11 MR. KEITH LUCEY: Right.

12 MR. DAVID POPE: And you've got a couple of  
13 years, you have two or three years done at this point?

14 MR. KEITH LUCEY: I believe we have one more  
15 year.

16 MR. STEVE WITTE: We only intend to do one more  
17 to complete the set.

18 MR. DAVID POPE: So we need one more...

19 MR. HAL SIMPSON: Four done, one to go.

20 MR. DAVID POPE: All right. I don't have any  
21 further questions, Mr. Chairman, unless somebody else  
22 does.

23 CHAIRMAN SISNEROS: Are there any other  
24 questions? There being none, thank you, Keith.  
25 Appreciate it.

1                   Moving onto item number 10, financial matters.  
2           Did I miss something here? Where did I go? I thought  
3           that would wake you guys up.

4                   (Whereupon, there was an off-the-record  
5                   discussion held, after which a lunch  
6                   break was taken and the meeting  
7                   reconvened at 1:00 p.m. as follows:)

8                   CHAIRMAN SISNEROS: If everyone is here, let's  
9           get started. I've been asked to have some of the  
10          speakers up here speak a little bit louder.  
11          Unfortunately, we don't have microphones for everybody so  
12          if you can't hear back there, why don't you throw  
13          something at us or I don't know, do something, Erma. We  
14          do have some chairs up front here so if you are having  
15          trouble hearing you might come up front a little bit.  
16          Okay. We were on item number 6 and we did A which was  
17          Steve Arveschoug's report or presentation, so we are down  
18          to B which is the Purgatoire River Water Conservancy  
19          District, Trinidad Project and I believe Mr. Danielson is  
20          going to speak on that.

21                  MR. JERIS DANIELSON: Thank you, Mr. Chairman,  
22          and members of the Commission. Before I make my few  
23          brief remarks I would like to introduce some people who  
24          are here from Trinidad. Mr. Aiello is our board chairman  
25          and Erma Evans is a board member. Donna Anderson is also



1 a board member. Our attorney, Julianne Woolridge, I  
2 think most of you know her. Thelma Lujan is the Water  
3 Coordinator and Beverly Spadey is our computer  
4 consultant. So thought you might want to know who was  
5 here.

6 Under the heading Project Operations, this year  
7 was the third lowest year of river runoff in the  
8 Purgatoire at Trinidad since the project began. We  
9 diverted 69 percent of what the Bureau defines as a full  
10 supply and when you consider that there's no groundwater  
11 available to our irrigators, I think you can have a feel  
12 for what that kind of a diversion figure means in terms  
13 of crop production. 60 percent of project lands received  
14 less than 1.6 acre feet per acre diverted at the river.  
15 The Reservoir was declared empty by the board on the 15th  
16 of July. We do operate an account system so some ditches  
17 still had account water but under the Operating  
18 Principles the board declared the Reservoir empty so that  
19 ditches could go onto simply a priority operation.

20 The District two years ago signed an agreement  
21 with the Bureau of Reclamation to conduct a very  
22 extensive evaluation of canal losses throughout the  
23 project area. We completed the second year of that. And  
24 we found, I think, some very, very valuable information  
25 in terms of water conservation and water usage.

1           The Operating Principles require that efficiency  
2     under each ditch system be considered when allocations  
3     are made in the spring. We have never had that kind of  
4     information available to us before but by completing the  
5     third year in this coming irrigation season we think we  
6     will have substantial efficiency data that will allow us  
7     to make allocations that are more equitable in terms of  
8     each of the separate ditches.

9           Two other spinoffs, we have identified reaches  
10    of canals that have substantial leakage problems and many  
11    of the ditch companies are now looking at canal treatment  
12    of some kind to prevent those seepages or at least reduce  
13    them.

14          Another spinoff that was valuable was the  
15    measurements allowed us to turn information over to the  
16    division engineer in terms of the accuracy of diversion  
17    measuring devices on the river. And I believe Steve last  
18    year issued some orders to some ditches to improve the  
19    accuracy of their measuring devices. So I think the  
20    project has been very beneficial and we appreciate the  
21    Bureau's participation with us in it.

22          Also in the area of conservation, the District  
23    voted to provide \$10,000 this year to the local soil  
24    conservation district to assist them in on-farm  
25    efficiency measures that also increase the effectiveness

1 of irrigation applications.

2 On the issue of acreage verification system, I  
3 think you all know the history. The District has a limit  
4 in any one year of irrigating 19,717 acres and the  
5 question has always been asked by District 67 and other  
6 water users, how do we know that's what you are doing and  
7 I think that's a very legitimate question. Up until this  
8 year about all we could say is well trust us and of  
9 course we know how far that gets us in the water world.  
10 So the District committed about two years ago to the  
11 creation of an acreage verification system that is  
12 accurate and also verifiable. In March of 2000 the  
13 District issued a request for proposals. We mailed those  
14 requests to, I believe, 10 entities to see if there was  
15 interest among those 10 entities in terms of developing  
16 the system for us. We received two proposals. One from  
17 ACME engineering and one from the Bureau of Reclamation.  
18 The board considered, having interviewed both of those  
19 potential contractors, considered that ACME engineers'  
20 plan was much more cost effective and far more  
21 sophisticated than what the Bureau had proposed and we  
22 therefore signed a contract with ACME to develop an  
23 independent acreage verification system.

24 In August of 2000 the Bureau inquired as to  
25 whether we were interested in having them participate in

1       the development of the program. The board had pretty  
2       much decided to do it on their own with their own funds.  
3       And in that letter the Bureau laid out certain criteria  
4       that they felt were required for the system to meet. I  
5       think you heard the Bureau representative this morning  
6       say in fact the system we are developing far exceeds what  
7       the Bureau's minimum criteria were and as of right now  
8       the project is about 95 percent operational. I think  
9       many of you have been visiting Beverly Spadey in  
10      the back here in terms of looking at the programs, how  
11      they operate, how they function. We also have some  
12      handouts for you.

13             All that remains is to clean up a few acreage  
14      issues in the Model Lands area. We still have some  
15      mapping problems there. But next week the system will be  
16      installed on the District's computer system and I would  
17      encourage you to call Thelma if you have questions. I  
18      think the handouts indicate to you the kind of  
19      information we will be able to develop and provide to you  
20      and we certainly will make that available to any of you  
21      who have interest, whether it's on a project-wide basis,  
22      a particular ditch, or even down to individual landowners  
23      in terms of their irrigation practice.

24             We acquired our first satellite image. What the  
25      system is based upon is actually satellite imagery. We

1       opted rather than go with the federal government's kind  
2       of what vanilla imagery that is available, there's a  
3       private company that operates an excellent satellite  
4       image acquisition system. In fact, the one we hired the  
5       CIA also hired and has now exclusive control over all of  
6       their Afghanistan imagery since September 11. So what  
7       the system does allows us to designate the day that we  
8       want imagery taken. Rather than being at the mercy of  
9       passes and then you end up with clouds in the image or  
10      that sort of thing, we can go out, look at the weather,  
11      determine that we think two days from now we're going to  
12      have clear weather in the project area. The company then  
13      will orient the satellite, take the picture and about  
14      four days later we have the imagery in digital form.

15               We also...you know, a system is only good and I  
16      know lot of you are interested in terms of verification.  
17      We have managed to verify about 6 percent of all of the  
18      irrigated land this summer simply through GPS, walk out,  
19      stand in the middle of a corn field, take a shot, and of  
20      course that gives you a location and then make notes  
21      whether it's corn or alfalfa or swamp or whatever, so we  
22      have about five or six percent of the area where we have  
23      actual ground truth, and that's of great assistance  
24      to the interpreter when he sets down and looking at the  
25      satellite imagery to know what he's really looking at, he

1       can know at least this is a corn field and that spectral  
2       signature then says allows him, okay, if I know that,  
3       this is the same signature, this, this, and this is corn  
4       also.

5               So we are quite excited about the program. As I  
6       say, we should be up and running on Thelma's computer  
7       next week.

8               That brings me to the third item, I think, under  
9       Purgatoire, Amendments to the Operating Principles. As  
10      you know, the project or the Bureau, actually, is  
11      required to conduct a review of the Operating Principles  
12      every 10 years with the idea of amending those principles  
13      to make optimal use of the water that's available. We  
14      are now in the, I believe, eighth year of trying to  
15      comply with that mandate. I doubt seriously whether we  
16      will be done with the first mandate before the second  
17      mandate is upon us. And the District has always been  
18      accused, and I think rightfully so, of at the last minute  
19      we come up with something. And so on May 9 I sent a  
20      letter to the United States Commissioner laying out the  
21      three amendments that we had hoped you would entertain at  
22      this meeting.

23              The Stockwater Amendment...I'll take them in  
24      reverse order as they were appended to the letter. I  
25      might add, since May 9 we have had...we sent 52 copies

1 out to everyone. As of today we have had no response  
2 from any of those 52 people. The Bureau did, in  
3 fairness, I think, in late November, write a letter  
4 dealing with some of the matters, but that's the only  
5 entity we have heard from.

6 But going to stockwater, and this issue is not a  
7 new issue to this body, as you know, the way the  
8 Operating Principles are interpreted at this point, the  
9 District is limited to a 5 cubic foot per second flow  
10 that can be diverted for stockwater. That means that  
11 half of our ditches are unable to receive any stockwater  
12 in their system. Ditches like the Picket Wire,  
13 Southside, certainly Model, are very, very long systems  
14 and 5 cfs in a ditch that is capable of carrying 200 cfs  
15 just never gets very far down below the river headgate.  
16 And so those ditches are basically excluded from any  
17 benefits from stockwater.

18 The proposal that we have presented is basically  
19 the one that was adopted less some recordkeeping things,  
20 I believe in 1998 by this Commission, on a one-year  
21 basis. All it does, it puts a limit on the number of  
22 acre feet we can divert in a year for stockwater, but it  
23 lets us take the water in usable quantities. For  
24 example, the Southside, as I say, you can run 5 cfs on  
25 the Southside from now until April and it would never get

1 a third of the way down the system. But if we take 25  
2 cfs and run it for three days we can get it through the  
3 system, get those stock ponds filled and those people can  
4 also benefit.

5 This is probably one of the major water  
6 management issues before the District because every acre  
7 foot of water is very, very important to us considering  
8 how water short the system is. And when we waste a  
9 thousand cfs trying to get stockwater down, that's a  
10 thousand cfs that could have been placed in storage and  
11 utilized in the irrigation system. So the proposal that  
12 you have from the District would rectify that and I think  
13 there's little or no departure from what was approved  
14 several years ago.

15 On the other two matters, those of you familiar  
16 with the Operating Principles know that there's a list of  
17 water rights and a list of acreages that were placed in  
18 the original 1979 Operating Principles. Those numbers  
19 were placed there by the Bureau of Reclamation. In most  
20 cases they are absolutely and totally in error. They  
21 list ditches that are not project ditches. They ascribe  
22 acreages to ditches that in some cases have 10 times more  
23 than the acreage the ditch irrigates and it seemed a good  
24 idea to us to try and correct the record by utilizing the  
25 information contained in the contracts between the



1 District and the nine operating ditches in the project.  
2 So the acreage that you see in that proposal is nothing  
3 more than the number that is taken from the contract that  
4 was signed in 1966 between the District and the  
5 particular ditch in question.

6 I go back to the May 9 issue. These numbers,  
7 this information was furnished to all of you on the 9th  
8 of May.

9 In November the Bureau thought it might be a  
10 good idea to come down and see what kind of information  
11 we have. And so we furnished all of that information in  
12 the form of contracts to the Bureau. There's only, I  
13 think, 11 contracts, and set out in each of those  
14 contracts is the amount of acreage that was contracted  
15 between the two entities. That number came about from  
16 the Bureau's classification system for land at that time  
17 and includes what the Bureau determined was irrigable  
18 under that ditch system. So that's not a number  
19 generated by the ditch company, it's a number generated  
20 by the Bureau back in the mid-sixties that determined in  
21 their opinion how many acres were irrigable under each  
22 ditch. Those numbers when you add them up -- oh, and I  
23 understand the Bureau found a discrepancy in the number  
24 that we had of, I believe, four tenths of an acre, which  
25 I guess makes it difficult for them to support this

1       amendment. I think I can show them where that is. It's  
2       a typographical error in one of the ditch companies where  
3       two numbers are cited. I haven't figured out what four  
4       tenths of 20,300 is but it's, I think almost borders on  
5       being de minimus.

6               When you add the contract acres you come up with  
7       a number on the order of 20,300 and change. And I know  
8       that's always been of concern to some people that if the  
9       District's limited to the 19,717, how could we possibly  
10      have that many acres available to irrigate. And that's  
11      very important to the District. There...and the  
12      flexibility was written in the authorizing legislation  
13      where the District is allowed to move acres from one  
14      ditch to another. For example, if Model Reservoir and  
15      Land decides that although they are contracted to  
16      irrigate 6,300 acres, they only want to irrigate 3,000  
17      this year. And that has happened in the past for  
18      operating reasons or whatever. The District has the  
19      option then to let other acres under other ditch systems  
20      be irrigated, utilizing that part of the Model  
21      allocation. Always keeping in mind that the 19,717 is  
22      the upper cap on what can be irrigated in total in the  
23      District.

24             And that brings into play the issue of acreage  
25      verification. But AVS has absolutely nothing to do with

1 the numbers that we presented to you. Those are simply  
2 contract acres. You may not like them but they are  
3 certainly better than having ditches listed in the  
4 Operating Principles that aren't even within the project  
5 so we were just simply trying to clarify that  
6 housekeeping issue.

7 The final issue is the issue of water rights.  
8 If you recall at, I believe, probably about 365 days ago  
9 we were here and there was some confusion about what  
10 water rights really are in the project. And I believe  
11 because of that confusion we were told to go back, clean  
12 up our act and get the water rights list corrected. We  
13 took that to heart. Our attorney, myself, Spadey  
14 Consulting, spent I would say at least a week pulling  
15 every decree that exists in the Division Engineer's  
16 Office, and his collection is not complete, so we had to  
17 go to Denver and get some of those decrees, looking at  
18 all of the transfers and put together the list that you  
19 see that we have proposed for amendment here.

20 I was shocked to find that the Bureau and the  
21 Division Engineer, at least to find it out only this  
22 morning, have determined that that list is only about 85  
23 percent correct. And I look forward to seeing their  
24 yeoman's work on putting this list together. We have  
25 done, through our counsel, who is a water attorney, I

1        might add, everything that we think can be done in terms  
2        of tracking down information. And I think it's -- well,  
3        I'm very disappointed that if there's problems tracking  
4        down four tenths of an acre or there's problems with the  
5        water rights, that information has been available since  
6        May 9. It's really disconcerting to come here and find  
7        out this morning that our, one of our major cooperators  
8        and the Division Engineer at least don't have the  
9        courtesy of letting us know that there are problems  
10       because I think we could have helped them sort those  
11       matters out.

12                Also, in terms of the acreage amendment, the  
13       District, up until now, had agreed to a further reduction  
14       of the 19,717 acre cap to a number of 19,499. I've never  
15       been quite sure of the genesis of that number other than  
16       I know that a Bureau employee took all of the mapping  
17       that we made available to them through an on-the-ground  
18       survey of all of the irrigated acres and somehow  
19       determined that the number is 19,499 and not 19,717.  
20       I've never seen it so hard to give money away. We keep  
21       coming back every year saying we would like to reduce the  
22       acres we irrigate and everybody keeps sending us back.  
23       So I think that matter is certainly going to be reviewed  
24       again as to whether we agree with the 19,499.

25                I think, Mr. Chairman, I've rattled on and on.

1       If you have questions, I would be happy to try and answer  
2       them. As I say, our counsel are here, several of our  
3       board members. I would invite you, if you haven't looked  
4       at the acreage verification demonstration, to go back,  
5       and I know some of you have, take the handouts and have  
6       Beverly see if...see if you can stump her with some  
7       questions.

8               CHAIRMAN SISNEROS:   Any questions?

9               MR. JERIS DANIELSON:  Thank you very much.

10              CHAIRMAN SISNEROS:  Dave, did you have a  
11      question?

12              MR. DAVID POPE:  It can probably wait and see  
13      where we go with this, I guess.

14              CHAIRMAN SISNEROS:  Thank you.

15              MR. JERIS DANIELSON:  Thank you.

16              CHAIRMAN SISNEROS:  Moving onto item number C,  
17      Colorado Arkansas Basin Pilot Water Banking Program.

18              MR. ROD KUCHARICH:  Mr. Chairman.

19              CHAIRMAN SISNEROS:  Yes.

20              MR. ROD KUCHARICH:  There's been quite a bit of  
21      discussion on this stockwatering issue and there's a  
22      one-page December 11, 2001 Resolution floating around, I  
23      think addresses the stockwatering issue. And I know from  
24      sidebar discussions that it's probably not appropriate or  
25      probably not going to fly to get a permanent

1 stockwatering amendment, but I'm wondering if Kansas  
2 wouldn't consider a one-year extension based upon the '99  
3 language that I believe has been used in the past.

4 MR. DAVID POPE: Let me respond to that. I  
5 think there can be some possibilities here. I guess what  
6 I would ask is if it would be possible and I pose this  
7 question to both the Bureau to know where they are. I  
8 was a little unclear in terms of Brian, where you ended  
9 up, but I would like to hear about that, but Rod, I  
10 think, let me certainly say that we are very appreciative  
11 of the additional work that has occurred, and while we  
12 have struggled with this issue, as everybody probably in  
13 this room for the most part knows for several years, I  
14 think Jeris's report today and the work that we have seen  
15 before has some significant steps forward, some really  
16 big steps, so we certainly recognize and appreciate that  
17 and that system that is under development to deal with  
18 acreage verification. At the same time while we have  
19 seen kind of a demo today and have some handouts,  
20 it's...it really has not been completed and implemented  
21 for this coming year that I anticipate from what you've  
22 said that that's exactly where you're headed, you said  
23 you are very close in terms of the data base, if I  
24 understood what has been reported, but...and would  
25 proceed with implementation with that. You have a

1 contract with the Bureau of Reclamation for the rest of  
2 this year until September 30, as I understand it. We  
3 still have some concerns with the one paragraph language,  
4 I think, that the Bureau maybe worked out in terms of  
5 whether that would really totally describe what would be  
6 done on a long-term basis, but it does provide a,  
7 somewhat of a framework for getting this thing started.  
8 And I understand from what Brian has said from the Bureau  
9 that he really would like to see this system completed  
10 and implemented and we would all have something to work  
11 with on a long-term basis. So I guess having said all of  
12 that, Rod and the rest of you here, I think we might be  
13 willing to consider a one-year temporary amendment to the  
14 Principles to allow the Stockwatering Amendment and  
15 the....depending on where the Bureau and Colorado is on  
16 this, the language the Bureau has proposed to go as an  
17 amendment again for the one year, pending refining,  
18 enhancing, that language, during the course of this  
19 coming year. And then during the course of this, between  
20 now and next year, it would be possible then for us to  
21 see the completed system. To see what has been done for  
22 this coming year in regard to acreage verification and it  
23 would allow an opportunity then for a complete amendment  
24 to be ready for consideration a year from now. That  
25 would include then stockwatering again for long-term

1 acreage verification in a completed sense, and the list  
2 of water rights and acres to be included within the  
3 Principles, that reconcilliation of these concerns that I  
4 think we have heard here today that not all of the other  
5 signatory parties have completed their evaluation of all  
6 of those. But all of those things could then be done and  
7 brought together as a package, but in the meantime I  
8 think we have seen enough today to where we would be  
9 willing to consider, subject to my...other members of the  
10 Administration here of again a one-year temporary  
11 amendment on those two issues and that essentially would  
12 expire a year from now and that would give an opportunity  
13 for another amendment to be substituted in its place with  
14 the additional knowledge and information and  
15 documentation that we would have. And in so doing I  
16 would also suggest and have not made a motion here by any  
17 means yet, that the language for that longer-term  
18 amendment be completed through work activity at least 30  
19 days before the next meeting. So we would then have at  
20 least 30 days prior to the next annual meeting a  
21 substantial draft that would be hopefully acceptable to  
22 the parties, we would have some leg work in advance of  
23 that, we would be glad to work with the other signatory  
24 parties to incorporate the suggested changes that we  
25 believe will be necessary as compared to the paragraph



1       that the Bureau has suggested. And we think there's some  
2       good things that's in there, it's just that I think there  
3       are some things that need to be fleshed out.

4               MR. TOM POINTON: Are they close enough to  
5       consider that they may be?

6               MR. DAVID POPE: Well, I think we could do an  
7       assessment at that time, Tom, but the problem is I think  
8       it would be helpful if we saw the results of what the  
9       District does this coming year, and they won't have had a  
10      chance to do that. They may have the data base complete  
11      by then but you won't have had a chance to really do the  
12      acreage verification for this coming year, if I would  
13      understand it, and maybe Jeris can comment on it.

14              MR. ROD KUCHARICH: Is it your request you want  
15      to...in dealing with in a final sense you want to deal  
16      with all three of them?

17              MR. DAVID POPE: My sense is we can deal with  
18      all three of those things or four, depending on how you  
19      define them. There's water rights and the ditch acres  
20      listed in the Principles, stockwatering, and the acreage  
21      verification part of it, that would be three or four  
22      things depending on how you count them, and we would be  
23      prepared to make a thoughtful decision having reviewed it  
24      in advance of the meeting. Here, the best I can come up  
25      with in responding to Rod's comment, and he and I, in all

1 fairness did visit just briefly trying for figure out  
2 what steps we could take, you know, this has been a  
3 difficult issue and I for one appreciate the steps the  
4 District has taken. But, yeah, I don't think we are  
5 quite there in terms of big picture long term.

6 MR. ROD KUCHARICH: I agree with you. I think  
7 there's more information needed in order to resolve the  
8 acreage verification and the water rights issues and I  
9 think the stockwatering, I mean it's important to these  
10 people they be able to get the water to the ponds, and I  
11 would make a motion that would reiterate basically what  
12 David had said and that's to extend the stockwatering for  
13 one year to adopt modification to the Operating  
14 Principles based upon the District's language for one  
15 year and that the, as I say, the permanent modifications  
16 would depend upon necessary information being delivered  
17 to the Compact Administration 30 days prior to next  
18 year's annual meeting for deliberation.

19 MR. DAVID POPE: Before we go further on that  
20 can I just clarify, Rod, that that would include the  
21 paragraph that the Bureau has, and let me make sure, can  
22 I just ask Brian, was that your intent that that be  
23 considered, that paragraph language or was that just for  
24 discussion purposes?

25 MR. BRIAN PERSON: No, that was intended to be

1 considered.

2 MR. DAVID POPE: You were wanting that done, you  
3 were ready on that for this year together with the  
4 stockwater?

5 MR. BRIAN PERSON: Yes.

6 MR. ROD KUCHARICH: And the motion includes both  
7 of those on a one-year basis.

8 MR. DAVID POPE: Both of those would be actual  
9 amendments to the Principles at a one-year, temporary, to  
10 expire next year?

11 MR. ROD KUCHARICH: Correct.

12 MR. DAVID POPE: And then the other, and I take  
13 it again this would be...let me do this, if that  
14 completes the motion let me second that so at least  
15 procedurally we are then able to discuss it.

16 CHAIRMAN SISNEROS: We have a motion on the  
17 floor, it has been seconded, and we are open for  
18 discussion then. I won't repeat the motion because I  
19 can't remember it.

20 MR. DAVID POPE: I guess the question might be  
21 for Jeris, is that do-able, to basically implement for  
22 this coming summer so we would have something to look at  
23 this next year in regard to the data and I think you've  
24 indicated informally an openness to provide information  
25 from the system and let us review it, perhaps get copies

1 of actual maps from results in the data base perhaps,  
2 that sort of thing, is that...

3 MR. JERIS DANIELSON: First let me say I  
4 appreciate Mr. Kuharich's attempt to try and come to some  
5 kind of at least an interim solution. I'm not sure what  
6 we are talking about. On the 6th of December, we  
7 received something that looks like this.

8 MR. STEVE MILLER: I can explain that.

9 MR. JERIS DANIELSON: Well, it doesn't need  
10 explaining. I'm just saying on the 6th of December we  
11 received this and my question is, is that Mr. Kuharich's  
12 suggested proposal, is the language that's here.

13 MR. ROD KUCHARICH: For a one-year basis.

14 MR. STEVE MILLER: Look at the version that is  
15 marked December 11, 2001 across the top of his letter.  
16 That's identical to the version that was sent out by  
17 Brian Person on November 9. I just scanned it and got it  
18 into a Word Perfect file so I could e-mail it around.

19 CHAIRMAN SISNEROS: Brian.

20 MR. BRIAN PERSON: That's an important point to  
21 verify, it is that later version, what we have been  
22 referring to as the 1999 version.

23 MR. STEVE MILLER: But I changed the date from  
24 1999 to 2001 in the heading. And the way that that  
25 version differs from what the District sent out in May is

1 the second paragraph where it says a report will be  
2 provided by the State Engineer of Colorado. I think the  
3 other version said state of Colorado...(inaudible)...but  
4 that's the change between May and November. The version  
5 in front of you has not been changed other than change  
6 the date between November and today. Now if you want to  
7 make this into an interim, one-year change, I marked in  
8 your three changes that I could read to you that would  
9 make it a one-year arrangement rather than a permanent,  
10 but maybe you are not ready for that level of detail yet.

11 MR. DAVID POPE: I think maybe it would be good  
12 to complete Jeris's comments and then see if we are...we  
13 would need the detailed language if we are going to act.

14 MR. JERIS DANIELSON: And then my understanding  
15 also that the second paragraph that you want to insert is  
16 one that looks like this. Says something, District shall  
17 implement substantive procedures to verify.

18 MR. DAVID POPE: Yes.

19 MR. JERIS DANIELSON: And the 19,499, is that  
20 what is included in it?

21 MR. DAVID POPE: That's what is included in it  
22 as I understand it.

23 MR. JERIS DANIELSON: Just a little bit of  
24 background, Mr. Person represented the Stockwater  
25 Amendment. And first let me say, tying acreage

1 verification to cows always baffles me. Satellite system  
2 is not sophisticated enough to track cows and  
3 stockwatering has absolutely nothing to do with acreage  
4 verification. It was represented to me by the Bureau of  
5 Reclamation and our board did act on this amendment, it  
6 was represented to us that if we would accept the language  
7 here, primarily the reporting language we would then have  
8 a permanent resolution of the stockwater issue.

9 Then to come in while the numbers on acres aren't  
10 acceptable and the water rights aren't acceptable, you  
11 want us to commit to this 19,499 which I addressed in my  
12 presentation. I just don't see how the District can  
13 accept that. I think we would be willing to accept it on  
14 an interim basis here but I would remind you in 1998 when  
15 we had the one-year approval to operate just as this sets  
16 forth, we were quite elated after the vote, and the Water  
17 Commissioner, because we were very, very short of  
18 stockwater that year also. The Water Commissioner ran  
19 out, got on his cell phone, called his deputy in  
20 Trinidad, said open the dam gates, we can get some  
21 stockwater. I believe Kansas filed a special report or  
22 something with the Special Master accusing Colorado of  
23 violating the Compact again because the amendment had not  
24 been signed by both governors, the Bureau, the District,  
25 and whoever else is signator. It wasn't until

1 mid-February that all of those signatures were achieved.  
2 I don't know about the Governor of Kansas but I don't  
3 think Bill Owens stands around with a ballpoint just  
4 anticipating this kind of stuff. So I think if what you  
5 propose now on a temporary basis, I would not expect we  
6 would get any stockwater until February or March which  
7 really doesn't do very much for us. At that point the  
8 river is pretty much frozen up. That's why it's so  
9 important to run that stockwater as quickly as we can  
10 after the irrigation season closes. So those are just my  
11 comments. The Board, I think would accept this amendment  
12 as it stands on a one-year basis for what little it's  
13 worth and...but absolutely we cannot accept this as a  
14 follow-up.

15 MR. ROD KUCHARICH: Why can't you accept that?

16 MR. JERIS DANIELSON: This?

17 MR. ROD KUCHARICH: Yes, on a one-year basis?

18 MR. JERIS DANIELSON: Well, I guess it's kind of  
19 quid pro quo. First of all, I don't think we want to  
20 establish the precedent of agreeing to the 19,499 unless  
21 we get something in exchange for it. You know, I just  
22 don't like doing that. I want to go back and look at  
23 this whole issue of the 19,499. As I say, my  
24 understanding is that number came from Tom Gibbons who  
25 was working for the Bureau at the time. He set down,

1       took all of the Billy Adams maps with his planimeter  
2       and determined it's 19,499. We have never really  
3       challenged that because we wanted to get some of these  
4       other issues resolved. But you know, I'm just very  
5       concerned and counsel advises it would not be probably  
6       prudent to accept the amendment on acreage verification.  
7       I would much prefer, we have told you it's there, we have  
8       told you it will be operational. When we tell you it is  
9       operational, take a look at it and then come down and  
10      walk around in the corn fields or do whatever you want to  
11      do to verify the results.

12               MR. DAVID POPE: Mr. Chairman, I guess I could  
13      make a couple of comments.

14               CHAIRMAN SISNEROS: Go ahead, Mr. Pope.

15               MR. DAVID POPE: First of all, I'm not hung up  
16      on the 19,499 figure. That came to us from the Bureau  
17      and I thought until your comments earlier I really  
18      thought that had been a resolved issue so it was not  
19      something that we were necessarily concerned about one  
20      way or the other in regard to this specific number. I  
21      guess, Jeris, the informal comments that I had made to  
22      Rod and our team earlier without commitment at that point  
23      in time but trying to seek some form or way to take a  
24      step forward today. And I guess I viewed that as a way  
25      to acknowledge the work the District has done to try to



1       take a step forward while we can work out these other  
2       items that we made reference to earlier it was by no  
3       means an effort to create precedent for anybody given the  
4       fact that it's a one-year issue. You know, I will tell  
5       you this, just for your information, I don't recall  
6       anything being filed with the Special Master. I do  
7       recall there was a concern raised after the 1998 issue  
8       about the immediate implementation of the stockwater. I  
9       do recall that coming up. I will tell you this that we  
10      had a document in front of us that day and we effectively  
11      immediately took it to our Governor and I was able to get  
12      his signature, I think, within about a week. That was no  
13      easy thing to do. And but I was committed to trying to  
14      resolve this thing. I don't remember the week exactly  
15      but it wasn't February. Now there may have been other  
16      parties that didn't sign before then but I don't know  
17      when the whole thing occurred and I know there was some  
18      consternation about the timing and that was a  
19      misunderstanding. So we, you know, we...it wasn't  
20      certainly our intention to read the riot act on that. So  
21      I guess I'm somewhat baffled here. I think we try you  
22      know, to take a step forward and try to help resolve an  
23      issue on the short term with a long term plan in place  
24      and you kind of throw hot water in our face. I mean, I'm  
25      just not sure how to....

1           MR. JERIS DANIELSON: I don't think that's what  
2     you are hearing at all. I'm simply saying that I think  
3     it's unreasonable to tie acreage verification to  
4     stockwater. If you doubt our commitment to the program,  
5     I think what you've seen for two days in the back belies  
6     that. The District is committed. You've heard the  
7     Bureau, they have reviewed it. And as we have said, and  
8     as I told Mr. Person when I looked at this, if the  
9     acreage -- and this comes out of context with the acres  
10    that are listed. What was represented to us was the  
11    acres would be approved if we would accept this being  
12    inserted in that paragraph IVB. And we have no problem  
13    with that. No problem at all. But it seems to me there  
14    ought to be a little give and take. If you are not  
15    accepting the acreage numbers or the water rights, then  
16    there's no reason for us to accept this. Now on the  
17    stockwater issue, if you want to do something positive,  
18    then why not in your approval say we can implement today  
19    and wait for the signatures you know, not have to wait  
20    until everybody has signed because it's the logistics of  
21    getting five entities like that to sign are very  
22    difficult and I believe it was February before we had the  
23    final signed document, which doesn't do us any good. But  
24    if we can implement today there may be some benefit.

25           MR. DAVID POPE: I think that whole thing did

1 get slowed down some after the issue came up about  
2 immediately doing it versus waiting until it was  
3 approved.

4 Just for information since we've raised it, it  
5 was signed by the Chairman December 8 of '98. I guess  
6 there's...latest date I see on here is January 2, I  
7 think.

8 MR. ROD KUCHARICH: True.

9 MR. JERIS DANIELSON: Well, maybe the mails were  
10 slow but I'm sure it was February before we were able to  
11 run water but that's immaterial.

12 MR. DAVID POPE: You know, if the...you know,  
13 we've gone through this so many times for the last  
14 several years and Kansas simply wanting some part of the  
15 Principles to recognize the importance of the acreage  
16 verification issue and again we are willing to take a  
17 partial step here with this language just saying that  
18 kind of ties it together. Implicit within that, I guess,  
19 is the fact that you already have a contract with the  
20 Bureau that lays out a scope of work that I think pretty  
21 well guides the activities for the rest of this year if  
22 I'm not mistaken.

23 MR. JERIS DANIELSON: No, the Bureau was a very  
24 late partner in this matter. The District bought and  
25 paid for the system and then the Bureau came along and

1       wanted to know if we would take a little bit of money.  
2       They are paying for probably about a third of the cost  
3       and we are always happy to take money from any source,  
4       and we are glad to have the Bureau as a partner because  
5       you know, it's...we work with them on the project very  
6       closely.

7               CHAIRMAN SISNEROS:  Brian, do you have a  
8       question?

9               MR. BRIAN PERSON:  Well, I wanted to interject  
10       here that we at Reclamation aren't particularly tied to  
11       the 19,499 number either.  There was a basis for that.  I  
12       hadn't heard the rendition that came from Mr. Gibbons but  
13       I knew there had been some reason for that, but there  
14       could be another number that's just as correct as the  
15       19,499 that's the one we were going with so I don't...if  
16       that, our having stated that in the language is a hold up  
17       to moving anything here I want to remove that.  We will  
18       come up with another justifiable number.

19              MR. JERIS DANIELSON:  Just as a suggestion, I  
20       think if we put 19,717 back in then we are happy with  
21       that because that's what is there now.

22              MR. ROD KUCHARICH:  Mr. Chairman, it's my  
23       understanding that's in the Operating Principles at this  
24       point, right?

25              MR. JERIS DANIELSON:  Correct.

1           MR. ROD KUHARICH: And if there's no...if the  
2 second doesn't, wouldn't accept it, I would change that  
3 717 instead of 499 and let's move on it.

4           MR. JERIS DANIELSON: We are happy with that.

5           MR. ROD KUHARICH: I have to tell you, Jerry,  
6 that I did not link these two; one holding hostage to the  
7 other. I think my intention was that we get all of the  
8 permanent changes all together in one package.  
9 That's...I think that was the direction that we were all  
10 moving.

11          MR. JERIS DANIELSON: No, I wasn't implying that  
12 there was any hostage taking. I just was concerned that  
13 when we agreed to the original language here it was in  
14 the context of amending the acreage numbers and if you go  
15 back to the 19,717 that's fine.

16          MR. ROD KUHARICH: Mr. Chairman, I would amend  
17 my motion to change in this document marked draft draft  
18 draft 19,499 to 19,717.

19          CHAIRMAN SISNEROS: Reaction from Mr. Pope?

20          MR. DAVID POPE: Seconds. Willing to accept  
21 that number. My understanding is that's the current  
22 number in the Principles and then that issue, again,  
23 would be one of the ones that would be resolved during  
24 the course of this coming year so the District and all of  
25 the other parties can examine that number and come back

1 with a number that everybody represents is the right one.  
2 So I guess the only other question that I want to make  
3 sure I understand is that...what...Jeris, what is your  
4 expectation in terms of those things that you would  
5 accomplish with the acreage verification system 19... of the  
6 year 2002 irrigation season; how far along would you  
7 expect to be by next fall in regard to the implementation  
8 of the system.

9 MR. JERIS DANIELSON: We have already  
10 implemented it for 2001. We are simply trying to do  
11 verification, clean up the data base. The satellite  
12 imagery has been interpreted you know, so we have already  
13 done it for 2001. Once we have the data base cleaned up,  
14 we will be putting out a report for what we think the  
15 acreage was by 2001, so certainly by April 2002 we will  
16 be fully operational.

17 MR. DAVID POPE: So then you would resolve those  
18 remaining questions. I think you mentioned there were a  
19 few tracts that needed to be resolved of the Model or  
20 something like that.

21 MR. JERIS DANIELSON: Right.

22 MR. DAVID POPE: I understand that you would be  
23 doing some additional verification this coming year, some  
24 additional images. Did I misunderstand? You would do  
25 the 2002 check it, is that...

1           MR. JERIS DANIELSON: We hope we will be  
2 operational in the next couple of weeks fully with the  
3 data base corrected. At that point, it's operational.  
4 You can come in, you can ask for information. Next year,  
5 of course, we will get new satellite imagery for the year  
6 2002 and go through the whole interpretive process again.

7           MR. DAVID POPE: That's what I thought I had  
8 understood. That was the question I had.

9           MR. JERIS DANIELSON: But as I say, we will be  
10 operational, hopefully, certainly by April 1.

11          MR. DAVID POPE: And then I take it during that  
12 time period or after you have done the 2002 you would be  
13 able to reduce the maps of showing what lands were  
14 actually irrigated in 2001 and 2002.

15          MR. JERIS DANIELSON: Yeah.

16          MR. DAVID POPE: So that information would be  
17 available to Kansas and other parties.

18          MR. JERIS DANIELSON: Absolutely.

19          MR. DAVID POPE: Is there an opportunity for us  
20 to look at more depth in terms of the system itself as  
21 far as the, you know, you've indicated it would be  
22 operational but you know, if Kansas wanted...is there a  
23 vision long term that there be electronic sets available  
24 to the various parties of this information or how is  
25 that...

1           MR. JERIS DANIELSON: Electronic sets, you mean  
2 digital data?

3           MR. DAVID POPE: Yeah.

4           MR. JERIS DANIELSON: I would have to talk to  
5 our contractor but I don't know why not. It all is in  
6 digital form now. You simply use the system to make it  
7 intelligible.

8           MR. DAVID POPE: My point is out of that is...

9           MR. JERIS DANIELSON: If you are saying will we  
10 give you the program; no. We paid a lot of money for it.

11          MR. DAVID POPE: I was more interested if in  
12 order to review the results that could be facilitated by  
13 electronic data sets.

14          MR. JERIS DANIELSON: We will do whatever we  
15 can. Like I say, I would want to talk to the contractor  
16 but I don't think there's any problem giving you digital  
17 information. We get it from him on e-mail so I assume it  
18 comes in digital format. The only other question I have  
19 is the question of the meeting on the stockwatering  
20 issue.

21          CHAIRMAN SISNEROS: Do you guys want to caucus  
22 for five minutes?

23          MR. DAVID POPE: That's fine.

24          CHAIRMAN SISNEROS: Let's take a five minute  
25 caucus break here.



1                   (Whereupon, there was a short recess,  
2                   after which the following proceedings  
3                   were had:)

4                   CHAIRMAN SISNEROS: Sounds like we are ready to  
5 go here. Who wants to address this issue here?

6                   MR. ROD KUCHARICH: Mr. Chairman, I believe  
7 during the break we have worked out the language...

8                   CHAIRMAN SISNEROS: Okay.

9                   MR. ROD KUCHARICH: ...for the stockwatering and  
10 the irrigated acreage one-year proposal, and I believe  
11 Kansas has the, what we would term the official copy,  
12 kind of a red line version, and I would move that as the  
13 motion to adopt for a one-year period and that Steve  
14 Miller be assigned to get the final typed and circulated  
15 for signature.

16                  MR. DAVID POPE: Actually, I think we have a  
17 motion on the table already, don't we?

18                  CHAIRMAN SISNEROS: Yes, we had a motion on the  
19 table already.

20                  MR. DAVID POPE: That includes those other  
21 items about getting things ready before the other  
22 meeting.

23                  CHAIRMAN SISNEROS: That's right.

24                  MR. DAVID POPE: I think I would just as soon  
25 let that motion stand. I don't think it was on the

1 record. Your point here would be just...

2 CHAIRMAN SISNEROS: We have worked out the...

3 MR. DAVID POPE: ...and it's just a housekeeping  
4 language in the...

5 CHAIRMAN SISNEROS: So we have a motion on the  
6 floor, it was seconded with all of the stipulations of  
7 that particular motion with some changes in the language  
8 of the stockwater...

9 MR. ROD KUCHARICH: The Annual Operating Plan

10 MR. DAVID POPE: Just mainly for people to know  
11 what we are doing here. This doesn't change the motion,  
12 but essentially we took the version of the amendment that  
13 had been laid before us earlier, that December 11, 2001  
14 Resolution, that I think each of the members of the  
15 Administration, at least, have, and simply just adapted  
16 that to clean up the language so that it's the one-year  
17 amendment inserts the years 2001, 2002 title includes the  
18 acreage verification item. It's just a little clean up  
19 to make sure that it all fits in into the one amendment,  
20 you know, I can go over those details or it can  
21 be...anybody can look at it but I think the Delegations  
22 ...we did change the acreage to 19,717 as per the  
23 discussion before the break. That language is also  
24 modified to insert it into the first page so it's all  
25 there before the signature blocks. It has the...instead

1 of saying any year, it would be changed to 2002 so that  
2 it's consistent with the action that we are taking here  
3 today. So if there's any of the signatories that need to  
4 look at this before we take action it's you know, would  
5 be available here.

6 CHAIRMAN SISNEROS: And what I'll do is I think  
7 that we have all of that information and I'll give my  
8 copy to you (indicating the reporter).

9 MR. DAVID POPE: Probably the copy that's red  
10 lined is probably the one that needs to be the official  
11 record and then it will be retyped before we sign it.

12 CHAIRMAN SISNEROS: Right. In the meantime I'll  
13 give you my copy. You've indicated the changes anyway.

14 MR. DAVID POPE: Yeah.

15 CHAIRMAN SISNEROS: We have a motion on the  
16 floor. It was seconded. Is there any other questions?

17 MR. STEVE MILLER: I thought before you went on  
18 break, part of the reason for the break was to discuss  
19 implementation without all of the signatures and  
20 I didn't participate in the discussion. Did that  
21 get talked about or do we just need to wait for  
22 the five signatures?

23 MR. DAVID POPE: Our understanding in terms of  
24 the legal aspects of amending the Principles is that it  
25 really would need to wait for the signatures. In looking

1 at the previous one, it appears that all of those were  
2 gained on or about the first of the year. And if we  
3 could achieve that again this year, I think that would be  
4 about as good as we could do in our view. I think it  
5 would be appropriate to try to get this retyped and just  
6 sent out right away to the parties and we certainly do  
7 our best to you know, get it before the Governor and  
8 assume that we can convince him to sign it. I can't  
9 guarantee that, but I'm pretty confident in that. And if  
10 it's actually dated before the end of the year, that's  
11 probably preferable because then if we make another  
12 amendment next year, we can only make one a year, so that  
13 would be good to get that done officially before the end  
14 of the year.

15 MR. STEVE MILLER: Perhaps we could send it out  
16 in parts. In other words, send five originals out. The  
17 signatures might not be all under each other but we would  
18 have five signature pages.

19 MR. DAVID POPE: That would save some time.

20 CHAIRMAN SISNEROS: That would expedite things,  
21 I think, yeah.

22 MR. DAVID POPE: I don't personally see how we  
23 can commit here today to the immediate amendment. I  
24 don't think that's within our authority, candidly, so I  
25 would hope in terms of the District that that would be

1 the best we can do.

2 CHAIRMAN SISNEROS: Steve?

3 MR. STEVE WITTE: From whom may I expect to  
4 receive the fully executed amendment to the Operating  
5 Principles so that I know that I have all of the  
6 signatures necessary for the implementation of the  
7 operations to begin?

8 MR. ROD KUCHARICH: I think they are listed here,  
9 once the chairman of the Compact Administration...

10 CHAIRMAN SISNEROS: No, I think the question he  
11 is asking is whom is to receive all of the original  
12 copies so that Mr. Witte can have all signatures so that  
13 he can implement...

14 MR. STEVE WITTE: That's my concern, yes. Who  
15 will assume that responsibility?

16 MR. DAVID POPE: Seems to me like, just one  
17 suggestion, that the actual signed version needs to end  
18 up with the Recording Secretary so that would be Jan  
19 Anderson here from the Lamar office. Does that make  
20 sense?

21 MR. STEVE MILLER: I mean ARCA is only one of  
22 the five signators. Certainly it would be good for ARCA  
23 to have one in its records. I kind of view Reclamation  
24 as keeper of all of the records, and I don't know where  
25 they have to get their signatures, that or Billings or

1       whether it would be signed in Loveland. I would propose  
2       we make sure that all of the executed copies, if it's  
3       done in parts, end up at Reclamation and then they  
4       compile the fact that there are five signatures now on  
5       file in their records and that be the point.

6               MR. DAVID POPE: I think that's an acceptable  
7       suggestion to us is if each of the versions that were  
8       signed were sent to Billings, last time I know Mary Ann  
9       Bach signed the Principles as Regional Director, I  
10      assume that would be the case again. And then if  
11      Reclamation would then immediately notify Steve Witte's  
12      office upon all of the signatures being gained, that  
13      would then take care of Steve's problem logistically.  
14      And I think, bottom line is we all need to receive a set  
15      when it's all signed for our records, I think.

16             MR. BRIAN PERSON: We can do that and the  
17      Reclamation signatory process will not be a hold-up, that  
18      can happen real quickly. We can get a copy of that to  
19      you, Steve.

20             CHAIRMAN SISNEROS: So then you will get that  
21      information to Mr. Witte and then he will get with  
22      Trinidad and proceed with implementation.

23             MR. BRIAN PERSON: Yes.

24             MS. JULIANNE WOLDRIDGE: I'm Julianne Woolridge.  
25      I represent the Purgatoire River Water Conservancy

1 District. I have one question as to the date of the  
2 effectiveness of the amendment, will it be from the date  
3 of the signatures through December 31st, through Compact  
4 Year, how is that worded? I have not seen the final  
5 version.

6 MR. DAVID POPE: She probably could look at  
7 that.

8 MR. BRIAN PERSON: We have two minor suggestions  
9 to this to...to make it. They are very minor.

10 MR. DAVID POPE: That's good to resolve before  
11 that. Julianne can certainly look at a copy of that as  
12 one of the District's to sign this. I think we can only  
13 amend the Principles once per year. I'm not sure it's  
14 absolutely clear if that's the calendar year or  
15 every...one year apart, but I would assume that it would  
16 be one year from when it's signed by all parties but  
17 again let's...

18 MR. TOM POINTON: (Interrupting) Yet the  
19 decision is made by the Compact.

20 MS. JULIANNE WOLDRIDGE: (Interrupting) ...the  
21 2001-2002 non-irrigation system, that's already underway  
22 and will end April 1st, so that...

23 MR. STEVE MILLER: That's the intent. It's a  
24 one-year stockwater...

25 MS. JULIANNE WOLDRIDGE: Well, and that's what

1 we are saying, if it doesn't become implemented until mid  
2 to late January it doesn't really help us.

3 MR. STEVE MILLER: We know that, but that's why  
4 last time we were able to do it in two weeks and we are  
5 committing to doing it within two weeks so it's effective  
6 when there's five signatures underneath that language.

7 MS. JULIANNE WOLDRIDGE: The powers to be say  
8 it's okay.

9 MR. TOM POINTON: The date on the amendment  
10 ought to be today's date because this when we did it, the  
11 signatures.

12 MR. DAVID BRENN: We have to have the authorized  
13 signatures to verify the document.

14 MR. ROD KUCHARICH: Call a question.

15 MR. DAVID POPE: Excuse me just a second.  
16 Several people are talking. Are we saying then that this  
17 becomes...it doesn't become effective until all five  
18 signatures are on it and one of those parties is us, here  
19 at a meeting of ARCA. We are not the only one.

20 MR. ROD KUCHARICH: Correct.

21 MR. DAVID POPE: But if it's set up so that our  
22 action here is good for one year, then I don't have a  
23 problem with that, candidly. And then it doesn't become  
24 effective until all five parties have signed it but it's  
25 ...it would be then good for one year from now because



1       this is our action. Does that work? One year until the  
2       end of... Make it until December 31, make it effective  
3       for all of the calendar year of 2002?

4             MR. ROD KUCHARICH: I would agree with that.

5             MR. STEVE MILLER: That's how we did the acreage  
6       verification is for calendar year beginning January 1.  
7       The stockwater is for non-irrigation season ending April  
8       1, 2002.

9             MR. DAVID POPE: But another year would start  
10      next...

11            MR. STEVE MILLER: The stockwater provision  
12      expires on April...

13            MS. WENDY WEISS: Are you saying you are not  
14      willing to have it expire in April but go on into next  
15      fall?

16            MR. DAVID POPE: I think that's easier just to  
17      make it for the calendar year 2002 and it will become  
18      effective when signed by all five parties but it would  
19      run then through, it would expire December 31.

20            MR. ROD KUCHARICH: I would agree with that.

21            MR. DAVID POPE: That way we don't have this gap  
22      next year. We don't have a gap next year. Then if we  
23      get something else worked out then it can become  
24      effective about the first of next year.

25            MR. ROD KUCHARICH: So we would make another

1       slight modification to that document that we have got.

2               MR. DAVID POPE: I think that helps the District  
3       in the sense that they get some water next fall too,  
4       before the annual meeting.

5               MS. JULIANNE WOLDRIDGE: I want to give you back  
6       the original so you can make whatever modification there  
7       is to it.

8               MR. JERIS DANIELSON: I just might say, if you  
9       want to make it meaningful, I think your approach is  
10      absolutely correct because between now and February or  
11      March even if it were effective today the flow is such  
12      and the icing conditions, that you know, we really get  
13      little or no benefit, but under the Operating Principles  
14      the irrigation season ends October 15, if we can move  
15      then under this to stockwater, that will be very helpful.

16              MR. DAVID POPE: Year from now you would be  
17      okay?

18              MR. JERIS DANIELSON: Yeah, fine.

19              MR. DAVID POPE: And if you can get a little  
20      water in January, fine. If not, you have... But I'm  
21      willing to do that. Let's just get this done.

22              MR. ROD KUCHARICH: I would like to thank Kansas  
23      for that interpretation and call a question.

24              MR. DAVID POPE: I'm trying to be Mr. Nice Guy  
25      today.

1           CHAIRMAN SISNEROS: We have called for the  
2 question. All in favor say aye.

3           BOARD MEMBERS: (In unison) Aye.

4           CHAIRMAN SISNEROS: All opposed? Being no  
5 opposed, passes. Let's move on.

6           Item 6C under item 6: Colorado-Arkansas Basin  
7 Pilot Water Banking Program. Who is...Hal Simpson.

8           MR. HAL SIMPSON: For the record, I'm Hal  
9 Simpson, State Engineer. I've handed out, should be in  
10 front of each person at the head table, copy of the draft  
11 rules governing the Arkansas River Water Bank Pilot  
12 Program. I want to give a little brief history on this,  
13 explain where we are headed. It's informational only,  
14 but in the year 2000, Governor Owens created a special  
15 commission, Commission on Saving Open Spaces, Farms and  
16 Ranches. The charge was to identify and provide to the  
17 Governor recommendations of how to keep farmers on the  
18 farm and not having to sell their water rights or their  
19 farm to have some additional revenue. The commission  
20 came up with 11 recommendations, one of which was to have  
21 legislation that would authorize water banks in Colorado  
22 to allow the farmers or ranchers to lease their water to  
23 the bank to provide an additional source of revenue  
24 without the permanent sale of their water rights. That  
25 was presented to the Governor in the fall of 2000. In

1 the 2001 legislation, House Bill 1354 was introduced by  
2 representative Diane Hoppe from the Sterling area.  
3 The Legislature dealt with that bill, approved it, the  
4 Governor signed it and it is a limited version of what  
5 the commission recommended. It's the Arkansas River  
6 Basin Pilot Water Bank. It's to test the concept of a  
7 water bank in the Arkansas River Basin only.  
8 Furthermore, it's limited to stored water or reservoir  
9 water, not direct flow, and it requires that it be  
10 operated for five years beginning in 2001. So first year  
11 is really to start up but the...on November 1, 2005,  
12 State Engineer is to submit a report to the Legislature  
13 on the effectiveness of that pilot water bank and whether  
14 there should be any opportunities to expand the bank into  
15 other parts of Colorado.

16 Further requires the State Engineer promulgate  
17 rules for the operation of the pilot bank by July 1,  
18 2002, next summer. And what I have handed to you is the  
19 first draft of those pilot bank rules. We have had  
20 consultation with the Water Conservation Board. We have  
21 met throughout the basin. We have had six public  
22 meetings to receive input before we began writing the  
23 rules. We are now circulating these rules to all  
24 interested parties seeking comment on whether there  
25 should be revisions to the proposed rules and I'm sure

1       there will be many.

2               Some of the key points are there should be no  
3       injury to the other water rights by the operation of the  
4       bank and what I'm reporting to this Administration about,  
5       is we have to comply with the Arkansas River Compact  
6       which would require that any water stored in John Martin  
7       for the benefit of ditches in District 67 could not be  
8       moved upstream without this Administration's approval and  
9       we have included that condition in the draft rules. With  
10      that, I conclude my report. Glad to answer any  
11      questions.

12             CHAIRMAN SISNEROS: Mr. Pope?

13             MR. DAVID POPE: We may have a few questions and  
14      just trying to go through and look at this material, Hal.

15             MR. HAL SIMPSON: Sure.

16             MR. DAVID BRENN: Hal, this...you probably  
17      mentioned this but I was looking at the report. You say  
18      the effective date on the rule is June 30, 2007.

19             MR. HAL SIMPSON: Right. They are effective  
20      through that date and they will expire, or sunset,  
21      without additional legislation.

22             MR. JOHN DRAPER: Mr. Chairman, if I may, Mr.  
23      Simpson, would these rules allow Article II water to be  
24      diverted upstream of John Martin?

25             MR. HAL SIMPSON: No, not unless this

1 Administration gives its prior approval, then it could.  
2 That condition is probably in Rule 4.

3 MR. JOHN DRAPER: What uses would Article II  
4 water be put to under these rules?

5 MR. HAL SIMPSON: It could be used for  
6 replacement water below John Martin. It could be...the  
7 water in storage in John Martin can be leased for a year  
8 to Lower Arkansas Water Management Association. It could  
9 be made available to other users below John Martin for a  
10 year-to-year basis.

11 MR. DAVID BRENN: Would it have any association  
12 with the offset process. Could it...

13 MR. HAL SIMPSON: It's possible that LAWMA could  
14 lease water and move it into the Offset Account. We have  
15 included certain historic consumptive use factors,  
16 presumptive values on Rule 8 that are taken from the long  
17 term operation of the HI-Model so that you would have an  
18 idea on the consumptive use for each of the ditch systems  
19 listed at the bottom of page 5 as well as other losses  
20 that would not be consumable but have to be returned to  
21 the stream as return flow.

22 MR. JOHN DRAPER: When would the return flows in  
23 District 67 occur under these rules?

24 MR. HAL SIMPSON: Absent operation under the  
25 Offset Account Resolution they would have to mimic

1 historical return flow patterns.

2 MR. JOHN DRAPER: Is it anticipated that Kansas  
3 or the Assistant Operating Secretary would be given  
4 notice of actions under the rules?

5 MR. HAL SIMPSON: We could inform the Operating  
6 Secretary and the Assistant Operating Secretary of any  
7 Article II or Section II water was being proposed to be  
8 used in the bank.

9 MR. JOHN DRAPER: Would there be any changes to  
10 the JMAS Program needed in order to implement  
11 these rules?

12 MR. HAL SIMPSON: I'll defer that to Mr. Witte.  
13 I don't think so but we'll see.

14 MR. STEVE WITTE: I don't know.

15 MR. JOHN DRAPER: Fair enough.

16 MR. DAVID POPE: Let me ask one while John is  
17 looking at this some more. Is there a physical location  
18 for the bank or is it more of a process?

19 MR. HAL SIMPSON: The bank is more, would be  
20 better described as an exchange, water will be stored in  
21 the vessel or reservoir in which it was decreed and then  
22 the owner can offer that water through, we think, an  
23 internet site for use in that year, but released from  
24 that reservoir. So it could be Pueblo Reservoir, John  
25 Martin, off-channel reservoirs, number of locations in

1 the basin, but then that water could be released for use  
2 downstream or if there's an exchange potential upstream.

3 MR. DAVID POPE: How would you describe it  
4 deviating from current exchanges that now occur? I'm  
5 trying to understand the differences that would be  
6 employed under this proposal as compared to what  
7 historically has occurred. What does it do that is  
8 different from current mechanisms?

9 MR. HAL SIMPSON: Well, some...there are  
10 exchanges that take place now. Certain types of water  
11 that have already been decreed for certain types of users  
12 so that can take place but usually that has in the past  
13 involved transmountain water which has a lot more  
14 flexibility. What this allows is a year to year  
15 operation without going to water court and seeking a  
16 change in use to say use your water decreed for irrigation  
17 for another use, replacement or augmentation or municipal  
18 use or something like that, and the Act clearly states  
19 that this process allows our approval to operate outside  
20 of going to water court for the five year period as we  
21 work through this but long term there may be changes to  
22 the legislation if it were to continue after five years.

23 MR. JOHN DRAPER: What process do you see being  
24 pursued to achieve further consideration of the draft  
25 rules and adoption? What is that going to involve?



1           MR. HAL SIMPSON: Next step will be to take all  
2 of the input we receive between now and end of December  
3 to do another version of the rules that would probably  
4 then be used for a formal administrative procedures act  
5 rule making process which would begin in February and  
6 conclude probably in March so that we could then move to  
7 promulgate the rules to be effective July 1, 2002.

8           MR. JOHN DRAPER: That process would involve  
9 approval by the water court?

10          MR. HAL SIMPSON: If the rules are challenged,  
11 the statutes, the act sets forth, rather than reviewing  
12 the challenged rules in the local District Court which in  
13 this case, since they are promulgated in Denver would be  
14 normally what the Denver court says which in this case  
15 that review of the rule making process by my agency would  
16 be reviewed by the water court in Water Division 2.

17          MR. DAVID POPE: So after you would take action  
18 on the rules there's a time period that a water user  
19 could challenge the rules in water court, is that what  
20 you are saying?

21          MR. HAL SIMPSON: Yes, there's a 38 day period  
22 to challenge after you promulgate the proposed rule. The  
23 challenge would be reviewed or considered by the water  
24 judge for Water Division 2.

25          MR. JOHN DRAPER: If not challenged, they become

1 final?

2 MR. HAL SIMPSON: Yes.

3 MR. JOHN DRAPER: Does this generalize the  
4 procedure that you now use on your temporary substitute  
5 water supply plans?

6 MR. HAL SIMPSON: It could, but it gives,  
7 what we do some legal basis with respect to using stored  
8 water and moving...changing use, changing the place of  
9 use.

10 MR. DAVID POPE: Hal, which, if you mentioned in  
11 Rule 8 the, I see you have a table there for basically a  
12 ditch by ditch listing to include the consumptive use  
13 factors and I think you mentioned a minute ago that you  
14 derived those from the Hi-Model. Was that, which version  
15 or what can you define more that process?

16 MR. HAL SIMPSON: It's the version that used the  
17 Modified Blaney Criddle Method for determination of  
18 consumptive use which would be either of the first two  
19 versions of the model we're using.

20 MR. JOHN DRAPER: Would the operations  
21 contemplated under the rules involve any re-operation of  
22 federal reservoirs?

23 MR. HAL SIMPSON: it wouldn't necessarily be  
24 re-operation but as you heard this morning could use  
25 surplus space in Pueblo Reservoir to store water moved

1       there from other reservoirs or using the winter stored  
2       water that's in Pueblo Reservoir and that would require  
3       HR 1714, I think, to be approved to facilitate that  
4       process.

5               MR. JOHN DRAPER: That would relate to Pueblo.  
6       Any federal action, any federal legislative or other  
7       types of federal action necessary to the extent this  
8       involves the operations of John Martin?

9               MR. HAL SIMPSON: I don't believe so because we  
10      would be using water stored in the Section II accounts for  
11      use below John Martin.

12              MR. JOHN DRAPER: Well, that's helpful. We  
13      haven't had a chance, of course, to begin to read these  
14      yet but...

15              MR. HAL SIMPSON: If you would like to take time  
16      to read them and submit written comments to me, that  
17      would be fine, by the end of the month, or have David  
18      give us a call.

19              MR. DAVID POPE: Thank you.

20              CHAIRMAN SISNEROS: Thank you, Mr. Simpson. All  
21      right. Moving right along here. Model Land and  
22      Irrigation Company. And you are?

23              MR. ROBERT TROUT: My name is Robert Trout. I'm  
24      an attorney from Denver with Trout, Woodward and Freeman.  
25      I represent the Model Land and Irrigation Company and

1       today this is an informational item for the group. We  
2       hope to come back next year with a formal proposal to  
3       amend the Operating Principles of the Trinidad Project  
4       but since this group obviously needs plenty of time to  
5       study things we wanted to introduce it this year, provide  
6       information early in the year, and then hopefully make a  
7       proposal at the end of next year. I represent the Model  
8       Land and Irrigation Company, as I said. As some of you  
9       may know, Model Land and Irrigation Company has entered  
10      into a contract with the Colorado State Parks Department  
11      to sell to State Parks a portion of its allotment under  
12      the Trinidad Project. I've talked to, I think...I think  
13      I talked to Dale Book representing Kansas. Obviously,  
14      the state of Colorado knows about this. I've talked to  
15      the Bureau. I haven't talked to the Corps, informally,  
16      so hopefully this doesn't come as much of a surprise. As  
17      I think you know, State Parks has an obligation to  
18      provide a certain amount of water to make up for  
19      evaporation from the fishery pool in the Trinidad  
20      Reservoir which is somewhere in the neighborhood of a  
21      thousand acre feet a year. They are still trying to  
22      figure out what it is. Parks has entered into a contract  
23      with Model to purchase between 700 and 1500 acre feet of  
24      consumptive use water to be used for that purpose. This  
25      would involve drying up anywhere from 800 to 1700 acres

1 of Model's irrigable acres entitlement under the  
2 Operating Principles which is 6,177 acres. The water,  
3 after the change, would obviously be stored at Trinidad  
4 Reservoir and would be used to offset evaporation each  
5 year and that will vary over the years. And also, of  
6 course the water would be, some of it would have to be  
7 released each year to make up historic return flows. The  
8 status of the transaction as a contract was signed on  
9 March 5 of this year. It's taken it until this point for  
10 the State to complete its due diligence and we finally  
11 agreed on November 30 to go forward with the transaction  
12 subject to approval of the people who have to approve  
13 Operating Principle changes for the project, which as I  
14 recall, is this group plus the State of Kansas, the  
15 District, Bureau of Reclamation, Corps of Engineers, and  
16 we also, of course, will need water court. . . approval of the  
17 Colorado Water Court. Now you probably remember that a  
18 couple of years ago this group and the other involved  
19 parties approved changes to the Operating Principles to  
20 allow a small portion of Model's water to be used by the  
21 City of Trinidad and they ended up changing about 6  
22 percent of Model's entitlement, the water off of 373  
23 acres, this involves anywhere from 13 to 28 percent of  
24 Model's entitlement. What we plan to do, frankly, is to  
25 mimic what Trinidad did. Trinidad did the engineering.

1 We anticipate using the same historic use figures that  
2 Trinidad used, the same return flow amounts, and the same  
3 plan for replacing return flows which is primarily  
4 releasing it out of Trinidad Reservoir during the  
5 irrigation season and then later in the year. We also  
6 would accept the same limitations on the changed water  
7 rights that Trinidad accepted which were frankly  
8 negotiated between us and others at the time. In order  
9 to make it even easier for the group, we plan on using  
10 the same engineer that Trinidad used, Gary Thompson of  
11 W. W. Wheeler Group, seems to be the person most familiar  
12 with the Model system. My plan is to, and I will be  
13 spearheading the effort, I hope to be able to provide to  
14 the members of the Administration, I'm hoping for around  
15 May of this year, but I'm not sure a formal proposal  
16 setting out the formal changes that would need to be made  
17 in the Operating Principles which are not very extensive  
18 because actually the Trinidad changes largely took care  
19 of this issue and also an engineering report prepared by  
20 Mr. Thompson which would both back up the proposal and  
21 also would describe the operations which we will have to  
22 work out with State Parks. Because to be honest, I'm not  
23 totally clear exactly how they are going to manage their  
24 evaporation pool in Trinidad Reservoir, but we need to  
25 figure that out. Hopefully, once we submit a proposal

1 and an engineering report, we will be able to have  
2 discussions with members of the Administration in the  
3 summer and fall. If you have questions, comments, things  
4 you think need to be changed, would like to talk to  
5 people individually or in a group and you want to, over the  
6 course of the year, so that we hopefully can come to the  
7 meeting next year with at least a tentative agreement of  
8 the parties involved as to a proposed change. I don't  
9 have any documentation to provide you. All we have is  
10 the contract which I will be happy to provide to anybody  
11 that wants a copy of it. It's an 18 page contract but  
12 it's obviously a public document. Beyond that, we don't  
13 have any engineering but it's anticipated to be the same  
14 as what Trinidad did and with that, unless you have  
15 questions, I don't want to waste any more of your time  
16 but I would be happy to answer any questions if you have  
17 any.

18 CHAIRMAN SISNEROS: Any questions for Mr. Trout?

19 MR. JOHN DRAPER: Could we get a copy of the  
20 contract?

21 MR. ROBERT TROUT: Sure. Yeah. Who should I  
22 send it to, Mr. Pope or...

23 MR. JOHN DRAPER: Mr. Pope.

24 MR. ROBERT TROUT: Okay. I'll do that probably  
25 next week.

1 CHAIRMAN SISNEROS: Thank you, Mr. Trout.

2 MR. ROBERT TROUT: Okay.

3 CHAIRMAN SISNEROS: City of Lamar, Mr. Jeff  
4 Anderson.

5 MR. JEFF ANDERSON: I want to thank you, Mr.  
6 Chairman, members of the Compact. First of all, before I  
7 get into my statement here, I would just like to thank  
8 the Compact for working with the City of Lamar on  
9 cooperative issues involving the water that's most  
10 precious to all of us. We have tried to do our part, we  
11 will continue to do so. For the sake of brevity, what I  
12 did, I wrote out a statement about some of the issues  
13 that we are dealing with about the regulation of our  
14 water in John Martin. The City of Lamar has and will  
15 continue to work along side all stakeholders in our river  
16 system to protect and manage our most precious resource.  
17 The City of Lamar would like to go on record that our  
18 position regarding our regulating our project water at  
19 John Martin Dam is the most prudent method we can find to  
20 minimize water loss due to evaporation, transit loss and  
21 loss due to seepage. Our project water, which is water  
22 that originated on the western slope, is not native to the  
23 Arkansas River Basin. It is stored in Pueblo Reservoir  
24 and delivered to John Martin Dam along with other water  
25 to minimize transit loss. City of Lamar calls for our



1 project water along with other requests to increase flow  
2 and volumes moving within the river system to further  
3 minimize transit loss. The City of Lamar also takes the  
4 position by regulating our project water at John Martin  
5 Dam the City of Lamar shares in the transit loss,  
6 evaporation loss and loss due to seepage of other waters.  
7 The City of Lamar requests the Compact to agree to allow  
8 us to continue the use of John Martin Reservoir to  
9 regulate our project water. The City of Lamar is not  
10 requesting a permanent storage right nor does the City of  
11 Lamar's request damage any water use below John Martin  
12 Dam. In addition, the City of Lamar has no desire to ask  
13 for anything different that may require change in the  
14 operating procedures or existing terms of the Compact  
15 Agreement. The City of Lamar has utilized John Martin  
16 Reservoir to regulate project water for several years.  
17 We have been cognizant of water use, water storage and  
18 water loss and it is the intention of the City of Lamar  
19 to do our part in protecting our most precious resource  
20 now and in the future. The City of Lamar opposes the  
21 loss of any portion of our project water to anyone or any  
22 organization as a result of our prudent management of our  
23 water doing our part in protecting our water from  
24 unnecessary losses. The City of Lamar would like to  
25 further add, as demands upon this river system continues

1 to grow we feel it is absurd to think that any  
2 organization or person or persons would make an attempt  
3 to hinder the process of prudent water management by the  
4 City of Lamar or any other organization. With that, I'll  
5 conclude my statement. Take any questions. We would ask  
6 the Compact to allow us to continue the regulation point  
7 at John Martin Dam. Thank you, Mr. Chairman.

8 CHAIRMAN SISNEROS: Any questions?

9 MR. DAVID POPE: I guess I might have one or  
10 two, Mr. Anderson. Thanks for appearing, I appreciate  
11 your comments and...

12 MR. JEFF ANDERSON: Appreciate your time.

13 MR. DAVID POPE: ...and wanting to, I appreciate  
14 your desire to want to continue the efforts that you've  
15 made in the past. Certainly, I'm one of the people that  
16 have raised some questions about whether this temporary  
17 opportunity after all of these years is really something  
18 that should be continued and in part raised to facilitate  
19 some discussion so we can understand your intent and also  
20 review it and look at it in the context of what was  
21 agreed to years ago on what I think we had understood as  
22 really a short term kind of activity. That, at least,  
23 was...is temporary. My questions, I guess, go to this.  
24 Are there other sources of water available to the City of  
25 Lamar other than I take it you've mentioned transmountain

1 water and you acquire some many years...

2 MR. JEFF ANDERSON: The water that we regulate,  
3 and I may also defer to Dannie McMillan, he's our Public  
4 Works Director and Water Superintendent for the city.  
5 But the transmountain water, the Fry-Ark water that we  
6 bring over from the western slope to the eastern slope is  
7 the water we are moving into John Martin for regulation.  
8 We take it into our Fort Bent Ditch and then we take it  
9 in to augment our well fields and that's the only water  
10 we are talking about here in that respect.

11 MR. DANNIE MCMILLAN: We do have other water  
12 rights but this is an augmentation source of our water  
13 and we have used it for several years. As you know,  
14 since 1989 ARCA set down some rules they wanted us to  
15 abide by, I believe, that since 1989 we have abided by  
16 all of the wishes of ARCA, I hope. Steve keeps a pretty  
17 close eye on us there.

18 MR. DAVID POPE: I guess my question -- may want  
19 to come back to that one, but my question is...

20 MR. DANNIE MCMILLAN: It's one of our waters  
21 that we have utilized for approximately 20 years.

22 MR. DAVID POPE: Is there any other water that  
23 you can acquire other than transmountain water? I know  
24 there was an issue raised about the limitations in terms  
25 of how transmountain water can be used within the

1 District.

2 MR. DANNIE MCMILLAN: There could be, but once  
3 again it's a real monetary problem for the City of Lamar  
4 to come up with a large sum of money in a short period of  
5 time.

6 MR. DAVID POPE: Is the city not an owner of  
7 some shares in the Fort Bent?

8 MR. DANNIE MCMILLAN: Yes, we are.

9 MR. DAVID POPE: How is that water used?

10 MR. DANNIE MCMILLAN: We use it to augment the  
11 Arkansas River for some of our pumping depletions and we  
12 also use it to augment our wells, our water wells.

13 MR. DAVID POPE: Is all of that water used each  
14 year?

15 MR. DANNIE MCMILLAN: Yes, we currently have  
16 some of it on a farm, piece of property, the city did,  
17 that we do not use for city purposes at this time.

18 MR. DAVID POPE: I was just trying to think of  
19 alternatives that might help facilitate continued use of  
20 perhaps water that you can acquire as you have in the  
21 past but maybe also some matching water that might help  
22 deal with some of the storage charge issues that the  
23 other users of John Martin do in fact pay.

24 MR. DANNIE MCMILLAN: One of the projects in the  
25 works is a pipeline from Pueblo down the Arkansas Valley

1       that we utilize quite a bit, the project water, but  
2       that's a long term project.

3               MR. DAVID POPE: I was going to ask, that's...

4               MR. JEFF ANDERSON: That's the Water Conduit  
5       Study.

6               MR. DANNIE MCMILLAN: Yes, that's something the  
7       City of Lamar has been involved in, as a matter of fact,  
8       City of Lamar was involved in it in the '70s when it was  
9       first brought up and we are still a participating member  
10      of that.

11              MR. JEFF ANDERSON: I believe when they built  
12      Pueblo Reservoir there was a portal that was put into  
13      that dam. It is for this purpose.

14              MR. DAVID POPE: I didn't know whether that was  
15      still a realistic possibility to be expected in some  
16      future year or not.

17              MR. DANNIE MCMILLAN: We are right now in the  
18      middle of a feasibility study with the other communities  
19      in the Arkansas Valley.

20              MR. DAVID POPE: Is there some reason why you  
21      don't particularly want a regular account done?

22              MR. DANNIE MCMILLAN: No. If we could get a  
23      permanent storage account we would ask for it and we just  
24      thought that...

25              MR. JEFF ANDERSON: Don't know what the monetary

1 charge would be for that account to be very honest about  
2 it.

3 MR. DAVID POPE: That's the issue, I think.

4 MR. DANNIE MCMILLAN: One of the things, we do  
5 have quite a few shares in the Fort Bent Ditch. We use  
6 their account to regulate this water.

7 MR. DAVID POPE: The other thing we've noticed  
8 that varies off and on over the years but sometimes the  
9 request doesn't provide a lot of detail and that's  
10 something that maybe would be something that's resolvable  
11 but we notice that there are times when there's water  
12 moved down from Pueblo in a slug to John Martin to the  
13 temporary account and then it's, sometimes it will set  
14 there for a while, sometimes it's called on a continuous  
15 basis for a while. Can you give any thoughts in terms of  
16 why that isn't just a continuous...if it's a really  
17 re-regulation operation, it looks more like a storage  
18 operation if you look at it on paper.

19 MR. DANNIE MCMILLAN: We try to work with the  
20 stockholders of the Fort Bent Ditch when they are  
21 utilizing the ditch company. The ditch is a small ditch  
22 company. We have been in the past, I think if you look  
23 last year we kept a steady flow going out of the  
24 reservoir.

25 MR. DAVID POPE: I think that's most of the

1 time, I'm not sure.

2 MR. DANNIE MCMILLAN: Yes.

3 MR. DAVID POPE: It looked like it was most of  
4 the time but there were...

5 MR. DANNIE MCMILLAN: Yes, there was a few days.

6 MR. DAVID POPE: ...there was a few days of gaps.  
7 Is there any reason why that couldn't be a continuous.

8 MR. DANNIE MCMILLAN: We could make it a  
9 continuous if that would be a condition to getting it  
10 approved we would be happy to do that.

11 MR. DAVID POPE: I was, if I could, Mr.  
12 Chairman, just take another quick second. I know it's  
13 getting late here. Mark Rude, I think, was looking up  
14 the provisions of the original '89 action taken by ARCA  
15 and I didn't get a chance to look at that before but  
16 maybe Mark could point out a few things.

17 CHAIRMAN SISNEROS: Yeah, go ahead, Mark.

18 MR. MARK RUDE: On the issue that you've  
19 expressed concern on say, forfeiting water, I think the  
20 language in the transcript of the 1989 meeting in which  
21 there was discussion here between, well, the criteria  
22 under which the Operations Secretary could entertain  
23 requests each year from the City of Lamar was reviewed  
24 the prior evening in the Operations Committee and there  
25 was some procedural discussions there and then that was

1 reviewed the next day in the Compact meeting and I don't  
2 know that I need to read the whole transcript but  
3 essentially said thirdly, and this was on, I believe it  
4 was page 22 of the transcript of that meeting, very  
5 bottom of the page. Thirdly, the Operations Committee  
6 directed me to include in the letter a caveat, and any  
7 departure or change from the plan as previously approved  
8 may result in forfeiture of the water and so that's in  
9 essence the procedure that has been given to me through  
10 the Operations Committee to relate to the City of Lamar  
11 regarding future operations of this kind. That was Mr.  
12 Witte describing three aspects that should be included in  
13 a letter in response to -- well, let me just start off  
14 here. Says, in essence the Operations Committee directed  
15 me to draft a letter to Mr. Shimmin on behalf of the  
16 City of Lamar advising them of a three week advance  
17 notice in writing giving specifics of the specific  
18 details of the operations...operation requested, would  
19 be necessary prior to the use of John Martin as a  
20 regulatory vessel in the future. That letter will also  
21 contain a confirmation of our understanding that the City  
22 of Lamar is not interested in any long term storage in  
23 John Martin Reservoir and that the accounting would show  
24 that water...no water could be temporarily withheld in  
25 the Fort Bent Account of which the City of Lamar is a



1 part owner, but that the water is not to be considered as  
2 being in part of the regular account and so it would be  
3 subject to first spill in the event that these  
4 circumstances arose. And then thirdly, the language  
5 about the forfeiture provision. So there was  
6 contemplation at that point in time about a forfeiture of  
7 any water that was still in John Martin upon departure of  
8 the plan, and I think apparently the contemplation was  
9 that the Operating Plan, the specific details of the plan  
10 would be proposed each year.

11 MR. DANNIE MCMILLAN: Yes.

12 MR. MARK RUDE: I don't know if you were  
13 thinking of anything else.

14 MR. DAVID POPE: I think those are a few things  
15 ...I think rather than belaboring the point we have  
16 certainly raised the question and I, you know, I take it  
17 you are here today wanting some guidance in terms of what  
18 might happen next year.

19 MR. DANNIE MCMILLAN: Well, we didn't want to  
20 wait until May if we have to change any...

21 MR. DAVID POPE: I think what might be workable  
22 under the circumstances is for the city to lay out a  
23 little more detailed plan in terms of the operation for  
24 this coming year and so we understand you know, the  
25 operations and its interrelationship to the Fort Bent and

1       then I would urge your serious consideration to some sort  
2       of an alternative that can be flushed out in more depth.  
3       We just really think rather than it going on indefinitely  
4       it's the only account that's essentially a, quote, free  
5       account, in the reservoir of this nature and, other than  
6       the regular Section II Accounts, and I guess we would  
7       really like to see some form of addressing of the broader  
8       questions you know, I think we could go with you one more  
9       year if you have a good plan this next year.

10               MR. DANNIE MCMILLAN: What would happen if we  
11       would request permanent storage space in John Martin?

12               MR. DAVID POPE: It would be subject to the  
13       charge like the other Section 3 Accounts, and I guess the  
14       challenge would be to work through the details of how  
15       that would be operated whether or not that's the proper  
16       way and whether or not in conjunction with other sources  
17       or Fort Bent water or whatever it is, whether the fund,  
18       the source of that charge water. There may be a variety  
19       of ways to skin that cat but we would certainly be  
20       willing to work with you to try to fashion an arrangement  
21       that would be long term and workable but we would just  
22       like to see that resolved rather than continuing year  
23       after year on a so-called temporary basis. I think, you  
24       know, for purposes of this year, that's obviously not  
25       going to be done now, you know. We could probably

1 consider at least you know, under the normal conditions  
2 that are already there something next year. Like to see  
3 it operated pretty tightly and then sometime between now  
4 and next year hopefully it would be time to really work  
5 out something more long term.

6 MR. DANNIE MCMILLAN: Would you be the gentlemen  
7 that would like to work with us on some of this?

8 MR. DAVID POPE: Well, we are here really to  
9 review and act rather than design.

10 MR. DANNIE MCMILLAN: I understand that but..

11 MR. DAVID POPE: To have you come forward with  
12 some ideas, but yes, we would certainly talk with you  
13 about it.

14 MR. JEFF ANDERSON: If I'm hearing you  
15 correctly, you would like us to put together a plan and  
16 bring it back before the Compact?

17 MR. DAVID POPE: In advance of the next Compact  
18 meeting so we have time to digest it. In other words,  
19 I'm basically saying we've got a year to work this out  
20 and... Rod?

21 MR. ROD KUCHARICH: Could we do this at the  
22 spring meeting?

23 MR. DAVID POPE: That's something to be talked  
24 about. It would be an agenda item that would be useful.

25 CHAIRMAN SISNEROS: Steve?

1           MR. STEVE WITTE:   Two things.   I guess I would  
2   be happy to work with the City of Lamar in trying to  
3   develop a proposal for both the one-year provision next  
4   year or even a longer term proposal if you would care for  
5   me to do that.   One question I would like to ask of you  
6   though, David, with respect to a one-year proposal for  
7   next year, how important is it to you that the releases  
8   in, out of John Martin to the Fort Bent be continuous or  
9   is some interruption in the event of a Fort Bent Ditch  
10   break, for example, acceptable to you?   Can some  
11   interruption of releases be a part of the short term  
12   proposal?

13           MR. DAVID POPE:   I think under the circumstances  
14   you are talking about, if there's a physical ditch break  
15   or something along those lines that's very understandable  
16   and that could be incorporated in the plan.   I think it  
17   was more a matter of hit-miss nature of not understanding  
18   why is it being released at certain periods of time and  
19   not at others.   Just how does this all fit together?

20           MR. STEVE WITTE:   Would any interruptions of  
21   release not having a physical cause be acceptable?

22           MR. DAVID POPE:   We are willing to listen.   I'm  
23   not sure at this point you know, I would need to  
24   understand why and under what circumstances.   Again I  
25   think the problem is that maybe a few days doesn't matter

1       so much but it's the..just sort of deviates from the  
2       concept of a temporary detention re-regulation if you do  
3       that, Steve, and I think that's...but I think the broader  
4       question really is, is looking even beyond that you know  
5       for next year. This year's plan maybe could address  
6       those issues in some fashion and then focus the real  
7       attention on the longer term solution.

8               MR. JEFF ANDERSON: I would like to ask the  
9       Compact one question, if I may, in relation to this.  
10      Bear with me, I'm not a hydrologist or geologist or any  
11      of those kind of people, but my question would be to the  
12      Compact, this, depending what we are doing with our  
13      Fry-Ark water makes sense to us to manage it more  
14      prudently to get the most volume of that water down here  
15      to where we need it, it is transmountain water, it's not  
16      native to the Arkansas River system. We are more than  
17      willing to do what you are asking to go and put together  
18      a plan and address all of those issues but I guess what  
19      might be helpful for me to better understand the  
20      Compact's position, what harm is it doing in that dam to  
21      do what we are doing right now? I guess my question is  
22      what...why is this an issue to the Compact or Kansas or  
23      where the issue is to?

24             MR. DAVID POPE: I think part of it is not so  
25      much form but it may be equity in terms of other users

1       that pay storage charges, the other water included within  
2       the 1980 Operating Plan attempted to treat those other  
3       entities in a similar compatible way you know, the nature  
4       of this is just gone beyond true temporary arrangement,  
5       so it's, in part, it's an equity issue and in part I don't  
6       know that we have a good enough understanding of what you  
7       do and the ins and outs until we raise these questions  
8       this year.

9               MR. TOM POINTON: What charges does Kansas pay  
10       on their accounts?

11              MR. DAVID POPE: What?

12              MR. TOM POINTON: What charges does Kansas pay  
13       for storage accounts?

14              MR. DAVID POPE: Same as Colorado Section 2  
15       accounts.

16              MR. JEFF ANDERSON: If I may, I think what I'm  
17       hearing and we will do this thing with a couple of the  
18       engineers, we will put together a plan to further  
19       clarify, you know, why we feel doing it is the best way  
20       and give you a very clear understanding of what it is we  
21       want to do and what we are doing and hopefully we can  
22       come to a satisfactory result.

23              MR. DAVID POPE: Okay.

24              CHAIRMAN SISNEROS: I would suggest that you do  
25       that as quickly as possible because we are planning a

1 spring meeting, rather than you know, a little bit later.

2 MR. JEFF ANDERSON: When is the spring meeting,  
3 could you give me a timeframe?

4 CHAIRMAN SISNEROS: We don't have a date yet.

5 MR. JEFF ANDERSON: Let me ask you this question  
6 while we are here and all in the same room, if we cannot  
7 get this together by the time you have your spring  
8 meeting, can we have until your fall meeting, you have  
9 one in the fall, is that correct?

10 CHAIRMAN SISNEROS: Right. We have one this  
11 time of year every year.

12 MR. JEFF ANDERSON: We will do everything we can  
13 to get it to you by the spring meeting but we will be  
14 working with some other entities here.

15 CHAIRMAN SISNEROS: Sure. And if you could get  
16 it to us early before the end of the year before this  
17 meeting.

18 MR. JEFF ANDERSON: Who shall be the contact  
19 person for the Compact?

20 CHAIRMAN SISNEROS: Probably...who's the  
21 chairman of the Operations?

22 MR. STEVE MILLER: We're going to switch that  
23 in a few minutes anyway. I guess it will be Jim next  
24 year. If it's an engineering question it would be David  
25 Pope and Tom, that's the engineering committee.

1           MR. JEFF ANDERSON: We'll meet you in Syracuse  
2 and discuss it, how about that?

3           MR. DAVID POPE: That's not half way to Topeka.

4           CHAIRMAN SISNEROS: Actually, probably each one  
5 of the members should have a copy of that.

6           MR. ROD KUCHARICH: Mr. Chairman, this  
7 contemplates that the continued operation for this year  
8 as last year, is that right?

9           CHAIRMAN SISNEROS: That's what I'm gathering  
10 here, is that correct, Mr. Pope?

11          MR. DAVID POPE: I think my comment was that we  
12 would be willing to consider the same arrangement that we  
13 have had before as long as we had a better understanding  
14 and documentation of the plan. The action of the body  
15 taken in 1989 still stands as we speak, the opportunity  
16 there is for either state to object.

17          MR. ROD KUCHARICH: That was my understanding and  
18 the further understanding that I have, and I'm new to  
19 this process, but the further understanding I have is  
20 that through this plan they will be distinguishing  
21 between say, water stored by the Amity and the charge for  
22 evaporation as opposed to water stored by Lamar, which I  
23 wonder, you know, I mean it isn't even in there for the  
24 whole year, and I wonder if that can't be treated as  
25 water similar to the Colorado and Kansas water that is



1 stored in there?

2 CHAIRMAN SISNEROS: I would probably think that  
3 sometime in the future after all of that is decided they  
4 probably could but my understanding...

5 MR. ROD KUCHARICH: It was the issue that I think  
6 Mr. Pope has raised here and that's that, you know, what  
7 is it that distinguishes this water from the water  
8 similar to the Amity that has that 35 percent charge on  
9 it?

10 MR. DAVID POPE: Well, I think that's the  
11 question, I'm not real clear on what the answer is right  
12 at this point. We have Amity water, Las Animas and  
13 others.

14 MR. ROD KUCHARICH: No, I understand. I  
15 understand. And this one could...this is one of those  
16 that kind of has a double-edged sword for Kansas here and  
17 that is that if they come up with a plan that is a series  
18 of exchanges, the water can be exchanged into the canal  
19 and they may find a more efficient way of doing it  
20 leaving less water in the river, I guess what I'm saying.

21 MR. DAN MCMILLAN: This is water that helps  
22 everybody out. It's more water in the river system.  
23 It's simple as that. And we will work around whatever we  
24 have to do. We would like to work with ARCA. We've been  
25 working with them for about 20 years.

1           CHAIRMAN SISNEROS: It's my understanding, Mark,  
2           it's my understanding that there are some parameters that  
3           were agreed upon in '89.

4           MR. MARK RUDE: That's correct.

5           CHAIRMAN SISNEROS: Are those still parameters  
6           that are agreeable to you folks on a one-year temporary  
7           basis, is that what I'm hearing?

8           MR. DAVID POPE: On a one-year temporary basis,  
9           that's correct. That was intended to be a very temporary  
10          arrangement.

11          CHAIRMAN SISNEROS: And it's gone on since '89?

12          MR. DAVID POPE: And it's gone on since '89 and  
13          as I say, under those conditions that are laid out, and I  
14          think to the extent that information is provided, and I  
15          guess what I'm asking just with all due respect is a  
16          better understanding of what you are doing and how it  
17          fits into the bigger picture. Under those conditions we  
18          are willing to most likely, depending on the plan, not  
19          object. We still reserve the right to object just like  
20          that provides, but most likely would not object if we get  
21          that information in before then. And then, secondly, we  
22          can talk about the longer term. And we may end up fine  
23          with all of this but we need to at least look at that.

24          MR. ROD KUCHARICH: And a progress report at the  
25          spring meeting?

1           CHAIRMAN SISNEROS: That's correct.

2           MR. ROD KUCHARICH: And then they are presenting  
3 a plan to us at the next annual meeting.

4           MR. DAVID POPE: Yeah, the longer term thing.

5           CHAIRMAN SISNEROS: Okay.

6           MR. JEFF ANDERSON: Appreciate your time.  
7 Thanks again.

8           CHAIRMAN SISNEROS: Now we're going to skip over  
9 7 and move onto 8. We are going to do item number 7 and  
10 we have a proposal to hold the 2002 Annual Meeting in  
11 Garden City. I want to know how it...although the bylaws  
12 do state these annual meetings will be held in Lamar, you  
13 know, it was changed before and we did have it in Garden  
14 City. It could be changed again, depending on what the  
15 representatives decide on. What does Colorado wish on  
16 this? I would like to, before you indicate anything, I  
17 would like to let you know that we also had this spring  
18 meeting which was requested to be in Garden City also, so  
19 keeping that in mind, what would you folks want to do?

20           MR. JAMES ROGERS: Us in District 67 feel like  
21 it was set up to be held in Lamar, the annual meeting,  
22 for the simple reason it is centrally located to water  
23 users along the Arkansas and we feel that it should stay  
24 in Lamar. We don't have any trouble with having special  
25 meetings somewhere else but the annual meeting needs to

1 be here for the water users so they can come and attend.  
2 It is centrally located from the top to all the way into  
3 Kansas and for them reasons why we want to keep it at  
4 Lamar.

5 CHAIRMAN SISNEROS: Okay. Then issue number 2,  
6 the special spring meeting has been also requested to be  
7 in Garden City. What is your wish on that?

8 MR. JAMES ROGERS: There's no problem there. We  
9 don't have a problem with trying to have some of the  
10 meetings in Kansas, just the annual meeting needs to be  
11 here in Lamar.

12 CHAIRMAN SISNEROS: Any comments from Kansas?

13 MR. DAVID POPE: Well, Mr. Chairman, I think the  
14 way the bylaws actually read is that the meeting will be  
15 held in Lamar unless the Administration agrees to have it  
16 at another location, so we don't need to modify the  
17 bylaws to have the annual meeting in Garden City. I  
18 certainly recognize from our discussions earlier today  
19 that there is a willingness to go to Garden City for the  
20 special meeting. Perhaps that's the best we are going to  
21 be able to do for this coming year. We put these items  
22 on the agenda because we really do believe that it's  
23 healthy for the basin for the meeting to be rotated  
24 around between Kansas and Colorado. While  
25 geographically, in terms of miles, Jim, you may be right,

1 but the reality is that we get very few people from  
2 Garden City to make it clear up here each year, and I  
3 think it would over time increase our involvement and  
4 knowledge of both states if we did rotate the meeting.  
5 And I think that was the purposes of us bringing it up,  
6 you know, it just is something that we think would be a  
7 good faith show of cooperation on Colorado's part.

8 CHAIRMAN SISNEROS: Any comments?

9 MR. DAVID POPE: I would also just add, I don't  
10 know how Colorado is but we have three other compacts  
11 that we participate with other adjacent states, and all  
12 of them rotate between states on some sort of a fashion,  
13 either every other year or every two years or something  
14 like that. So this is not unprecedented in compacts  
15 throughout the west.

16 CHAIRMAN SISNEROS: What I am understanding then  
17 is that this spring meeting will be in Garden City and  
18 that the annual meeting next year will be in Lamar.  
19 Which takes us to item number B, discussion of bylaws  
20 changes to alternate annual meetings locations between  
21 Kansas and Colorado. Do we have any...

22 MR. DAVID POPE: I don't really have anything to  
23 add beyond what we have just said other than our  
24 preference would be we are not asking for action on that  
25 today but our preference would be to modify the bylaws

1       and make it a routine affair to alternate meeting dates,  
2       meeting locations every other year you know, some  
3       indication today in terms of that would be helpful but we  
4       don't have to act on that, it's not available for action.

5               CHAIRMAN SISNEROS: Okay. And you know, I would  
6       like to just make a comment on that in the spirit of some  
7       cooperation you know, I don't know that we need to have a  
8       change in the bylaws but maybe at some point in the  
9       future you know, we can have an agreement to have more  
10      meetings in Kansas in the spirit of cooperation. I don't  
11      know, what are your folks's views or do you have any  
12      discussion on that today?

13             MR. ROD KUCHARICH: These are the guys making the  
14      call on that. Actually I do have an observation you  
15      know, I guess from someone coming new to the process that  
16      Lamar being centrally located. If there were Garden City  
17      would you look at Pueblo as a third place to meet, I  
18      mean, I don't know, I just throw that out for  
19      consideration, but I do understand that the desire of the  
20      people here in the valley wanting to meet in Lamar, so  
21      I'm going to defer to them. I've got to be real honest  
22      with you about it. If it's important to them it's  
23      important to me.

24             MR. DAVID POPE: I understand, and there's been  
25      a long tradition of having done it here. I'm pretty sure

1       that there would not be an objection from Kansas to  
2       rotate the meeting to different locations and maybe  
3       Lamar, Garden City, Pueblo, I mean, you know, there's  
4       some possibilities. Again in another Compact  
5       Administrations we do that very thing. We meet in  
6       different locations in the basin.

7               CHAIRMAN SISNEROS: Sure. May not be bad at  
8       all. Maybe we can have one in Trinidad.

9               MR. DAVID POPE: We get to see different areas,  
10       different people get to drive less different years, or  
11       more.

12              CHAIRMAN SISNEROS: I would suggest some thought  
13       on that issue. Moving onto item number 8, approval of  
14       transcripts and summaries from prior meetings. Mr. Steve  
15       Miller, he's our expert on transcripts, I believe.

16              MR. STEVE MILLER: I would like to do this in  
17       about one minute and I've got my accompanist over here.  
18       He's going to do it just as fast. Basically, nothing  
19       happened with minutes this year. So the items under  
20       agenda item 8 is a status of minutes. There have been no  
21       progress in resolving those. I know that I am personally  
22       responsible for at least D, I have a role to play, and I  
23       don't know if my role is triggered yet or not. Lee and I  
24       need to work that out. But I have a role on all of them  
25       but D. I'm personally responsible for getting a draft to

1       Lee. I would propose that maybe we use the upcoming  
2       meeting with the Operations Committee and the  
3       Administrative Legal Committee which my boss will be  
4       chairing and basically Lee and I to send a memo to the  
5       Administrative Committee within the next 30 days  
6       outlining where we are and having a work plan for how we  
7       get the minutes done. We have agreed lately to pay the  
8       court reporter based on her drafts or at least not  
9       holding up her payments but we need to get some edits  
10      back to her so she can finalize the minutes is the  
11      situation we are in.

12               CHAIRMAN SISNEROS: Can I make a suggestion  
13      here. My understanding is in the past there has been a  
14      process to approve the meetings with reservations or  
15      asterisks and you know, this is really water under the  
16      bridge already. I think some of the issues that were  
17      involved were maybe not approving these at the time has  
18      passed.

19               MR. STEVE MILLER: There was no substantive  
20      reason, it's just that we haven't come back to the  
21      Administration with a product saying this is ready. Lee  
22      and I don't have a disagreement on what the minutes ought  
23      to say, we just haven't gotten around to checking the  
24      spelling and lot of it is identifying the names of people  
25      or places that are new to the reporter and...



1           CHAIRMAN SISNEROS: The older we get the  
2 memories are leaving us.

3           MR. STEVE MILLER: You know what happened with  
4 '93 is the guy died before we got him the edits, so I  
5 know Bev has a lot of years on her yet but we can't drag  
6 this out forever but you're right, that's why I say if we  
7 would force Lee and me to have some conversations on the  
8 phone, get some e-mailing, get you a status report and a  
9 work plan within the next 30 days.

10          CHAIRMAN SISNEROS: I think the chair would  
11 entertain a motion to chain you guys together to get them  
12 done.

13          MR. STEVE MILLER: In Garden City or Lamar? I  
14 think we could bring you at least a couple by the special  
15 meeting that you are anticipating having and certainly  
16 resolve the backlog by the next annual meeting.

17          CHAIRMAN SISNEROS: Maybe the oldest ones first?

18          MR. STEVE MILLER: That's the one I can take  
19 the most...that's one I can start on right now and it's  
20 not on start, but I have the most control over that one.

21          CHAIRMAN SISNEROS: Okay. Well, that would work  
22 for me.

23          MR. STEVE MILLER: Well, it's embarrassing, I  
24 guess. You can apply the same logic to number 9, the  
25 other situation is somewhat substantive but I have

1 specific instructions from my employer that I should do  
2 my job regardless of what happens with the Operations  
3 Reports, the Operations Secretary reports, and I've  
4 failed to do that, so I need to basically complete those  
5 six years worth of reports, and I will do that to meet my  
6 own performance plans at my own job using Steve Witte's  
7 numbers. Basically, the unapproved Operations  
8 Secretary's report. That may provide a good starting  
9 point for Kansas to identify which piece of the annual  
10 report we either need to put an asterisk next to, put a  
11 duplicate accounting. I know some other compacts they  
12 have the Kansas version and the Colorado version and the  
13 tables that follow right after each other, they have  
14 different numbers in them and I guess the hope has always  
15 been that we can resolve the differences, come to an  
16 agreed set of numbers which would be much more useful  
17 historically than having that duplicate accounting out  
18 there. The longer I put these off the harder it's going  
19 to be for me to do. So I'm just going to do them. I'm  
20 going to dump them in somebody's lap whether that's the  
21 Operations Committee or David Pope's or whatever and then  
22 at least they'll be one level...elevated up one level up  
23 for the review.

24 MR. DAVID POPE: At least we'll have something  
25 to look at.

1 CHAIRMAN SISNEROS: The committee has to take  
2 their medicine, I think that's about the only way so...

3 MR. STEVE MILLER: That's where I am. That's  
4 really the only process I have. In the future, if we  
5 ever get to a point where the Operations Secretary Report  
6 can be accepted by the Administration, JMAS will allow  
7 these things to be done much quicker. Right now I have  
8 to manually enter data.

9 CHAIRMAN SISNEROS: Okay. Thank you Steve.

10 MR. STEVE MILLER: I'm going to stand by but  
11 Jan is here and I think she might...

12 CHAIRMAN SISNEROS: Jan. Okay. Jan is our  
13 Recording Secretary and she is going to be giving us a  
14 report.

15 MS. JAN ANDERSON: A very short report.

16 CHAIRMAN SISNEROS: Thank you.

17 MS. JAN ANDERSON: Last time I was before you  
18 guys I was really intimidated and I still feel the same.  
19 Actually, our office is going to be relocating January 1  
20 or around January 1, within the next couple of weeks  
21 we'll have a new address at 112 West Elm. It will be  
22 across from the post office here in Lamar, so there will  
23 be some additional expense in changing our phone for your  
24 purposes and some of those other kinds of costs. But  
25 other than that, I think the programs going quite well, I

1 hope you are getting information as appropriate and we  
2 feel like we are getting into the loop at least. Hard to  
3 understand you guys though, all of you.

4 CHAIRMAN SISNEROS: I just want to thank Jan for  
5 the fine work that she has been doing and you know, I've  
6 heard some good comments, Jan, and very appreciated Jan.

7 MS. JAN ANDERSON: Thank you very much. I have  
8 some very good staff.

9 CHAIRMAN SISNEROS: Thank you again, Jan.

10 MS. JAN ANDERSON: Thank you.

11 CHAIRMAN SISNEROS: Okay, the Treasurer's  
12 Report.

13 MR. JAMES ROGERS: In the checking account we  
14 have one hundred sixty-three seventy-nine. The money  
15 market account we have one hundred thirty-seven thousand  
16 five hundred seventy-five point six, for a total of one  
17 thirty-seven seven three nine oh five. Cash, petty cash  
18 are all zero so that leaves us a total overall of one  
19 thirty-seven seven nine oh five. The assessments that  
20 come in each year is 68 thousand. The interest was one  
21 thousand one hundred fifty-eight eighty-five, for a total  
22 of sixty-nine one fifty-eight eighty-five. The  
23 outstanding bills that have not been paid is the audit of  
24 three seventy-five, legal fees of a hundred dollars,  
25 Operations Secretary five seventy-six twenty-one;

1       satellite system for 10,500; telephone for two seventy  
2       thirty-eight; and we just got through approving the other  
3       two that will be paid out of this money coming up here  
4       shortly for the satellite system, for Kansas Satellite  
5       System, which is, I forget what it was, 8 thousand...it's  
6       on that sheet, I didn't write that down. That's the  
7       status we are in now. Do you have a question with that?

8               MR. STEVE MILLER: Well, I didn't want to  
9       interrupt the reporter but I think you meant Kansas  
10      Gaging, USGS Gaging rather than satellite.

11             MR. JAMES ROGERS: It was to be 8,000. The  
12      10,500 was Colorado's site. Any questions?

13             CHAIRMAN SISNEROS: Questions? Motion to  
14      approve it or...

15             MR. TOM POINTON: So move.

16             CHAIRMAN SISNEROS: I have a motion to approve.  
17      Do I have a second?

18             MR. ROD KUCHARICH: Second.

19             CHAIRMAN SISNEROS: All in favor?

20             COMPACT MEMBERS: (In unison:) Aye.

21             CHAIRMAN SISNEROS: All oppose?

22             COMPACT MEMBERS: (No audible response.)

23             CHAIRMAN SISNEROS: Passes. We have the audit  
24      report.

25             MR. STEVE MILLER: Jim, do you want to do that

1 or I can...I think Jim has passed it out. It looks like  
2 this, it's Compact Audited Financial Statement, June 30,  
3 2001. I've looked at that. I was provided a copy about  
4 a month ago and it checks with the numbers I have in  
5 terms of beginning of the year balance and addition of  
6 surplus and end of the year balance. We used to have the  
7 auditor come and explain the report to us but it was a  
8 fairly simple process and it's always checked out, so we  
9 have dispensed with it. If people had questions we could  
10 get them answered but I would just recommend that you  
11 approve the audit report that was provided to you by  
12 Anderson and Company is the auditor.

13 CHAIRMAN SISNEROS: Do I have a motion to  
14 approve the audit report?

15 MR. DAVID BRENN: So move.

16 MR. JAMES ROGERS: Second.

17 CHAIRMAN SISNEROS: All in favor?

18 COMPACT MEMBERS: (In unison:) Aye.

19 CHAIRMAN SISNEROS: All opposed?

20 COMPACT MEMBERS: (No audible response.)

21 CHAIRMAN SISNEROS: Passes.

22 MR. JAMES ROGERS: There's one other item on the  
23 audit report.

24 CHAIRMAN SISNEROS: It's too late, I passed it.

25 MR. JAMES ROGERS: No, to do with the audit,

1       sir.

2               CHAIRMAN SISNEROS: I see.

3               MR. JAMES ROGERS: Jan Anderson does a complete  
4       report to her system and all of this is including...is  
5       included in there, and so if we pay for a separate audit  
6       report, it would be duplicating and all of the figures  
7       will match and she has to have it in there anyway. We  
8       would consider using their's or not?

9               MR. STEVE MILLER: I guess I've had that  
10      conversation briefly with her. I certainly thought for  
11      this year, the first year that we had a new Recording  
12      Secretary we ought to not transition everything and keep  
13      as much looking the same in utilizing her new services.  
14      I think we should be open to suggestions to more  
15      efficient ways to run our business. And I don't know if  
16      that's one that you would want to entertain right now or  
17      later on. Remember, we talked about doing the audits  
18      every other year at one time. We found out the Compact  
19      required an annual audit and it was certainly much  
20      cheaper to pay for an audit every year than considering  
21      going back to Congress...(inaudible). I don't know what  
22      Jan's looks like. I don't have a recommendation to make  
23      to you. It might be something that you want the  
24      Administrative Legal Committee to look at over the year,  
25      but to be honest with you \$350, I think, is not a lot of

1 money to get some consistency in our recordkeeping but...

2 MS. JAN ANDERSON: Could I add something?

3 CHAIRMAN SISNEROS: Sure, come on up, Jan.

4 MS. JAN ANDERSON: The audit report is  
5 not...that report that you have is duplicated actually.  
6 Our agency currently has a federal gages audit on an  
7 annual basis so this is duplicative. Secondly, when you  
8 have a duplicative audit, you also have staff time and my  
9 time taken up. If you are going to duplicate the audit  
10 you are going to have to add a little bit to the salary  
11 so I think that is a consideration that you should  
12 consider. Are we going to do one audit or two and if we  
13 are going to do two, my staff and my time is worth  
14 something to have to do it and go back and go through the  
15 same papers with another auditor doing the same thing so  
16 that's your consideration. We'll do whatever you want  
17 but there's a cost to do that, okay?

18 MR. DAVID POPE: Jan, could I ask a question on  
19 that?

20 MS. JAN ANDERSON: Sure.

21 MR. DAVID POPE: I guess this is new to me in  
22 terms of the audit that you do we have not dealt with  
23 that in the past and I guess I'm not sure I understand  
24 why there's a duplicate audit at this point.

25 MS. JAN ANDERSON: Because we have an agency



1       that has several programs within our agency in housing  
2       rehab and some other things and have federal funds that  
3       comes in. As a result, we are required to have a federal  
4       audit, which is a very intense, very particular audit.  
5       We would do it by particular programs, such as ARCA would  
6       be one special item just as if it were by separate audit  
7       but it's just important that we have it all combined in  
8       one program so that we don't have all of this duplication  
9       by myself and my staff. I mean, you have one auditor  
10      show up then you have another auditor show up and you  
11      have to go through the same bunch of papers again. It's  
12      just ridiculous from my perspective.

13               MR. STEVE MILLER: I think it might merit some  
14      looking at the job duties of both the treasurer and the  
15      recording secretary. Perhaps it shouldn't take extra  
16      time...(inaudible)...treasurer's time, I don't know, but  
17      I think the committee would be aware of the...

18               MR. DAVID POPE: I think if the Administrative  
19      Legal Committee could look at this issue and digest it,  
20      that would be fine. I think the distinguishing factor, I  
21      don't think we need to dwell on it a lot more here today  
22      but always before I think the Compact Administration  
23      account is a separate account from whatever entity is  
24      doing those.

25               MS. JAN ANDERSON: They still are.

1           MR. DAVID POPE: Therefore, the audit you are  
2           having done for purposes of your other business functions  
3           do not need to audit duplicately the Compacts books, you  
4           wouldn't have a duplicate audit why do them twice? The  
5           question is whether...

6           MS. JAN ANDERSON: Because they look at it as an  
7           overall organization.

8           MR. DAVID POPE: But we are not employing your  
9           organization.

10          MS. JAN ANDERSON: Yeah, I know.

11          MR. DAVID POPE: It's a separate function. It  
12          just happens to be co-located with you as the office of  
13          Recording Secretary. So I guess I'm not sure I  
14          understand why your audit would take on this one. It's  
15          not one that we have asked you to do.

16          MS. JAN ANDERSON: Right. But I'm just saying  
17          that since I'm spending the time with our auditor...

18          MR. DAVID POPE: You shouldn't have to do it  
19          twice. I'm totally with you, Jan. You shouldn't have to  
20          spend the time, you shouldn't have to go through the  
21          records twice. It should be a completely separate thing.  
22          Now I'm certainly willing, and I think the body can look  
23          and see if the audit that's being done you know, is a  
24          kind of audit that would serve the same purpose, that's a  
25          possibility. I'm not saying that we have to do two.

1           MR. TOM POINTON: Would it help to let the legal  
2 committee look it over between now and May and make this  
3 decision in May because the audit doesn't have to be done  
4 until after May?

5           MR. DAVID POPE: Yeah.

6           MS. JAN ANDERSON: Either way, you know. Just  
7 keep it simple guys.

8           CHAIRMAN SISNEROS: Steve, do you have anything  
9 else?

10          MR. STEVE MILLER: Two or three budgets.

11          CHAIRMAN SISNEROS: Okay.

12          MR. STEVE MILLER: I passed out this sheet,  
13 sets of four pages last night to a few people. If you  
14 didn't get one or still need one -- sometimes we go off  
15 the record on this I think we could try it this year on  
16 the record because I hope we are not going to have too  
17 many records.

18                 First sheet on this is a spreadsheet. If you go  
19 to the far right hand side of that you find the current  
20 budgets, three years, and actually the furthest to the  
21 right is a proposed budget so it's not truly current yet  
22 but on the agenda we have listed to review the current  
23 year's budget which is the 01-02. The numbers are there.  
24 I can tell you that we probably aren't going to spend  
25 what is listed for annual report printing. We probably

1       have a little higher phone bill as you heard from Jan  
2       when they relocate the phones but I would recommend not  
3       changing that. There's a \$2,000 contingency each year, so  
4       more than likely we will be adding to surplus rather than  
5       deducting from surplus on that budget, so I would leave  
6       that one alone. The next column over, FY 02-03 was  
7       adopted last year. As far as I can ascertain we never  
8       got around to sending the paperwork to Jim Rogers to  
9       sign, proving that budget was signed, approved, so what I  
10      did I went back to the minutes, looked at my notes, and  
11      made sure I had the right piece of paper for Jim to sign  
12      but I haven't sent that to him yet and what I did was,  
13      and I have it with me, I would like to adopt that budget  
14      to show that it was adopted in December 12, 2000 and  
15      re-approved at this meeting so I'm not asking him to sign  
16      something on the basis of my word that is a year old.  
17      But the numbers that are in that column are what we  
18      talked about at the meeting and I verified them against  
19      the minutes, so I would move, I guess, or would like to  
20      see someone here move approval, re-approval of the FY  
21      02-03 budget. Let me just give you a couple of numbers.  
22      That shows expenditures of 65,600, income of 69,000,  
23      addition to surplus of \$3,400 during that year  
24      assessments.

25               MR. ROD KUCHARICH: I move that.

1 CHAIRMAN SISNEROS: Do I have a second?

2 MR. TOM POINTON: I second that.

3 MR. STEVE MILLER: I'll make sure Jim signs  
4 this one and I get it to him.

5 CHAIRMAN SISNEROS: All in favor?

6 BOARD MEMBERS: (In unison:) Aye.

7 CHAIRMAN SISNEROS: So passed.

8 MR. STEVE MILLER: The very last column then  
9 would be the proposed budget for first consideration at  
10 this meeting and that's Fiscal Year 03-04 beginning July  
11 1, 2003. I'll identify a couple of small changes we have  
12 made there. I've anticipated that the auditor's fee  
13 would go up slightly 400 to 500. You can read across and  
14 see the jump. The court reporter's fee that's been  
15 running higher than the thousand we budget. The last  
16 couple of years we have absorbed that through the  
17 contingencies. Beginning in that year I think we ought  
18 to budget at least 15 hundred dollars. Perhaps Lee and I  
19 can figure out some ways to reduce Bev's costs.  
20 Certainly the less we talk the shorter the minutes are  
21 and the cheaper it is, but this year we are going to blow  
22 that theory. So, at any rate, I think we need to get  
23 used to paying more, and I'm not sure that's the right  
24 number but at least it will get us moving in the right  
25 direction.

1           I've got estimated numbers from USGS that they  
2       provided to us in Colorado. Kansas District didn't  
3       provide a number so I guessed the number, but it's  
4       showing a slight increase and that's a battle. All state  
5       agencies are fighting with the GS every year, it's  
6       ongoing, gets more expensive and they have less money to  
7       put towards it. So, and then I anticipated, here's the  
8       big leap, about half way down the column, \$8,000 for  
9       annual report printing in that year. Maybe we will get  
10      lucky and have some stuff to print. But basically what  
11      we have been doing is budgeting money for that task each  
12      year, we never spend it so we keep putting it into  
13      surplus. But we are accruing this liability someday to  
14      print the report and I'm trying to catch us back a little  
15      bit of reality there. Whether that's what it will really  
16      cost, I'm hoping with desk top publishing and things like  
17      that we won't have to go to a commercial print shop and  
18      pay whatever they demand, that we may be able to do it  
19      in-house or something. At any rate, that's where I've  
20      tried to catch us back up to the reality that we have  
21      this backlog to print. I didn't have to, and I didn't  
22      adjust any, oh, yes, I did. I'm sorry. Rent, Jan  
23      alluded to the rent. They are moving to new space and  
24      that may go up. It may need to go up before this year  
25      but at least this will be a place to catch us back to a

1 more likely number. If it goes up sooner we could have  
2 tapped contingency also. I didn't change the  
3 assessments. We haven't done that for, I don't know, if  
4 you will look back, since '99 anyway, but what we do  
5 here, if we are successful in printing that many reports,  
6 spend that money, we would tap our surplus to the extent  
7 of \$6,000, to almost \$6,000, but you heard that the audit  
8 showed it was about 88,000 right now. So the next page  
9 of the spreadsheet actually shows you the status of the  
10 surplus account including if we adopted that budget I was  
11 just explaining and so at the end of fiscal year 04 which  
12 would be what, June 30, 2004, we would still have close  
13 to 83,000 in the surplus account. With that much surplus  
14 I don't see any reason to consider raising assessments.

15 The next page of the handout is the budget you  
16 just approved for 2000, 2002 through 2003, and then  
17 there's the last pages this draft budget that I just  
18 reviewed with you, and so I would move or ask someone to  
19 move that budget. If you have some questions...

20 MR. ROD KUCHARICH: So move.

21 CHAIRMAN SISNEROS: Second; do I have a second?

22 MR. ROD KUCHARICH: I can't second.

23 MR. JAMES ROGERS: Second.

24 CHAIRMAN SISNEROS: All in favor.

25 BOARD MEMBERS: (In unison) Aye.

1 CHAIRMAN SISNEROS: So moved or so passed.

2 Okay. So moving onto item number 11. Our  
3 nomination committee came back with some names here for  
4 election of officers for the year 2002. Vice Chairman,  
5 Mr. David Pope; Recording Secretary, Jan Anderson;  
6 Treasurer, Jim Rogers; Operations Secretary, Steve Witte  
7 from Pueblo; Assistant Operations Secretary, Mark Rude  
8 from Garden City. Do I hear...

9 MR. ROD KUCHARICH: Mr. Chairman, I move adoption  
10 of the...

11 MR. TOM POINTON: That's not a recommendation,  
12 that's the way they are this year, isn't it?

13 CHAIRMAN SISNEROS: Pardon.

14 MR. TOM POINTON: Isn't that the way they are  
15 this year?

16 MR. JAMES ROGERS: It stays that way.

17 MR. TOM POINTON: Okay.

18 CHAIRMAN SISNEROS: That's the way they are now?  
19 Oh....

20 MR. TOM POINTON: I thought Vice Chairman ought  
21 to be Rod instead of David.

22 CHAIRMAN SISNEROS: Oh, okay, well...

23 MR. ROD KUCHARICH: Doesn't matter to me.

24 CHAIRMAN SISNEROS: We have been switching them  
25 around every year?



1 MR. STEVE MILLER: Not these positions, no,

2 CHAIRMAN SISNEROS: Not these? Which ones? Oh,  
3 the chairs, okay, so...

4 MR. ROD KUCHARICH: To be real honest with you,  
5 since this is my first meeting to be Vice Chairman at my  
6 second meeting is a little daunting so...and I would move  
7 the election of the officers as identified in the agenda.

8 MR. TOM POINTON: Second.

9 CHAIRMAN SISNEROS: All in favor?

10 BOARD MEMBERS: (In unison) Aye.

11 CHAIRMAN SISNEROS: So moved. So passed.

12 CHAIRMAN SISNEROS: Appointment of committee  
13 members and chairs for Compact Year; Administrative Legal  
14 current chair is Hayzlett. Do you have any nominations?

15 MR. JAMES ROGERS: Motion that we just flip  
16 them.

17 CHAIRMAN SISNEROS: So it becomes whom?

18 MR. RANDY HAYZLETT: Kuharich.

19 CHAIRMAN SISNEROS: How do you say your last  
20 name, Rod?

21 MR. ROD KUCHARICH: Kuharich.

22 CHAIRMAN SISNEROS: Kuharich. I'm sorry.

23 MR. ROD KUCHARICH: That's fine. It's been well  
24 maligned, let me tell you. But the people who have had  
25 phonetics in grade school make a pretty good run at it.

1 CHAIRMAN SISNEROS: Engineering?

2 MR. TOM POINTON: David Pope the chair.

3 CHAIRMAN SISNEROS: David Pope?

4 MR. TOM POINTON: Yes.

5 CHAIRMAN SISNEROS: Operations?

6 MR. TOM POINTON: Jim Rogers.

7 CHAIRMAN SISNEROS: Jim Rogers. Motion?

8 MR. DAVID BRENN: Mr. Chairman, I would move  
9 that we unanimously appoint the members that have been  
10 mentioned here. Rod, Administrative Legal; David Pope on  
11 Engineering; and Jim Rogers for Operations.

12 CHAIRMAN SISNEROS: Do I hear a second?

13 MR. TOM POINTON: Second.

14 CHAIRMAN SISNEROS: All in favor?

15 BOARD MEMBERS: (In unison) Aye.

16 CHAIRMAN SISNEROS: Passed.

17 Is there any old business, new business? I  
18 would... Yes.

19 MR. STEVE MILLER: Did anybody discuss how to  
20 do the timing for the spring meeting?

21 MR. ROD KUCHARICH: Spring meeting? David and I  
22 spoke briefly. We had, what, I think four dates.

23 MR. DAVID POPE: My suggestion is, I need to  
24 confer with some other people, but we just go ahead and  
25 conclude the meeting and we just huddle here and pick a

1 date. Do we need to do that formally on the record or...

2 CHAIRMAN SISNEROS: No, I don't think so.

3 MR. DAVID POPE: Why don't we just by consensus  
4 say we will pick a date here and...

5 CHAIRMAN SISNEROS: Yeah, based on people's  
6 calendars.

7 MR. DAVID POPE: That needs a little  
8 stand-around time to check.

9 CHAIRMAN SISNEROS: Sure. I would entertain a  
10 motion for adjournment.

11 MR. DAVID POPE: So move.

12 MR. JAMES ROGERS: Second.

13 CHAIRMAN SISNEROS: All in favor.

14 BOARD MEMBERS: (In unison) Aye.

15 CHAIRMAN SISNEROS: Thank you all.

16 (Proceedings conclude.)

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## C E R T I F I C A T E

STATE OF COLORADO )  
 ) ss:  
COUNTY OF PROWERS )

I, Beverly D. Lohrey, a Registered  
Professional Reporter within and for the states of Colorado  
and Kansas, certify that the foregoing is a full and correct  
transcript of all the oral evidence and oral proceedings had  
in this matter at the aforementioned time and place.

IN WITNESS WHEREOF, I have hereunto set my  
hand and official seal at Dodge City, Ford County, Kansas,  
this 9th day of November, 2006.

  
Beverly D. Lohrey, CSR, RPR  
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