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ARKANSAS RIVER COMPACT ADMINISTRATION
2003 ANNUAL MEETING

DECEMBER 9, 2003

Approved
12/12/06
Bob Jensen

Lamar Community Building
610 South Sixth Street
Lamar, Colorado

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CHAIRPERSON: Federal Representative, Mr. Robin Jennison

FOR KANSAS:

Mr. David Pope

Mr. Randy Hayzlett

Mr. David Brenn

Mr. Lee Rolfs

FOR COLORADO:

Mr. Rod Kuharich

Mr. James Rogers

Mr. Tom Pointon

Mr. Dennis Montgomery

1 ROBIN JENNISON: If I could get your attention, I think we will go ahead and call the
2 Arkansas River Compact Administration to order. I'm Robin Jennison, the Federal
3 Commissioner. I think what we'll do, is we'll just start over here and let Kansas
4 introduce their self, then Colorado can introduce their self. After we do that, there's not a
5 lot of people here and I think it would be good... We do have a sign up sheet that is
6 floating around and I would ask that you would sign that. And also I think we're going to
7 start up here and just give everybody a minute to stand up and say who they are and who
8 you are with. I think it would kind of give everybody a flavor for who's here and help
9 everybody to get to know everybody. Kansas. Randy, do you want to start?

10 Randy Hayzlett from Lakin. David Pope from Topeka, member of the
11 Administration and Chief Engineer from Kansas. Dave Brenn, ARCA, from Garden
12 City, Kansas. Jim Rogers, ARCA representative from Lamar. Rod Kuharich, ARCA
13 representative, Director of Colorado Water Conservation Board. We would like to say
14 for Kansas' benefit that whenever we have these meetings we try to arrange them
15 (laughter). I'm Tom Pointon from Las Animas, member of ARCA. I'm Dennis
16 Montgomery, an attorney from Denver. I'm Lee Rolfs, I'm an attorney with the Kansas
17 Department of Agriculture. Mark Rude with the Kansas Department of Ag, Division of
18 Water Resources, Garden City. Good morning, I'm Steve Witte, I'm the Division
19 Engineer for the Arkansas River Basin Colorado. (Another person – Monique Morey)
20 Bill Tyner

21 STEVE MILLER: Steve Miller, Colorado Water Conservation Board, Denver.
22 I'm on Rod Kuharich's staff. You should never hand me a microphone, I'm going to take
23 a minute here. I think we need to deal with fact that there is no court reporter here. The

1 by-laws require that this meeting, that minutes of this meeting be prepared by the court
2 reporter unless the requirements of this subsection are waived pursuant to subsection (c),
3 a verbatim transcript shall be made by a duly licensed court reporter If you guys just
4 make a statement that, due to the weather conditions, we are doing our best to record the
5 meeting ...we'll have to prepare some sort of minutes as close to verbatim as we can off
6 of that tape....

7 ROBIN JENNISON: Steve, thank you and on that note why don't...I think
8 probably just have a motion and vote on that.

9 UNIDENTIFIED SPEAKER: Should we nominate somebody to take minutes or
10 something?

11 ROBIN JENNISON: Well that would be, I mean...the more we do, I think the
12 better off we are. I'd like to have a motion that we do it that way and then also a motion
13 to have someone taking minutes, because I think it's better if we have some court official
14 minutes being taken that we recognize that's the person taking official minutes. So...

15 DAVID POPE: Mr. Chairman let me try to move things forward, let me move
16 that ARCA waive the requirements for a verbatim transcript this year in light of
17 inclement weather and the court reporter not being able to attend and request that minutes
18 be produced at this meeting. Ask that Lee Rolfs from Kansas and Steve Miller from
19 Colorado each take notes and then submit to us jointly their recommendations for
20 proposed minutes.

21 ROBIN JENNISON: I hear a second. Discussion?

22 UNIDENTIFIED SPEAKER: I think the goal ought to be verbatim, if in fact that
23 a record be produced verbatim, that would be the goal. If that recorder doesn't pick up

1 well enough for this task, we'll fall back and do the summary type record. In there we'd
2 say what happens rather than use the actual words. I'd like to modify the motion to have
3 a verbatim transcript if the recordings allows.

4 DAVID POPE: I'm willing to stipulate to that.

5 ROBIN JENNISON: Colorado agrees to that. Kansas votes yes?

6 DAVID POPE: Kansas votes yes.

7 ROBIN JENNISON: Colorado yes. Motion carried. Steve, you know that I
8 think it might be better if, if we are going to try and rely on this, if it was back by that
9 speaker. And then we can really be disciplined about people using the microphone....

10 ROBIN JENNISON: So if Lee wants to run the microphone and put this back at
11 the back and we will see how that all works out.

12 I'm Julianne Woldridge. I'm the attorney for the Purgatoire River Water Conservancy
13 District.

14 I'm Thelma Lujan, Trinidad, Purgatoire River Water Conservancy District.

15 Jason Landers with the Pueblo Chieftain.

16 Hi, I'm Abel Benavidez. I'm with the Purgatoire River Water Conservancy District.

17 Beverly Spady, Spady Consulting.

18 Jeris Danielson, General Manager, Purgatoire District.

19 Steven Hines, Frontier Ditch, Coolidge.

20 Lieutenant Colonel Dana Hurst, Commander of the Albuquerque District, U.S. Army
21 Corps of Engineers.

22 Mark Yuska with the Army Corps of Engineers. I'm Chief, Reservoir Control in
23 Albuquerque.

1 Good morning. Susan Shampine, Chief of Operations with the U.S. Army Corps of
2 Engineers Albuquerque District.
3 Erma Evans, Director, Trinidad, Purgatoire.
4 I'm Paul Flack, Colorado State Parks, and keeper of the audio-visual recorder back here.
5 (Laughter)
6 Thomas TeFertiller, President of the Model Land and Irrigation Company.
7 Mark Stark, Army Corps of Engineers, John Martin Reservoir.
8 Van Truan, Corps of Engineers, I'm in regulatory.
9 Bill Grasmick with the Lower Arkansas Water Management Association.
10 Don Steerman,.....Representing District 67, Amity, Buffalo and several others.
11 Grady McNeill, Colorado Division of Wildlife.
12 Phil Reynolds, Southeastern Water Conservancy District.
13 Kevin Salter, Kansas Division of Water Resources, Garden City.
14 Paula Sunde,....Bureau of Reclamation.
15 Alice Johns, Bureau of Reclamation.
16 Lisa Vehmas, Bureau of Reclamation.
17 Malcom Wilson, Bureau of Reclamation.
18 I'm Brian Person with Reclamation.
19 George Austin, Kansas Division of Water Resources in Topeka.
20 David Anderson, Division of Water Resources, Garden City.
21 ROBIN JENNISON: Thank you. Turn your attention to the agenda. Are the re-
22 revisions or corrections or revisions to the agenda? I think we got one.

1 DAVID BRENN: Yes, Mr. Chairman, could we move item 5 on the agenda, or
2 flip flop item 5 and 7 on the agenda, for the purposes of getting a written report on the
3 Operations Committee meeting completed?

4 ROBIN JENNISON: No objections? OK. Next item, report of the officers. I tell
5 you what folks, I don't know enough yet to give a report, so I think I'll reserve that time
6 and maybe if we've got time at the end, I might make a few comments, but I think I'll
7 just wait and I'll turn it over to David Pope, vice-chairman, and see if he's got a report.

8 DAVID POPE: Mr. Chairman, I have been around awhile, but I still don't have a
9 report in my capacity as vice-chairman so I think we can move on to the, to the other one.

10 UNIDENTIFIED SPEAKER: (Speaking in the background)

11 ROBIN JENNISON: Okay. Jim Rogers.

12 JIM ROGERS: I guess I'm in line, I don't have any report neither, so we'll pick
13 up on the agenda.

14 ROBIN JENNISON: That's fine. Okay, then we'll go on down to six. Report
15 from the Colorado Water Conservancy District. Southeastern Colorado Water
16 Conservancy District.

17 PHIL REYNOLDS: Good morning, thank you Mr. Chairman. I'm Phil
18 Reynolds, the chief financial officer for the Southeastern Colorado Water Conservancy
19 District. Our headquarters are in Pueblo, Colorado. The update for this year, hopefully
20 you all know that we signed an IGA with the City of Aurora. It was signed in October
21 and it's a 40 year agreement contingent upon us stipulating in the three legal cases within
22 the next 20 days. We have already stipulated to 169 and we should settle on 170 and I
23 believe it's 137 within the next 20 days, so IGA will become effective at that point. It's a

1 40 year agreement. It limits Aurora's transfers to the Otero pipeline and out of the
2 Arkansas basin and they have agreed to no more permanent purchases of water for the
3 next 40 years in the Arkansas basin. They can however release up to 10,000 acre-feet per
4 year in three out of the 10 year period. Well those are the basics of the agreement with
5 the Aurora IGA. We feel it's pretty important because it does limit their ability to get any
6 more permanent transfers out of the basin.

7 We are currently working on the Arkansas Valley Conduit. We're working with a
8 group of about 30 water providers and government entities. We completed a study this
9 past year by GEI consultants on the Arkansas Valley Conduit. Hopefully, you all are
10 aware that it was originally part of the Fryingpan/Arkansas project to bring water all the
11 way down to Lamar. Bringing water all the down from Rocky Ford, LaJunta, Crowley,
12 places like that, all the way down Lamar. The study completed by GEI found no fatal
13 flaws and it estimated the cost at about \$200,000,000 to complete. The Colorado Water
14 Conservation Board contributed about \$100,000 towards that study this year. Legislation
15 was introduced at the Federal level because it is part of the Fryingpan/Arkansas Project
16 and they're trying for cost share. They have to amend the legislation in order to get the
17 cost share in place. That legislation was introduced this year. There was hearing in the
18 Senate Subcommittee on moving the legislation. Testimony was given by our general
19 manager, Jim Broderick, Senator Allard, and Congresswomen Musgrave. The Bureau of
20 Reclamation testified against the conduit at this point, because of the cost share part of it.
21 We are currently working with a lobbyist, Luke Rose of, (inaudible) Philips and Phillips
22 on the legislation and we expect a hearing on the house side in 2004 and to get the
23 legislation hopefully pushed through in 2004.

1 Next item, what we call the preferred storage options plan. There are two parts to
2 it. What we call re-operations is now called the excess capacity, and then enlargement of
3 Pueblo and possibly Turquoise reservoirs. The big stumbling block in that was the
4 Aurora issue, with the Aurora IGA being signed, that removes that obstacle on
5 legislation. We are still waiting on the City of Pueblo flow issues to be resolved before
6 we can move the legislation any further. However, the Bureau of Reclamation has
7 indicated that they have the authority for excess capacity long-term contracts and we will
8 be starting the NEPA process for those excess capacity contracts in 2004. And just a
9 reminder that the legislation, if we get it authorized, it only authorizes the studies for the
10 enlargement, it does not authorize enlargement itself, it's just the studies for the
11 enlargement.

12 And final the last point I would like to touch on is our streamflow gaging and
13 monitoring with the USGS. On the Arkansas River, we do sponsor three sites directly for
14 streamflow data. We monitor, with the USGS, we help pay for it, monitors 70 wells in
15 the lower basin and 35 wells in the upper basin. We sponsor three site directly for
16 specific conductance data. We cooperate with five other entities to monitor water quality
17 in Pueblo Reservoir. We also sponsor sampling for daily sediment load from the
18 Fountain Creek into the Arkansas. And in the preferred storage options plan they, the
19 participants in that, they sponsor eight sites for water quality monitoring through the
20 Pueblo region. And the (inaudible) completed a report on baseline for water quality
21 changes. It was completed in 2003. That concludes the report from the Southeastern
22 Water Conservancy District. Any questions or comments?

1 DAVID POPE: Phil, thank you. This may be a little awkward in terms of it, but
2 maybe we should just use the mic. I'm still a little bit unclear in terms of the PSOP. I
3 think that if I understood you right, basically is the....what was the re-operations part of
4 the proposal now being implemented through what your are referring to as the excess
5 capacity agreement or what the bureau is willing and can do. Can you clarify that and
6 then what remains to be done on this? I mean I understand the proposed legislation for
7 the study, feasibility study.

8 PHIL REYNOLDS: The excess capacity is the NEPA process that was beginning
9 this year and maybe Brian Person could elaborate on that for us.

10 BRIAN PERSON: David, I think if I understand your question correctly. While
11 it's formally been termed re-operation for some various institutional reasons, we've
12 expressed a preference that it be called excess capacity contract. So they are essentially
13 one in the same. Two different terminologies, is that part of your question?

14 DAVID POPE: (not talking into the mic) What I was really trying to understand
15 is....there was the proposal to allow some additional re-operation in the earlier versions
16 of draft legislation. The Bureau I think made, I think the commissioner was asked to
17 review and make a decision in terms of what could be done during existing authorities.
18 Could you just describe what it is it you can do and is there anything additional proposed
19 other than what you are now saying you can do?

20 BRIAN PERSON: Yes, under what we're calling excess capacity contracts,
21 Reclamation has found it has the general authority to enter into those contracts with in-
22 basin entities. That the general authority does exist, but they will need to be further
23 examined on a case by case basis as those specific contracts are contemplated. We are

1 still suggesting that as the PSOP legislation moves forward that it address that authority
2 to clarify, so that years down the road, months down the road whatever, that authority is
3 not questioned, so to further clarify the authority in the legislation, but we have
4 determined that general authority does exist.

5 DAVID POPE: From either you or Phil then, I guess what I'm trying to understand is the
6 relationship between the recently signed IGA which does have some have some limits on
7 future transfers, but whether that is one in the same as you just mentioned which I also
8 thought I understood was the general authorities the Bureau would relate to in-basin
9 entities.

10 BRIAN PERSON: As far as the IGA goes, Reclamation is not a party to it.
11 That's between the district and the City of Aurora. Reclamation has also found it had the
12 authority to enter into contracts with Aurora, but that authority exist as well. So there is
13 authority for in-basin entities that was contemplated in the PSOP, we have found that
14 general authority exists. We've also found that we have the authority to execute
15 contracts with Aurora, but as far as the terms of the IGA, I will let Phil address that,
16 because Reclamation is not a party to it.

17 PHIL REYNOLDS: The issue with the IGA with Aurora. The legislation, we
18 might be moved out of committee without the whole consent of the Colorado legislative
19 staff and so of course, Aurora wanted to work those issues out with us before they moved
20 it on. So as I indicated the IGA was a hurdle we had to overcome. That was the
21 agreement between Aurora and the district and the whole state as far as working out their
22 agreement so the legislation can move forward. Aurora is going on their own long term

1 storage contract with the Bureau, that is in no way affecting the in-basin contracts that
2 we're working on. Does that help?

3 DAVID POPE: So under....so you're entering into a NEPA process for a contract
4 with Aurora? That will be moving forward, use of excess capacity. The district has
5 entered into an IGA with Aurora and that has some limits in regard to the commitment by
6 them to not seek additional transfers from the river basin, the Arkansas River Basin. And
7 you said there was a limit of 10,000 acre-feet of leased water from Fry Ark three out of
8 10 years. And then beyond that, what I guess I'm trying to understand, will there be
9 something in addition to that requested or are you going to be requesting something
10 beyond what has just been described here in the legislation for....? The other thing
11 remaining then, other than clarification perhaps of authority, the potential enlargement
12 study. Is that the only thing remaining or is there an additional amount of operation
13 changes that is going to be requested in the legislation?

14 PHIL REYNOLDS: There is additional excess capacity for in-basin entities.
15 Currently, the Fry Ark Project only allows project water to be stored in those facilities.
16 The excess capacity contract will allow non-project water to be stored in the facility.
17 And that is what we call excess capacity part of the legislation. OK. Apparently, the Fry
18 Ark Project only allows project water to be stored in five facilities on a permanent basis.
19 They can get a temporary one year if-and-when contract for non-project water. The
20 legislation would allow long term if-and-when storage contracts for non-project water, so
21 they don't have to get it on a year by year basis. They can go on a long term basis. Does
22 that help explain what the legislation and then authorize the study to enlarge....okay.

23 DAVID POPE: Thank you Phil. Any other questions?

1 ROBIN JENNISON: Phil, will do you do me a favor and move that podium right
2 over here. We'll expedite this passing of the mic. Turn it around this way, no the other
3 way. Cause, I think they can hear good enough with the mic and get it right up here
4 close. There, I think we'll try that and see, if that doesn't work we'll move it again.
5 Lower Arkansas Valley Water Conservancy District.

6 JULIE SCAPLO: Good morning. My name is Julie Scaplo and I'm the general
7 manager of the Lower Arkansas Valley Water Conservancy District. And our district is
8 relatively new. It was approved by the voters in November of 2002. And we really
9 appreciate being invited to come and tell a little bit about our self. So I'm going to only
10 give you a brief summary of how and why the district was formed, including some
11 highlights of our initial year of existence and what the future focus of the district is
12 intended to be. The trend began in the 1970's and 80's for front range municipalities to
13 buy up the Lower Arkansas Valley water rights and move them out of the Arkansas
14 Basin. And water transfers have a huge impact, a negative impact, on the communities
15 throughout the Lower Arkansas Valley. It's actually estimated that employment losses
16 average one job for every 140 acres of dry up land and well right now are included some,
17 we have a High Plains A & M investment Group....trying to buy up the Fort Lyon Canal
18 and putting in a pipe to actually market the water to front range cities. So the Arkansas
19 Valley water preservation group was formed in January, 2002. What that group consisted
20 of was five counties, Pueblo, Prowers, Otero, Crowley and Bent. Their county
21 commissioners got together and formed an IGA and their goal was to actually attempt to
22 enact local measures to stop and protect the water resources of the area. Well, all of this
23 happened in the year 2002 which of course was the worst drought possible, so it just

1 amplified all the effects. The Fort Lyon Canal ran dry and Highline Canal called out
2 1874 rights which never happened before. So it was an all around turning point. So in
3 the process this Arkansas Valley preservation group, they conducted public
4 opinion.....they contracted to have a public survey opinion done in July of 2002, with the
5 citizens of the 5 counties. And because of the overwhelming results, that was actually the
6 drive to push pull the initiative to form the district. When asked what the top issue of the
7 year was, 34 percent did say water and drought was number 1. Number 2 came in with
8 11 percent, which was education, and 10 percent were jobs and economy, which ranked
9 third. 90 percent of the people surveyed disapproved of out-of-basin water sales; 82
10 percent approved of a conservation...conservancy district formation, including a mill
11 levy taxation to fund it. 84 percent thought it was important to keep water in farming and
12 ranching for future economy and 89 percent thought that the State of Colorado should
13 deal with drought in an overall situation. To take this opinion poll that came out we went
14 ahead and put the initiative on the ballot and in those five counties it was a 64 percent
15 majority to approve the conservancy district, so that is why we actually were formed.
16 Then Judge Maes...he appointed seven directors, one from each county and then two
17 additional ones from Pueblo county based on the population. So those seven directors
18 got together before the end of the year and adopted a mission statement. I can assure you
19 that the district and the directors take this mission statement very seriously. And it is to
20 acquire, retain, and conserve native water flowing in the Arkansas River and its
21 tributaries....to insure that such water will remain in the valley for socio-economic
22 benefit of the citizens of the five counties and to participate in such water-related projects
23 that will embody thoughtful conservation, responsible growth, and beneficial water usage

1 within the Lower Arkansas Valley. I can't say that Arkansas thing, that's not a new
2 thing, no offense. Some of the things that the Lower Arkansas Valley Water
3 Conservancy District is involved in and some of the issues that they are concerned
4 with.... Is that we passed a resolution in March to allow the district to accept
5 conservation easements and as a government entity we are allowed to that. So we are in
6 the process of accepting conservation easements within our district boundaries. The
7 district is taking an active part in pursuing the Arkansas Valley conduit to the lower
8 Arkansas Valley. We are working with thethe power utilities, the Southeastern
9 Colorado Water Conservancy District... trying to be a partner and help in any way we
10 can. In March, the district also passed a resolution to support Tamarisk eradication
11 because we think that was a huge drain of the Arkansas River that it needs to be put a
12 stop to. We are also in contact with USGS and we are trying to partner with them in a
13 natural expanded water quality setting. They are doing a water quality study with the
14 Southeast... or the storage preferred storage option plan, but because of the boundaries,
15 we thought our constituents needed more detailed water quality study. So we are going
16 to talk to them in January...we thought...we have set up meetings and they are going to
17 present to us what they think would help all the way to the state line in studying certain
18 constituents for water quality. We are very excited about that. Along with the City of
19 Pueblo, Colorado Springs Utilities and the Pueblo Board of Water Works, the Southeast
20 District, the Upper Arkansas District, there was a basic principle document signed that it
21 dealt with water issues concerning the Arkansas River and they all agreed that when they
22 make decisions in the future to take everyone into consideration. So that was probably 8
23 or 9 months in developing and they are very excited that they got that passed and

1 hopefully everyone that signed it will live up to the principles that were agreed upon.
2 Some of the milestones that we have seen in the year 2003. We did purchase some
3 LAWMA Shares (Lower Arkansas Water Management Association) augmentation
4 shares. We have purchased 50 shares of Fort Lyon Canal. We own a 1/10 of a share of
5 Catlin Canal because it was donated to us by one of our directors. We just completed
6 yesterday the purchase of 40 shares of Twin Lake Water and we are about complete 30
7 shares of Colorado Canal water from Lake Meredith. So these are just some things that
8 the district has done in trying to educate people and have an open forum, open public
9 discussions with conservation easements and possibly technology advancements in
10 farming and drip irrigation. We also want to be an education force in the area. Some of
11 the things that the district looks forward to doing in the future is limited by financial
12 assets even though we get about 1.6 mil a year. That is not a lot in water dollars. So we
13 have to make the best of what our finances can afford. So we are developing an
14 acquisition policy and a strategic plan for future acquisitions. We are in the process of
15 hiring a consulting engineering firm to help assist in our decisions and focus in the valley.
16 We are looking for best uses for water purchases that we do have, which includes some
17 storage for water and possible partnering with augmentation groups so that we can have
18 that water that we purchased be put to the best use. And we are continuing to assist and
19 accept conservation easements, which we did think was a great way to promote the water
20 being tied to the land and conserving the...an increase in conservation in general. The
21 district realizes that a variety of partnerships can contribute to the realization of that goal
22 and the preservation of the Lower Arkansas Valley. So we have tried to form
23 partnerships with district legislators, the ditch and canal companies, the different

1 augmentation associations, regional economic development groups, to see if there is
2 anything we can do to actually promote economic growth in the valley. We partnered
3 with the Upper Arkansas Water Conservancy District and the Southeast. We have deals
4 with the Arkansas Valley Preservation Land Trust and it would be great to be a partner
5 with Kansas, because our water flows right across the border and that is our boundary,
6 is...up to the state line. So we realize that we should be partners in the future. The
7 Lower Arkansas Valley Water Conservancy District was formed to protect the future of
8 the valley by the citizens who want to preserve a certain way of life. And that is why we
9 are here and hopefully even after just one year, we've made some type of an impact. If
10 there are any questions, I would be glad to answer.

11 DAVID BRENN: Thank you for that, this is Dave Brenn. Very lightening
12 presentation. I guess I was unaware of just how much this entity has progressed. You
13 mentioned Kansas as a partner. How can we do that?

14 JULIE SCAPLO: One of your representatives, Kevin Salter, he comes to our
15 monthly meetings on a very regular basis and we hope to just form partnerships with
16 people like that so he can let us know what's happening and he can know what we're
17 doing and just start a communication.

18 DAVID BRENN: You mentioned an item here significantly that is of interest to
19 Kansas in regards to water quality and there was some discussion at an earlier compact
20 meeting about... perhaps considering an effort of partnership for funding and corporation
21 / coordination of exsisting databases on water quality through the basin even extending
22 into Kansas. Would you consider participation in a partnership if we were trying to put
23 together a more contiguous water quality gaging process?

1 JULIE SCAPLO: Well, I'm sure the directors could be willing to consider that
2 and if ...we have Pat Edelman coming in January, he couldn't attend our December
3 meeting this week...he had a prior commitment. But he is going to present some
4 things... and some of our smaller water municipalities, which are having some trouble
5 and even financial difficulties dealing with some of the issues they're facing. Prior to the
6 conduit, of course this Arkansas conduit will help them considerably, but they still need
7 to consider the today and tomorrow of it. So we are going to try to get them at this
8 meeting and have a discussion about what actual constituents in the water they think is
9 important to test for and develop a database for. So by all means, we would encourage
10 any kind of participation and communications to deal with that.

11 ROBIN JENNISON: Thank you Julie. Any other questions? Okay, Purgatoire
12 River Water Conservancy District.

13 JERIS DANIELSON: I think we've moved beyond that. I hope. Yes. Mr.
14 Chairman, I'm Jeris Danielson, general manager of the Purgatoire River District... just a
15 very short report. I mentioned yesterday at the engineering committee meeting...the
16 water supply for this past season was awful, exceeded only by the one previous year. We
17 managed to get water to about 2/3 of the irrigated lands in the project. We opened the
18 irrigation season on May 10 and on that same day declared the reservoir empty. We had
19 about a 3 hour reservoir run. So, I think that gives you an indication of the kind of water
20 year that we had and it wasn't unique to just the Purgatoire District. Everybody in
21 eastern Colorado suffered the same thing. We are doing some interesting things as a
22 district. We are...I'll use Ms. Scaplo's term, we're partnering with the Soil Conservation
23 Service in trying to develop and encourage irrigation efficiency practices throughout the

1 district. At last count, I believe about 70 percent of the lands in the district are now
2 operating with gated pipe, which has been a real increase in efficiency for us. We are
3 cost sharing with the U.S. Geological Survey on a canal loss study. We have two years
4 done. We were unable last year to do anything because of the lack of water, but we have
5 one more year in that program left. And at that point, we should have a good handle on
6 canal efficiencies throughout the district. We also are participating with the Trinidad
7 Junior College on developing xeriscape gardens for demonstration purposes to encourage
8 primarily residents within the city of Trinidad to utilize xeriscape in the landscaping
9 plans. I think that covers basically the things we're doing. The acreage verification
10 system...we continue to refine. This year we incorporated actual field data collected by
11 water users throughout the district into the satellite (inaudible) system and we're very
12 comfortable with where that project is going. That is all I have, I would just simply say
13 we really appreciate the cooperation that took place yesterday. We have been trying for
14 10 years to get some of these things done, like stockwatering and other things and we
15 anticipate a favorable vote today to put at least three of those issues to rest. So,
16 appreciate the work, Kansas, and particularly the Bureau, in kind of moving us all ahead.
17 If there's questions, I'll certainly.....

18 ROBIN JENNISON: Okay, thank you, Jeris. Are you ready to go to the
19 Operations Committee or do you want to defer that again? We could go ahead and go
20 back to seven. If that's okay with everybody, we will go to item seven? Lets see, David,
21 1st item said was deferred to 8c, so did you want to have a U.S. Geological Survey report
22 here or is that going to be taken care of in the engineering report.

1 DAVID POPE: Mr. Chairman, Pat Edelman did attend the engineering
2 committee meeting yesterday, he did indicate due to a schedule conflict that he would not
3 be able to be here and so...but I think during the course of the report on the engineering
4 committee we can relay essentially that report briefly and take whatever action is needed
5 during the course of the meeting.

6 ROBIN JENNISON: Okay, then that takes to the U.S. Army Corps of Engineers.

7 LT. COL. DANA HURST: Good morning, Mr. Chairman, I am Lt. Col. Dana
8 Hurst, I am the commander of the Albuquerque District for U.S. Army Corps of
9 Engineers. Mark Yuska is out handing out copies of our report and I will briefly
10 summarize some of the activities that we have had ongoing within the Arkansas River
11 Basin over the past year. But before I do that, I just wanted to plug some other things
12 that with the Kansas delegation as well as Colorado here and the significant amount of
13 military forces that are on the ground in Iraq from both states. The U.S. Army Corps is
14 decisively engaged working hand-in-hand with the soldiers over there to rebuild the
15 infrastructure within Iraq. I just wanted to recognize Susan Champine, our chief of
16 operations. She just returned from a four month tour in Iraq, where she was working with
17 the administrative sewage to again get that critical infrastructure back on line so that
18 country can again become functioning for itself. And we also have seven other members
19 from our district...US Army...Department of the Army civilians, currently in Iraq
20 supporting the global war on terror to repair that infrastructure. So I would recognize
21 Susan for that, it's a little different than of course our civil works presentation side of the
22 house here, but the Corps is involved in much more than just civil work. And with that
23 Mr. Chairman, what I would like to do is go through and summarize some of our

1 activities within the basin. Within our flood control there were no significant flood
2 control operations at either, John Martin, Trinidad or Pueblo Dams last year. Planning
3 Assistance to States, our section 22 program, again we have no new or on going studies
4 within the basin. Section 1135, which is a program to implement modifications that
5 improve the quality of the environment, we do have a Preliminary Restoration Plan (a
6 PRP) which is being developed with Fremont County to address wetland and riparian
7 restoration in the vicinity of Canon City, Colorado. Our section 206 program, which is
8 aquatic ecosystem restoration, we have a big project with the Arkansas River Fisheries
9 Habitat. We have moved forward with a project cooperation agreement back in April of
10 2002. Currently, we have a contract out on the street for phase I of this project. And the
11 project will improve fish and riparian habitat along 10 miles of the Arkansas River just
12 downstream of Pueblo Dam. In October 2002, we also completed a PRP (project
13 restoration plan) and requested approval to begin a feasibility study for the Confluence
14 Park Stream Restoration project. This project is located at the confluence of Fountain
15 and Monument Creeks in Colorado Springs and the local sponsor is the City of Colorado
16 Springs. Additionally, we have completed a PRP for restoring wetlands near Rocky Ford
17 and the local sponsor there is the City of Rocky Ford and with that the environmental
18 assessment plans and specifications are currently underway. Under section 14, which is
19 emergency stream bank work, we have two projects currently on hold. One is Powers
20 Boulevard and on is Chelton Road. Both these are in the city of Colorado Springs and
21 they are currently on hold with the city pending resources. Our section 205, which is
22 small flood damage reduction projects. We currently have one project, again with the
23 City of Colorado Springs, along Cheyenne Creek. We're recommending and meeting

1 with the city to put that into a full General Investigation Study, as that project is in excess
2 of the \$7,000,000 federal cap for the continuous authorities program. Again, our general
3 investigations...with that the general investigations program provides for large
4 comprehensive solutions to complex problems. The big project we have going on right
5 now is along the Fountain Creek watershed study, which began back in 2002 and will be
6 ongoing for over the next three years. A big piece of the study that is going on right now
7 is looking at the hydrologic data along Fountain Creek. Under flood plain management
8 services, back in 2003 at the request of CWCB and the city of Florence, and funded by
9 FEMA, we initiated floodplain delineation studies at Coal Creek through the city of
10 Florence in Fremont County and actually completed that and turned that over to both the
11 City and CWCB. Additionally, we've completed hydrologic analysis along Black
12 Squirrel Creek Watershed in El Paso and Pueblo Counties as an FPMS Special Study.
13 And lastly, I'll just cover that in 2003, we issued 14 individual permits within the
14 Arkansas River Basin and an additional 102 nationwide permits. Lastly, closing it out
15 again summarizing, we've done a lot civil works missions ongoing within the Arkansas
16 River Basin, but again don't forget our servicemen who are deployed overseas as we
17 come upon the holiday season, both them as well as their families and keep their
18 thought...or them within your thoughts. And with that Mr. Chairman, that concludes my
19 report.

20 ROBIN JENNISON: Thank you. Are you ready to go to Operations Committee?
21 Oh, I'm sorry, I forgot the Bureau. Bureau of Reclamation.

22 BRIAN PERSON: Thank you, Mr. Chairman, for remembering us, and thanks to
23 the members of the compact administration for the opportunity to stand before you here

1 today. I introduced myself earlier, I am Brian Person and the area manager for the
2 Eastern Colorado Area Office, Bureau of Reclamation. At Eastern, we operate and
3 maintain two major trans-mountain diversion projects. The Fryingpan Arkansas and the
4 Colorado Big Thompson. We also administer the irrigation repayment portion, the
5 contract with the Purgatoire River Water Conservancy District for the Trinidad Dam and
6 Reservoir project. I would like to give a brief update on few topics. Discussed
7 (inaudible) before turning to the amendments to the Trinidad Operating Principles. We'll
8 talk about the last and current water years of the Fryingpan Arkansas project. Discuss
9 requests, very briefly, for excess capacity contracts and a few more words about the
10 proposed Arkansas Valley conduit. The water year outlook is considerably better this
11 year. There was much to improve upon and mother-nature has, to a degree. In May, we
12 estimated there would be 55,000 acre-feet water available for import from the west slope.
13 By the end of July the total quantity we had imported through the Boustead Tunnel was
14 54,885 acre-feet, so we were just 115 acre-feet short of the May estimate. Pretty close.
15 That's approximately 4 times the 2002 total of 13,188 acre-feet, so we improved
16 dramatically on a very dismal 2002. Presently, the snow pack for the Fry-Ark Project
17 collection area is about 80% of average. From the looks of the accumulation that we've
18 gained over the last couple of days. There does exist ample storage opportunities at East
19 slope reservoirs. There is currently over 229,000 acre-feet of storage space on the East
20 slope. We'll say at this point that quite obviously the recovery from the extended drought
21 is not yet imminent. I would like to give a brief update on a few of the issues involving
22 the Fry-Ark Project. There continues to be a lot of activity in the contracting area.
23 Colorado Springs and smaller communities...communities around Fountain and Security

1 have requested a long term excess capacity contract for storage and conveyance in the
2 Fry-Ark Project in connection with the proposed Southern Delivery System. When built
3 the Southern Delivery System would deliver water to the Colorado Springs area, the
4 delivery point just southeast of the Colorado Springs metropolitan area. Reclamation is
5 the lead agency for preparation for the environmental impact statement on the Southern
6 Delivery System. There was no question as to the course that NEPA compliance would
7 lead to an EIS. Phil Reynolds, I think covered sufficiently some of the other contracting
8 activities associated with the Fry-Ark. I would like to say a bit more about the Arkansas
9 Valley conduit however. As Phil mentioned, Federal legislation has been introduced in
10 both the House and the Senate. I don't recall the House bill number, but the Senate is
11 1058. To authorize a construction...a cost share...I'm sorry, for design and construction
12 of the Arkansas Valley conduit. The conduit is an authorized feature of the Fry-Ark
13 Project, but was never constructed. Reclamation has received sufficient appropriations
14 for this fiscal year to continue to conduct ... or what is termed a re-evaluation statement
15 for the conduit, and we are currently at work on that statement. A re-evaluation
16 statement is something that Reclamation would embark on, and has in the past, when
17 considerable time period has elapsed between the time of a feature was authorized and
18 the time it was contemplated for construction. What it does in essence is contemporizes
19 the assumptions that were made at the time of authorization, looks at feasibilities, and
20 looks at NEPA compliance (inaudible). And since it was now 41 years since that feature
21 was authorized, that's a part of our work. The proposed conduit would transport water
22 from Pueblo Dam to cities along the Arkansas River corridor ending approximately down
23 here at Lamar. As Phil mentioned, Reclamation did testify before a Senate committee on

1 the conduit legislation. And the Commissioner has recognized the water quality
2 challenges that face water purveyors in this part of the country, providing water to cities.
3 And did support the objectives of the conduit. And the Commissioner had a conditional
4 testimony against the legislation, however, because it is adverse to Reclamation law and
5 policy requiring that for authorized features, beneficiaries repay 100 percent of the
6 project. The Commissioner did offer to work on project components with the bill in a
7 way to meet the needs of Arkansas Valley residents.

8 I would like to now discuss the status of the Trinidad Operating Principles. There
9 have been some suggestions from members of the audience that I begin this portion with
10 remarks four score and seven years ago, but I'm going to resist that suggestion. I will say
11 that in May we achieved an agreement on amendments on the Model transfer to state
12 parks in the so called clean-up amendments, those are the water rights and irrigation
13 parcel tabulations. We made very good progress on the other proposed amendments, but
14 we did stall during formalization of the stockwater storage language that the district had
15 presented. Reclamation then made a commitment to conduct the hydrologic analysis on
16 the potential impact of the change in stockwatering practice that was proposed in the
17 amendment. After that meeting we also began NEPA compliance which will have to be
18 completed prior to Reclamation approving the current amendment. Reclamation
19 completed the hydrologic analysis for this proposed stockwater amendment and sent it
20 out for draft review last week. Generally, the overall method for modeling was to take
21 historic data, including historic stockwater releases, and then model withholding those
22 releases in the reservoir to produce a river regime below the reservoir without stockwater
23 releases. The releases were then reintroduced to the system in rates described in the

1 alternative selected for model. The releases were then routed into select canals and the
2 comparative (inaudible) applied. The graph analysis concludes that effects of the
3 changes in stockwatering practice to one that allows the district to release stored water at
4 a rate that is more effective, and it appears to be minimal, if not negligible, in terms of its
5 effect on water losses. Yesterday at the engineering committee meeting, and continuing
6 into last evening and actually this morning, we able to resume fruitful efforts of the main
7 ARCA meeting, and has been our hope, we are pleased to report that language for the
8 stockwater and acreage verification amendments have been developed, we believe to the
9 satisfaction of the signatory parties. We are greatly, and matter of fact incredibly
10 appreciative of the efforts to accomplish this important milestone. We whole-heartily
11 support these amendments to the subject...subject to agreed and review from our
12 signatory who is our regional director. And the understanding that the other amendments
13 shall remain as approved at the main meeting. After ARCA approved these amendments,
14 Reclamation intends to include the hydrologic analysis that I just mentioned for the
15 stockwater amendments in our NEPA compliance process. We'll move to complete the
16 NEPA analysis just as soon as possible. Once finalized, the amended Operating
17 Principles will be sent to the parties for signature. Then our regional director, as I
18 indicated, MaryAnn Bach, along with the NEPA analysis, for her signature. I would like
19 to whole heartedly thank everyone involved. I think some significant progress is being
20 made. I think we needed to stay and look forward (inaudible). With that I'd be happy to
21 try to answer any questions.

1 DAVID POPE: Brian, do you have a rough estimate of the time frame to
2 complete your NEPA process on the matters you just discussed in terms of the
3 Purgatoire?

4 BRIAN PERSON: Actually, I have been waiting for my phone to ring. I had a
5 message into the primary NEPA practitioner in our regional office who's working on this.
6 I have pressed upon him the progress made last night and this morning and that NEPA is
7 now even more front and center. The hydrologic analysis that I discussed earlier is a key
8 component of NEPA. With that in hand now I don't envision anything to stall for more
9 than a period of several days or a couple of weeks. I'd like to have had word direct back
10 from him, but I didn't get that. It's front and center, I can assure you that.

11 DAVID POPE: Brian, you made a few comments and there was a dialogue
12 earlier with Phil and yourself in regard to the proposed legislation on the preferred
13 storage option. You didn't say much more about this here this morning and that's fine,
14 but I do have one kind of follow up question, if I could? In regard to the...is there a
15 current draft version of proposed legislation? Where does that really stand in the process
16 to your knowledge, I mean is it...somebody said there were still concerns that have not
17 been resolved with the city of Pueblo and I just would like a little bit of an update, to the
18 extent that you can, in terms of that process. Obviously, it goes without saying that we
19 expressed some concerns in the past about that.

20 BRIAN PERSON: As indicated David, the latest emphasis, the latest body of
21 work involved efforts to have the legislation meet the concerns for the flow regime
22 through Pueblo. It is a work in progress. We have not been directly involved in the last

1 several weeks on that front. I am sure that a most recent version of the draft does exist. I
2 am not even sure that we have it. But we could work on getting you a copy.

3 DAVID POPE: Sure. Going back many months, perhaps into the summer. I
4 don't recall exactly when that was, but we...there was some additional discussion about
5 the concerns that Kansas had raised and I guess I'm...if anything you can say from the
6 Bureau's prospective about anything you've recommended to be included in the
7 legislation that would address some of our concerns about water quality and studies
8 (inaudible).

9 BRIAN PERSON: Based on those discussions, there was revised language that
10 was developed several months back...I didn't get a chance to see...that did redress the
11 concerns on water quality. In this latest body of work, again amongst the municipality,
12 primarily Pueblo...I don't know what additional extent water quality concerns have been
13 addressed. Those would be in the legislation language. I know there was a change made
14 on water quality based on the discussions we had with you all, several months ago.
15 Again, if there has been some recent activity, I'm not even sure that we have a copy of
16 the most recent draft, but we'll work to get you one.

17 DAVID BRENN: This is Dave Brenn. In regards to this.....

18 FIRST SIDE OF TAPE ENDED.

19 BRIAN PERSON: Legislation must be passed before we can take on a study, and
20 it's only a study. Construction of anything that is proposed as a result of a feasibility
21 study would require separate legislation. So you have any opportunity to weigh in with
22 concerns via the NEPA analysis that is associated with the study and then again
23 presuming that authorization comes for any sort of construction. That's on the

1 enlargement point. Now as far as the other element of the feasibility study, you'll again
2 have the NEPA opportunity there as well.

3 ROD KUCHARICH: This is Rod Kuharich. Brian, in terms of the pipeline from
4 Pueblo Reservoir to Colorado Springs, in the long term...I guess excess capacity
5 contracts are being discussed by the participants in the pipeline. What is the timeline in
6 terms of the EIS process related to comments by interested parties and the identification
7 of alternatives?

8 BRIAN PERSON: On the conduit were not yet to the NEPA process...this re-
9 evaluation statement...the present body of work, involved doing a reanalysis of the costs
10 associated with the conduit. Some of the assumptions made then, the GEI feasibility
11 studies that were done as Phil has mentioned, our work is there...it is only in these next
12 couple of phases that we'll move into the NEPA compliance process. We have enough
13 funding authorized for Arkansas Valley Conduit work this fiscal year, which runs
14 through September of 2004...to begin work on these, but not the full fledged NEPA...so
15 if that moves into 2 (inaudible, someone talking in the background) Oh what, I am sorry,
16 I thought you said Arkansas Valley Conduit. The initial scoping has been done for the
17 Southern Delivery System Pipeline. Scoping has been done in terms of the NEPA
18 process here. They are in the process of compiling initial scoping comment. As far as a
19 draft NEPA document being out, the EIS (inaudible, someone talking to Brian in the
20 background).

21 ALICE JOHNS: The comments are most effective if received...I'm sorry, my
22 name is Alice Johns, and I work with the Bureau of Reclamation in Loveland. The
23 comments are most effective if received in the initial scoping process and the comment

1 period there has expired and those comments are being consolidated and reviewed by
2 Reclamation. But comments...you know... can be received later in the process as well.
3 It's most helpful for Reclamation in a process to receive the comments early on.

4 ROD KUHARICH: Rod Kuharich again. I also have a question in regards to the
5 Arkansas Valley Conduit. You had stated earlier that John Keys testified in opposition to
6 this. I'm wondering given the costs of such a conduit, if other alternatives, such as RO
7 plants for these communities, have been investigated and how that compares with the cost
8 of such pipeline?

9 BRIAN PERSON: Not in intimate detail. I am somewhat familiar with the GEI
10 consultant study and they did investigate reverse osmosis treatment facilities as an
11 alternative and my understanding that over the long haul, over the intended life of the
12 pipeline or the life of those RO treatment facilities, that the capital costs and amortized
13 over the life of the project, along with O & M, that reverse osmosis is significantly higher
14 in costs. Those are GEI words, not mine, but that's my understanding from the study.

15 ROBIN JENNISON: Thank you, Brian. I think that as we head into the report of
16 the committees that rather than switching the microphone back and forth, what I'm going
17 to do is going to turn in over to the chairman of each committee and they can kind of
18 work us through the sections of their committee's report. And with that we'll turn to the
19 Operations Committee, Jim.

20 JIM ROGERS: Yes, I'm Jim Rogers and chairman for this year on the Operations
21 Committee. Steve Witte (laughing and talking in the background). Okay, we'll move to
22 Mark. Do you want to give an overview of your report?

1 MARK RUDE: Thank you, Chairman Rogers. My name is Mark Rude, I'm the
2 Water Commissioner in Garden City, Kansas, and Assistant Operations Secretary for the
3 Administration. Last night at the committee meeting, I provided and spoke to a letter
4 report, dated December 1, 2003. In that report I essentially followed that Operations
5 Secretary's lead in making a few comments about the overall river conditions and water
6 supply in the basin. I also speak to operational and accounting concerns and touch on a
7 few of those and reference specifically those items in the joint document that we have
8 developed since basically up to and since the last compact meeting in May of 2003. And,
9 I'm not exactly sure of the title of that document...I think it's Categorization of John
10 Martin Accounting Issues at this point. And that's an attachment to this letter report. I
11 would like to present a copy of that report for the record of the Administration today and
12 just answer any questions.

13 JIM ROGERS: Thank you Mark. Do you want to give us a copy of that and
14 we'll turn it in? You'll take it? Okay, we'll move along to Steve Witte. Here's the mic.

15 STEVE WITTE: Mr. Chairman, members of the committee and other members
16 of the Administration, good morning. Hi, my name is Steve Witte and I'm the
17 Operations Secretary for the Arkansas River Compact Administration. I apologize for
18 having stepped out of the room. I missed what action had been taken affecting the
19 minutes of yesterday's meeting. Anything? Okay. Yesterday at the Operations
20 Secretary meeting I offered a...my report for compact year 2003, which is the annual
21 report of the Operations Secretary and would offer a copy for the Administration's record
22 as well. 2003, as a number of people have said, it was a drought year indeed and the
23 conservation storage in John Martin Reservoir amounted to a little over 50 percent of

1 what had been in the 1950 through 1975 average. One of the most significant events in
2 the year was that Kansas had, in that year, of drought, had elected to place no calls for the
3 delivery for any account water at anytime throughout the year. One new feature of the
4 Operations Secretary report this year is the inclusion of section 4, which is made a part of
5 the report perhaps as a temporary resolution of one of the issues that has been raised.
6 That section details efforts that are made to operate John Martin Reservoir pursuant to
7 section (2)(c)(1) of the 1980 Operating Plan so as to by-pass inflows to the extent
8 practical without temporary storage or averaging of flows. So, I would just make note of
9 that as a new feature of the report this year. Additionally, although the main presentation
10 took place during the engineering committee...as a matter of formality I would offer to
11 you a copy of the report of the Colorado State Engineer concerning accounting of the
12 operations of an Offset Account in John Martin Reservoir for Colorado pumping in the
13 year 2003. I believe that copies of both those reports are available for the Administration
14 files. If not, I would be happy get you additional copies after the meeting. Then pursuant
15 to discussions that occurred at the May, 2003 meeting of the Administration. A series of
16 meetings were held between myself and Kevin Salter of the Garden City office of the
17 Kansas Department of Agriculture, Division of Water Resources, and there was an
18 exchange of information for the purpose of attempting to resolve a number of the issues
19 included in the issues matrix. I believe Mark offered a copy of that a moment ago. We
20 also attempted to collaborate on a...the development of a process that we might utilize to
21 improve our working relations between the states and hopefully to avoid controversy, but
22 certainly to identify and address issues as they arise and we also discussed a proposal that
23 was presented to us for consideration at that May meeting regarding the possibility of

1 rotating the offices of Operation Secretary and Assistant Operations Secretary between
2 the Colorado Division Engineer and the water commissioner in the Garden City office.
3 Those meetings were held on June 26, August 7, and October 23 & 24. There was a
4 status report provided to the Operations Committee members on the discussions and
5 exchange of correspondence that had occurred between us as of September 2 of this year
6 and a meeting summary including the matrix...updated matrix issue...issues matrix...
7 excuse me...was provided on November 13. Yesterday, I presented to the Operations
8 Committee a special report. That report is entitled, Special Report of the Operations
9 Secretary Concerning Processes to Resolve Administrative Issues, the Status of Issues,
10 and a Proposal to Alternate the Offices of Operations Secretary and Assistant Operations
11 Secretary. I offer a copy of that report for the Administrations record as well. I would
12 like to highlight the three main sections of that report. First of all, the section regarding
13 the process to resolve issues really is comprised of three key points. The first being the
14 need to continue sharing data between my office and the Garden City office regarding
15 daily operations and accounting of those operations. It's my position that sharing of data
16 creates a joint responsibility regarding the need to monitor operations and participate in
17 the decision making process regarding operations. Secondly, there needs to be timely
18 communications. As issues are raised, there needs to be communications between our
19 offices in a timely fashion so that the outcome might be effective in a timely fashion
20 rather than waiting for some period of time later to initially raise the issue. After which
21 point nothing can really be done to address the problem at hand. And then thirdly, there
22 is a need for increased communications and meetings. We agreed upon several set points
23 during the year that we could both identify as being...where it would be advantageous to

1 have some additional level of communication beyond just the sharing of data. And we
2 encourage additional meetings of the Operations Committee during each compact year,
3 so that the Operations Committee can become increasingly engaged in the resolution of
4 issues and guide the outcome. But specifically believe that we have the need for
5 feedback from the Administration committee members of the members of the Operations
6 Committee regarding their feelings and direction for possible resolution of issues. The
7 next primary section of the report dealt with the issues in which I attempted to elaborate
8 on the positions of the states as were characterized in that issues matrix and then to
9 present where possible recommendations for advancement in the resolution of those
10 issues. Lets say the one of the, or probably the top priority activity that Mr. Salter and I
11 have agreed to in the coming compact year is to develop an annual agreement for the
12 purpose of determining transit losses as is our responsibility under the 1980 Operating
13 Plan. This is a purely technical issue that is clearly our responsibility. The idea of an
14 annual agreement is a reversion back to what was done in the period 1983 through 1987
15 where our predecessors entered into annual agreements for the purpose of determining
16 the satisfaction of a delivery from accounts to the stateline. We hope to reproduce an
17 agreement that is acceptable to both states to accomplish that same purpose, though
18 undoubtedly not according to the same terms as was previously done. We hope to
19 accomplish that by April 1st and I believe that we have committed to one another to
20 commit ourselves to doing that. Then there was a section of the report devoted to the
21 proposal concerning the rotation of the officers of the Operations Secretary and the
22 Assistant Operations Secretary in which I set forth some possible benefits as well as
23 my....some analysis regarding reasons that I believe support a recommendation to table

1 the matter indefinitely, or at least until all of the outstanding accounting and operational
2 issues have been resolved. In summary, I look forward working with the committee
3 members to advance this process that we have set out to navigate our way through,
4 particularly at the April meeting, and I would encourage the committee to either set a date
5 for that April meeting before we leave here today or decide who is going to be
6 responsible for convening that meeting. Thank you very much. I will be glad to answer
7 any questions. You're going to let me off the hook. Thank you very much.

8 JIM ROGERS: Thank you, Steve. As we did meet yesterday afternoon and we
9 kept an accounting of the items that was discussed, accepted communications tables from
10 the events that had happened during the compact year within the compact....on the
11 resolutions, of November 6. The Operations Committee agreed to have an April meeting
12 with staff to further discuss special reports from the Operations Secretary will be gone
13 over by the Kansas delegation and they will bring back a recommendation from both
14 offices for this April meeting. Also a concept paper has been worked up to the extent of
15 there is about 5 to 6 items on this that could be handled by the staff members and a report
16 on that should get to the Operations Committee by March 1. Therefore, we can send a
17 recommendation back on to it and be available for the April meeting. And we will cover
18 the status reports at that time. We received and agreed that the five action items
19 developed by the Operations Committee on December 8 and we will sign this document.
20 Is that what you were looking for on that question that you brought up about the action
21 item at the beginning of your concerns?

22 STEVE WITTE: Mr. Rogers, I just noted in reviewing the draft of the action
23 items from last night's meeting, there was no indication that either the Assistant

1 Operations Secretary's report or the Operations Secretary's report had been accepted. I
2 believe the action taken was to accept both reports but to recommend approval of neither
3 and that was what I intended to indicate to you in my notes on the draft and then there
4 doesn't seem to be any recognition of the discussion of the special report that occurred
5 during yesterday's committee meeting in the...in those draft action item notes.

6 JIM ROGERS: In item 2 of that...that Kansas would review the progress and
7 address and resolve interstate administration section 4 and 7 of the special report of the
8 Operations Secretary.

9 KEVIN SALTER: Kevin Salter, Kansas Division of Water Resources. A lot of
10 us have tried to wordsmith this document that we're looking at before us. It may be
11 appropriate to take a break and work through that, rather than try to work this through in
12 the mean time taking that time on the record.

13 ROBIN JENNISON: Rod's committee has a little bit of work to do as well. How
14 much time...Kevin how much time do guys think you will need?

15 KEVIN SALTER: 15 or 10 minutes.

16 ROBIN JENNISON: Why don't we recess until 10 o'clock, then?

17 ROBIN JENNISON: I call the meeting back to order. Is our tape recorder going?
18 Thank you. We are going a little bit of work on the documents for the Operations
19 Committee so we'll go ahead and go to the Engineering Committee, David Pope.

20 DAVID POPE: Thank you, Mr. Chairman. Let me provide a brief overview of
21 what the engineering committee did yesterday and then we'll move to the specific items
22 that are listed on the agenda that are a little bit more substantive items. Fundamentally at
23 the engineering committee we met for like two or three hours yesterday afternoon. We

1 also reconvened last evening for...I don't know... another couple of hours or something.
2 So we spent a lot of time yesterday in one slot or another in terms of Engineering
3 Committee. The first thing we did...we actually received a report, I think Steve Witte
4 alluded to earlier, regarding the Colorado Offset Account Operations that I think was
5 noted probably should have been through the Operations Committee, but they were there
6 also and so we did have that report. The second thing was we had a report from Pat
7 Edelman from the U.S. Geological Survey. As we indicated earlier, Pat was not able to
8 be here today, but did offer a written report that I would suggest, Tom, if that's okay with
9 you, that we just ask to make that as part of the record so that, because ordinarily Pat
10 would be giving a report here at the Administration. I would just simply say that he just
11 summarized some areas that interested the Administration and gave some information
12 about the flows this last year at selected locations, 2002 – 2003 comparisons. But I think
13 the substantive thing that he reported was that the Colorado District of the USGS will be
14 reviewing its funding for the coming year in terms of how much money will be available
15 for the different programs including gages and matters of that nature and that there could
16 be some impact to the...to the cost to the Administration this coming year. And it was, I
17 think, suggested during our discussion perhaps it may have been from Steve Miller, that
18 the Engineering Committee may want to monitor that pretty carefully during the course
19 of this coming year, so that we would be in position to make decisions next year in terms
20 of our budget as it relates to any effects on gages. We may need to make some choices in
21 terms on what we can fund and what we can't fund. The third item that we received a
22 report on related to the Colorado proposal for the John Martin Reservoir permanent pool
23 and...we'll come back to that in just a second...and the fourth item was related to the

1 Purgatoire River Water Conservancy District/Trinidad project. The...with regard to the
2 John Martin Reservoir permanent pool, we did receive a report, we had some fairly
3 significant discussion about a proposed action there...resolution that would deal with this
4 issue that's outstanding in regard to how evaporation...has been historically calculated.
5 The matters related to the resolution as compared to the 1980 Operating Plan and the
6 differences of view in terms of what those mean. Secondly, that resolution proposed a
7 new source of inflow to John Martin Reservoir permanent pool from the Highland Canal
8 water right. If we also...Kansas raised some concerns about the methodology that is
9 being used for the Highland Canal water right consumptive use analysis and noted the
10 concerns we have there and for that reason and other reasons potentially about how this
11 will all operate we are not really in a position to move on that at this time. So that is my
12 kind of recollection in the terms of the report that was given. I don't know whether,
13 looking at Tom or Steve, whether there was a desire to...before we move into the
14 Trinidad Purgatoire issue, taking any further comments on that (inaudible) or not.

15 ROD KUHAURICH: Mr. Chairman, Rod Kuharich. In regards to the
16 evaporation calculations, and a pro ration, I think it is my understanding the committee
17 looked at a resolution...could not come to agreement but agreed to continue to move
18 forward in an attempt to reach an agreement between both Kansas and Colorado on this
19 issue.

20 DAVID POPE: Rod, yes, we've...that's right, we did not get agreement during
21 the committee meeting. Kansas is willing to continue to pursue that, we'd be willing to
22 look at ideas or other alternatives to resolve some of the concerns that we had raised.

1 You know we had a significant challenge at this point in time, because of the issues we
2 stated yesterday.

3 TOM POINTON: I would like to suggest that the Engineering Committee meet
4 in the April meeting along with the Operations and discuss this issue further in April.

5 DAVID POPE: Tom, I hadn't necessarily thought about that, but it may be an
6 appropriate thing to do. We have essentially, we are not talking about a full ARCA
7 meeting for April, but we would have both committees then meeting during the same
8 time period. So as long as we can find a schedule that works, certainly willing to do.
9 April is a pretty tough time during the legislative cycle for me personally. We would still
10 be going then, but if we can find a date there, we would certainly do our best to try and
11 make that work. I don't know whether the Operations Committee has...worked on a date
12 yet or not. I know there was some discussion about mid April. Again that is right during
13 some of the critical phases...I know last year we met in May. Some people argued that in
14 terms of members the public, that was a busy time for the producers of course. So, I'm
15 just trying to figure out how to reconcile both of those issues.

16 DAVID BRENN: One concern I would have although you know both issues have
17 huge significance, I feel. If we'd have a joint committee,...committee meeting in April.
18 I can...and I don't know Jim you might respond to this to...but our plate is going to be
19 pretty full for the Operations Committee to get through and fully address what's
20 necessary. I think that I would suggest that if we consider this, that we don't try to pile
21 both committee meetings on the same day. But, I know that adds another day...it just
22 seems to me that we'll need to, as an Operations Committee, fully address the issues that
23 we've committed to.

1 DAVID POPE: Let me offer a suggestion if we can maybe get to there. Rather
2 than necessarily...one of the options to be do a same date for the two different
3 committees, but another option would be to consider between now and then the status of
4 the matter in terms of the permanent pool and what...what ideas can be...I just hate to
5 schedule a meeting and we just show up and talk about the same things we did last night.
6 I guess my point is if there is a proposed resolution...by that I mean a formal
7 resolution...but a proposed course of action that would give us some potential that we
8 really need to look at, then I would certainly be willing to commit to give consideration
9 to that, whether we meet at the same or another time. At a time period that we can
10 accommodate the schedules and we certainly are willing to do that. I would really like to
11 see... have some potential ideas or something that would address the concerns we raised.
12 I think part of that is a timing issue. Vis-a-vis where we are and sort of the process of
13 dealing with that issue of the consumptive use credit for the Highland and some of it is
14 perhaps other factors. But, I would be willing to leave that open, but yet we just
15 communicate between now and then and figure what we can do to accommodate
16 those...something that would be a productive endeavor.

17 TOM POINTON: I just believe that the level of water in the permanent pool
18 needs to be addressed before next December. And if we can resolve that issue, it would
19 be great.

20 STEVE MILLER: I think I tend to agree with (inaudible) particularly if the
21 Operations Committee meeting is any place west of Topeka where (inaudible). I think
22 what would help and gave us a little hesitancy when we first presented it to Kansas, was,
23 because it had been referred to the Engineering Committee, some of the Garden City staff

1 thought felt like they might preempt the Engineering Committee's prerogative by giving
2 us some feedback. So if the Engineering Committee at this time could delegate to its
3 respective staff. I view myself as Tom's staff on the Engineering Committee. Then we
4 can try develop some of the products that you said you would need to give this more
5 thought and at some point come back to you and say yeah, it would be worth having
6 meeting. But in the meantime, if I could work with Kevin and Mark and some other
7 folks and try to get you some of the information you talked about needing yesterday.
8 Without having to be in the forum of an Engineering Committee meeting. I think that
9 would be the most useful time...best use of your time.

10 ROBIN JENNISON: Okay, I guess that's agreed with...that will be the
11 procedure you follow. Then, Dave do you want to continue with your report?

12 DAVID POPE: Okay, thank you, Mr. Chairman. I think that is a good
13 suggestion that Steve Miller has made. The final item that was considered at length by
14 the Engineering Committee related to the proposed resolution related to amendments to
15 the Trinidad Project Operating Principles and there we focused our attention on the
16 stockwater provisions and acreage verification system provision, also recognizing there
17 had been action taken by ARCA at the continued annual meeting in, what was that, May
18 of 2003, in which action had been taken on proposed amendments as well. Let me just
19 characterize first the discussions as I think the parties...the signatory parties and other
20 interested folks, took considerable time trying to come up with some language that...that
21 we all can live with. And there is a document with the minor changes that I think would
22 be suitable for consideration here today. I would like to call on Brian Person to come

1 forward, if possible, to come forward and go over the language itself and then we would
2 have something, Mr. Chairman, that may be suitable for action.

3 BRIAN PERSON: Thanks, Mr. Chairman. I think the draft that compiles the
4 work of last evening has been fairly widely distributed. There's only one version of that,
5 that is the compiled draft resolution that includes acreage verification and also
6 stockwater, so that's the one we are working from. Most of you have that. Based on
7 some read throughs this morning, there has been just a few additional suggestions. They
8 start with, if you go under paragraph 1 where it's Roman numeral (IV)(B)(2), where it
9 starts with "The District shall provide", in the second line...the beginning of the second
10 line you will see, "the Bureau of Reclamation", it has been suggested to add a comma
11 there, "to agree the Bureau of Reclamation, comma, and other parties making a written
12 request, comma," and so on.

13 The second paragraph under (IV)(B)(2), that starts with, "The District shall
14 implement substantive procedures", if you go to the second to the bottom line that starts
15 with, "The State of Kansas, the Bureau of Reclamation" insert another comma after
16 Reclamation. So it would state, "the State of Kansas, comma, the Bureau of
17 Reclamation, comma, and other parties." Then go to the end of that sentence, "and other
18 parties making a written request, by February 1st of the following year", so three commas.
19 The other suggested change, based on some further review this morning, has been
20 brought to us and suggested by a representative of the Corps of Engineers. And that is in
21 the amendment dealing with stockwater. In the first paragraph of (IV)(D)(2)(a) if you go
22 to the fourth line down that starts with, "allowance, water may be released from the
23 reservoir at any rate," that brought concern because any rate imposes no limits

1 structurally or channel capacity or anything else, so “at any rate” if you would insert,
2 “within the parameters of the water operations manual.” I bounced this around the
3 parties during the recess, and I think this language has been generally acceptable. It gives
4 the district the latitude they were seeking, but helps assure the Corps that they wouldn’t
5 be asked to make release rate that either exceeded outlet works capacity or the channel
6 capacity. Those are the suggested changes. I would also like to offer, Mr. Chairman, that
7 I did get a return call during the recess from our NEPA compliance practitioner working
8 on the environmental assessment for the amendment. I indicated to him the progress that
9 had been made here and now that places the NEPA process very much front and center.
10 He indicated that things were going relatively well, that the hydrologic analysis was of
11 course a significant help and thinks he will have a draft of the environmental assessment
12 in our hands for internal review in the very early part of January. (inaudible) so think I
13 indicated during my early marks that several days or a few weeks and we are within that
14 timeframe now. Also, I need to mention that because of the potential impact on
15 depletions, there was an ESA compliance requirement. The hydrologic analysis suggests
16 that there is actually a positive impact on depletion concerns, but we do yet need to touch
17 bases on the ESA. We’re hoping that results of the hydrologic analysis makes that go
18 very well. I just wanted to point out the NEPA process that will be required.

19 MARK Yuska: I’m Mark Yuska with the Corps of Engineers and it’s
20 inconsequential that verbiage wise it is “water control manual” not “water operations
21 manual.” I wanted to just make sure that’s clear.

22 BRIAN PERSON: Okay, water control manual.

1 ROD KUCHARICH: Rod Kuharich, Mr. Chairman. After having reviewed the
2 proposed changes, I guess I would note that the Corps of Engineer does prepare a water
3 control manual for nearly every Federal storage projects and this is just a standard
4 proforma activity and I think that having dealt with these control manuals for various
5 reservoirs in Colorado in the past, I think this is highly appropriate and with those
6 changes, if the time is right, I would move...that the ARCA adopt this resolution.

7 ROBIN JENNISON: It's moved that ARCA adopt the resolution dealing
8 stockwater provisions. Is there a second?

9 MATT _____: (inaudible)

10 ROBIN JENNISON: Seconded by Kansas. Is there discussion? All those in
11 favor Colorado? (someone talking in the background). Is the acreage verification in here
12 too? Oh, I'M sorry, I misspoke. It is, Matt. Thank you. Motion carried.

13 DAVID POPE: Mr. Chairman...I seconded the motion. Just for clarification as I
14 understand what we did with the resolution was amend both the stockwatering and AVS
15 provisions in addition to the...adding those to the changes that were made last May, so
16 that we will end up with a complete package with all three changes. That can then be re-
17 circulated and of course will need to be...ARCA is just one of the signatory parties, so
18 that will need to be then circulated and reviewed. Brian, if I understand it, the Bureau
19 will take on the responsibility to memorialize this into the formal principle and circulate
20 that to the parties? Mr. Chairman, I don't have any...I believe that takes care of all of the
21 business for the Engineering Committee and I will pass the microphone back to you and
22 thanks again to all the people that have worked on this.

1 ROBIN JENNISON: You guys need to refresh my memory. Last year did we
2 accept these reports? Did we take that action at all? Steve, do you remember, did we
3 accept....did we have a motion to accept these reports or would...the committee
4 report...you.

5 STEVE MILLER: (inaudible) I don't remember.

6 ROBIN JENNISON: And we have already done that, is that right? Okay,
7 Administrative and Legal Committee.

8 ROD KUCHARICH: Mr. Chairman, Rod Kuharich. The Administrative and Legal
9 Committee met yesterday and before you in the agenda we have a discussion item
10 approval of transcripts and/or summaries from prior meeting. At the committee meeting,
11 we discussed that Steve Miller and Lee Rolfs will review the transcripts and provide for
12 the commission actually going to the court reporter the corrected copies so that we will
13 have for the commission accurate transcripts.

14 In terms of the next item, the annual report preparation, Steve, do you want to address
15 that?

16 STEVE MILLER: Actually, if I could talk about the transcript for one second. It
17 was proposed to the committee and I don't know if they agreed, that because we are now
18 at a place where we can get correct transcripts issued, or prepared by the reporter, but
19 rather than wait till the full ARCA meets the next time, if ARCA would delegate to the
20 legal committee, Randy Hayzlette and Rod Kuharich, the power, I guess it would be, to
21 accept those minutes when Lee and I present them and ask that the Chairman sign them
22 upon recommendation from the committee, then hopefully the whole backlog would be

1 gone before we come back next December rather than having a big signing ceremony or
2 something. (inaudible)

3 ROBIN JENNISON: Who would like to make a motion to do that?

4 DAVID POPE: Mr. Chairman, in order to expedite that issue, I would move that
5 the Administration authorize the Administrative/Legal Committee to approve on our
6 behalf the minutes once they have been agreed to by Steve Miller and Lee Rolfs
7 representing the two states. And that would then allow the backlog of minutes to be
8 brought forward and presented to the Chairman for signature.

9 ROBIN JENNISON: Is there a second? Seconded by Rod. Discussion? All
10 those is favor? Motion carried.

11 STEVE MILLER: Unfortunately, the annual report backlog is just as large if not
12 larger, but until the Operations Committee resolves some of the contested accounting
13 issues, we are really not in a position to write the kind of annual report that the
14 Administration has historically done, report and validate a lot of data, both from USGS
15 and from the Operations Secretary and since the numbers prepared by the Operations
16 Secretary and Assistant Operations Secretary don't agree at this moment, the states have
17 deferred writing the annual report which was discussed briefly last night that the
18 obligation to do a report was required by the compact itself, so there are some additional
19 provisions about doing them in our own bylaws. What we have is basically two options,
20 three options I guess. We talked about these options before, basically elected not to make
21 any decision until, hope that Operations Committee has (inaudible) the issues at some
22 point that we would have an agreed set of numbers. The other options are to do a report
23 with no numbers. Do a report with two sets of numbers. I guess there are the two

1 options. And so we deferred and the last annual report that we actually published and
2 transmitted to the federal government as required, was the 1993 annual report. I believe
3 in '94 we were very close, actually had that report ready to go to the printer, but I think
4 before we got to the printer, we decided that maybe some of the newer issues that were
5 coming up in the Operations Committee might even apply to '94. And I'm not sure that
6 it makes a lot of difference whether we're caught up to '94 or '93, so basically put that
7 one on the shelf along with the other ones. We don't get calls from Washington asking
8 where are those reports that you are supposed to send us. We have gotten calls from
9 Washington when we sent them one, saying what's this all about. We are in technical
10 violation of those provisions of the compact. We're not doing it. You know one thing
11 along those lines is that the...at the time the annual report format that I write was
12 developed and included all those tables, we did not have a good comprehensive
13 Operations Secretary Report. So, some of those numbers were pulled together for the
14 first time in the ARCA report. Having a report with no numbers in it, or with only USGS
15 number it, is a little more viable solution now, because you do have the elaborate reports
16 that Steve gives you on both...with monthly and daily values in them. I understand that
17 you don't agree that those are the right numbers yet, but they are there in one place, so we
18 could conceivably go to a narrative report that basically just reports that we met, that we
19 adopted a budget, that we passed a resolution, that the minutes are on file in the ARCA
20 office, if you want to go that route. I was always told, don't even change the shape of the
21 report because people would like to have a nice even set on their bookshelf, so maybe we
22 don't want to change the format yet, but that is an option that we might have to deal with
23 or address. Actually, Robin had a good point, we could (inaudible) those things on CD's

1 rather than spending \$2,000 a year to put them on (inaudible) paper. I know, we'll
2 always have to do something, I think. I really don't have a recommendation.

3 DAVID POPE: Steve, I'm not here ready to propose a specific action, but I think
4 we have to resolve this question and it's time to do it before too awful much longer. This
5 has been pending for long periods of time and it's really not good for the Administration
6 not to have an annual report as required. It doesn't give a timing, but one could start the
7 argument that we're not very timely. (background talking) Oh, is it. Oh gosh, that's
8 even worse. (background talking) Okay, well in any event, I think we are slowly, but
9 surely, making some progress on a number of our issues in terms of some of the things
10 that relate most to numbers. There probably be some that will continue to be issues for
11 sometime in the future. But, I guess I would like for us to take stock of where we are by
12 the time we get through the April meeting of the Operations Committee and by next year,
13 hopefully, we will have plan that will commit either to a narrative report that really
14 describes, not only the administrative details, but probably the actions we dealt with,
15 certainly the resolutions, and all of those kinds of issues. One alternative there would be
16 to just go as far as we can in areas that we do agree on the record. I don't want to say that
17 is the best alternative at this point in time, because the report then really leaves out sort
18 of the status in terms of water supply accounting (inaudible). I'm looking at Dennis. Just
19 for one reason that you know...the annual reports in fact were relied upon a lot in past
20 years and we don't have that at this point in time. So we need to think that through pretty
21 carefully, before we go with a no numbers report, but it is one of the options....one way
22 or the other, I think we still have to reconcile and deal with the status of even Steve's
23 report. Okay, that's all I have.

1 ROBIN JENNISON: Well, I was going to save this until the end, but I think it's
2 an appropriate time, as a Federal representative, with the Federal commission and
3 actually representing the President, and I don't have a lot to do here, but I do feel a
4 certain obligation to see a report done. And that is going to be my goal for this year to
5 somehow to cajole or influence you all to do a report. And quite frankly, I don't think
6 it's that serious of a deal to have a different set of numbers, because I think it's accurately
7 (inaudible) with what's going on with ARCA and so I would just encourage you, and I
8 was going to do this at the end of this meeting, but since we're talking about now, do it
9 now. That is my goal for this next year, to see us have an annual report. And quite
10 frankly, I don't think it matters if we do have some certain...some difference in numbers
11 and have some narration about why there is a disagreement. I think every attempt should
12 made to reach some conclusion on some of these issues that were brought up last year
13 and I'd only...I justI knew about ARCA, but I hadn't ever looked at the file
14 (inaudible) until about 3 months before the meeting and really in my opinion, as kind of a
15 unbiased observer that doesn't know a lot about it yet...you know it just looks to me
16 like...that it's this group sitting up here at the table that needs to reach...and you heard
17 from...Rod made a great speech yesterday from the audience when the committee was
18 meeting and several other people commented about it. So I just really hope that we can
19 do a report this year. With that, Rod, I'll turn it back over to you and you can finish your
20 committee.

21 ROD KUCHARICH: In all seriousness, I do have to agree with Robin that I think
22 it is important that we do have annual reports and I guess my feeling is that if there are
23 two sets of numbers...there's two sets of numbers. Maybe that would identify some

1 where the differences between Colorado and Kansas lie. Hopefully, we can come to a
2 realization that those differences aren't that great. Lee you had your hand up.

3 LEE ROLFS: Just to clarify, I'm Lee Rolfs. Article VIII. J. of the Compact says,
4 "the Administration shall report annually to the Governor of the States and the President
5 of the United States as to matters within its purview." So there is an annual requirement,
6 so which you might...we should have an annual report going there. The bylaws are more
7 specific however, in article VIII. 2. says "The Administration shall make and transmit on
8 or before January first of each year to the Governors of the States of Colorado and
9 Kansas and to the President of the United States a report covering its activities for the
10 preceding report-year." Then it lists what has to be included in the report. (Inaudible
11 talking in the audience)

12 STEVE MILLER: Even if we agreed on numbers, I don't know how you would
13 do that report...provide sufficient review by both states and actually do...printed and
14 prepared to ship out. CDs might help a little bit with that. Let's see...first we've got to
15 start writing them again before we worry about whether we'll be in technical compliance
16 with the bylaws. I guess I'm getting a signal that I ought to start preparing some of...at
17 least...Colorado's version of the numbers and then that would provide a place for Kansas
18 to provide a parallel table saying, yeah, this is one we agree with, there's no dispute, but
19 in this one think the transit loss account works this way, or should have worked this way,
20 and we won't print anything till we hear back from the Operations Committee and
21 discuss it again at ARCA, but we need to start preparing those types of draft reports. Do
22 you want to do your election and let me sit down or do you want me to stay here and do
23 financial?

1 ROD KUCHARICH: Mr. Chairman, the Nominating Committee, consisting of
2 Randy Hayzlett and myself, met and after extensive deliberation decided (tape
3 completed). In all seriousness Mr. Chairman, we met and we would like to recommend
4 that the vice chairman be retained this year, David Pope. The treasurer, Jim Rogers. The
5 recording secretary, Jan Anderson. Operations Secretary, Steve Witte and the Assistant
6 Operations Secretary, Mark Rude. And I think that would be our recommendations for
7 officers for the coming year and if a motion is in order, we can certainly entertain it at
8 this point.

9 ROBIN JENNISON: A motion to accept that slate. Rod, would you make that
10 motion? Second it? Randy seconded. Discussion? All those in favor, aye. Motion
11 carried.

12 ROD KUCHARICH: Mr. Chairman, the next item is the appointment of committee
13 members and chairs for compact year 2004. The current committee make up, the
14 Administrative and Legal Committee chairman is Rod Kuharich. The other members are
15 Randy Hayzlett and Robin Jennison. The Operations Committee chair is Jim Rogers and
16 David Brenn and Robin Jennison are committee members. The Engineering Committee
17 is David Pope and Tom Pointon as chairman and Robin Jennison as other the member.
18 As we have done in the past the federal representative is a continuing member of all three
19 committees and the chairmanship of these three committees would basically alternate, so
20 we would recommend for the coming year that Randy Hayzlett be the chairman of the
21 Administrative/Legal Committee, David Brenn of the Operations Committee and Tom
22 Pointon of the Engineering Committee and Mr. Chairman, I would so make that motion.

23 RANDY HAYZLETT: Seconded.

1 ROBIN JENNISON: Randy Hayzlett seconded. Discussion? All those in favor.
2 Alright, motion carried.

3 ROD KUCHARICH: The next item is the financial matters. The audit report and
4 the budget review and adoption and for that I turn to Steve Miller.

5 STEVE MILLER: We actually had the auditor come to the committee meeting
6 last night. He hadn't come before us for several years, so it was a chance to get re-
7 acquainted with the person who does our audits. We noticed some anomalies in our
8 spending pattern. They're small amounts of money, but we talked about those. I think it
9 would be appropriate for ARCA to accept his audit as submitted. I don't have additional
10 copies with me, but I think the people here received a copy last night. I probably should
11 get at least one for the record if he has one. But I think that has been a practice for
12 ARCA to accept the audit. It gives us a starting point for our budget discussions for the
13 next two years.

14 ROBIN JENNISON: Why don't we just go ahead and do that. Is there a motion
15 to accept the audit? Moved by Rod, seconded by David Pope. Discussion? All in favor.
16 Okey doke, motion carried.

17 STEVE MILLER: I've got a data sheet here that I should pass that out, there's
18 only one page. Hopefully, I made enough copies that we can use to talk about the budget.
19 As the Engineering Committee noted, the GS piece of this is going to become more
20 significant. Let me point you to the five...I tried to keep some history in there, but then
21 that squeezes the table and it does get kind of small on the printing. The last five
22 columns on the right hand side deal with current budget. The sixth column over actually
23 is the audit. It shows our actual expenditures based on the audit you just approved and go

1 down to the bottom you see that we have a current cash balance of \$98,547.00. That was
2 our position on July 1st, '03. For the current fiscal year we are in, '03-'04, we've got a
3 budget that we adopted originally in December '01. We revised that at our May meeting
4 and while some of the numbers will change slightly in there, I don't propose revising it
5 again and we should end this current fiscal year on June 30, '04 with a balance of about
6 \$92,000. I think one thing relevant though in that '03-'04 budget, we had a lot of
7 discussion with the Reporting Secretary and we are going to renegotiate her contract for
8 the coming calendar year and there are several lump sum payments that comprise the
9 compensation she gets for the various services she provides, including rent. When I went
10 and looked at this last night, I realized that we already agreed last year to raise her rent to
11 \$1,200. Where as last night we struggled to raise it from \$600 to \$700, last year we were
12 much more generous. We had bumped up some of the other lump sum items last night
13 and when I found that we already bumped her...our rent contribution by 600, I brought
14 those others back down to the current levels. I talked to her briefly this morning and she
15 didn't realize that she was...had been eligible to bill us higher rent since July 1st. I think
16 the total compensation package will be about the same, but we did reverse a little bit of
17 the discussion we had last night. With that said I think I'd leave the budget the way it is.
18 When I actually make this into a budget for signing, we talked about packaging up some
19 of these operating expenses. I guess it's Roman numeral (I)(c), operating expenses.
20 Some of those will be clearly set aside in the recording secretary's contract. We will
21 probably put a new heading so that you can see the expense items that will result with
22 that contract and then they will be easier to follow in the future. Summary of the '04-'05
23 budget. We did adopt a budget at the May '03 meeting. I'm proposing we revise that.

1 Not a lot of money difference, but we have gotten the estimate from GS, and at least in
2 Colorado, it's about \$2,500 higher. One thing before we go...I guess before I leave this
3 podium, it's not actually on here. We need to authorize Jim Rogers, or some other
4 officer, to sign the Joint Funding Agreement with USGS. They were sent out about a
5 month ago. The numbers that I stuck in that budget request the proposed contract from
6 GS from the Kansas district and the Colorado district and I (inaudible), we need to need
7 to have an action item for approving the joint funding agreement. The other...I guess
8 that's the total revision really that I'm talking about when I ask you to re-approve in
9 '04-'05 budget, would be those higher numbers for GS. I think an interesting thing if you
10 look across the history, if you read this thing from left to right. For whatever reason and
11 they are not here for us to congratulate them or query them, the Kansas district has been a
12 little more successful in containing costs or passing costs on to ARCA. I think the
13 Engineering Committee ought to include them maybe in our discussions with Colorado's
14 GS office. I figured that would be a task for the out years. We're going to see how
15 Kansas is being more successful. I'm not sure if they're getting more federal dollars and
16 don't have to pass as much on to us, or if they are doing things a little cheaper or a
17 combination of that.

18 DAVID POPE: Steve, I might just ah....I certainly agree that we need to include
19 them in the loop. I think there are things that have helped in that regard is that...since the
20 Kansas USGS maintains the state line stations, Coolidge and Frontier ditch, those, by
21 virtue them being state line stations and they...I think this is broaden than just Kansas
22 history...give extra weight in terms of their funding to state line stations that are critical
23 for compact purposes. Now, that doesn't mean that there aren't other stations that aren't

1 very, very important in terms of compact administration, but I think that is probably why
2 that we worked on it pretty hard to say...you know those ought to be funded mostly at
3 federal expense. I think they try to use more of their NSIP, money, whatever that stands
4 for, I forget, national stream gage something or another program. It's the Federal fund
5 part.

6 STEVE MILLER: I wasn't trying to pick on Colorado. We have four out of the
7 eight I think that are similar but my understanding was they...in fact really should only
8 be three in Colorado. So we need to keep an eye on it. That's the proposal for revising
9 the '04-'05 budget. I guess we can do a motion on that if you chose (inaudible). Well,
10 I'd be asking to approve it. The proposed revision of the '04-'05 ARCA budget showing
11 expenditures of \$81,050, anticipated income of \$70,000, a draw on the cash account of
12 \$11,050, and ending fiscal year '04-'05, June 30, '05 with about \$81,000 on account. In
13 none of these budgets do I propose raising the assessment. That would be the proposal.

14 DAVID POPE: Mr. Chairman, I think to move things along, if I understand
15 where we are here, the proposed amendment to the fiscal year '04-'05 budget, which
16 would be the second from right-hand column in the budget, which is listed there "revised
17 12-9-03," essentially what you are suggesting is we revise that year, the '05...'04-'05
18 budget record to request the numbers in this column? I would move that we approve
19 them...amendment to that budget.

20 ROBIN JENNISON: Motion has been moved and seconded. Is there discussion?
21 All those in favor say, aye. Motion carried.

22 STEVE MILLER: Thank you. Then the final far right hand column would be a
23 proposed FY '05-'06 budget. I have seen other organizations, and I wonder if whether

1 we should be doing this, sometimes call this, a budget for this far out, a tentative budget.
2 Generally, you just approve it as a budget and if we don't need to revisit it, we leave it in
3 place. So anyway, it's pretty far out. But the major assumption I made here was that the
4 Colorado GS costs would go up by about 10 percent and I rounded up about...it looks
5 about like a 15 percent increase for the Kansas district. So I expect it to go up by about
6 \$6,000, all related to gaging and we're kind of guessing as to what GS is going to present
7 us with next year. No change to assessments. So an additional \$6,000 expenditure, we
8 would draw down our cash balance at the end of that year, which would be June 30,
9 2006, to \$66,000. Still I think a....basically equivalent to one year...one years worth of
10 assessments not a (inaudible) level. And that would be a proposed budget we could...I
11 think we got an agreement last night with the recording secretary for at least the next two
12 years by bumping in her compensation. Oh, and that is, we did agree last night on these
13 two budgets, the one you just approved and the one I'm talking about right now, include
14 changing her personal services compensation from \$2,000 to \$2,500. With the increase
15 in rent and increase in personal services compensation, I think she's good for 2 years,
16 so...(inaudible)

17 ROBIN JENNISON: Motion to adopt the '05-'06 budget? Moved by Rod and
18 second David Pope. Discussion? All in favor, aye. Motion carries.

19 DAVID POPE: Mr. Chairman. I move that the Administration authorize signing,
20 by appropriate officials, of the joint funding agreement for...with U.S. Geological Survey
21 for both the Colorado district and the Kansas district for this coming calendar year.
22 Steve, does that take care of it? (inaudible, talking in the background).

1 ROBIN JENNISON: Motion made by David Pope. Rod seconded. Discussion?
2 Okay, go ahead, Steve, here.

3 STEVE MILLER: The joint funding agreement with the Kansas district of USGS
4 in Lawrence, Kansas would be an ARCA obligation of \$8,500 for the calendar year 2004
5 and the one from Colorado district in Pueblo, Colorado, for the same period, the ARCA
6 obligation would be \$35,440.

7 ROBIN JENNISON: Further discussion? All in favor, aye. Motion carried. Rod

8 ROD KUCHARICH: Mr. Chairman, the last item on the agenda for the
9 Administrative/Legal Committee is resolution amending bylaws in regards to check
10 signing and payments. After deliberation and the changes made to the...to the contract
11 with Jan Anderson, that it was felt that changes to the bylaws were not necessary. That
12 the amendment to the contract would suffice. And that concludes the report.

13 ROBIN JENNISON: Okay, does that take care of all the action items with your
14 committee? So I believe we are ready to go back to the Operations Committee, Jim.

15 JIM ROGERS: Thank you, Mr. Chairman. We do have a draft on the actions at
16 the Operations Committee. Does anyone...has everyone reviewed it and agree with
17 what's in that? Kevin.

18 KEVIN SALTER: I did get comments from Steve Witte. This is Kevin Salter
19 with Kansas Division of Water Resources. On the first paragraph, that we insert "the
20 written" before report. That last sentence reads, "The Operations Committee accepted
21 both written reports and did not adopt either report."

22 JIM ROGERS: Okay, if that's approved. If everyone agrees with that.

1 KEVIN SALTER: And in anticipation of that, I did print out four original copies
2 for you, Mr. Rogers, and Mr. Brenn and sign which is acceptable to you.

3 JIM ROGERS: Okay, do we have a motion? (inaudible talking in the
4 background). ROBIN JENNISON: Rod's made that motion. Is there a second?
5 Seconded. Discussion? The motion is to accept the report of the Operations Committee.
6 Discussion? All those in favor, aye. Motion carried. Jim, does that wrap up your
7 committee?

8 JIM ROGERS: One other item on here we have per budget...why we've got the
9 check ready to send to the...it goes to the Division of Water Resources in Denver for
10 \$10,500 and that is matching with the budget. Now I'll send that. That's all my report.

11 DAVID POPE: Jim, that's the cost share that we provide for the satellite gaging
12 system?

13 ROBIN JENNISON: Okay, if I read the agenda right, that's it. Does anybody
14 else have anything else we need to bring up? (inaudible) Is there a motion to adjourn?
15 Rod's made that motion, David Pope seconded. Discussion? All in favor, aye. We're
16 done.

17 Compact meeting adjourned at 10 minutes after 11:00 a.m. MST.

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Attachments to the Transcript of the December 9, 2003

Annual Meeting of the Arkansas River Compact Administration

- Sign up sheet – Page 3
- Agenda – Page 6
- The Lower Arkansas Valley Water Conservancy District Report – Page 13
- Report of Civil Works Activities by the U.S. Army Corps of Engineers, Albuquerque District, in the Arkansas River Basin during Calendar Year 2003 – Page 20
- Draft Resolution of the Arkansas River Compact Administration, December 9, 2003 concerning changes to the Trinidad Operating Principles – Pages 25
- U.S. Geological Survey Water-Resources Activities Report – Page 37
- Proposed Budget – Page 52
- Operations Committee Action items – Page 57

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CERTIFICATE

STATE OF KANSAS)
) ss:
SHAWNEE COUNTY)

I, Leslie K. Garner, hereby certify that the foregoing is a transcript transcribed
from the tape recorded proceedings had in this matter at the aforementioned place.

WITNESS my hand and official seal on this 1st day of
September, 2006.

Leslie K. Garner
Leslie K. Garner

Attachment 1

ATTENDANCE LIST**ARKANSAS RIVER COMPACT ADMINISTRATION ANNUAL MEETING****Tuesday, December 9, 2003, 8:00 a.m. (MST) Lamar Community Building, Lamar, Colorado**

<u>NAME</u>	<u>REPRESENTING</u>	<u>ADDRESS</u>	<u>PHONE & FAX</u>	<u>EMAIL</u>
Ken Ruppel	CO AREA	Lamar 32259 Rd 13	719 336 2124	
Rod Kuharich	Colorado	1313 Sherman St Den CO 80203	303-866-2562	rod.kuharich@state.co.us
Tom Finton	Colo.	34805 Rd 17 Las Animas CO 81054	719-456-0413	
Dennis Montgomery	Colo	1441 18th St. #100 Denver, CO	303-296-8100	
Robin Jennison	Federal Government	236 N Rural Hwy Heaf, KS	620 397 3340	robin@kansgsoutdoor.com
Dave Brenn	Ks	Hardin City, Mo 1710 Main Street, Conn	620-575-2460	dbrenn@gsnet.com
David C Pope	KS	109 SW 9th St Topeka, KS	785 296-3710	dpope@kda.state.ks.us
Randy Hayzlett	Ks	Rt 1 Box 44 Lakin, KS 67860	620-355-7499	hayzlett@pld.com
Leah E. Rolfe	KS	109 SW 9th, 4th floor Topeka, KS 66612	785-296-4616	lrolfe@kda.state.ks.us

ARKANSAS RIVER COMPACT ADMINISTRATION ANNUAL MEETING

Tuesday, December 9, 2003 8:00 a.m. (MST) Lamar community Building, Lamar, Colorado

NAME	REPRESENTING	ADDRESS	PHONE & FAX	EMAIL
Dale Book	Sprink Water	Denver, Co	(303) 861-9700	dbook@sprinkwater.com
Mark Rude	KS. KDA/DWR	GARDEN CITY, KS.	(620) 276-2901	MRUDE@KDA.STATE.KS.
Steve Witte	CO Div Water Res/ARCA Operations Secretary,	Pueblo, CO	(719) 542-3368	steve.witte@state.co.us
Monique Morey	CO Div Water Resources	Pueblo, Co	(719) 542-3368	monique.morey@state.co.us
Bill Tyner	CO DIV WATER RES	PUEBLO, CO	(719) 542-3368	bill.tyner@state.co.us
Steve Miller	colo water cons Bd	1313 Sherman St #721 Denver CO 80203	303-866-3532	steve.miller@state.co.us
Julianne Woldridge	PRWCD	530 Communication Circle #204 Colorado Springs 80905	719 520-9288	jwoldridge@waterlaw.tv
Thelma Lujan	PRWCD	314 W. Main Trinidad, CO 81082	719-846-7285 719-846-6941-Fax	PRWCD@yahoo.com
Jason Landers	Pueblo Chief	Pueblo, Co	719 544 3520 ext 421	JLanders@chick.com
Abel Bonavidez	PRWCD	23465 CR 105.0 Moffat Co. 81059	719-846-3504	
Beverly Spady	Spady Consulting	4500 W. 1st Ave. Arvada	719-456-1899	b-spady@yahoo.com

ARKANSAS RIVER COMPACT ADMINISTRATION ANNUAL MEETING

Tuesday, December 9, 2003 8:00 a.m. (MST) Lamar community Building, Lamar, Colorado

NAME	REPRESENTING	ADDRESS	PHONE & FAX	EMAIL
JERIS DANIELSON	PRWCD	517 BELLEVUE LA JUNTA CO 81050	719-383-2598 719-384-9528 FAX	jeris-danielson @ hotmail.com
Carol Angel	Colo. A.G.'s Office	1525 Sherman ^{3rd} Fl Denver CO 80202	303 866-5016 303 866 3558 fax	
Steven Hines	Frontier Ditch Co	Box 147 Coolidge Ks. 67836		
LTC DANA HURST	U.S. ARMY CDE	4101 JEFFERSON PLAZA NE ALBUQUERQUE, NM 87109	(505) 342-3482	
Mark Yuska	USACE	" "	505 342 3608	mark.e.yuska @ usace.army.mil
C. Susan Shampine	U.S. Army Corps of Engineers	" "	505-342-3602	susan.shampine @ usace.army.mil
Erma Evans	Director P.R. W.C.D.	Trinidad 81082 1206 Alta St	719-846-6494	
Paul Flack	COLORADO STATE Parks	1363 Sherman St Denver, CO 80203	303-894-2583	paul.flack @ state.co.us
Thomas E. Lippert	Wild Land & Scenic	PO Box 57 madehecho	719 846 2235 Fax 719 846 6745	Oxleymgr @ Hotmail.com
Mark M. Stark	U.S. Army Corps of Engineers	29955 Cty Rd 25.75 Hasty, CO 81044	719-336-3476 9711	mark.m.stark @ usace.army.mil
VAN TRUAN	U.S. Army Corps of Engineers	720 N. Main Suite 300 Pueblo, Colo. 81003	719-543-9459	van.truan @ usace.army.mil

ARKANSAS RIVER COMPACT ADMINISTRATION ANNUAL MEETING

Tuesday, December 9, 2003 8:00 a.m. (MST) Lamar community Building, Lamar, Colorado

NAME	REPRESENTING	ADDRESS	PHONE & FAX	EMAIL
Bill GRASMICK	LAUMA	LAMAR CO	719 336 9696	
Don Steerman	Dist 67, Army Buffalo	P.O. Box 390 Lamar, CO 81052	(719) 336-4313 (719) 336-4315 (Fax)	Shinnsteerman@ Centurytel.net.
Grady McNeill	Colorado Division of Wildlife	6060 Broadway Denver, CO 80216	(303) 291-7280	Grady. McNeill @ State. Co. us
Philip Reynolds	SE Colorado Water Conservancy Dist.	31717 United Ave Pueblo, CO 81001	719-948-2400 719-948-0036	phil@secwcd.com jwb@secwcd.com
KEVIN SALTER	KANSAS DIVISION of WATER RES	2508 JOHN GARDEN CITY KS 67846	(620) 276-2901	
Paula Sundbe	Bureau of Reclamation	11056 W City Rd 18E Loveland CO 80537	970 667 4410	PSunde@gp.usbr.gov.
Alice Johns	"	"	"	ajohns@ " " "
Lisa Vehmas	"	"	970 962-4369 970/963-3212	LVehmas@gp.usbr.gov
Malcolm Wilson	"	"	970-962-4362	mwilson@gp.usbr.gov
Brian Person	"	"	(970) 962-4300	bperson@gp.usbr.gov
George Austin	KS DWR - KS St. Bd of Agri.	109 SW 9th, 2nd Flr Topeka, KS 66612	785-296.1495 # 785-296.1176	gaustin@kda.state. ks - us

ARKANSAS RIVER COMPACT ADMINISTRATION ANNUAL MEETING

Tuesday, December 9, 2003 8:00 a.m. (MST) Lamar community Building, Lamar, Colorado

<u>NAME</u>	<u>REPRESENTING</u>	<u>ADDRESS</u>	<u>PHONE & FAX</u>	<u>EMAIL</u>
David W. Anderson	Div. of Water Resources KS	2508 Johns St Garden City KS 67846	620-276-2901	danderson@kda. state.ks.us

Attachment 2

ARKANSAS RIVER COMPACT ADMINISTRATION

112 West Elm Street, Lamar, Colorado 81052
719-336-2732

For Colorado
Rod Kuharich, Denver
James G. Rogers, Lamar
Thomas R. Pointon, Las Animas

Chairman and Federal Representative
Robin Jennison
Healy, Kansas

For Kansas
David L. Pope, Topeka
David A. Brenn, Garden City
Randy Hayzlett, Lakin

NOTICE & AGENDA **2003 ANNUAL MEETING**

ARKANSAS RIVER COMPACT ADMINISTRATION

LAMAR, COLORADO
TUESDAY, DECEMBER 9, 2003,
8:00 A.M. (MST)

LAMAR COMMUNITY BUILDING
610 SOUTH SIXTH STREET
LAMAR, COLORADO

The **2003 Annual Meeting** of the **Arkansas River Compact Administration** will be held in **Lamar, Colorado**, at the time and place noted above. The **Lamar Community Building** is located at 610 South Sixth Street, in Lamar, approximately six blocks South of the railroad, and two blocks West of Highway 50 via Parmenter Street. The meeting will be recessed for lunch at about 12:00 P.M. and reconvened for the completion of business in the afternoon as necessary. Meetings of the Administration are operated in compliance with the federal Americans with Disabilities Act. If you may need a special accommodation as a result of a disability please contact Jan Anderson at 719-336-2732 at least three days before the meeting.

The Engineering, Operations, and Administrative/Legal Committees of the Administration will meet on **Monday, December 8, 2003**, also at the **Lamar Community Building**, beginning at **1:00 P.M. MST** and continuing to completion at approximately 6:00 P.M. Tentative agendas for the Committee meetings follow. The public is welcome to attend the Committee meetings, but time for comments may be limited.

The tentative agenda for the Annual Meeting, which is subject to change, is also set out below.

MONDAY, DEC. 8, 2003, 1:00 P.M. (MST)
LAMAR COMMUNITY BUILDING
ARCA COMMITTEE MEETINGS
TENTATIVE AGENDA (subject to change)

A ENGINEERING COMMITTEE at 1:00 P.M.

1. **Status Report Colorado Offset Account operations**, by Colorado Division Engineer, Steve Witte
2. **US Geological Survey Report**
 - a. Review of ongoing technical studies
 - b. Gaging effort and costs
3. **Colorado Proposal: John Martin Reservoir permanent pool**
 - a. Resolution clarifying permanent pool evaporation calculation and apportionment
 - b. Highland Canal water rights as new source of water for permanent pool inflow
4. **Purgatoire River Water Conservancy District / Trinidad Project:**
 - a. Status report on Trinidad Project and District operations
 - b. Status report on Acreage Verification System development
 - c. Proposed amendments to Trinidad Project Operating Principles
 - (1) Stockwater provisions
 - (2) Acreage Verification System
5. **Other matters**

B OPERATIONS COMMITTEE at approximately 3:00 P.M.

1. **Reports of Operations Secretary and Assistant Operations Secretary**
 - a. Operations Secretary, Steve Witte
 - b. Assistant Operations Secretary, Mark Rude
2. **Committee Recommendations re 2003 Operations Secretary Report and 2003 Assistant Operations Secretary Report**
3. **Accounting and Operations Issues from Prior Years**
4. **Report on Rotating AOS and OS duties**
5. **Other Matters**

C ADMINISTRATIVE & LEGAL COMMITTEE at approx. 5:00 P.M.

- 1. Review Agenda for Annual Meeting**
- 2. Report of Recording Secretary**
 - a. Proposed Bylaw change regarding check signatures and payments
 - b. Review personnel services contract
- 3. Financial Matters:**
 - a. Audit Report, review and approval of FY 02-03 Report (7/1/02-6/30/03)
 - b. Treasurer Report
 - c. Budget review and adoption
 - (1) Review of current fiscal year (2003-04) budget
 - (2) Review of previously adopted FY 2004-05 budget and assessments
 - (3) Adoption of FY 2005-2006 budget and assessments
- 4. Status of Transcripts and/or Summaries from Prior Meetings:**
 - a. Annual Meetings: 1993, 1998, 1999, 2000, 2001, 2002, May 2003
 - b. Special Meeting Minutes
- 5. Annual Report Preparation**
 - a. Status of uncompleted reports from 1994-2002
 - b. Process to complete backlog and for future years

TUESDAY, DEC. 9, 2003, 8:00 A.M. (MST)
2003 ANNUAL MEETING
LAMAR COMMUNITY BUILDING
TENTATIVE AGENDA (subject to change)

- 1. Call to Order: Federal Representative, Robin Jennison**
- 2. Introductions of Representatives and Visitors**
- 3. Review and Revision of Agenda**
- 4. Reports of Officers for Compact Year 2003:**
 - a. Chairman: Robin Jennison
 - b. Vice-chairman: David Pope
 - c. Recording Secretary: Jan Anderson [defer to agenda item 9]
 - d. Treasurer: Jim Rogers [defer to agenda item 9]
- 5. Report of Operations Committee**
 - a. Reports of Operations Secretary and Assistant Operations Secretary for CY2003
 - b. Committee recommendations re 2003 Operations Secretary Report and 2003 Assistant Operations Secretary Report
 - c. Progress Report on accounting issues and approval status of prior year reports
 - d. Report on rotating AOS and OS duties
- 6. Reports from Colorado Water Conservancy Districts**
 - a. Southeastern Colorado Water Conservancy District
 - b. Lower Arkansas Valley Water Conservancy District
 - c. Purgatoire River Water Conservancy District
- 7. Reports of Federal Agencies:**
 - a. U.S. Geological Survey [defer to agenda item 8.c]
 - b. U.S. Army Corps of Engineers
 - c. U.S. Bureau of Reclamation

8. Report of Engineering Committee

- a. Proposed Resolution re Amendment(s) to Trinidad Project Operating Principles
 - (1) Stockwater provisions
 - (2) Acreage Verification System
- b. Proposed Resolution re John Martin Reservoir Permanent Pool
 - (1) Evaporation calculation and apportionment
 - (2) Highland Canal water rights as new source of inflow
- c. Review of USGS Report to Engineering Committee

9. Report of Administrative and Legal Committee

- a. Approval of transcripts and/or summaries from prior meetings
- b. Annual report preparation
- c. Election of Officers for Compact Year 2004
- d. Appointment of Committee members and chairs for Compact Year 2004
- e. Financial matters
 - (1) Audit Report
 - (2) Budget review and adoption
- f. Resolution amending Bylaws re check signing and payments

10. Adjournment

Attachment 3

THE LOWER ARKANSAS VALLEY WATER CONSERVANCY DISTRICT

Representing Pueblo, Otero, Crowley,
Bent and Prowers Counties



SIGNIFICANT EVENTS LEADING TO THE LAVWCD FORMATION

- Front Range Municipalities Continue To Buy Up Lower Arkansas Valley Water Rights To Transfer Out Of The Arkansas River Basin
- Water Transfers Have a Huge Negative Economic Impact Throughout Lower Arkansas Valley
- Arkansas Valley Water Preservation Group Formed January 2002
- 2002 Drought

JULY 2002 CIRULI ASSOCIATES PUBLIC OPINION SURVEY RESULTS

- 34% Water/drought Ranked As Top Issue
- 11% Education Second In Importance
- 10% Jobs / Economy Third In Importance
- 90% Disapproved Of Out Of Basin Water Sales
- 82% Approved The Conservancy District Formation
- 78% Favored 1.5 Mill Levy Increase To Support District To Raise \$1.6 Million
- 84% Important To Keep Water In Farming & Ranching For Future Economy
- 34% Favored Use Of Water For Wildlife & Recreation
- 89% Important For The State Of Colorado To Deal With The Drought

DISTRICT FORMATION MILESTONES

➤ NOVEMBER 2002

- 64% Of Voters of Pueblo, Otero, Crowley, Bent & Prowers Counties Approved New District Initiative

➤ MISSION OF THE DISTRICT

- To acquire, retain, and conserve native water flowing in the Arkansas River and its tributaries
- To insure that such water will remain in the valley for the socio-economic benefit of the citizens of the five counties
- To participate in such water-related projects as will embody thoughtful conservation, responsible growth, and beneficial water usage within the Lower Arkansas Valley

LAVWCD INVOLVEMENT AND ISSUES

- Accepting Conservation Easements
- Arkansas Valley Conduit Participation
- Passed a Resolution to Support Tamarisk Eradication
- Contacted USGS to Study Water Quality in Lower Arkansas River
- Signed Arkansas Valley Water Preservation Goals & Principles Document

2003 LAVWCD MILESTONES

- Purchase of 100 LAWMA Shares
- Purchase of 50 Fort Lyon Canal Shares
- 1/10TH Share of Catlin Canal Donated to LAVWCD
- Purchasing 40 Shares Twin Lakes Water
- Purchasing 30 Shares Colorado Canal/Lake Meredith Water

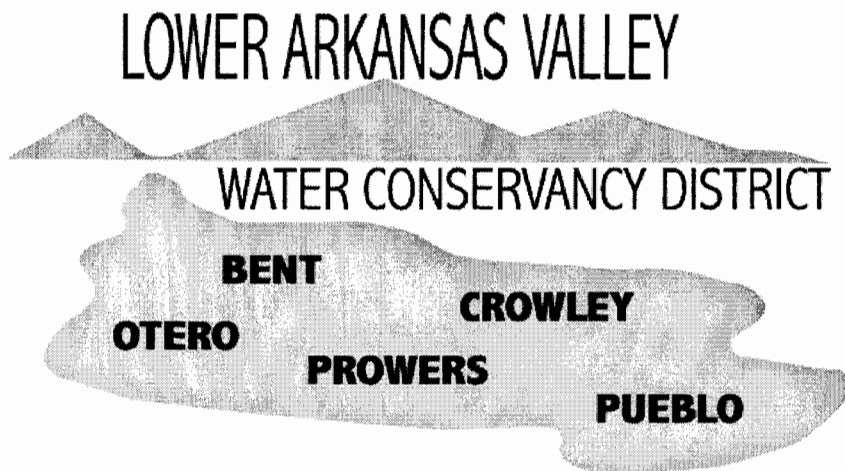
LAVWCD FUTURE FOCUS

- Best Use Of District's Limited Financial Assets
- Water Acquisition Policy & Strategic Plan
- Optimize Uses For Water Purchases
- Investigate Storage Options
- Farming Efficiency Techniques
- Conservation Easements
- Prevent Arkansas River System Devastation

CURRENT AND FUTURE LAVWCD PARTNERSHIPS

- District Legislators
- Ditch and Canal Companies
- Augmentation Associations
- Regional Economic Development Groups
- Upper Arkansas Water Conservancy District
- Southeast Colorado Water Conservancy District
- Arkansas Valley Preservation Land Trust
- Kansas

FORMED TO PROTECT THE FUTURE



- LOWER ARKANSAS
VALLEY WATER
CONSERVANCY DISTRICT
- 801 SWINK AVENUE
- ROCKY FORD, COLORADO
81067
- (719) 254-5115 (PHONE)
- 719-254-5150 (FAX)
- lavwcd@centurytel.net
- www.lavwcd.org

Attachment 4

**Report of Civil Works Activities by the
U.S. Army Corps of Engineers, Albuquerque District
in the Arkansas River Basin
During Calendar Year 2003**

1. General. During 2003, activities of the U.S. Army Corps of Engineers, Albuquerque District (Corps), in the Arkansas River Basin consisted of reservoir regulation, flood-control related studies, flood plain management services, regulation under Section 404 of the Clean Water Act, and emergency assistance.

2. Flood Control Operations. The Arkansas River snowmelt runoff was near normal throughout the entire basin, ranging from 93% to 110% of average. There were no significant flood-control operations at Trinidad, John Martin or Pueblo Reservoirs.

3. Planning Assistance to States (Section 22) Program. Under authority of Section 22 of the Water Resources Development Act of 1974, the Corps is authorized to assist non-Federal entities in the preparation of comprehensive plans for the development, use, and conservation of water and related land resources.

There are no new or ongoing studies in the Arkansas Basin under the Planning Assistance to States Program.

4. Section 1135. The 1986 Water Resources Development Act authorized the review of completed water resources projects to implement modifications that improve the quality of the environment, when environmental degradation resulted from the Corps project.

A Preliminary Restoration Plan (PRP) is being developed with Fremont County to address wetland and riparian restoration in the vicinity of Canon City, Colorado. The PRP development began in May, 2003, and work on plans and specifications is scheduled to begin in February, 2004.

5. Section 206. The 1996 Water Resource Development Act provided authority for aquatic ecosystem restoration projects in areas unrelated to existing Corps water projects.

In October 2001, the Arkansas River Fisheries Habitat Restoration project was approved and a Project Cooperation Agreement was signed with the City of Pueblo in April 2002. The project will improve fish and riparian habitat along ten miles of the Arkansas River downstream of Pueblo Dam. The Corps has completed preparation of contract documents, including construction drawings and technical specifications. Improvements will include instream habitat and channel enhancement structures, channel restructuring, and riparian/bank plantings. Construction is scheduled to start in February 2004.

In October 2002, the Corps completed a PRP and requested approval to begin the feasibility study for the Confluence Park Stream Restoration project. The project is located at the confluence of Fountain and Monument Creeks in Colorado Springs, CO and the local sponsor is the City of Colorado Springs. The project would restore a portion of Monument and Fountain creeks in downtown Colorado Springs to a more natural riparian condition. The project is currently on hold pending a decision by the Colorado Department of Transportation regarding reconstruction of the Highway 24/I-25 interchange in the project area.

The Corps has completed a PRP for restoring wetlands near Rocky Ford, CO. The local sponsor is the City of Rocky Ford, CO. The environmental assessment, plans, and specifications are currently underway.

6. Continuing Authorities Program. The non-federal sponsor, under both of the following authorities, must contribute 35% of the cost for these projects. This program is available to communities, flood control organizations, and other governing entities. Those having a need for this program should contact the U.S. Army Corps of Engineers, 4101 Jefferson Plaza NE., Albuquerque, New Mexico 87109, telephone (505) 342-3201.

Section 14. Under Section 14 of the 1946 Flood Control Act, as amended, the Corps provides emergency streambank protection works to prevent damage to public facilities.

There are two Section 14 projects at Colorado Springs; one at Powers Blvd and one at Chelton Road. The projects are to protect the roadway bridges and involve grade control and slope protection. These projects are on hold pending funding by the city of Colorado Springs.

Section 205. Under Section 205 of the 1948 Flood Control Act, as amended, the Corps is authorized to plan and construct small flood damage reduction projects that were not authorized by Congress.

There is one Section 205 project at Colorado Springs along Cheyenne Creek. The District is recommending that this become a General Investigation Study, since the costs exceed the Federal funding limitations for a Section 205 project (\$7,000,000 per project).

There is another Section 205 project at Florence along the Oak Creek, a tributary to the Arkansas River. The project is being designed to fulfill both flood control and water supply objectives.

7. General Investigations. The Corps General Investigations program provides for large comprehensive solutions to complex problems that can explore solutions on a watershed scale. The Fountain Creek watershed study began in 2002 and will be on-going for the next three years. The project will look at the entire watershed, identifying potential detailed studies involving environmental restoration, flood reduction, socio-economic effects and other factors by studying and generating an Environmental Impact Study and Feasibility document.

8. Flood Plain Management Services. The Corps Flood Plain Management Services (FPMS) Program authority stems from Section 206 of the Flood Control Act of 1960 (PL 86-645), as amended. The objective of the Flood Plain Management Services Program is to support comprehensive floodplain management with technical services and planning guidance at all appropriate governmental and community levels. These services are provided to State, regional, and local governments and Indian tribes at no cost. Section 321 of the Water Resources Development Act of 1990 requires recovering the cost of services provided to Federal Agencies and to private entities. A fee schedule has been established. Section 202 of the Water Resources Development Act of 1999 (PL 106-53) authorizes the Secretary of the Army to collect funds contributed voluntarily from State, regional, and local governments, Indian tribes, and other non-Federal public agencies for the purpose of recovering the cost of providing services pursuant to Section 206.

Services available include assistance in interpretation and evaluation of basic flood-hazard data; guidance in preparation of floodplain regulations; advice on the use of data regarding possible alternative developments in flood-prone areas; guidance on structural and nonstructural measures that might be employed to reduce flood hazard; and, in some cases, development of basic flood-hazard data. Governmental agencies or persons having a need for these services should contact the U.S. Army Corps of Engineers, Hydrology and Hydraulics Section, 4101 Jefferson Plaza NE, Albuquerque, New Mexico 87109-3435, telephone 505-342-3323, or consult the FPMS web page at: <http://www.spa.usace.army.mil/fpms>.

In 2003, at the request of the Colorado Water Conservation Board and the city of Florence, and funded by the Federal Emergency Management Agency, Region VIII, the Corps initiated and completed a floodplain delineation study for Coal Creek through the city of Florence in Fremont County.

The Corps completed a hydrologic analysis of the Black Squirrel Creek watershed in El Paso and Pueblo Counties as an FPMS Special Study. The Corps also initiated a Flood Insurance Study for Black Squirrel Creek and five tributaries in the vicinity of the town of Ellicott in El Paso County.

The Corps is currently completing a hydrologic analysis of Fountain Creek and Monument Creek from the headwaters to the confluence with the Arkansas River. The hydrologic analysis will serve to provide consistent hydrologic data for the Fountain Creek watershed.

In addition to these studies, the Corps received twenty requests for technical services at specific sites within the Arkansas River Basin.

9. 404 Permits. Section 404 of the Clean Water Act prohibits discharges of dredged or fill materials into waters of the United States, including wetlands, without a permit from the Corps.

In 2003, 14 individual permits were issued in the Arkansas River Basin. An additional 102 activities in the Basin were reviewed during the period and most were covered under nationwide permits. Persons or agencies who are planning to conduct fill or excavation activities in any waterway are advised to contact the Southern Colorado Project Office, 720 North Main, Suite 205, Pueblo, Colorado 81003, (719) 543-9459. Information, including all public notices, is also available on our web home page at: <http://www.spa.usace.army.mil/reg/>.

10. Emergency Management Coordination. Public Law 84-99 gives the Corps of Engineers the authority to assist state and local governments before, during and after flood events.

The Corps' Emergency Management Branch works with Local governments to inspect numerous flood control projects throughout the Arkansas Basin to ensure that these facilities are in proper operational condition for the next flood season. During years with high snow pack, the Corps works with the Colorado Water Conservation Board to prepare for flood fight activities that may be required.

During the past year, the Emergency Management Branch received 4 contacts from local governments and private citizens in the Arkansas River Basin requesting information or assistance regarding flood related activities.

Attachment 5

DRAFT
RESOLUTION OF THE
ARKANSAS RIVER COMPACT ADMINISTRATION
DECEMBER 9, 2003

WHEREAS, on May 23, 2003, the Arkansas River Compact Administration approved changes to the Operating Principles, Trinidad Reservoir and Dam Project;

NOW THEREFORE BE IT RESOLVED that the Arkansas River Compact Administration hereby approves the following modifications of the resolution adopted by Arkansas River Compact Administration on May 23, 2003:

1. Delete paragraph IV. B. 2. and insert the following:

"IV. B. 2. The **District** shall provide notice each year, prior to June 1, to the State of Kansas, the Bureau of Reclamation and other parties making a written request, of lands expected to be irrigated. Such notice shall include a map and a tabulation of said lands, both showing tracts, their acreage and location. Any interested party may conduct field inspections related to the **District irrigable Area**, and the **District** shall cooperate with the party in the conduct of such inspections.

The **District** shall implement substantive procedures to verify each year that no more than the **District Irrigable Area**, less lands **Removed from irrigation**, are irrigated in that year. The **District** shall prepare a report each year including a tabulation showing tracts, acreage and location of lands irrigated in that year. The **District** shall provide the report to the State of Kansas, the Bureau of Reclamation and other parties making a written request by February 1 of the following year."

2. Delete paragraph IV.D.2.(a) and insert the following:

"IV.D.2.(a) During the **non-irrigation season** the **District** may provide an annual allowance for stock watering purposes of not more than 1,200 acre feet measured at the headgates of Project ditches. If the stream gains below the Trinidad Dam are insufficient to fulfill this allowance, water may be released from the reservoir at any rate as needed to efficiently satisfy stock water demands within the allowance. Any water accumulated but not released for stock watering purposes as of April 1 shall be accounted as part of the annual **District storage right**."

The provisions of this Amendment shall not be effective until the date the Amendment has been approved by each and all of the five signatories to the Operating Principles, as demonstrated by the respective signatures to be attached to this Resolution. Confirmation of the effective date will be provided to all other signatory parties by the Bureau of Reclamation

Approved and adopted by the Arkansas River Compact Administration at its December 9, 2003, Annual Meeting.

Robin Jennison, Federal Representative and Chairman
Arkansas River Compact Administration

Attachment 6

**Report of U.S. Geological Survey Water-Resources Activities
in the Arkansas River Basin of Colorado
to the
Arkansas River Compact Administration**

December 8, 2003

Items of Direct Interest to the Administration\

In 2003, eight streamflow gages were operated under the USGS/ARCA cooperative program. Annual flows for WY2003 are shown in the attached table. The daily streamflow statistics will be published in the USGS Annual Data Report which is expected to be published in June and, subsequently, on the World Wide Web at <http://co.water.usgs.gov/Pubs/index.html#DataReport>. No significant problems were encountered with streamflow records. However, there continues to be intermittent problems at Big Sandy Creek at Lamar due to construction of a beaver dam below the gage. The USGS has installed a new non-contact sensor at the Arkansas River at Lamar. This sensor will help to eliminate loss of streamflow record during flood events (enhancing flood warning) and during periods of extremely low flow.

In 2004, the USGS proposes to continue operation of the eight streamflow gages at a cost to ARCA of \$35,440. Also, in 2004, the USGS will be prioritizing all USGS data program operations in Colorado. This prioritization could affect the future percentage of federal matching funds available for various sites.

As part of the final phase of a cooperative study between the USGS and the Colorado State Engineer, temporal variability in estimates of ground-water pumpage using power conversion coefficients and totalizing flow meters is continuing to be evaluated in 2004.

Purgatoire River Water Conservancy District, CWCB, BOR, and USGS are continuing to study seepage losses on eight irrigation canals along the Purgatoire River downstream of Trinidad Dam. Two seepage loss runs have been completed on all eight ditches and a third seepage loss investigation was made on several of the small ditches last summer (2003).

Items of General Interest

The USGS, Southeastern Colorado Water Conservancy District, and the Southeastern Colorado Water Activity Enterprise is continuing a long-term basic water-quality monitoring network at 10 sites upstream of John Martin Reservoir. A draft report documenting a method developed to use a threshold, or action level, to indicate future changes in salinity relative to historic conditions at selected sites in the lower Arkansas River Basin is receiving final review and subsequent approval. Once the report is approved, the automated method will be placed on the the World Wide Web.

Summary of Mainstem and Tributary Flows Below John Martin Reservoir, Water Years
2002 and 2003

Station Name	WY2002 Annual Flow in Acre Feet	WY2003 Annual Flow in Acre Feet	2003 as % of 2002	2003 as % of Average
Arkansas River below John Martin Reservoir	85,390	73,270	86%	36%
Arkansas River at Lamar	32,180	12,820	40%	15%
Big Sandy Creek near Lamar	7,160	2,030	28%	17%
Baseflow	4,620	1,240	27%	
Above Baseflow	2,540	790	31%	
Arkansas River near Granada	45,700	14,680	32%	10%
Wildhorse Cr. above Holly (April 1-October 31) ¹	1,570	1,800	115%	20%

¹ 1,097 acre-ft or 61% of total annual flow occurred between May 28 and June 10.

Attachment 7

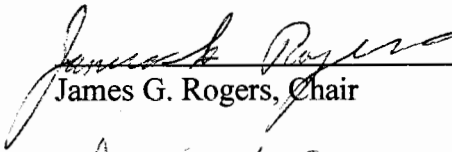
BUDGET ITEM		BUDGETS & ACTUAL EXPENDITURES FROM AUDITS								CURRENT BUDGETS				PROPOSED
		FY99-00		FY00-01		FY01-02		FY02-03		FY03-04		FY04-05	FY04-05	FY05-06
PERIOD		7/1/99-6/30/00		7/1/00-6/30/01		7/1/01-6/30/02		7/1/02-6/30/03		7/1/03-6/30/04		7/04-6/05	7/04-6/05	7/05-6/06
proposed												05/22/03		12/08/03
adopted						12/07/99		12/11/00		12/10/01		05/23/03		
revised										05/23/03			12/09/03	
audit prepared		10/30/00		09/19/01		11/04/02		11/06/03						
audit approved						05/23/03								
I. EXPENDITURES		BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL					
A. PROFESSIONAL SERVICE CONTRACTS														
1	Treasurer	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
2	Recording Secretary	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,500	\$2,500
3	Operations Secretary	\$6,100	\$6,098	\$6,100	\$6,087	\$6,100	\$6,085	\$6,100	\$6,082	\$6,100	\$6,100	\$6,100	\$6,100	\$6,100
4	Auditor's Fees	\$400	\$350	\$400	\$675	\$400	\$375	\$400	\$385	\$500	\$500	\$500	\$500	\$500
5	Court Reporter's Fees	\$1,000	\$149	\$1,000	\$2,745	\$1,000	\$2,154	\$1,000	\$120	\$1,500	\$1,500	\$2,000	\$2,000	\$2,000
	subtotal services	\$11,500	\$10,597	\$11,500	\$13,507	\$11,500	\$12,614	\$11,500	\$10,587	\$12,100	\$12,100	\$12,600	\$13,100	\$13,100
B. GAGING STATIONS & STUDIES														
1	U.S.G.S. Colorado Dist. Joint Funding fed. FY	\$25,700	\$36,387	\$26,800	\$21,673	\$28,000	\$25,200	\$29,000	\$31,070	\$30,500	\$31,700	\$33,000	\$35,450	\$40,000
2	U.S.G.S. Kansas Dist. Joint Funding fed. FY	\$7,200	\$7,180	\$7,550	\$9,075	\$8,000	\$7,975	\$8,500	\$8,000	\$9,000	\$8,200	\$9,000	\$8,500	\$10,000
3	State of Colorado Satellite System	\$10,500	\$10,500	\$10,500	\$10,500	\$10,500	\$10,500	\$10,500	\$10,500	\$10,500	\$10,500	\$10,500	\$10,500	\$10,500
	subtotal gaging	\$43,400	\$54,067	\$44,850	\$41,248	\$46,500	\$43,675	\$48,000	\$49,570	\$50,000	\$50,400	\$52,500	\$54,450	\$60,500
C. OPERATING EXPENSES														
1	Treasurer's Bond	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100
2	Annual Reports Printing	\$2,000	\$0	\$1,000	\$0	\$1,000	\$0	\$1,000	\$0	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000
3	Telephone	\$1,200	\$1,125	\$1,200	\$1,525	\$1,200	\$1,200	\$1,200	\$938	\$1,200	\$1,200	\$1,200	\$1,000	\$1,000
4	Miscellaneous Office Expense	\$300	\$0	\$300	\$300	\$300	\$300	\$300	\$340	\$300	\$300	\$300	\$300	\$300
5	Postage/Copying/Supplies	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$479	\$400	\$400	\$400	\$400	\$400
6	Meetings	\$500	\$325	\$500	\$122	\$500	\$297	\$500	\$493	\$500	\$500	\$500	\$500	\$500
7	Travel	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8	Rent	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$709	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200
	subtotal operating	\$5,100	\$2,550	\$4,100	\$3,047	\$4,100	\$2,897	\$4,100	\$3,059	\$11,700	\$11,700	\$11,700	\$11,500	\$11,500
D. EQUIPMENT		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
E. CONTINGENCY		\$2,000	\$0	\$2,000	\$0	\$2,000	\$0	\$2,000	\$0	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
F. LITIGATION		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL ALL EXPENDITURES		\$62,000	\$67,214	\$62,450	\$57,802	\$64,100	\$59,186	\$65,500	\$63,216	\$75,800	\$76,200	\$78,800	\$81,050	\$87,100
II. INCOME														
A. ASSESSMENTS														
1	Colorado (60%)	\$40,800	\$40,800	\$40,800	\$40,800	\$40,800	\$40,800	\$40,800	\$40,800	\$40,800	\$40,800	\$40,800	\$40,800	\$40,800
2	Kansas (40%)	\$27,200	\$27,200	\$27,200	\$27,200	\$27,200	\$27,200	\$27,200	\$27,200	\$27,200	\$27,200	\$27,200	\$27,200	\$27,200
	subtotal	\$68,000	\$68,000	\$68,000	\$68,000	\$68,000	\$68,000	\$68,000	\$68,000	\$68,000	\$68,000	\$68,000	\$68,000	\$68,000
C. INTEREST EARNINGS		\$1,000	\$2,322	\$1,000	\$2,533	\$1,000	\$2,585	\$1,000	\$1,962	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
D. MISCELLANEOUS		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL ALL INCOME		\$69,000	\$70,322	\$69,000	\$70,533	\$69,000	\$70,585	\$69,000	\$69,962	\$70,000	\$70,000	\$70,000	\$70,000	\$70,000
III. CASH BALANCE ACCOUNT														
A. JULY 1 BALANCE			\$64,563		\$67,671		\$80,402		\$91,801	\$98,547	\$98,547	\$92,347	\$92,347	\$83,547
B. REDUCTION FROM BALANCE										-\$5,800	-\$6,200	-\$8,800	-\$11,050	-\$17,100
C. ADDITION TO BALANCE		\$7,000	\$3,108	\$6,550	\$12,731	\$4,900	\$11,399	\$3,400	\$6,746					
D. JUNE 30 BALANCE			\$67,671		\$80,402		\$91,801		\$98,547	\$92,747	\$92,347	\$83,547	\$81,297	\$66,447

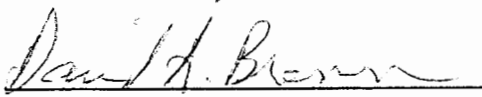
Attachment 8

Action Items
from Operations Committee Meeting
of December 8, 2003

1. The Operations Committee heard the reports of the Operations and Assistant Operations Secretaries. The Operations Committee accepted both written reports but did not adopt either report.
2. Accepted *communication tables* entitled "Event Dates within Compact Year" and "Events within Compact Year" which are attached (Revision date November 6, 2003). The Operations Committee agreed to an April meeting with staffs.
3. The Operations Secretary submitted to the Operations Committee a "Special Report of the Operations Secretary – Concerning Processes to Resolve Administrative Issues, and a Proposal to Alternate the Offices of Operations Secretary and Assistant Operations Secretary," (hereafter referred to as *Special Report*). Kansas will review the Processes to address and resolve interstate administrative issues section of the *Special Report*, pages 4 to 7, and will confer with the Operations Secretary so that they can jointly make recommendations to the Operations Committee by March 1, 2004, concerning processes to address and resolve interstate administrative issues. The joint recommendations should address additional details on what is "good faith."
4. A concept paper was discussed in some detail, but was later tabled until the April meeting.
5. Kansas will review the Issues section, pages 8 to 19, of the *Special Report* and will confer with the Operations Secretary so that by March 1, 2004, they can jointly inform Operations Committee of: (a) those issues capable of resolution, (b) those issues that may need to be addressed by another ARCA committee, and (c) those issues that the staffs have taken as far as they can.
6. At the April meeting, provide a status report on progress made in a method to quantify transit loss on Kansas Section II deliveries.

We have reviewed and agreed that these are the six (6) **Action Items** developed at the Operations Committee meeting of December 8, 2004.


James G. Rogers, Chair


David A. Brenn, Member

December 9, 2003

Date

Original 1 of 4