ORIGINAL

ARKANSAS RIVER COMPACT ADMINISTRATION

COMPACT YEAR 2012

ANNUAL MEETING

December 6, 2012

HELD AT THE

CLARION INN - NORTH BALLROOM

GARDEN CITY, KANSAS

Randy Hayzlett

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COLORADO:

Matt Heimerich

Colin Thompson

Jennifer Gimbel

KANSAS:

David Barfield

Randy Hayzlett

David Brenn

P R O C E E D I N G S

MR. HAYZLETT: Good morning, everyone. We'll call this meeting to order. This is the 2012 Annual Meeting of the Arkansas River Compact Administration, and on this side of the line, it's the Ar-Kansas River Compact Administration. I'll just refer to it as the ARCA for the rest of the meeting, to be safe here.

A few instructions for the presenters and the crowd: If you're a presenter, come to the podium. That will help us out a lot here. If you have a card, Ms. Bates is going to be our court reporter. If you would give her a card, that would help her quite a bit. If you have an extra one, probably one here at the table wouldn't hurt. Then when you get to the podium, state your name for the record. She'll be capturing all that in her report.

If you have written material, we would like four copies of those if they're going to be submitted as an exhibit, and we have the guys at the table here, Chris and Brent at the front table here on the left-hand side of the room. They'll be tagging those for exhibits, so we'll leave that to them to get the tags on those appropriately.

I think that pretty well covers the

instructions to start with. I think we're ready for introductions of the people in the room. We will have a signup sheet that will circulate so we'll have you sign that attendance list, and that will be our first exhibit, I understand.

I'm Randy Hayzlett. I'm the Vice-Chairman of the Compact. We have not had a chairman for several years, so in the absence of the federal chairman, I'll get to run the meeting today. I'm from Lakin. I farm and ranch there, and I'll start at this end of the table, Colin, and let you introduce down the table there and work our way around.

MR. THOMPSON: I'm Colin Thompson. I represent Colorado from John Martin to the Stateline.

MS. GIMBEL: Jennifer Gimbel. I'm Director of CWCB.

MR. HEIMERICH: Matt Heimerich, Olney Springs. I represent water users from the Pueblo Dam to John Martin.

MR. BARFIELD: I'm David Barfield. I'm the Chief Engineer with the Division of Water Resources, Kansas Department of Agriculture.

MR. BRENN: David Brenn, commissioner for Kansas on ARCA.

MR. SALTER: Kevin Salter, Kansas Division of Water Resources, Interstate Water Issues.

MR. NEWMAN: Brent Newman with the Colorado Water Conservation Board.

MR. BEIGHTEL: Chris Beightel with the Kansas Division of Water Resources.

MS. COLE: Brandy Cole, Kansas Division of Water Resources.

MS. DURAN: Rachel Duran, Kansas Division of Water Resources.

MR. GRUNEWALD: Chris Grunewald, Kansas Attorney General's office.

MR. TYNER: Bill Tyner, Colorado Division of Water Resources.

MR. GILMORE: Andrew Gilmore, Reclamation in Loveland.

MR. VAUGHAN: Roy Vaughan, Reclamation in Pueblo.

MS. WOLDRIDGE: Julianne Woldridge, attorney for the Purgatoire River Water Conservancy District.

MR. KAHN: Jeff Kahn, Water Counsel, City of Trinidad.

MS. McDONALD: Eve McDonald, attorney

from the Colorado Attorney General's office.

MR. MILLER: Steve Miller, Colorado Water Conservation Board.

MR. BALLINGER: Lynn Ballinger, office of Congressman Tim Huelskamp.

MR. FRED JONES: Fred Jones, City of Lakin.

MR. WITTE: Steve Witte, Colorado Division of Water Resources and the Operations Secretary for ARCA.

MR. BOOK: Dale Book with Spronk Water Engineers.

MS. SCHENK: Angela Schenk with Spronk Water Engineers.

MR. SCHEUERMAN: Hal Scheuerman, Kearny County Farmers Irrigation, Deerfield.

MR. CONWAY: Ron Conway, Garden City Company and the Great Eastern Irrigation Association.

MR. HINES: Steven Hines, Frontier Ditch Company, Coolidge.

MR. MAXFIELD: Dan Maxfield, Amazon Canal, Lakin, Kansas.

MR. LARRY JONES: Larry Jones, Finney County Commissioner.

MR. ORENDORF: Bill Orendorff, Tri-State Generation and Transmission Association.

MR. KELLEY THOMPSON: Kelley Thompson with the Colorado Division of Water Resources.

MR. DARE: My name is Craig Dare. I'm with the U.S. Geological Survey in Hays, Kansas.

MR. MEISEL: Greg Meisel. I farm west of Lakin.

MS. ROBB: Traci Robb, Project Manager, Trinidad Lake Corps of Engineers.

MR. BECKER: David Becker, Farmers Ditch.

MR. GILLEN: Tim Gillen, Finney County Water Users Association.

MS. IVAHNENKO: Tamara Ivahnenko, USGS, Pueblo, Colorado.

MR. WILSON: Glenn Wilson, Amity Mutual Irrigation Company.

MR. HOWLAND: Terry Howland, Amity Mutual Irrigation Company and Buffalo Mutual Irrigation Company.

MR. STEERMAN: Don Steerman, attorney for District 67 Ditch Association, as well as Amity, Buffalo, and several others.

MR. REYNOLDS: Phil Reynolds, Colorado Division of Water Resources.

MR. VAN ORT: John Van Ort, Division of Water Resources.

MR. SPADY: Lonnie Spady, Colorado Division of Water Resources.

MR. KEHM: Heath Kehm, Colorado Parks and Wildlife.

MR. McNEILL: Grady McNeill, Colorado Parks and Wildlife.

MR. MONTOYA: Jeff Montoya, Colorado Division of Water Resources.

MR. WOODRUFF: Jason Woodruff, Army Corps of Engineers, Albuquerque District.

MS. DOWNEY: Karen Downey, Project Manager, John Martin Reservoir.

MR. STANDLEY: Mike Standley, Finney County Water Users Association.

MR. YUSKA: Mark Yuska, Army Corps of Engineers, Albuquerque District.

MAJ. BONHAM: Major Gary Bonham, Deputy Commander, Albuquerque District, Army Corps of Engineers.

MR. GARCIA: Dennis Garcia, U.S. Army Corps of Engineers, Albuquerque District.

MR. DANIELSON: Jeris Danielson, General Manager of Purgatoire District.

MR. HAYZLETT: Thank you, everybody, for the introductions there. I would like to take this time to thank Colorado and the group for coming to Kansas and letting Kansas host this meeting this year. We appreciate the fact that you are willing to come down to this part of the country. As well, the refreshments are provided by our Groundwater Management District Number 3, and we express our appreciation for that.

I believe that brings us to the agenda for review and revisions. We did have some changes to the agenda. On Item 6, Lower Arkansas Valley Water Conservancy District is not here, so we're striking item B. Under 8, we are replacing A. with H-I Model groundwater efficiency procedure update. Item 13, 13.A. will be letters of commendation for Pat Edelmann. 13.B. will be letters regarding the City of Trinidad proposed amendments to the Trinidad Operating Principles. Then C. will be the resolutions. D. will be financial matters. E. will be the approval of the transcripts. F. will be officers and committee appointments. G. will be instructions to the committees. That's all I have.

MR. BARFIELD: All right. I move we adopt the agenda as amended.

MR. HAYZLETT: It's been moved. Is there a second?

MS. GIMBEL: Second.

MR. HAYZLETT: It's been moved and seconded. Is there other discussion? If not, Kansas vote.

MR. BARFIELD: Aye.

MR. HAYZLETT: Colorado?

MS. GIMBEL: Aye.

MR. HAYZLETT: Okay. We'll work off this agenda then. The Item 4, with no chairman to report, and I don't necessarily have any report as Vice-Chairman, so there are no other items there for this time. They'll be deferred to later in the agenda.

So I think that brings us to our federal agency reports, and the first is the U.S. Geological Survey. Who do we have that's going to report on that this morning?

MS. IVAHNENKO: Good morning, everyone. My name is Tammy Ivahnenko. I'm with the U.S. Geological Survey out of Pueblo, Colorado.

I'm going to report on a number of things that I've been asked to, and if you could start the first slide, the stream gages. (See Exhibit C for slide

presentation) There were 10 stream gages that were operated here as part of the cooperative program: eight in Colorado; two in Kansas.

The problems from last year continued to this year. There's beaver activity at the Big Sandy Creek near Lamar. The nice thing is Prowers County has been great in helping us to clean the culvert near Highway 169. However, the record for that gage continues to be poor. Other than that -- oh, we are moving to try and do something about the beaver issue; possibly trapping. There are no other significant issues and there are no proposed changes for 2013.

Next slide, please. These are statistics for the 10 gages, and the last column is the one of course of interest, and you can see that the percentage of 2012 flow of average is less than 50 and usually less than 25%. Sad but true.

Next slide, please. Okay. Studies of interest, the Fountain Creek Flood Study. We have been updating and enhancing the U.S. Army Corps' HEC Watershed Model, and what we've done, enhancements have been finished. Mike Cohen is the primary project chief and he's incorporated the 2003 Monument Creek model. We've incorporated USGS

stream gage data, discharge measurements, radar-based precipitation data, and incorporated nine new detention basins. He's converted the stream hydrologic models from steady to unsteady state and he's coupled watershed and stream hydrologic models together. The calibration of watershed model is finished and modeled results are within 14 to 39% of observed 1999 and 2010 storm events. Calibration of hydrologic models should be completed soon, and we're expecting a draft report in February of 2013.

Next slide, please. Finished models will be used to evaluate the effectiveness of various strategies for attenuating peak flows and controlling sediment erosion. There are 10 preliminary management scenarios, using simulated flows from 100-year, 24-hour precipitation events. The three management scenarios of interest, most interest, anyway, are including a side channel detention storage basin, detention in a mainstem reservoir on Fountain Creek, high-flow diversion channels to Chico Creek, and he's also -- Mike has also been working on three additional scenarios, such as widening of the floodplain in critical reaches, bank stabilization, and installation of

drop structures.

The other project of interest is the Buena Vista-Salida Basin Water Budget. This has been to define hydrologic properties of the primary aquifers in that area for aquifer storage and recovery in that basin. We've, as part of this project, we've subdivided that basin into four subbasins, and these are the tributaries to the Arkansas River. It's the Browns, Chalk, Cottonwood, and South Ark River Basins.

So looking at the hydrologic properties, we've looked at slug tests for 31 wells. We've looked at aquifer tests done by the Colorado Division of Water Resources and specific capacity tests that were reported by water providers. We've installed 10 temporary stream gages, operated from mid-April through mid-October. All of these were on the tributaries to the Ark River, and for evaluating groundwater surface interaction, we've looked at synoptic gain-loss measurements of those four subbasins and continuous water, groundwater levels from CSU's monitoring network.

We've also scoured the HydroBase database for groundwater and surface water diversions, especially for irrigation, so we've looked at 43 ditches and

municipal wells. We had 37 of those, one infiltration gallery and two ditches.

We've established -- our cooperators have established CoAgMet stations, one in Buena Vista, one in Salida, and they were operational for all of 2011 growing season. Using those CoAgMet stations, we looked at monthly ET for hay and alfalfa. We -- using a GIS exercise, we calculated over 8,000 irrigated acres in those four subbasins for 2011, and a draft report is expected, actually, this month.

I'm going to give you a quick overview of some of the hydrographs for a variety of stream gages up and down the Ark River in Colorado. Here is Arkansas River near Leadville. The various color bands are percentiles, and this is 2011 and 2012, and you can see in 2012, we had a much lower snowpack melt peak than we did in 2011 and it came much earlier.

This is Arkansas River at Parkdale. This is a seasonal gage for the USGS, and you can see the effects of a larger basin with less snowpack in 2012.

This is Ark Avondale. It's the first gage below Fountain Creek, and as we progress down

through these stream gages, the river becomes more and more regulated.

Again, here at Lamar, at Granada, you can really see the regulation there, and unfortunately, there in 2012, the hydrograph has actually fallen below the 10th percentile.

Here's the gage at Coolidge, and again, the hydrograph has fallen down, in September, below the 10th percentile.

This is one of the groundwater wells in the Climate-Response Network, and you can see the -- the red line is this year's, and unfortunately, water levels, even groundwater levels, are showing drought response.

This is the other groundwater well in the network here in Kansas. No, I'm sorry. It's in Stafford, Colorado (sic), and it's -- again, you can see the groundwater levels have hit lows, at least to the 10th percentile or less than 10th percentile.

Quick historical perspective, just to put things in perspective. This is the comparison of summer, 2002 to summer, 2012, beginning in April. Here's May, and in June, it's kind of interesting. In June, 2012, we've got one basin, in the middle of all of that much below normal flow, we have one

that's actually normal, and that is Fountain Creek transbasin water, and of course, the return of treated wastewater is keeping flows in that basin normal.

Again, here in July, you can see Fountain Creek is about the only normal flows in Colorado. Next. August and -- next please -- September. I think that's the last one in this series.

Then in the things could be worse category, this is a regional perspective for looking at summer, 1934, of course is the Dust Bowl and summer of 2012, and just to remind you, 1934, that year had already had a number of drought, number of years of drought before 1934 had actually hit, so here's April. There's May, and now that you can see that a lot of the flows in 1934 in the western, and especially the central and western U.S. were much below normal, and in 2012, they're not as bad. July, August, September, and that should be the last one there.

Of course, the thing to remember is, or the scary thought is in 1934, the population that we have now in the West and the water demand that we have now in the West and a drought like that could be quite detrimental, but in any case, latest

conditions, this is October, 2012.

Again, the news is not good. These are stream flows at a number of gages, not only in Colorado and Kansas but in Oklahoma, and that's the end of my presentation.

Any comments or questions? I will do my best to answer questions.

MR. HAYZLETT: Okay. Thank you. I like that last one, things could be worse category. Are there questions from the front table for Tammy? Okay. Well, I appreciate your report then. Thank you for the information.

MS. IVAHNENKO: Question?

MR. HAYZLETT: Oh, I'm sorry.

MR. MILLER: I have noticed you had a written document.

MS. IVAHNENKO: I do.

MR. MILLER: Would you be willing to tender that as an exhibit, so we can include it?

MS. IVAHNENKO: Yes.

MR. BEIGHTEL: Would the commissioners like that to be an exhibit?

MR. HAYZLETT: Yes. We'll put that in as an exhibit then.

MR. BEIGHTEL: That would be Exhibit C.

MR. HAYZLETT: Next on the agenda is the U.S. Army Corps of Engineers, and that's Major Bonham, I believe. Good morning.

MAJ. BONHAM: I don't know if I'm skilled enough to hold this and flip pages at the same time, but I guess we'll see. Good morning, Mr. Vice-Chairman and members. I'm Major Gary Bonham, Deputy District Commander of the Albuquerque District, United States Army Corps of Engineers.

I thank you for the opportunity to present key topics from our report of the last year and items of current interest. (See Exhibit D for report) Joining me from the Albuquerque District Office are Mark Yuska, Operations Division Chief, lurking in the back there. Dennis Garcia, Reservoir Control Branch Chief, is my hand-holder up here at the front. We also have Jason Woodruff, the Arkansas River Basin Coordinator; Karen Downey, John Martin Project Manager; and Traci Robb, Trinidad Lake Project Manager.

I would like to start by giving a brief history and description of the Albuquerque District of the United States Army Corps of Engineers. As the United States struggled in the throes of the Great Depression and the Dust Bowl, as we just

learned, a new Army Corps of Engineers District was created in New Mexico under the command of Captain Hans Kramer. Although flood control and irrigation projects in the sparsely populated region of the Canadian River were not economically feasible in 1929, widespread unemployment in the early 1930's helped convince President Franklin D. Roosevelt to approve the building of Conchas Dam.

The Corps established the Tucumcari District on August 2nd, 1935 to construct a dam for the purposes of irrigation, flood control, and water supply. As the activities increased at the site, the local economy received a much-needed boost. This infusion of federal funds gradually spread to include a broad area of the State. The success of the project was a major consideration in the eventual expansion of the District's boundaries to include other watersheds in the areas of Colorado and Texas, as well as New Mexico.

With the completion of the Conchas project, John Martin Dam at Caddoa, Colorado became the new focal point of District activity. Tucumcari District personnel transferred to Caddoa and on December 4th, 1939, and the organizational name was officially changed to the U.S. Army Corps of

Engineers, Caddoa District. Work proceeded there until the dam was 85% complete. With World War II, however, John Martin Dam was temporarily put on hold.

Soon after the onset of World War II, in early 1942, the District headquarters was transferred to Albuquerque and given its permanent name, along with an additional mission. Switching from civil works projects to wartime activities, and with a peak workforce of 3039 people, the Albuquerque District performed real estate and construction services in support of various military projects in the region. Among those projects was the work at Los Alamos Laboratory, where scientists labored in the development of atomic energy and its application to weapons.

After the war, the District resumed civil works construction and completed John Martin Reservoir. Other major projects followed in the ensuing years. They are, in chronological order: Jemez Canyon Cam, Abiquiu Dam, Two Rivers Dam, and Cochiti Dam in New Mexico; Trinidad Dam in Colorado, and Santa Rosa Dam in New Mexico.

Today the District, with nearly 460 employees, continues several regional civil works projects. In

addition, it now provides extensive design and construction services to three New Mexico military bases: Kirtland Air Force Base in Albuquerque, Holloman Air Force Base, and Cannon Air Force Base.

Moving on to the current items of interest, in 2012, the Arkansas River Basin snowmelt runoff was below normal throughout the entire basin. The reported snowpack in May, 2012 ranged from 28% of average in the Upper Arkansas Basin to zero in the Purgatoire Basin. The Army Corps of Engineers did not operate for flood control at Trinidad, John Martin, or Pueblo Reservoirs in 2012.

Works on studies and projects with basin sponsors under the Army Corps of Engineers mission areas has continued in 2012, and I'll highlight a couple.

Sediment surveys. Issues with the reservoir survey at John Martin Reservoir, as identified in 2011, have been resolved and related Area-Capacity tables are currently in production. The updated Area-Capacity tables shall be ready for implementation on January 1st, 2013.

During 2012, one major maintenance effort took place at John Martin Dam. This effort included use of the Army's 511th Dive Team during the

installation and replacement of bulkhead stops on four of the six service gates. During the process of these installations, it was determined that there were issues with existing bulkhead seals on the upstream face of the dam. Further investigations into these issues will need to be performed in the future.

In January of this year, the Purgatoire River Water Conservancy District submitted a letter to the Army Corps of Engineers, identifying an interest in leasing unused storage space in the joint use pool of Trinidad Lake to third parties for storage of nonproject water. Upon review by the Albuquerque District's Office of Counsel, Environmental Resources Section, and Reservoir Control Offices, it was determined by the Army Corps of Engineers that the Army Corps of Engineers did not have the primary authority to permit the award of such contracts issued by the Purgatoire River Water Conservancy District.

It was also determined that a thorough review of impacts to the environment and certain prehistoric and historic archaeological sites in the vicinity of the reservoir would be needed. Such a review would also include certain consultations with

Native American tribes and the Colorado State Historical Preservation Officer. The path forward to addressing the District's interests will include close coordination with both the Army Corps of Engineers and the Bureau of Reclamation, should the District decide to pursue this use.

We've also been reviewing a proposed -- a set of proposed amendments to the Trinidad Operating Principles that the City of Trinidad is pursuing. Upon review by the Albuquerque District's Office of Counsel, Environmental Resources Section, and Reservoir Control Offices, it was determined that the action may qualify for a categorical exclusion under the Corps' NEPA regulations. Coordination with the signatories of the Operating Principles regarding the proposed amendments is ongoing.

Over the past year, the Albuquerque District has cooperated with the Bureau of Reclamation in the preparation of the Arkansas Valley Conduit Environmental Impact Statement. The Albuquerque District served as a source of expertise in the areas of Clean Water Act Sections 402 and 404, Rivers and Harbors Appropriation Act of 1899, Section 10, and the operation of the John Martin Reservoir.

Specific areas of interest identified during the draft review process include potential impacts to vegetation, wetlands, wildlife, and cultural sites along the Arkansas Valley Conduit corridor. Coordination with the Bureau of Reclamation is expected to continue through July of 2013, when issuance of the Final Environmental Impact Statement is scheduled.

In Fiscal Year 2012, Telluride Energy approached the United States Federal Energy Regulatory Commission with the interest in studying the feasibility of developing hydroelectric power projects at both Trinidad and John Martin Dams. Telluride Energy applied for, and was issued, preliminary permits to study feasibility of such projects for both dam sites, pursuant to the Federal Powers Act.

Both project proposals include the addition of new penstocks, power houses, primary transmission lines, and appurtenant facilities. Over the next three years, the permittee will prepare preliminary feasibility studies for both projects, during which the Corps, both the Corps and the public, will have the opportunity to provide comments.

As you're all aware, we have some important

activities going on around the country and the world, and I want to conclude with a few words about the one priority mission for the Army Corps of Engineers: Support for our Overseas Contingency Operation, formerly known as the Global War on Terrorism. While most of our Corps employees are not soldiers, I'm proud to say that in Fiscal Year 2012, 24 Albuquerque District members voluntarily deployed to Afghanistan, and we currently have 14 employees in harm's way.

There have also been six employees deployed in response to Hurricane Sandy response and recovery. In addition, last summer, we responded to several wildfires and resulting postfire flood response efforts, most notably at the Waldo Canyon.

This concludes my report and I would be happy to answer questions, with the assistance of my staff as necessary.

MR. HAYZLETT: Thank you, Major. Are there questions from the front table? Jennifer?

MS. GIMBEL: More of a comment, Major. First of all, thank you very much for being here. I think that both Kansas and Colorado have a great partnership with the Corps of Engineers, and I have a special place in my heart for the Albuquerque

Division, as we talked last night about, so I just wanted to thank you for all the work that you do and I am glad that you appreciate both the civilians and the soldiers that work for you; and again, thanks for being here.

MAJ. BONHAM: Thank you very much.

MR. HAYZLETT: Very good. Any questions or comments?

MR. BARFIELD: No. Appreciate the report, and I -- again, I'll presume we'll attach the report to -- as an exhibit to the transcript.

MR. HAYZLETT: Okay.

MR. BEIGHTEL: That will be Exhibit D.

MR. HAYZLETT: Thank you, Major, for your service. Okay. We're ready for the Bureau of Reclamation, Item 5.C.

MR. VAUGHAN: Good morning, and thank you for having me. I'm going to do a little overview of the Fryingpan-Arkansas project and storage and snowpack. (See Exhibit E for slide presentation) I'll try to move quickly because a lot of people have covered this, and then I'll touch a little bit on a few project.

I'm Roy Vaughan. I'm the facility manager at Pueblo Dam. I'm also responsible for the east slope

water scheduling of the Fry-Ark Project, as well as the accounting for the water that flows in and out of the different accounts and through our facilities, so go ahead.

Just an overview of 2012. It was the lowest year for imports since 2002. The May forecast was for 12,400 from our West Slope. We actually imported a little bit over that, about 13-five. In 2002, we were a little bit below that. That's about 26% of our 30-year average.

Snowpack in the collection system usually reaches its maximum in mid-April. This year's snowpack peaked in March, about a month earlier than normal, and just dry and warm conditions as everyone experienced continued.

I've got a couple of slides just to highlight kind of an unusual event, in our eyes, anyway. The blue line is imports or snowpack in 2011. The yellow line is 2010. The green line is 2009. The corresponding imports are there as well and then what we forecasted, but the heavy line you're seeing down below that, the red line is average, and you can see about mid-March, we weren't looking too bad.

If you go ahead, then this is in the Upper Arkansas Basin, where our collection system is. You

can see what happened to the snowpack for the following month.

Then if you want to go ahead, Kevin, it just continued to decline, and we'll do the Arkansas real quickly. It's the same setup. The red line is average. You can just see it just, it fell off, as everyone pretty much knows, but our February 1st forecast was for 45,200. In March, it went to 53,300. April 1st forecast was 23,100 and May was 12,400.

Here's a little graph of Boustead Tunnel imports. The average is the red line and here's, as you can see, we had runoff early and then we just -- it just fell off completely.

Current conditions in Turquoise Lake, and this is water year. The silver line is kind of where we're at; the heavy black line is average; and the blue line or purple line is where we were last year at this time, so this is Turquoise.

Twin, we're below average as well. Pueblo, we're a little bit above average but a little bit below where we were last year.

Just in summary, Turquoise is at 54% of average. Twin Lakes is at 76% of average. Pueblo is 109% of average, and this is just the summary of

last year. The purple line, again, is 2002, so you can -- you can see we were -- we were well below where we were this time last year. Twin Lakes is basically the same thing, and then Pueblo.

Winter operations. All we're moving down from our upper reservoirs at this time is just the water to meet the minimum flows on Lake Fork and Lake Fork Creek. That's all we'll be -- usually we draw down our upper reservoirs, make room for snowpack. This year, we have a big hole up above to fill already.

Mussels. The facility assessment for all the Fry-Ark facilities are done; the action response plans are completed; and to date, we haven't found any adults in Pueblo, and this year, the results were even negative for the larvae in Pueblo, so that's good news, and here's a link to the web site.

I want to touch a little bit on the Southern Delivery System. We tested the new valve at Pueblo Dam that was completed in September. We still haven't taken ownership of that facility, but we will. Construction for the pipeline portion is ongoing, and just SDS is a one point probably five billion dollar project now, proposed by Colorado Springs, Security, Fountain and Pueblo West to build a pipeline to take water from Pueblo Dam to their

treatment facilities. Once again, there's a link to a web site down below.

I got a few pictures so you guys won't get bored. Here's the Y (wye) that was put into the river outlet works of our facility. We used to release water right through that tunnel there. They've actually put this Y, go ahead, they've attached this fixed cone valve down below. This will replace the old river outlet works.

Here's the testing of it, and I think there's one more. This is a shot from the top of the dam, and you can see the Y coming off. That's a 90-inch pipe that's capped, and then down below that structure there is where that fixed cone valve resides, and that concludes my report. I'll be happy to take questions. How did I do?

MR. HAYZLETT: You did very well. Very good. Are there questions for Roy?

MR. HEIMERICH: Matt Heimerich. Could you -- do you have any feeling for, when we look at the storage in the reservoirs that you are managed with, I suspect that it's mostly M & I water that's in those accounts right now. Is that correct, Roy?

MR. VAUGHAN: Yeah, that is correct. Since 2002, the municipal entities took more

advantage of taking their project allocation. Previous to that, they would take and it would revert to ag. Since 2002, they kind of increase their municipal storage and saw the value to get them through these dry years and, you know, we -- there's a lot of municipal storage in there now, but a lot of it was used as well last year, so everybody's going to be really dependent on snowpack this year.

MR. HEIMERICH: So the conclusion we could make is that this probably, except for what you're storing perhaps under Colorado's Winter Water Program for the Upper -- for my reach, there's probably very little ag water that's sitting in those accounts right now?

MR. VAUGHAN: That is correct.

MR. HEIMERICH: And then one other question, and again, I'm -- bear with me, Randy. In terms of winter operations and the continued operations on the upper reach of the river, I believe your agency is also a cooperator on some minimum streamflows that go through the reach from essentially Leadville down to Canon City, I think, or that area like that?

MR. VAUGHAN: Yeah. We have a minimum

requirement on Lake Fork Creek, which is below Turquoise --

MR. HEIMERICH: Right.

MR. VAUGHAN: -- as well as Lake Creek, which is below Twin, so it's 15 and 3 in those two stretches.

MR. HEIMERICH: Okay. The stretch or the mainstem reach, though, which is a recreation reach and things of that nature, I know this year was problematic keeping those minimum flows in there. Is that the reason why you're keeping water up high or is -- I mean, is that -- that's a -- that's a -- the agreement to keep water in the upper reach is a more of a voluntary; is that correct?

MR. VAUGHAN: That is correct.

MR. HEIMERICH: Okay.

MR. VAUGHAN: And actually, what we do is we run the imported water down once we get it, and as you can see, everything just fell off, so we really didn't have a lot of water to support that. This time of year, usually we're moving water down, which keeps the minimum flows of 250 for the fishery, but because we didn't get the yield we expected, we don't have to move that water down.

MR. HEIMERICH: Very good. Okay. Thank

you. Thank you, Mr. Chair.

MR. HAYZLETT: No questions for Roy?

MR. VAUGHAN: And at this time, I'd like to introduce Andrew. I think all of you guys know him. He's going to do a little -- he's going to take you a little further here.

MR. BEIGHTEL: Would the Administration like to accept this --

MR. HAYZLETT: Yes. Your report will be accepted as an Exhibit, Roy.

MR. BEIGHTEL: That will be Exhibit E.

MR. GILMORE: My slides are actually in a different file, if you want to switch over to that.

MR. HAYZLETT: While Andrew is getting ready, I haven't seen the attendance list circulate. Steve, do you have that?

MR. MILLER: It seems to be going slower this year. It's right back here.

MR. HAYZLETT: Okay. Just so long as it's moving.

MR. GILMORE: Well, good morning, members of the Administration and interested parties. My name is Andrew Gilmore. I'm with the Bureau of Reclamation in Loveland, Colorado and I work on the Trinidad Project, and I've also been asked to give a

short briefing on the status of the Arkansas Valley Conduit. (See Exhibit F for slide presentation.)

So with that, I'll summarize what we did yesterday for those, or questions for the people who were not here yesterday, I'd be happy to answer those. Essentially, to cover the National Environmental Policy Act actions related to the Arkansas Valley Conduit, there are actually three actions that are all being analyzed as part of this process.

The first is the actual construction of the Arkansas Valley Conduit Pipeline from Pueblo Dam down to Lamar for municipal water supply essentially, as well as some piping and some plumbing right at the facility outlets, and as well as Master Contract with the Southeastern Water Conservancy District for use in dealing with excess capacity. Rather than having Reclamation issue many contracts we're issuing one and will let the Southeastern enter contracts with those individual entities.

A draft was released this summer, and if you go to the next slide, we'll skip that. The schedule is essentially we had the public hearings. The public comment period on the EIS itself is closed.

Roy's open to hear questions and comments. We are currently working on responses to those comments, but we do not hear last night the status of whether we will see comment letters before the final EIS. I'm sorry, Steve, I didn't get that answer for you, but we can get we can get the answer. I just wasn't able to get ahold of the folks who know the answer to that question. We expected to issue a final EIS in July of next year.

The -- I would say that we don't expect to be -- there to be a major rewrite. We do plan on having a public process to discuss the selection of a preferred alternative and there is a cooperating agency meeting scheduled for, I believe, January. The record of decision will be no more than 30 days after that, and if you have more questions, feel free to go to this web site. It's on Reclamation web site, forward slash a-v-c-e-i-s, for further questions. Any questions or comments on AVC?

MR. HAYZLETT: Questions?

MR. GILMORE: All right. Thank you. Moving on to Trinidad, the Trinidad Project, I know the Corps already mentioned part of this history. The facility is owned by the Corps, and it has many purposes, one of which is the Corps' mission of

flood control, as well as M & I, irrigation, sediment, as well as recreation.

Reclamation's interest is in the payment contract with the Purgatoire River Water Conservancy District, as well as we are a signatory to the Operating Principles, so those -- there are the five signatories. We conduct Ten-Year reviews to work on finding optimum or more optimal beneficial use, without significant increase in water use.

Our current status is we are working with the City of Trinidad and other agencies on the proposed amendments. We'll be seeing that in a little bit, and ultimately, I have a slide on that. We are in a new Ten-Year review period. We published a review document in 2010 and the next period ends in 2014, and we are holding annual meetings to discuss those. We have a meeting a week from Friday in Trinidad. Everybody's welcome to come and discuss what's going on with the Trinidad Project and specific technical discussion that's ongoing, which we'll summarize there and hear some discussions that other members of my agency are having with Trinidad, with the Purgatoire River District on the repayment contract, too.

This is a little bit of a contrast to the

Corps' current response, in that we received an official request from the Purgatoire District to consider these amendments last week. We will be looking at that from all perspectives, including coordination, and looking at whatever actions Reclamation needs to take and looking at the, obviously, NEPA question and the -- as far as we've gotten at this point is we understand there is a discretion in federal action and it has potential environmental impacts, so we'll be looking more into that.

I would say that the question of where we're at with that, you know, it's the holidays, but we hope to have some sort of preliminary response back to Jeff and the folks by the middle of January, and we will be updating folks with that.

I'll skip this slide, and that concludes my presentation. Any questions?

MR. HAYZLETT: Any questions for Andrew? Hear none, so thank you, Andrew, for your presentation. Very good.

MR. GILMORE: I don't have a written version of that, but you're more than welcome to print that out and put it in the record if you wish.

MR. HAYZLETT: I'm sorry. Say that

again.

MR. GILMORE: I don't have a written, any printed out copies of that for the -- as an exhibit. You're welcome to print some out if you want to use that as one, but I note my colleagues did that, so --

MR. BARFIELD: I suggest we do. We give it an exhibit number and print it out and include it in the record, if that's okay.

MR. BEIGHTEL: That will be Exhibit F.

MR. GILMORE: All right. Thank you.

MR. HAYZLETT: Thank you, Andrew. Ready for Item 6, Reports from Local Water User Agencies, Southeastern Colorado Water Conservancy District.

MS. GIMBEL: Mr. Chair, would you be okay if I report from here --

MR. HAYZLETT: I think so.

MS. GIMBEL: -- or do you want me to --

MR. HAYZLETT: I believe you'd be fine.

MS. GIMBEL: Thank you, Mr. Chair. The Southeastern Colorado Water Conservancy District has asked -- or Conservation District as asked me to give the report for them. They apologize for missing another meeting. They blame me for that because we asked you to set the meeting up a week

and that's when their board meeting is, so now that we're going the other direction, hopefully we'll get them here next time.

We've talked about the Arkansas Valley Conduit, so I won't go into that. They wanted to report that they, with respect to the enlargement of Pueblo and Turquoise Reservoirs, that they continued to explore opportunities to pass legislation authorizing feasibility studies for the enlargements.

No legislation was requested this last Congress, and so until they pass legislation to authorize feasibility studies, that's -- that's where they -- they're on hold. During their last meeting here in November, the board approved their water counsel to dismiss -- go to water court and ask for the dismissal of Southeastern's pending applications for new junior conditional water rights for the enlargements.

At this point they do not believe, for their preferred storage options plans, that it's necessary to have those water rights. They can use what they've got now and they feel that still makes it feasible. They may consider refiling its application if and when there's appropriate federal

legislation for a feasibility study.

On the Pueblo Dam River Outlet hydroelectric power plant, in April of 2011, Reclamation published a request in the Federal Register for proposals for hydropower generation at Pueblo Dam River Outlet. The river -- or I'm sorry -- Southeastern District, along with the Board of Water Works for Pueblo and Colorado Springs Utilities, jointly submitted a proposal and received a very high technical rating, or the highest technical rating any preliminary permit was offered to the entities. That was issued on February 27th, 2012.

The purpose of the permit is to formally recognize the permittee's priority for a lease of power privilege when -- while the permittee conducts investigations and secures data to see if this is feasible. At this point, the three entities proposed to locate a power house at the downstream end of the existing outlet works that supplies water to the Arkansas River, and to use the dam's releases which are made for authorized Reclamation purposes. That concludes my report, Mr. Chairman.

MR. HAYZLETT: Questions for Jennifer?

MS. GIMBEL: Oh, please, none.

MR. BARFIELD: We appreciate the report,

though. Thank you for bringing that. Hopefully they'll be able to be here next year.

MS. GIMBEL: I'm hoping for next year.

MR. HAYZLETT: Thank you. And what you had doesn't need to be an exhibit, then. It's just a report. Okay. Thank you.

That brings us to the Purgatoire River Water Conservancy District report. Jeris.

MR. DANIELSON: Thank you, Mr. Chairman, members of the commission. The Purgatoire District is trying to recover from the huge enormous runoff that we had last year. Just kidding. I won't belabor the drought issue, because a lot of you here are suffering from the same situation, and when I look at the USGS graphics, you can see that it isn't just our little corner of the world, but people across the Southwest are suffering along with us.

Our water supply was 35% of normal. I did an acreage verification tour this summer and I estimated that 55 to 60% of all farms were fallowed in the project, which does not bode well for tax collections in Las Animas County.

Second issue, and Mr. Gilmore touched on it, after 43 years of operating under a repayment contract with the Bureau of Reclamation, they have

decided that their original formulas were in error and we have to now renegotiate a repayment contract. The original contract was predicated upon a variable hydrology. The people back in 1966 understood how, how erratic the flows on the Purgatoire were, so our repayment was paid to the amount of water diverted. The Bureau has now decided that won't work and we're going to be stuck with a fixed payment each and every year till the end of the contract.

What that means is in a year like this, with 60% of the farms fallow, we're going to have a 500% increase in repayment for this year. It doesn't bode well when your member ditches are hiring attorneys from Denver. There's a lot of talk of, "What are you going to do to us if we don't pay our ditch assessment?" I hope we don't have to answer that question, but it's a very serious situation for the District.

There is a bright spot. The District, with the aid of the Colorado Water Conservation Board through the Arkansas Roundtable, we were able to do a river restoration project through the City of Trinidad. We restored about a quarter of a mile of the Purgatoire, removed all of phreatophytes, put in fish habitat structures. Project cost was about

$175,000.

We had a lot of partners: DOW; Trout Unlimited; really, a -- an excellent, excellent expenditure, I think, of Roundtable funds, and we now have a cold water fishery through Trinidad; so if you go to Trinidad, take your fly rod and I can attest that there are fish in there.

We were concerned because we shut the reservoir off, of course, on October 15th and there's no flow. The only flow that's available through that reach is from leakage through the gates at Trinidad; but working with the Division of Water Resources, there are waters that have to be released based on transfers of certain consumptive use waters into the reservoir. Historically, those have been just slugged down the river, but this year, we were able to make controlled releases. I think we'll probably have two, maybe three, which will really enhance the fishes' chance of survival. We'd like to get a reproducing population there, and it looks like we might be able to achieve that.

That's all I have. Any questions?

MR. HAYZLETT: Questions for Jeris?

MR. THOMPSON: How much is the payment now? What's the fixed payment going to be?

MR. DANIELSON: The formula that we operated under of the existing contract, if we don't receive a 75% water supply, we pay a flat 20,000 a year, and then that escalates as that 75% goes up. When you get -- the max is 140,000 if we divert over 100%.

Right now, the annual payment is being set by the Bureau at 108,000, so you can see it's a substantial kick in the groin, if you will. Any other questions?

MR. HAYZLETT: Any questions? You will do guiding service for the fishing then?

MR. DANIELSON: Absolutely. You don't need a guide. We put in handicapped access. If you find Safeway in Trinidad, there's an old steam engine right behind the Safeway, and right behind the steam engine is the river, and you just hit that trailhead. It's like 100 feet down and you're good to go.

MR. HAYZLETT: Thanks, Jeris.

MR. DANIELSON: Thank you. I appreciate it.

MR. HAYZLETT: Ready for Item 7, Water Quality Issues, Tom Stiles. Is Tom here? There he is.

MR. STILES: Thank you, Mr. Chairman.

MR. HAYZLETT: Good morning, Tom.

MR. STILES: As Kevin is passing out essentially the handout that will be also brought up on the Power Point, I want to take the opportunity to briefly brief the Administration on water quality issues as they're currently presented on the Ark River. (See Exhibit G for slide presentation)

It's been an ongoing challenge of trying to ascertain not only what the -- what the appropriate level of water quality could be expected out of this river system, but also ultimately trying to derive some sense of strategy on what we might be able to do about it. Kevin, go ahead and power up again, one more.

This is where we start off. This is back in 2000, essentially tracking our original issue, which hovered around sulfate impairment on the river as we recorded it with monitoring at the Stateline near our station near Coolidge. It brought the river on our 303d impaired waters list, and subsequently in 2000, we developed a TMDL, or Total Maximum Daily Load, under the guise of the Clean Water Act to essentially try to restore what the appropriate budget, pollutant loading budget might be for this

issue.

Now it is sulfate, and sulfate in and of itself doesn't carry a lot of onerous implications. It's a -- frankly, at the levels we're seeing here, it's a nuisance, and it's certainly defies the, the pure definition of, of clean water, but in terms of its real impact on water uses, the impact itself was somewhat fleeting.

With each subsequent assessment, which we do every two years, other issues started to arise, and each one carried a little more cachet and import relative to the problems that we have.

This is, again, sulfate, and we looked at seasonally, the seasonal delivery of sulfate at the Stateline, and there is a strong seasonal disparity. The summertime is marked by a rise and fall in sulfate levels. Some of that is in relationship to the amount of water coming out of John Martin that directly makes its way to the Stateline. The thing to note is in the wintertime, when essentially John Martin is shut off, that you see the returning flows draining from the underlying groundwater from the valley lands coming into the river, making their way to the Stateline.

The other thing I want to note here is back in

2000, we were up in arms, saying we got impairment with sulfate on the river itself, but if you'll look and we've collected data at the Stateline since 1967, so we have 45 years of data. If you look at that first, first page of your handout, it's always been this way. This is what we are, in terms of this river. The sulfate levels will up and down, generally in reflection of the overriding climate conditions, but generally where we are now is really not that much different than where we were back in 1967, 1968, on that very issue.

Again, with the seasonal tracking, and we broke out the data in terms of what we would just roughly define as the irrigation season between April and October, and then the off season, November through March. Same sort of pattern. Winter comes in higher than the summer, but generally the trend lines tend to be fairly flat.

Now we get the misbehaving child, as I said, the new pollutants that have come on subsequently to 2000. One that popped up in 2006-2007 that caught our eye in which we engaged Colorado, our counterparts in Colorado with a lot of attention was selenium, and selenium is tracking with an upward trajectory consistently. It's defined the kind of

flat line path that we have with sulfate, so something has happened. A different mechanism is coming into play that is increasing our selenium concentration to the point where we're consistently over the acute value that we have in Kansas within the water quality standards, and also what Colorado has when they look at selenium.

We look at selenium somewhat differently between the two States. They look at it in terms of solid form. We look at it in terms of the total recoverable, but no matter which way we cut it, the levels are high and they were bumping up against that acute level when it comes to the question about where we're at with aquatic life support.

Seasonally, again, now that the gap between the two seasons is somewhat tighter, and you see that kind of in that trough area back when the conditions were pretty good, heading on the other side of 1996 to 2000 or so, when we had snowpack at Pueblo and John Martin were spilling. We had probably our best, relative water quality during that whole contemporary period of record, but after that, essentially from 2001, essentially the valley started going dry again. Snowpacks were diminished and so forth. We've seen this upward trend in

selenium in both the summertime irrigation season, as well as during the wintertime period.

Now, I think -- oh, in your handout, you've got a table. It's not up here, but in your handout, it kind of lays out statistics relative to sulfate, selenium and uranium, the three pollutants that are probably front and center in terms of our aspect of what constitutes issues of water quality on the Ark River, broken out by various time periods.

Like '90 to 2000 period is basically the initial period, back when we were -- prior to us developing TMDLs on waters within the State. In the 2001 to 2007 period, we're kind of that post-sulfate TMDL but as we started looking at the selenium issue, and then subsequently, 2008 to the present time, since we've developed the selenium TMDL for the river.

The sulfate levels are fairly constant, whether you look at it in terms of the central tendency of the median or the 85th percentile, which coincides generally with the way Colorado assesses water quality. When it comes to questions of them establishing standards and looking at impairments, that's the statistic they, they rely on to ascertain the relative condition of water quality in Colorado

waters.

As we move eastward from the Stateline, you'll see our concentrations begin to diminish, so loading is in fact happening over in Colorado and then we basically start seeing somewhat, if we happen to have water show up, it tends to begin to dilute and freshen up that. That's a big if, if we have water.

Our Deerfield period of record is pockmarked with zeros, where there's been a lack of flow within the river for us to even sample, and so we've lost the river essentially, and once we get through the ditch systems and those diversion gates into the underlying alluvium, and then by extension the High Plains Aquifer, and so to the point that once we get to Garden City and eastward from that point, except for that period of 1996 to 2000 when there was water everywhere and the river was, in fact, whole from the Colorado Stateline all the way to the Oklahoma Stateline. In 2001, the river broke again, and we haven't had a sample or seen flow in the Garden City Pierceville area down toward Dodge City since that time, except for some occasional localized thunderstorms that just pop up for a day or two, but otherwise, nothing.

Selenium, again, not behaving the same way as

sulfate. As we work through time, the trajectory is upward, and it carries forward. It translates from the Stateline over into the Deerfield area as well, so there isn't a lot of diminishment there, and then ultimately, we find that going down into -- into the surrounding groundwater.

The next pollutant of concern, and it's for both States, is uranium, and we just started sampling. Colorado is much farther along on this than we are. We just started sampling uranium back in 2009, and the maximum contaminant level identified through the Safe Drinking Water Act is 30 parts per billion.

In the river itself, we're at least double that. Well, about so. It comes out, as we started collecting the information, we're already up against it relative to some issues; and if you'll notice, we work from the sulfate issue back in 2000, which was essentially an esthetic issue, if anything, to the selenium issue, which it's a priority pollutant. It's got implications for aquatic life.

Now we're into uranium and the associated radium nuclei and so forth that are starting to impinge on some of the uses being made from our public water suppliers that rely on the river system

and its alluvium for their source water.

So we see a general declining in terms of the concentrations moving from the Stateline, and over time, the overall salinity issue remains fairly stable. The two pollutants of major concern for us now are selenium and uranium, and then again, they're coming in hot and on an upward trajectory.

On this graph, of course, the -- you know, it stands to reason the more flow we have in the river, generally the better the water quality. This is just courtesy of USGS's conductivity meter they have on their gage at Coolidge. Looking at the, the monthly conductivity averages along the monthly flow averages that are recorded there at Coolidge, the open triangle or open diamonds basically reflect that period of record since the conductivity sensor has been put on and maintained from 1999 to present time, and generally if you're below 100 CFS, it doesn't matter if you're 1 CFS, 10, or 100, you're pretty flat. There isn't a real strong relationship between conductivity and flow on the river at the Stateline. There's a lot of scatter, but there's nothing in the way that marks that, that clear-cut relationship or direct relationship between the, the, the two parameters.

Once you get past 100 CFS, each increment of flow tends to start push down the conductivity. It tends to present a dilution condition within the river that generally reflects somewhat better water quality.

The other thing to note, the circles, the closed circles in this graph reflect what we've calculated from 2012, and as you can see, dry conditions. They're lining up right along the typical low flow flat line expectation of water quality that we would tend to see on the river under these dry conditions.

Just as important, again, gets to our first observation. The closed little triangles reflect the old data that was collected by USGS when the conductivity sensor was in place during that '76 to '81 period. Now, that was characterized by the two droughts of '76 to '77 and '80 to '81, dry again; and as you can see, the general pattern tends to be on that low end as well. Lot of scatter, but generally nothing that's dissimilar to what we have encountered this -- these past two years. So the solution is obviously, we need more water within the system to improve relative water quality. Not probably -- probably not coming any time -- any time

soon.

In our conversations with our counterparts in Colorado, this is the issue that we keep honing on: The differential in water quality between what's coming out of John Martin and ultimately what we see at the Stateline. A tremendous jump in conductivity reflecting a tremendous jump in total dissolved solids that we're seeing within the river as we hit that Stateline.

Again, these are two seasonally based -- or I'm sorry -- they're John Martin on the lower end, the Stateline conductivity on the upper end. Again, these are all USGS data, courtesy of their sensors that they placed at the gages at those two locations.

For the Stateline, you can kind of see this up and down trend, reflecting again the irrigation season when there's a higher proportion of John Martin releases that are actually reaching the Stateline. Then subsequently in the off season, when John Martin gets shut down, the returning flows from the underlying groundwater within the valley lands that show up and raise the totals of dissolved solid content of the river as well. But this is -- this differential has always been a point of

discussion between us, in terms of how can we begin to close that gap a little bit, rather than impart this type of impact on to Kansas's use of the river.

These next four graphs kind of epitomize kind of our current thinking on the issue of what defines it. Again, these are summer sulfate concentrations versus the ratio of the flow that we see at the Stateline versus the flow that's at the John Martin, and typically, it's less because of operation of the Compact consumptive use within the valley and so forth; so there's always probably a less flow at the Stateline than what's coming out of John Martin, which stands to reason, given the provisions of the Compact, but generally, the more water that we see coming out of John Martin that tends to make its way -- go back one -- make its way back to the Stateline tends to improve the sulfate concentrations we're seeing there. Again, that stands to reason. The best water quality we get tends to be that that's directly delivered to us from John Martin releases. Go ahead now, Kevin.

On the off season, again, and the thing to note here is looking along the X axis, we have a two order of magnitude jump in that ratio between Stateline and John Martin flows; and we also see on

the Y axis a jump in the sulfate concentrations, whereas the minimum was around, in the summertime period, was around 1100 that we recorded. Now it's about 1850 or so, so there's everything's come up, and there's just basically purely derived -- Stateline flows are purely derived by the returning flows that are coming in the intervening drainages below, below the dam.

The real issue for us or what defines our issue now, again, is on the selenium. Go ahead, Kevin. Once again, during that summer irrigation period, the high proportion of flows that comprise the Stateline flow that come out of John Martin generally result in improved selenium concentrations.

The issue, and what we've -- in the course of five years of discussions with Colorado, this is the real issue. This is the off-season. This is the winter time period. The selenium is on an upward trajectory, reflecting that as we get more and more return flows, constituting what we see at the Stateline during this off season of November through March, we see those values on an upward trend, and the levels that we're seeing are bumping up against our water consistently against the acute water

quality standard.

Now, for selenium for both States in rough numbers, five parts per billion is the chronic, which is essentially the long-term expectation of what constitutes safe conditions for the aquatic life, and 20 is the more acute, acute value; and there's ongoing debate as to in terms of what is the appropriate number of that. What we're up against, these are our highest values when it comes to the selenium issue; and again, selenium is a priority pollutant, so on the federal front, it garners quite a bit of attention in and of itself, just because of its status within the context of where it lies within the Clean Water Act in terms of what -- how much impact it potentially has. We don't have -- go back to is the Kesterton situation in California where selenium wreaked havoc on the wildlife and wetland habitat out there. That connation has carried itself forward throughout the federal lexicon over the past two decades or so. This is -- go ahead.

MR. BARFIELD: Tom, five parts per billion is .05 on this scale?

MR. STILES: .005, that lowest value on the Y axis.

MR. BARFIELD: Then 20 parts per billion is the .02?

MR. STILES: .02 is our --

MR. BARFIELD: All right. Thank you.

MR. STILES: What started out as just a global issue for us in terms of, well, we got too much salinity in the Ark River. Well, the fact is, that's the Ark River. We've narrowed the scope of our problem now to defining, saying that is what it's always going to be, but what's confounding us is this upward trajectory, this misbehavior of selenium, and we suspect uranium is coming along for the ride as well, and they have more importance relative to the uses that are potentially made of the river for us than the old selenium, sulfate type of issues.

Wintertime return flows is where we're really taking our hits, relative to poor -- relatively poor water quality, and so ways to ultimately try to manage and treat for that is probably our long-term quest of what we want to do to try to ultimately bring about some relative improvement in terms of water quality.

So let me run through a series of observations, what we've observed, what we believe

our working hypothesis, and some considerations for everyone in the room. Our observations are that the sulfate and other, let's call them relatively benign dissolved solid constituents, like boron or fluoride, have been pretty stable over the last 45 years that we've been collecting that type of information; not whether it's been waxing and waning in the relative concentrations, but what we see contemporarily is not all that dissimilar to what we saw before the Clean Water Act came into being in 1972.

The two actors that are misbehaving again are selenium and uranium, and they're the contaminants of concern for us. They have significant impacts to uses; selenium, again, being a priority pollutant, and it has aquatic life concerns, certainly, and uranium because of public water supply concerns, and we've already seen some of that in terms of issues that have arisen at Coolidge and at Lakin along, along our portion of the river from the Stateline.

Most notably is that, unlike everything else in the river, these two are continued to work, increase the concentration with time. Now our concentrations as we come out of the Stateline and moving to the east are -- tend to get a little bit

better, and we see generally a decline in those concentrations. There's a tremendous concentration increase between the dam and the Stateline. Again, that's been a focal point of our discussions with the State, with Colorado, and the wintertime tends to be when we represent our worst water quality, because the water that's in the river is essentially composed of the return flows that are coming from the valley lands.

So our working -- our beliefs, our working hypothesis, we're ready to just say sulfate and the general selenium (sic) issues, we're not all that worried about that. The increase in selenium concentrations we are worried about, and but it might also mean that, rather than just a valley-wide problem, maybe there's certain selected hot zones that are contributing selenium. That basically also starts narrowing the scope of trying to deal with the issue.

We'll rely on Tim Gates's work out of Colorado State where he's extensively collected information and modeled the valley to try to identify potentially where these hot zones are when it comes to the question of selenium and then its companion, uranium, as well. Obviously, the greater proportion

of releases coming out of John Martin that stay in the channel itself means better water quality for us at the Stateline, and the converse, the less time water is sitting within the valley lands as a result of watering irrigation and then returning over the wintertime period, the better that -- the less water that's perched on that and then arrives in the off-season, the better our water quality is as well. Wintertime is our problem, period.

We're discovering that some of the -- we didn't think there was much in the way of point sources between the dam and the Stateline. In fact, there are a number of little small operations and small towns like Wiley and Granada that potentially are discharging. They tend to discharge to the irrigation ditches and then make their way back into the river system, so that's a point of discussion we want to have with our counterparts in Colorado to see how they're ultimately running through their permit system to deal with those types of things and the use of those ditches as conveyances for those wastewater discharges.

This one's huge the next one's huge. Gates rediscovered that there's a relationship between nitrate concentration within the groundwater and the

mobility of selenium; that the more nitrate that's in the groundwater, the more likely selenium is going to become oxidized and then become mobile and find its way in the water system in transporting with the water, so nutrient management, which is at the forefront of both States just as a primary concern on the Clean Water Act, especially nitrogen and nitrate, might be a key towards getting us double bonus. That is, we reduce the level of nitrogen and nitrate being applied out there, we might see the benefit of reduction in selenium.

Then biological treatment and removal of selenium via, you know, development of constructive wetlands and biomethylation and trying to volatize the selenium into the atmosphere may be an appropriate practice, especially where perhaps the ditch outlets are coming back into the river.

Final thing. Considerations for everyone in the room: There still is a question, and this is an EPA question, that how we look at selenium is a big issue relative to we've historically looked at it in terms of concentration for water quality, concentrations within the water column. Two years ago, they brokered a proposal to start looking at fish tissue as the appropriate vector to assess

selenium. We've collected some of that information, and in fact, we find high selenium in some of our fish tissue that we've collected on our side of the Stateline.

Selenium is a bioaccumulative pollutant. It works its way through the food chain, so it builds up, and in fact, that's where its primary impact to aquatic life has been is through bioaccumulation through the food chain. So we're waiting on EPA to figure out exactly how we ought to be expressing and looking at selenium; whether it's just concentration in the water is good enough or whether we need to start looking at translations from obtaining information from the, the, the food chain and the fish tissue as to what, where we're at.

The EPA is quietly pensive on it. They're still thinking about it. Both States have been growing increasingly impatient for us to try to get an answer, because it will have major implications on our review of the level of impairment we see in the river on both sides of the Stateline when it comes to that pollutant.

Nonetheless, no matter how we're looking at it, the river is impaired by selenium and uranium or, for us, other radionuclide parameters, like look

at gross alpha radiation, which we picked up again at Coolidge.

TMDL's. In Colorado -- we have our TMDLs in Kansas -- TMDLs in Colorado, I think, would help them begin to craft a strategy and a pathway to reduce which is predominantly a nonpoint source type of problem, and so we continued to encourage Colorado to try to direct its next set of TMDLs towards addressing some of the river, the Ark River issues, as they pertain to not only us, but on the other side of John Martin, heading back towards Pueblo.

The most important thing is there is just a lot of information out there. There's a lot of thought and there's a lot of opportunity to discuss this issue and ferret out just where opportunities lie and what challenges remain for us to deal with, so a strong pressing need for federal conversation and State parties to pull together and look at both the quality and quantity side of this issue and begin to brainstorm what potentially can be done to craft an appropriate remediation strategy to reduce the selenium and uranium loadings going into that.

Long-term, maybe tackle selenium and salinity, but we've backed off that somewhat. Selenium and

uranium are our primary issues, and in fact, that tends to, again, as narrowing the problem, compartmentalizing it, it also tends to remove some of the tension that historically has existed between this quest and the ongoing operation of the Compact. As we focus on these, they become a little bit less involved with the Compact. In fact, if we attack things like nutrient management, it's Compact neutral. It doesn't play into that.

Frankly, we're not all that concerned about how the Compact is being operated, per se, relative to this. We're just looking for opportunities to move off status quo, which we find unacceptable, but let's find some solutions.

So as I close out here, I just encourage both the States on the water quantity side to continue to engage us in this dialogue and help us find out what potential practices or treatment approaches or strategies might effectively help solve our problem. I'd be happy to take any questions.

MR. HAYZLETT: Are there still two EPA regions? At one time, they were different on standards on sulfate, weren't they?

MR. STILES: Well, Randy, they -- EPA doesn't set standards. The States sets standards,

and the two States are not all that dissimilar on sulfate, or really on selenium, either. Pretty similar in terms of what the standards are. There's a little bit of nuance and different -- difference there.

The problem is so big, it doesn't -- the number itself doesn't really matter. There's just a lot of that stuff out there, in terms of sulfate and selenium.

MR. HAYZLETT: The standards are the same then on selenium and uranium then, between the States?

MR. STILES: Truthfully, Kansas doesn't have a uranium water quality standard. We have a, basically through the Safe Drinking Water Act, that MCL value of 30. Colorado does embrace that 30 part per billion uranium as part of their water quality standards as well. We have gross alpha radiation as kind of our representative of the, of the issue that comes into play.

This is not, for the most part, a problem between the two States having differing water quality. The only place where the States are carrying on that conversation with the Water Quality Control Commission is on what EPA or what Colorado

uses as temporary modifications, recognizing that in situations like this, whatever the number is, we're way above it. They allow for some variance or some, some exceedence of that table value within the standard, for the purposes of permitting.

We're pushing back on that a little bit, partly because we don't think that the permits there in fact represent a major loading. Second, we don't want to give the impression that things are being handled or being addressed just by issuing a temporary modification within the context of their standards. We're carrying that conversation on separately within the context of what the Commission is looking at. We'll resolve that with their rule-making come June of this next year, relative to that.

This is not so much a standards issue as much as just a reflection of a nonpoint source management issue and how the two States can marshal their forces to try to make some inroads, which I think on our side of the Stateline, all our interested parties have been asking for is trying to make a dent in the historic level of quality.

MR. HAYZLETT: And you said selenium was just there and uranium is kind of along for the

ride; so if you address selenium, does that address uranium as well?

MR. STILES: We think so. Again, utilizing Tim Gates's works out of Colorado State, there tends to be a strong correlation between selenium and uranium, so we're thinking that and the fact that it continues to be relatively high, we think that if we tackle selenium, we're probably tackling -- making a dent on the uranium issue as well, but we're just -- we've just scratched the surface on the uranium issue, per se.

MR. HAYZLETT: Other questions? Dave?

MR. BRENN: Tom, first of all, I very much appreciate in following your work and the dedication you've had in this process and dialogue with Colorado and, you know, I'm curious. Your last item, it seems to me to, as you indicated, to be the challenge and a real pressing need. Can you folks hear me?

You know, a real pressing need for state and federal entities to come together and brainstorm or to look at strategies and priority. Do you have any feel for what type of catalyst or is there any examples elsewhere? Is there -- is there a template, if you will, where they've dealt with

issues this way? It seems to me in order to move it, there has to certainly be some uniformity of purpose.

MR. STILES: Well, in fact, in some venues, we've utilized the TMDL process to act as the forum to broker these issues between, between not just Colorado but other surrounding states to Kansas, so there's always been that.

Since 2007, when we engaged Colorado in their water quality standard process, the Water Quality Control Commission directed my counterparts there to work with us to share information and carry on the discussion of where we might be going relative to trying to craft that, and that's still in play and continues to be in play to this day as well.

We just met this morning, prior to coming in for the Compact Administration meeting with -- between the two States, to kind of see where we're at and what's going. We're pushing and we'll be sending Colorado a letter requesting a forum for discussion that involves interested parties in both -- on both sides of the Stateline to be convened this summer to bring as many people as possible together to begin to sort out who are the players here; who's got information; what do we

think is happening; what are the challenges, and so forth. It will be the first time we've kind of expanded the dialogue beyond just the two water quality agencies. So we'll make that request and then we'll see what Colorado responds in kind relative to that, but they're working their way toward this. It's been somewhat deliberately slow, but they're working their way to carrying that out.

Now, ultimately, there are provisions within the Clean Water Act to convene interstate conversations and conferences under the context of the 319 program. It's only been utilized once up in New England, on the regional mercury issue there, but that's also in play there. That's a card -- that comes at the behest of the Administrator of EPA. That would be who we would have to petition to engage on that.

We're not ready to go there yet. We don't see the need to go there yet. We'll see -- we'll craft our request and we'll see if we have -- can convene this discussion forum to carry it out.

Dave, we've -- in conversations with you and others, on our side, I think, and what I've conveyed to Colorado is, we just want -- we just got to -- we understand how tough the issue is. We just need to

talk and see what's possible and what's out there, and then see where we have opportunities to marshal the two States' forces together to bring in resources to ultimately try to bring about some improvement to the condition of the river.

MR. BRENN: Thank you.

MR. HAYZLETT: Other questions? Jennifer?

MS. GIMBEL: Thank you very, very much for that report. I know that you're working closely with our water quality folks, and in my mind, that's the right forum to be talking about this. It's -- they are the people who know what's going on.

We work very closely on the water quantity side with our water quality folks. I'm hoping that you all do on your side, too, and to me, it's those -- it's, it's that, that forum that we use to, to move forward on these issues and figure out what's going on.

Mr. Chair, I somewhat reluctantly would oppose this being an exhibit to the -- these notes being an exhibit to the meeting. I take umbrage with the fact that we have a sheet of paper here talking about findings, beliefs and considerations, and the findings are not ours. The beliefs are purely those

of Kansas and I have not had an opportunity to go through this list with our Colorado constituents, and so I would make that objection.

MR. BARFIELD: Well, thanks, Tom, for taking the time to come here, and Kansas does appreciate Colorado allowing this discussion to occur, this presentation and discussion to occur in this forum. You know, I -- we know it's not a popular topic to have in this particular forum and understand there are other, other forums where this sort of dialogue is going on, and appropriately so, but, but you know, we -- Kansas wants this forum, the Basin, to understand that obviously this is a significant problem and will require -- requires the kind of ongoing study that's occurring to figure out the cause, to see what's going on and so forth, and so we sort of want you to be aware of what, what we're seeing and learning in that context and what we believe is significant and maybe of lesser significance, so it's a serious problem that's going to I think require, as Tom's indicated, discussion and action in a variety of forums and, and so we do believe this is appropriate and, and thank you for the opportunity.

We were going to continue to look for how can

we address these issues in, in the most appropriate and useful way, so with -- so anyway, thanks, thanks again for hearing us.

With respect to it as an exhibit, I certainly hear your objections and, and, and understand them, but we were going to have a discussion I think a little later on about exhibits generally, and it had been raised last night in the committee meetings whether the Offset Account Review reports should be included as an exhibit to the transcript of this meeting and whether the Colorado's PDF evaluation should be a part of the, the record of this meeting.

We were -- we -- Kansas was talking about that last night and thought it would be appropriate. It's materials that were brought here and discussed, and maybe for completeness, that those should be done. As we consider that, we noted that other reports, the Operations Secretary report have not been included as part of the, the, the record of this meeting as -- and I think and other reports as well. We think some of that historically has been to prevent a very bulky report, and in our day, when most of us will have this in an electronic format, the bulkiness issue probably isn't there, and so I'm sorry if I'm on a brief aside here.

I was going to suggest at the first occasion of an exhibit that would be considered that wouldn't be normally attached, that we just say let's attach everything that we hear. Now, again, some of those other reports are not ones we necessarily agree with everything in there that we properly caveat, for the record, this is Colorado's report on this and, and we're just attaching it to the record to make a complete record.

But so anyway, so I don't know how that interacts with this particular concern of yours that I, I fully recognize and appreciate and would share as we consider other matters, so -- so let me just ask the question then. If you want to finish the side discussion, I'll let you -- let me just ask if we, if we can attach it as merely as a, to complete the record of what was presented at the meeting, with the understanding that it is Kansas's view of the issue.

MS. GIMBEL: Thank you, David and Mr. Chair. The presentation itself, I, I, I hear you and I understand that and I've been trying to figure out how to, how to deal with that issue. I think when I saw the slides and the way they were presented, that's a little different than how it's

presented on this piece of paper and I'm a little more comfortable with the slides than I am with this last piece of paper, and so maybe that's the way to resolve it is we just put in the slides, and because to me, it was more clear that it was Kansas's beliefs and Kansas's observations, and so if that would be an acceptable compromise, then I would be willing to, to remove my objection.

MR. BARFIELD: Yes, thank you. I think that, that is fine. That is what was presented and let's do that, and again, the record will note that this is Kansas's view of the problem, so -- and again, thanks for allowing this discussion to happen, so --

MS. GIMBEL: Okay.

MR. HAYZLETT: Colin, did you have a question?

MR. THOMPSON: Oh, I was just wondering if you have taken into consideration farming practices and if you've overlaid side stream flows into consideration with your other data that you've got here.

MR. STILES: No, I've -- perhaps Dr. Gates has done that, but we have never gotten into the weeds relative to how things are being

conveyed within and managed within Colorado. All we have are the empirical data we've collected within the river in and of itself, so we have nothing to rely on relative to create that -- creating any such linkage.

MR. THOMPSON: You've mentioned that several of the towns here, you know, maybe are points of pollution or something, but what would they be doing different today that they didn't do 15 years ago?

MR. STILES: Well it's -- 15 years ago, we were -- 15 days ago, we were unaware that there were any point sources there. In the course of dialogue with, again, our counterparts at the Water Quality Control Division, we've pulled the permits; not all, in fact, the majority of which are not federal permits under the NPDS program, to see what is actually out there. We're just gathering information that heretofore we weren't even aware that there were any potential sources.

We don't even know if they're -- if they actually discharge. They just indicate that their outfall is located with the Fort Lyon Ditch and so forth, so this is just, on our part, a new bit of information that we want to explore a little bit

more with the Division to see if there is any real impact there.

The City of Lamar, probably the most major activity out there discharges into a three-cell lagoon that ultimately just winds up going into the ground itself. There is no direct discharge to the river. Everything else beyond that is much, much smaller. So, we're just in the course of looking at the question revolving around water quality standards, just doing some fact-finding in and of themselves to try and see what the relative impact of those small, small permits might be.

MR. THOMPSON: If your numbers are correct and these levels are increasing, then you would have to think that there would be something that would be changing out there in the -- changing someplace; and so if there is -- you know, if the cities are historically doing what they've been doing, there's probably not much of a smoking gun there, and under the canals, I mean, I know from a farming standpoint, the only thing we're doing is irrigating less because we don't have any water.

But the biggest thing that has happened, and all of the farmers in the audience can attest to this, is what no-till farming has done and minimum

and no-till farming has done out in the -- especially out in the dryland concentrated areas. Those areas used to contribute significantly to a lot of these side streams that no longer flow in the amounts that they used to flow; and so I think the baseflow of those has probably always been there, perhaps as being overrepresented in the facts now because of the decrease in these side streams. Is that possible?

MR. STILES: That may be. Five years ago, we thought sulfate and selenium tracked just that. It was all the same mechanism. In the course of this dry period that's subsequent from 2007 now to presently, sulfate is still behaving the way it always has.

Selenium is popping up. It's a mystery to us why. That's why it's become the pollutant of interest on our part, saying what's going on here? Why is it we have a divergent mechanism in place there? We don't know what the answer is. We just know what the question is.

MR. HAYZLETT: More questions for Tom from up here? Okay.

MR. THOMPSON: Get all the drylanders to take out all of the terraces and quit no-till

farming and get some erosion going again, I think we can get that back under control.

MR. STILES: Is that a recommendation of the Administration?

MR. HAYZLETT: Tom, it's important to us here, and I know there's going to be more questions from the audience. Are you going to be here for the remainder of the meeting?

MR. STILES: Yes, sir.

MR. HAYZLETT: Okay. I think there's a public comment section here towards the end of the agenda and I know we have some questions and comments, particularly from the City of Lakin, so we'll save those till the public comment section then.

MR. STILES: All right.

MR. HAYZLETT: Any other questions for Tom?

MR. BEIGHTEL: Mr. Chairman, Mr. Stiles's report will be Exhibit G.

MR. HAYZLETT: Okay. I think -- thanks, Tom. We appreciate that. I believe now -- let's see. Compact Compliance and Decree Issues, the H-I Model Groundwater Efficiency Procedure update.

(Discussion held off the record.)

MR. HAYZLETT: We'll move ahead with the 8.A., the H-I Model Groundwater Efficiency Procedure update.

MR. KELLEY THOMPSON: My name is Kelley Thompson. I'm with the Colorado Division of Water Resources.

In 2010, the State of Kansas proposed, well, brought up the issues of efficiencies in the H-I Model that at that time, we were only considering flood and furrow efficiencies in the model and suggested that we work on those issues. I believe that was worked on by both States through 2010 and 2011; and in September of 2011, an agreement was signed between the State of Kansas and Colorado to address these issues, and that did set up a methodology for the Division, in conjunction with Kansas, to first evaluate, do a farm unit review of pumping data related to -- if that was related to flood and furrow irrigation, sprinkler irrigation or drip irrigation, and I -- Bill could also touch on this.

I do believe that process was successful this year and they worked through a lot of that data, acreage data and pumping data; and also in that agreement, they set out a process to incorporate

those higher efficiencies into the H-I Model, and they are able to track pumping amounts to those different categories and do a calculation now for the H-I Model that considers a 65% or 70% efficiency for gravity irrigation, that would be flood and furrow irrigation; an 85% efficiency for sprinkler irrigation; and 100% efficiency for drip irrigation.

Those are calculated as a weighted efficiency, and now the H-I Model was adapted, was updated to include those for 2011; and so for 2011, four factors are included in the model that are an efficiency for groundwater only irrigation, an efficiency, a weighted efficiency for supplemental, so that when both groundwater and surface waters are combined to use in those irrigation systems, as well as tailwater factors for those same, for those same issues.

I believe, you know, Colorado submitted their, their pumping numbers and Kansas experts, Spronk Water Engineers, had a chance to review that in detail, and by the time the H-I Model was submitted in June we, I believe, had come to an agreement that those pumping numbers were accurate, as well as those efficiency calculations, and so they have been included in the H-I Model and reflect, and the

accretions and depletions that are calculated by the model for 2011 now do reflect those higher efficiencies. I don't know if there's any questions.

MR. HAYZLETT: Questions? Thank you, Kelley. You're Item B., then?

MR. SALTER: That's correct.

MR. HAYZLETT: The Ten-Year Compact Compliance Accounting Table. (See Exhibit H for table)

MR. SALTER: My name is Kevin Salter. I'm here today to present the Ten-Year Accounting of Depletions and Accretions to Usable Stateline Flow for the period of 2002 through 2011.

As Kelley described, every year there is an H-I Model update that's done. That update, along with other information, is used to create whether there's a depletion or accretion at the Stateline. An accretion represents that Colorado is in compliance. A depletion would represent that they're not being in compliance.

Now, on an annual basis, you can have an accretion or depletion. It's a matter of what is the running Ten-Year total, and for the 2011 -- the 2002 through 2011 period, there's a Stateline

accretion of 57,604 Acre Feet. This compares to about a, to a 44,000 Acre Foot accretion for the previous period, which was 2001 through 2010; so it was decided at a previous Administration meeting to monument this, so we would offer this both as an exhibit and to be included in the ARCA Annual Report for this Compact Year 2012.

MR. HAYZLETT: Okay. Any discussion on that? Okay. We'll accept that as an exhibit then.

MR. BEIGHTEL: That will be Exhibit H.

MR. HAYZLETT: Thank you.

MR. SALTER: And that will be made part of the Compact Year 2012 Annual Report as well?

MR. HAYZLETT: Yes. Thanks, Kevin. The Offset Account Review Joint Report. Who's giving that? (See Exhibit I for report)

MR. SALTER: I'll do that as well. As part of the *Kansas v. Colorado* decree, there was an agreement made. One of the things that we decided to do in that process was review the operations of the Offset Account once every five years. Now, it happens that this particular first year is including the period 1997 through 2011, since this is the first report.

I'd like to thank Bill Tyner and Kelley

Thompson with the Colorado Division of Water Resources, as well as Rachel Duran of my staff, as far as putting this report together. It was an extensive thing, being this is the first time we went through this. We're hoping that the process is simplified, much simplified as moving forward. Also appreciate the reviews, both in the Kansas side and Eve McDonald and Steve Witte on Colorado's side. They've provided very helpful comments to get this finalized.

The report is in five sections. The introduction talks about how the Offset Account was created during the *Kansas v. Colorado* litigation. Colorado needed a vessel to put water, when replacement water was available, a replacement to depletions to river flow. Kansas needed something that we could call on when our irrigation needs -- to match up with our irrigation needs.

As I noted, the period of review is 1997 through 2011. The next review period will be for Compact Years 2012 through 2016. We'll actually kick that off here in about three years.

The Section II details with document descriptions, and these are the shorthands of the documents we're talking about. The first is the

Offset Account Resolution which set up, under the Compact's authority, an account in John Martin Reservoir, maximum content of 20,000 Acre Foot.

The Offset Account stipulation included other things that was kind of involved in the litigation side of it, but it contained the component of how deliveries from the Offset Account would be credited. That particular process, the States were involved in a dispute fairly quickly with that, so that resulted in a third agreement called the Offset Account Crediting Agreement, in which the States agreed to a method to credit deliveries at the Stateline.

Another aspect of the Offset Account Resolution is that it is an annual agreement that either State could notice the other State that they would like to terminate the Offset Account Resolution. Appendix A.4 put in a process that if a State gives notice then, there's a five-year or there's a period of time in there that would allow the States to work out an agreement to allow the credits of the Stateline for replacement.

Section II (sic), Bill Tyner really put a lot of time and effort into this one. We looked at the historical operations of the Offset Account. There

is a storage charge that's required for utilization of the Offset Account. There's a 500 Acre Foot storage charge for utilization of the first 10,000 Acre Foot. If there's more than 10,000 Acre Foot, there's an additional concurrent 5% charge.

Bill went through how that particular process worked out every year. Then he also went through the consumable water sources that were supplied to the Offset Account, detailing those on an annual basis. He then reviewed the delivery operations through this period at the Stateline and the successes, when we called, how long the releases lasted. We did note also that there was some Offset Account spills early on in the period, and then we also noticed the notices that we were to receive for the Offset Account, the monthly and annual reports.

So as a part of this graph, a part of this, we put this table in. These would be the operations of the account itself, the inflows, the releases, evaporation; and then because we're doing this on a Compact Year, we put the October 31st end of day content.

The other thing we noted was the maximum end of day content, so the most water that the Offset Account had on any particular day was in 2009, with

an amount of 12,913 Acre Feet.

The other thing we put into the report that I thought you would find of interest is this comparison of net inflows to releases. The inflows occur through March through the October period, and the releases have occurred in the same period; so if you look just at that period, we can see where the inflows occur throughout that period, peaking in June and August, but if you look at the releases from the account occurred primarily in July when, again, our irrigation needs for that water are the highest.

Section IV, there's some related operations to the Offset Account. One includes the Highland transit loss. The Highland Canal is a canal on the Purgatoire River that the Colorado water user group has purchased for use in the Offset Account to replace depletions. The transit losses that occur on that water between those head gates and John Martin Reservoir are input to the H-I Model. Similarly, the deliveries that occur to Kansas below John Martin incur transit losses, and those are also an H-I Model input.

Then there's the third point, which is the interaction between the Offset Account, which is a

real-time thing; the Colorado monthly accounting, which is a near real-time thing; and the H-I Model annual update that occurs just once a year.

So with the Offset Account, we have those operations that go on, deliveries and releases occurring on a daily basis; Colorado has a monthly accounting system that balances those monthly depletions and replacement processes; and then the H-I Model kind of cleans up everything at the end of the year, so there's an interaction that occurs between all three of those.

There's two other sections we put in there. One is operations when the Offset Account is full, if we ever reach that 20,000 Acre Foot maximum limit. We didn't reach that during that period of time. Also, operations if the Offset Account was terminated. Neither State offered notice to terminate, but we did want to put that in there, because that is part of the process.

Section V is the recommendations, so our first recommendation is that we would like to consider comments received by ARCA and other interested parties on this so we can include that in the second report, to make that second report maybe an improved product. We need to go back and review this

particular report for potential improvements to the processes, and we'll also kind of merge that in in this next review period.

Again, it was recognized that we probably should develop the process to handle deliveries if the Offset Account has reached that 20,000 Acre Foot maximum limit. We have some tools out there that we might be able to utilize, so it might be good to get that process in place before we actually need to use it.

The fourth is some improved communications, especially around potential deliveries and potential releases from the Offset Account. There was a few times that I called up Colorado, Bill Tyner or Steve Witte, and said man, if I would have known that they were going to make this delivery, we might have structured our releases a little better. There's also other times when they said, well, if we knew you were going to call, maybe we could have done something different on our side as well to improve the overall operation of the Offset Account.

Then the Transit Loss Application Model, TLAP, is something that's been developed both above John Martin Reservoir and below. There is a provision in our agreements to implement new transit loss

methodology. The question is if this is something that we will want to include in the Offset Account processes.

So that is kind of a summary of that joint report. We -- we do have a few copies of that hard copy available, and we also have electronically that can be provided.

MR. HAYZLETT: Okay.

MR. SALTER: Any questions?

MR. HAYZLETT: Then do you offer that as an exhibit then or how do we handle that?

MR. BARFIELD: I think we should include the report as an exhibit.

MS. GIMBEL: I agree.

MR. HAYZLETT: And then attached as an Annual Meeting report as well?

MR. BARFIELD: I'm sorry?

MR. HAYZLETT: And for the Annual Meeting reports, or do you want it as an exhibit?

MR. BARFIELD: I think we'll attach it as an exhibit to the transcript.

MR. HAYZLETT: Okay.

MR. BEIGHTEL: That will be Exhibit I.

MR. HAYZLETT: All right.

MS. GIMBEL: Steve Miller's got a

question.

MR. MILLER: It is 131 pages. We only have to give four copies of the minutes, so it's not earth-shaking; but a significant part of those pages is not the analysis that the two States did, it's the documents, so perhaps the exhibit could be -- Kevin, is it the first 31 pages or so are the substance of the report and then --

MR. SALTER: That's correct.

MR. MILLER: That might be a -- maybe make the first 31 pages the exhibit.

MR. BARFIELD: You know, when it's an electronic thing, I don't know why we just don't attach the whole thing.

MS. GIMBEL: I agree.

MR. HAYZLETT: I think that would be fine. I think the coffee came in, so I think now would be a good time for a break, if you guys are good with it.

MR. HEIMERICH: When do you want to reconvene, Mr. Chair?

MR. HAYZLETT: 15 minutes, probably.

MR. HEIMERICH: 20 minutes? 30 minutes?

MR. BARFIELD: 15 is fine.

MR. HAYZLETT: 15 minutes.

(A break was then taken from 11:07 a.m. to 11:30 a.m.)

MR. HAYZLETT: I think we're ready to get started again. We're ready for 8.D., Implementation of Irrigation Improvement Rules. Is that Bill?

MR. TYNER: Good morning. I'm Bill Tyner with the Colorado Division of Water Resources and I am going to give you an update on Colorado's Irrigation Improvement Rules. These rules were promulgated in Colorado Water Court just before 2011, in the first year of operation. I reported on a partial result at last year's meeting for that first year of operation, but the return flow maintenance plan for that first year ran through April of 2012, and then a new plan began on May 1st of 2012 and will run through April of 2013.

Under the first plan approved for 2011, the return flows that needed to be replaced totaled 1,888 Acre Feet, and in order to replace those return flows or maintain those return flows to prevent reduction at the Stateline or a reduction of flows within the river in Colorado, approximately 2,300 Acre Feet of return flow maintenance water was provided. So far and projected through the end of the storage season for the 2012 plan, the reduction

in return flows is quite a bit less, approximately 950 Acre Feet.

The reason for that reduced amount of return flows that need to be maintained was just a reduced water supply to those surface structures that utilize sprinkler systems and drip systems. A majority of those structures are under the Fort Lyon Canal, and this was a particularly bad diversion year for the Fort Lyon Canal, so less supply to those sprinkler systems resulted in less of a return flow obligation needed to be fulfilled.

It's projected that to replace those 950 Acre Feet of return flows to the river, 1,150 Acre Feet of return flow of maintenance water will need to have been provided, and most of that has already been provided by the Lower Arkansas Valley Water Conservancy District.

The source of water that the district used for this year's plan were municipal consumable waters from the City of Aurora and the City of Pueblo Board of Water Works. As I mentioned to the committee in yesterday's meeting, those types of sources are going to become increasingly difficult to lease for this purpose. One thing I failed to mention to the committee yesterday, that I will mention for the

record today, is that one study that we will see conducted over the winter by Lower Arkansas Valley Water Conservancy District, funded by the Colorado Water Conservation Board, is the use of the subject water rights to assist in that return flow maintenance. So for example, farmers under the Fort Lyon Canal may choose to use part of their Fort Lyon Canal shares delivered to return flow stations or to recharge pits to help maintain those historic return flows in lieu of leased municipal water, should that not be available or should it be too costly to lease that water.

We realize that this aspect needed a little more refinement in order for us to be comfortable approving that for next year, and so they were -- they will study the use of those water rights over the winter and the functional ability to use those water rights within each ditch system to maintain return flows, and we'll keep the Kansas engineers in the loop as we get those results and when we consider their plan for 2013.

There are approximately 75 farmers involved in this plan in Colorado, with about 95 farms with improvements owned by those farmers, and the installation and use of sprinkler and drip systems

continues to be important in Colorado. Even though it's a still a relatively small percentage of the acreage in the Arkansas Basin, it's becoming more prominent, and Colorado farmers have found it to be an effective way to manage their water and to supply water more efficiently to their higher dollar crops, so I think it's likely to continue to be something that will grow in Colorado, and these plans to maintain return flows will have to keep up with that growth. Any questions?

MR. HAYZLETT: Questions?

MR. HEIMERICH: No.

MR. HAYZLETT: No questions. Thanks, Bill. Item E. is Colorado's PDF Evaluation. (See Exhibit J for report)

MR. KELLEY THOMPSON: Thank you, Mr. Vice Chairman. Again, my name is Kelley Thompson with the Colorado Division of Water Resources, and I'm just going to give you a brief update on the PDF evaluation that we did for 2012. This evaluation was required as part of the Amended Appendix A.4 of the judgment and decree, so we have completed that evaluation and produced a report.

As a little background, the 1996 Use Rules first established these PDF's, these Presumptive

Depletion Factors, that were to be used. In 1996, they established a PDF of 30% for gravity irrigation for supplemental water supplies and 50% for groundwater-only water supplies for gravity irrigation and 75% for sprinkler irrigation, and that was used until in 2009, the Amended Appendix A.4 of the judgment and decree modified the supplemental irrigation flood and furrow number to 39%. Appendix A.4 specified that that 39% would be used through the year 2012 and that was done, but it also specified that in 2012, considering the 2011 H-I Model results, that we would re-evaluate that number and re-evaluate that number annually into the future, and so for 2011, we did that.

Appendix A.4 specified a timetable that after the H-I Model was completed and agreed upon by the two States in June, that Colorado would work on this evaluation until September, submit that evaluation by September 1st to the Kansas experts, and State of Kansas, and which would review that and hopefully the two States would come to an agreement on that PDF before December 1st.

Appendix A.4 did really specify a specific methodology to use. The State of Colorado's GWAM model is used to estimate idealized replacements,

and then those replacements in actual pumping are supplied to a modified version of the H-I Model and the H-I Model compares accretions and depletions on an annual basis, giving those idealized replacements, and then we judge the PDF value based on 10-year sums of those annual accretions and depletions, and so all accretions and depletions for those 10-year sums from 1997 are considered until the current year, and at some point, it will only be considered for the last 20 years, so in 2018 it will progress from 1997.

But Colorado produced that evaluation. Considering a PDF of 38.0%, there was a shortfall in the 1998 to 2007 period, primarily due to the water conditions in 2002 and 2003, but using a PDF of for flood and furrow irrigation for supplemental supplies, a PDF of 38.1% was sufficient.

So Colorado submitted those results with the report to Kansas prior to September 1st and the experts, Angela Schenk and Dale Book, as well as Kevin Salter, looked over those results and via an e-mail that was received in November of this year, confirmed that they agreed with that 38.1% number for the PDF value, and so that satisfied the terms of Appendix A.4 that the States together will come

to an agreement on these values each year. The State of Colorado will maintain that report on file and this will become a process that we -- that we go through every year, following the H-I Model results.

MR. HAYZLETT: Okay. Questions?

MR. BARFIELD: No. So the report will be attached as an exhibit to this -- to our transcript; correct?

MR. BEIGHTEL: Okay. That will be Exhibit J, and we have no copies of that report.

MR. KELLEY THOMPSON: We submitted those yesterday.

MR. BARFIELD: Okay.

MR. HAYZLETT: Thank you, Kelley. We appreciate that. I think we'll move into the committee reports, the Engineering.

First of all, just as a note, I think checkout time here is noon. For those of you who haven't checked out, we're not going to break for lunch. We're going to try to trudge right on through and get done. There's also another note. The attendance list has circulated, but I think there's a lot of people that came in after this went through, so try to get your name on here if possible. We can either get it back to the back or

somewhere where you can find it.

Engineering report. (See Exhibit N for report)

MR. HEIMERICH: Mr. Chair, Matt Heimerich. I had the honor of chairing the Engineering Committee this year with our -- with our colleague, Chief Engineer David Barfield. This was on yesterday afternoon, December 5th. The committee requested Brent Newman and Rachel Duran to produce a brief meeting summary and put together a list of action items for us for that meeting, and on behalf of David and myself, we'd like to thank them.

Just a quick, a quick summary. We amended the agenda slightly to put into some more timely presentations. We heard a presentation; heard a recommendation from Jeff Kahn, Water Counsel attached to the City of Trinidad, on the City's proposed amendments to the Trinidad Operating Principles. There's an action item that will follow at the end of this report.

The committee heard from the Corps of Engineers, which included Dennis Garcia, Jason Woodruff on the John Martin Reservoir area capacity tables and maintenance at John Martin Reservoir, as well as a proposed restoration plan for Lake Hasty. They also talked about the Arkansas Valley Conduit,

the Trinidad Reservoir Operating Principles, and two FERC hydropower applications: One at John Martin and one at Trinidad Reservoir; the Purgatoire Water Conservation District letter regarding the leasing of excess capacity in that joint use pool in Trinidad Reservoir and, and their response to that.

The committee also heard from Andrew Gilmore with the Bureau of Rec on the Arkansas Valley Conduit NEPA review process; the Trinidad Project in their consideration of the City of Trinidad's proposed amendments to the Operating Principles; as well as the Purgatoire District's letter regarding leasing of excess capacity in the joint use pool in Trinidad Reservoir. Andrew also spoke about the next steps that he's undertaking as we get into the coming Ten-Year review.

We also heard from Tammy Ivahnenko with the USGS on her report concerned stream gages that the USGS maintains under the cooperative agreements, detailed the Fountain Creek Flood Study and the Buena Vista Salida Basin Water Budget Plan.

Next, the Committee heard a request from Grady McNeill with the Colorado Division of Parks and Wildlife and the -- and I guess the Parks and Wildlife Commission, I suppose, that ARCA consider a

resolution allowing the remaining 8,425 Acre Feet of the Muddy Creek's reservoir storage right to be transferred to the Permanent Pool in John Martin Reservoir.

I'm just going to paraphrase for a second here. Chief Engineer Barfield stated that Kansas had just recently become aware of this request, so at this point in time, we encourage -- I'm reading verbatim now -- the Committee encouraged CPW to visit with Kansas and District 67 users in Colorado to establish a timeline to consider their concerns and responses. The parties should keep the committee up-to-date on that, on their progress. I can also add that Mr. McNeill said that after discussions yesterday evening with interested parties, he's established that timeline.

The Committee heard a brief report from Steve Miller on the status of Colorado's development of its Decision Support System for the Arkansas River, CSU's Irrigation Study Completion Report, the South Slope Hydroproject in Fremont County, and a report on the Rocky Ford Lysimeter Project, as well as mentioning that NOAA is looking for comments on their forecast center web site. The committee acknowledged that there will also be a discussion on

the Special Engineering Committee.

Under action items, the committee would recommend to ARCA to approve the resolution amending the Trinidad Operating Principles and that this resolution be included as an exhibit to the transcript. Secondly, the Engineering Committee recognizes the value of the Special Engineering Committee and that -- and recommends to ARCA that the Special Engineering Committee be extended for the calendar year 2013.

I'd also like, at this point in time, to extend an invitation to special -- to Chief Engineer Barfield to make comments to that, to that point.

MR. BARFIELD: Thank you, Matt. Eve McDonald, in our discussions yesterday afternoon, brought up some pending issues related to the LAWMA Decree. Kansas has raised a set of issues and she was wondering if the Special Engineering Committee might be the best venue to sort of move forward with those discussions.

Is Eve here? Eve, why don't you come on forward here, and so we've had some dialogue about it. Eve would like to sort of give you a little bit of an update on sort of where we're -- what we've been doing and what we're up to, and then we'll talk

about how to best move those issues forward.

MS. McDONALD: Thank you, Chief Engineer Barfield. My name is Eve McDonald from the Colorado Attorney General's Office, and I wanted to update the ARCA today briefly on the continuing efforts that Colorado is continuing to make and has made through 2012 to address concerns that Kansas raised back in 2008 with the first LAWMA change decree, and LAWMA is the Lower Arkansas Water Management Association. It's a well augmentation group that has purchased, with State help, water rights to change to augmentation purposes to prevent Compact violations from well pumping, as you know, and in -- after the LAWMA first change decree was entered, the Special Counsel for Kansas e-mailed Colorado a list of 15 concerns that Kansas had with that decree in the 02-CW-181 case. 02-CW-181.

That was May 19th of 2008, and since then, we have been working diligently, my office, the State, and the Colorado Department of Water Resources, with Kansas to resolve those concerns, and it has been an issue discussed at this ARCA meeting since then in previous years, and the correspondence between my office and the Kansas Attorney General's office has even been entered as exhibits to the record.

So this year, I just wanted to update ARCA and let you know that we have not waned in our efforts to continue that dialogue and resolve Kansas' concerns. In particular we, in 2012, sent several versions of a draft decree that LAWMA proposes for a second change of water rights in the 05-CW-52 case, and Colorado staff has worked to make sure that none of Kansas' concerns are further exacerbated by that decree, and we worked with Kevin Salter and Mr. Grunewald in the AG's office to make sure that Kansas had two chances to review that decree before Colorado signed off on it; and of course, as they do in every change case, the Colorado Division of Water Resources is ensuring that the decree is in compliance with the Compact and also doesn't allow any expansion of the water rights as they're changed, and we believe that that proposed decree in that case satisfies all of those concerns, but as we engaged Kansas during this past year, Kansas staff has been unable to prioritize it at this time, and as we discussed yesterday, we think the time may be ripe to now really dig in and engage with Kansas early in 2013 to address any concerns that remain in that list of 15. It unofficially is clear that many or most of them have been resolved, but we would

like to get to the point where the cloud of uncertainty is removed and Kansas' concerns that have been resolved are officially marked off the list.

And the final point I wanted to make is that the third LAWMA change decree is also being considered. That's case number 10-CW-85, and just as in the 05-CW-52 decree, Colorado has made sure that terms and conditions are inserted that address anything in that list of 15 issues that is implicated in this proposed decree, and we will be forwarding it to Kansas for your review early next year in January, and that might be the right impetus to get all the proper staff and officials together to dig in and narrow or reduce or eliminate the list of Kansas' concerns with these decrees. Does anybody have any questions.

MR. HAYZLETT: Response?

MR. BARFIELD: I don't have any questions. I just want to basically say that, you know, again, our -- I and others from Kansas had a discussion last night about, you know, the need to move forward and the best forum to do that.

The Special Engineering Committee was crafted to deal with 1980 John Martin issues, principally

matters related directly to the Administration. We believe the best forum for this work to be done is with the experts and my staff and self, and really legal counsel as needed, so we -- and we're committed to -- you know, we agree with your statement that this is the time to dig in and try and make progress on this, so I'll leave it at that.

MR. HAYZLETT: More questions or comments?

MS. McDONALD: Thank you, Mr. Vice-Chair.

MR. HAYZLETT: Thank you.

MR. HAYZLETT: Does that conclude the Engineering Committee's report then?

MR. HEIMERICH: It does Mr. Chair.

MR. HAYZLETT: Okay. Ready for the report of the Operations Committee. Dave Brenn.

(See Exhibit N for the report)

MR. BRENN: Thank you, Mr. Vice-Chair. Yesterday, December the 5th, the Operations Committee met. That committee is comprised by myself and Colin Thompson from Colorado. I'll give a brief meeting summary here. We will have reports of the Operations Secretary and Assistant Operations Secretary after the meeting summary.

The committee received the Compact Year 2012

reports of the Operations Secretary and Assistant Operations Secretary. The committee received the 2012 report of the Offset Account, as well as the Ten-Year Compact Compliance Accounting Table for 2002 through 2011, which was presented to the committee.

The committee received the Offset Account Review Joint Report of the States and asked that the States discuss whether to memorialize this report and include it in the ARCA Annual Report. We heard an update on the implementation of the Irrigation Improvement Rules. The committee heard a report on the Presumptive Depletion Factors, the PDF evaluation, and asked that the States discuss whether to memorialize this report, include in the ARCA Annual Report, and I believe there's already been discussions on that issue here.

With that, unless Colin, you have additions to the summary -- do you have any additions?

MR. THOMPSON: No.

MR. BRENN: I'd like to ask Steve Witte to come forward with the Operations Secretary report. Mr. Witte.

MR. BARFIELD: While Steve's coming up, I think we failed to note that the Engineering

Committee Summary should be attached as an exhibit. Do we -- we were intending to do that; right?

MR. BEIGHTEL: I think what we would suggest to do is make each committee report all together one exhibit, if that suits the Administration, or do you want them separate?

MR. BARFIELD: I don't know.

MS. GIMBEL: I don't think it matters one way or the other.

MR. HEIMERICH: We don't care, so exhibit whatever it is will be Engineering, Admin and then Operations.

MS. GIMBEL: The three reports?

MR. BEIGHTEL: Yeah, if that's okay with you.

MR. BARFIELD: Oh, I see. The three committee reports together would be one exhibit?

MR. BEIGHTEL: Yes.

MR. BARFIELD: So let's do that at the conclusion of the Operations -- of the Administration Committee. Thank you.

MR. BEIGHTEL: Okay.

MR. WITTE: Thank you, Chairman Brenn, Vice-Chairman Hayzlett, and members of the Compact Administration. I'd like to begin by providing some

acknowledgements to a few members of my staff. I'd like particularly to thank Mr. Phil Reynolds and Mr. John Van Ort for their support and their assistance in working through the issues that arise related to the 1980 Operating Plan, doing the day-to-day accounting, and working with Kevin Salter and Rachel Duran particularly, on issues as they arise. Also, want to thank Mr. Bill Tyner for the support that he provides on a number of issues. He's reported to you previously today and you've seen examples of his work with respect to the joint authorship of the Joint Report on the review of the Offset Account, the H-I data input set development that has to be done every year, as well as the Irrigation Improvement Rules.

And then finally if I may, Mr. Brenn, I want to thank you and say a note of appreciation to you directly on the record concerning our work together over the years on the Operations Committee. You've positively affected both the tone and the process of dealing with issues in the Operations Committee, and I appreciate your work during your tenure on the Administration. Thank you very much.

If I may, then I wanted to again talk about the report that I submitted to the committee

yesterday. (See Exhibit K for report) As previously reported, you know that we're in the grips of a drought of some historical significance. I believe that by some measures, the water supply is as low as it has been at any time during -- in the Compact era, and that certainly has had an effect on the operations of and use of John Martin Reservoir in the past Compact Year.

I would note, however, that things didn't look so bad at the start of the year. During the Com- -- during the winter storage period that runs beginning November 1st through April 1st was about 19,064 Acre Feet that was stored, and that compares to the 1950 to 1975 period. It's about 86% of that -- that previous period prior to the implementation of storage in Section 3.

The total storage during the winter storage period was 23,410 Acre Feet. There was other water authorized by Section 3 of the 1980 Operating Resolution. 65% of that water was stored, amounted to 10,673 Acre Feet. The other 35% of that other water broke down as follows: About 1670 Acre Feet was necessary to top off the Kansas Transit Loss Account, and then of the excess, 1333 Acre Feet was delivered into Kansas' Section 2 account and 2907

Acre Feet was delivered into Colorado's Section 2 accounts.

Over the course of the Compact Year, 2757 Acre Feet were delivered into the Offset Account and 3640 Acre Feet were delivered into the Permanent Recreation Pool in John Martin. Of that 3640 Acre Feet, most of it was a result of water that originated in the Colorado River Basin and was placed into that account pursuant to a resolution of April 15th, 1980. A very small portion, about 117 Acre Feet, was placed into the Permanent Pool as a result of the exercise -- the in-priority exercise of the Muddy Creek Reservoir right that has been authorized by resolution of the Administration in 1976.

Perhaps one of the most significant developments in the past year was Kansas' election not to call for a release of any water from its Section 2 account or from the Offset Account. This was a decision which Colorado recognizes as one that must have been very difficult, but also one that we'd like to approve and applaud, because we think that it is a -- it represents a -- an exercise of good water management.

We did some analysis of our own on the

situation, and typically, Kansas calls for a release of water around the 1st of July. At that point in time, there was about 12,254 Acre Feet available to Kansas to be called for, but the stream conditions were such that we -- we recognized that what had been a very inefficient delivery; and looking at it in retrospect now, we realize that probably half of that amount of water would have been lost in transit loss in an attempt to the deliver it to the Stateline. As it was, there was evaporation from -- of about 4,453 Acre Feet from the Kansas Section 2 Account and Offset Account that occurred after July 1st, but as I said, the estimated amount of water that would have been lost to transit loss in trying to make a delivery of the 12,000 Acre Feet, we would have seen transit losses of about 6,000 Acre Feet.

There was a, I suppose, a secondary benefit that resulted from the water that was left in John Martin Reservoir by Kansas, which was that it augmented the water in the Permanent Pool and thus provided recreational and wildlife benefits to the users of John Martin Reservoir.

Throughout the remainder of the Compact Year after April 13th, when the transfer of water from

conservation storage into the various accounts occurred, there were no incidences where additional Compact storage was -- we were able to make additional storage under the Compact and there were no instances when the Amity Great Plains decree came into priority that would have allowed them to store additional water in the reservoir.

At the end of the Compact Year, the total in all accounts was just under 16,000 Acre Feet. I think that concludes my report.

MR. BRENN: Thank you, Steve. Kevin, are you ready for the Assistant Operations Secretary report? (See Exhibit L for report)

MR. SALTER: Yes, I am. Kevin Salter, Assistant Operations Secretary for the Administration. We went through this report last night, so I'm just going to briefly highlight a couple points. I echo Steve's thanks to staff, both in Colorado and Kansas, for getting us through another year under some particularly tough conditions.

One of the things I would highlight is we still have concerns about the Pueblo Winter Water Storage Program. They've been kind of long-standing. There was no new concerns identified

for this particular issue, and I appreciate Steve and his staff taking the time to do field trips in November to check out some river operations.

I will spend a little more time talking about our Kansas reservoir call. On April 1st, we had the least amount of water available to us than in the previous 10 years. I haven't looked beyond that, but it's fairly low for probably all the times since the 1980 Operating Plan's been instituted and we've had an account in John Martin Reservoir.

The river conditions from the beginning were tough. We looked at transit losses as we went by the April 1st date, and they just weren't good and they got worse as the summer went along. I have presented in my report a couple figures, of which I've put one up here. From the time the 1980 Operating Plan went into place and we received an account, I've looked at the averages of 1980 through 2011. Those are the bars that present in the back of that graph, compared to the 2012 monthly averages.

It may be tough to see, but September of this year, we had a total of 62 Acre Feet cross the Stateline. That is the lowest month on record from 1950 through 2011, and that is just an all-time low.

It is also the only month that we've had less than 100 Acre Foot, and that's just representative of the conditions both in Kansas and below the dam in John Martin Reservoir, because District 67 was also very dry and didn't have any water as well.

I'll skip ahead. One of the things I have presented to the Administration is a joint work product of the States. It is the water issues matrix. We have resolved many of the issues that were raised as concerns over the past many years. We continued to work on, in this past Compact Year, the Permanent Pool source of water. Looking for a new source of water for the Permanent Pool has came back onto the matrix, and this is Issue Number 14 under the matrix and this involves the Muddy Creek storage right, which we will work on over the next year.

I think that the communication between the States has been particularly good. We've, again, I think we're getting to a more stable staff situation, so that will help as we go through the next year. I, too, would like to thank Dave Brenn for his service to ARCA over his terms on the Administration, both his contributions to the Administration, the Operations Committee, and I'd

recognize him, too, as one of the only remaining initial member of the Special Engineering Committee, so his emphasis on process and governance has really helped get us through a lot of things. He also, at every opportunity, took the encouragement to the States to resolve the problems that we had before us, as well as identify problems that maybe lead to disputes at later times early on in the process, so that we could address them before they became so large or insurmountable that we had to go to the Special Engineering Committee, so that's my report.

MR. HEIMERICH: Mr. Chairman, can I address Kevin, please?

MR. HAYZLETT: Yes.

MR. HEIMERICH: Kevin, on behalf of the Colorado delegation, first let me thank you. I think we all understand fully the scarcity of resources that both States are under, and I did mention in my report, it wasn't in the -- recorded in the Engineering Committee minutes, but certainly we do appreciate your cooperation in responding to the City of Trinidad and working through those issues in a timely manner. I think it's a good process and a template for what we hope to happen in the future as you know, perhaps now, that the

Department of Parks and Rec are going to, however they call themselves these days, are now going to ask for some consideration on their other Muddy Creek right.

I would like to just ask one question and maybe you can help clarify it for me, now that I've been on the commission for almost nearly a decade now. You know, we've seen you and Steve, Mr. Witte, get closer and closer in terms of what those Operations Reports look like. Would you concede that?

MR. SALTER: Yes.

MR. HEIMERICH: Okay. So I guess where I'm going here is when you made mention of the Winter Water Program, the Pueblo Winter Water Program, and that being perhaps a -- oh, I don't know, a lodestone or something that's kind of -- that we're all kind of carrying around that prevents this reconciliation, could you just kind of help me a little bit to understand? Because I mean, it's my understanding and impression that, you know, we litigated winter water under *Colorado v. Kansas*. I know you have some questions in terms of how these splits are made, so could you just help me understand a little bit more what's kind of

preventing us from having one report that we can all kind of agree that makes sense for us and allow our resources to be expended in more fruitful endeavors?

MR. SALTER: Okay. Yeah, the concern that Kansas has had is with the determination of the split of the -- between the Compact Conservation Storage and the Pueblo Winter Water supply or Pueblo Winter Water Storage Program water Ark at Las Animas. It seems like there was several opportunities in that process to manipulate those numbers, and manipulation is probably too strong of a word. The 1980 Operating Plan allows the storage of other water, such as Pueblo Winter Water Storage Program in John Martin Reservoir provided that it wouldn't have been water that would have been -- that went to Compact conservation storage otherwise.

So the concern right now with like the 2007 Operations Secretary's report was that in 2007, over just one of the ditch areas, there was an area of two, three foot of snow over that area, which wouldn't have allowed that ditch to divert water onto those lands in that year, so the water that would have been destined to the Compact under that particular circumstance went into the Pueblo Winter Water Storage Program, so that is one concern.

Another concern that we haven't been able to really nail down yet is this apparent drop in the gage on the Purgatoire near Las Animas. We noticed a few years ago that between November 15th, November 14th and November 15th, there would be a drop in the flow. One possible source of that drop is the -- a waste way on the Las Animas Consolidated, so if there was water that was being passed around the gage Ark at Las Animas, it would depress the Compact share of that water at Ark at Las Animas, and if it was being put back into the Purgatoire and going down to the Compact Conservation Storage through that method, again, that would be water that could have went through Compact Conservation Storage, but was rather denied the Compact, so those are the type of issues that are kind of holding us up on that particular issue.

MR. HEIMERICH: So I'm just going to make a little reach here. So would it be -- would it be fair to categorize the differences as being isolated incidents that seem to appear in the hydrograph or how it's done, not so much in terms of the methodology? Because I'm just trying to figure out again, you know, and today in this year's case, for instance, it's my understanding that I think you had

a -- did you have a tour of the Las Animas Consolidated headworks and, and the ambient conditions; is that correct?

MR. SALTER: It was correct that we went by the Consolidated, and as we drove over the highway south of Las Animas, we noted that there was no water in the ditch --

MR. HEIMERICH: Right, right.

MR. SALTER: -- and there was no water in the --

MR. HEIMERICH: Right, right.

MR. SALTER: -- so we didn't take a good look at it, but in the previous years, we looked at the headgate structures --

MR. HEIMERICH: Yes, yes.

MR. SALTER: -- the lay of the land, where water was returning. I think I really appreciate Steve taking the time to do that because, again, I would note that we haven't seen that same condition happen at Purgatoire at Las Animas that we have in previous years. We haven't seen the condition that causes the concern.

I would also note that we raised this concern prior to 2007, so there's some other basic underlying concerns in there as well, and the States

have been working to try to get an analysis of that program and understand, and Steve and others have said, you know, we ought to take a look at this, because it does impact other Colorado water users, as well as Kansas.

MR. HEIMERICH: Very good. Thank you. I appreciate it, Mr. Chairman.

MR. HAYZLETT: Okay any other questions for Kevin?

MR. THOMPSON: So Kevin, going forward then, do you feel that if you were to be able to go over and examine that on a yearly basis, would that allay your concerns then so that the --

MR. SALTER: Well, I think that we kind of have a standing time to go out there around November 14th to take a look at that, and I appreciate Steve and his staff offering to do that, whether that be Steve and I or others on the staff. I think that's going to help.

MR. THOMPSON: You know, just till you get to a point where your concerns are addressed and you're not having to argue about that point in the future. If there's something else you'd recommend or something, you know, to alleviate the concern.

MR. SALTER: I think, like other things,

it's just a matter of time and priority and it sounds like, you know, our priorities may be shifted this year to the LAWMA Decree issues, which is appropriate. We need to get that resolved and we'll try to work on these other issues as we can through the year.

MR. BARFIELD: Yeah, I mean, this is a task that's on the Special Engineering Committee. I mean, it's on the matrix and it's one of the two or three first issues for the SEC to consider.

MR. HEIMERICH: Right. Okay. Thank you. Thanks, David. Thank you, Kevin.

MR. BEIGHTEL: Does the Administration want to make either/or both of the Operations Secretary and Assistant Operations Secretary reports part of the exhibits?

MR. BARFIELD: Yeah, I think so, yes.

MS. GIMBEL: They probably should be.

MR. BARFIELD: Yes, so give us the numbers there, or letters.

MR. BEIGHTEL: Okay. Let's make the Operations Secretary report Exhibit K, the Assistant Operations Secretary report Exhibit L.

MR. BARFIELD: Thank you very much, and again, those are obviously the products of those two

individuals in their capacities.

MR. HEIMERICH: Mm-hmm.

MR. BRENN: Okay. Very good. Steve Witte, are you going to offer a report on the Offset Account? (See Exhibit M for report)

MR. WITTE: Actually, I'm going to ask Bill Tyner to deliver that report for me.

MR. BRENN: Okay, Bill.

MR. TYNER: I wanted to echo what Steve said about in order to communicate all that needs to be communicated related to John Martin activities, including deliveries from the -- to the Offset Account and releases from the Offset Account, it's been great to have very good staff and communication between them from the two States, and Steve already mentioned John Van Ort and Phil Reynolds on the Colorado side, and Kevin Salter and Brandy Cole and Rachel Duran on the Kansas side. That's super important to have that good communication.

I wanted to add to what Steve said just real quickly, though. Yesterday and today, we've had several of our water commissioners from Colorado that have been able to attend. Lonnie Spady, our Water District 17 and 67 Water Commissioner, basically from Fowler, Colorado all the way down to

the Stateline officed in La Junta, so Lonnie is here today. He's the lead commissioner of those two water districts. Jeff Montoya from Water District 19, down around the Purgatoire River Water Conservancy District lands is here, and Josh Kasper was here yesterday. I don't think Josh made it back today. He's our new Water Commissioner in District 67, and we're excited to have Josh in place there. As you may well know, in Colorado, water commissioners are probably the gold face of Division of Water Resources. You know, if the community knows anybody with our agency, it might be Dick Wolfe, it might be Steve Witte, but more than likely they probably know their local water commissioner the best, because that's who allows them to take water legally and helps them not take water when they're not supposed to, so they had to administer some very tough river calls this year.

Oftentimes in 2012, the Rocky Ford Ditch was the calling water right and that's rare, and that Rocky Ford Ditch call knocks out a lot of ditches from that point up the river, and people up around Salida and Buena Vista that normally don't get called out are really upset that they can't divert water and irrigate like they would in nine out of

ten or maybe more like, you know, 29 out of 30 years, and so I just I wanted to emphasize how much we appreciate our water commissioners and how they work with our office staff to be able to keep things sane, as far as use of water in Colorado.

I'll be real brief on the Offset Account Report. The Offset Account contained just under 3100 Acre Feet at the beginning of the Compact Year. As I mentioned yesterday in the committee meeting, this was one of the poorest years as far as the ability for the Colorado well associations to be able to provide water to the Offset Account, largely due to the fact that the sources of water that they would normally use to deliver weren't available in the quantities that they historically have been available.

There was a small amount of leased municipal water available to the Lower Arkansas Water Management Association from Pueblo Board of Water Works, and that water was delivered from Lake Meredith to John Martin to pay the storage charge of 500 Acre Feet at the end of March; and then the additional sources used by LAWMA during the year were some transfers of Article 2 water from accounts that they own through their water rights change

cases; and then delivery of water from the Highland Canal changed water right and the Keesee Ditch changed water right. LAWMA had to use parts of the shares of those two ditches to replace in-state as well, and so the total delivery or transfer to the Offset Account was just over 2750 Acre Feet during this Compact Year.

Kansas did not call for a release from John Martin Reservoir, as was previously mentioned, and so at the end of the Compact Year, there remains just under 3700 Acre Feet of water. That will provide at least a starting point for 2013. Hopefully we will see better conditions that will allow Kansas to take delivery.

Because there was no delivery of Offset Account water, there was no Stateline credit given for delivery in 2012, and you'll see that reflected in the Ten-Year Accounting next year when that will show up as a zero in that particular part of that table. Are there any questions?

MR. BARFIELD: So we should -- what letter are we on?

MR. BEIGHTEL: This would be M. Would you like to make the Offset Account Report part of the transcript?

MR. BARFIELD: That's what I'm -- yes.

MR. BEIGHTEL: Okay. That would be Exhibit M.

MR. BARFIELD: Exhibit M would be the Offset Account Report, and again, that recognizes the State of Colorado's report.

MR. HAYZLETT: Mm-hmm.

MR. BRENN: Okay. I need to back up just a little bit in regards to the meeting summary. We did receive a request through the -- to the Operations Committee on the LAWMA Decree issues. That request was relevant to the Special Engineering Committee in handling that, and as I understand it here through earlier dialogue, that's been dealt with, but we did hear that during our meeting.

The action items recommended by the Committee include Committee acknowledge receipt of the 2012 Operations and Assistant Operations Secretary report, and we asked that specific issues preventing approval of the Compact Year 2006 through 2012, those issues be identified and a plan for resolving those issues developed.

Second recommendation, as far as action, is the committee recommends to ARCA that the Special Engineering Committee be extended for calendar year

2013. That completes the Operations Secretary report.

MR. HAYZLETT: Okay. Thank you, David. I think we're ready for the Administrative and Legal Committee report. Jennifer is going to give that.

(See Exhibit N for report)

MS. GIMBEL: Thank you, Mr. Chair. Our -- we had a good meeting yesterday. We did notice that the room kind of clears out when we start talking about administrative stuff. It's not because of the team up here, I'm sure, but in any case, we did -- this was chaired by Randy. We asked Brett Newman and Rachel Duran to produce a minute summary -- a meeting summary, as well as the action items.

The committee reviewed the Annual Meeting Agenda and made amended recommendations. This group has already approved that and we're working under that agenda. The Committee heard an update on the status of transcripts from prior meetings, 1998, 1999, and we'll be asking approval of 2011 later in the meeting. The committee heard an update on the '94, '95, '96 and '97 draft ARCA Annual Reports, which are now in Kansas' hands, with a request from Colorado that Kansas take a hard look at the

'97 report, because we'd like to use that as a template for the remaining reports.

The committee heard an update on the CoAgMet funding status and cost share agreement and we'll be asking for approval of that later. Committee acknowledged that there will be a discussion on the Special Engineering Committee and we just had that. Committee reviewed the audit report for Fiscal Year '11-'12 and we will be asking this group to approve that. The committee reviewed the budgets for '12-'13 and '13-'14 and recommended no change to those budgets. We also reviewed two USGS joint funding agreements and we heard an update on the status of the federal representative which is, of course, we have none.

Finally, I would note that the committee tasks staff to report back to it by June 1st on pursuing a -- on a process of budget for providing a web site where ARCA-related final documents can be posted.

With that then, I don't believe we have a treasurer's report. Is that correct, Steve?

MR. MILLER: Stephanie is here. It's a little unfair to have her give her report when she didn't get to go to the committee meeting, but she may have a few words related to what's happened this

year.

MS. GIMBEL: Sorry, Stephanie. I didn't see you back there. Why don't you come on up. We hope you're feeling better.

MS. GONZALES: Thank you. My name is Stephanie Gonzalez, ARCA Recording Secretary. This year was pretty quiet. There was a couple of times that I tried getting together with Kevin to go over to the storage building but didn't quite make that. Maybe we can try again this year. Other than the CoAgMet, we did get a contract signed; right?

MR. MILLER: Yeah, the committee will.

MS. GONZALES: Right, and that was the only other thing that I think was an issue that we had a check that was -- I'm not real sure what has happened to it, but we've put a stop payment on it and we'll reissue as soon as you have given me permission to do that. That's all I have.

MS. GIMBEL: Questions? Thank you very much. With respect to Administrative and Legal Committee recommendations, Mr. Chair, rather than reading through each of these recommendations, we are going to be addressing these and I'll just make those motions at the appropriate time, if that's okay.

MR. HAYZLETT: That will be great.

MS. GIMBEL: All right. And then with respect to the annual reports, Steve, was there anything more to say about that?

MR. MILLER: No, I don't think so.

MS. GIMBEL: Okay. And with that, Mr. Chair, that's my report.

MR. HAYZLETT: Okay. Thank you all for the report.

MS. GIMBEL: Oh, and we need to make them an exhibit now.

MR. BARFIELD: Yes, so this will be Exhibit N will be the three committee report summaries and action items.

MR. BEIGHTEL: Right.

MR. HAYZLETT: Okay. Ready for Item 12, new business. Is there any new business to come before the Administration? I don't believe we had any new business.

Okay. 13 is the ARCA Action Items. We do have 13 A. in the amended revised agenda is letters of commendation for Pat Edelmann.

MR. SALTER: Yeah. Kevin Salter. As we were reviewing the transcript for 2011, we noted that the Administration gave an assignment to staff

to generate two letters of commendation for Pat Edelmann, a long-time USGS staff member in Pueblo. (See Exhibit O for letters) Staff did generate two letters, one to Pat himself and one to the Director of the USGS in Colorado. I think that we, in order to complete that record for the Administration, we ought to include those as an exhibit to this transcript.

MR. HAYZLETT: Okay. Is there a motion that we --

MS. GIMBEL: So move.

MR. HAYZLETT: Second?

MR. BARFIELD: Second.

MR. HAYZLETT: Moved and second. Further discussion? If not, how does Colorado vote?

MS. GIMBEL: Aye.

MR. HAYZLETT: And Kansas?

MR. BARFIELD: Aye. That will be Exhibit O.

MR. SALTER: Okay. There was, not to staff, but to Kansas and the City of Trinidad, there was a process that was set up that's been alluded to and will be discussed here later on, but there was two letters exchanged. (See Exhibit P for letters) Kansas was to list concerns with the City of

Trinidad's proposed amendments by February 15th, and we did that, and the City was to respond by March 15th and they did that. There was two letters associated with those. Again, I think in order to complete the record, it would be nice to have these as exhibits if it's the Administration's desire.

MR. HAYZLETT: Okay. Is there a motion that we add these letters?

MS. GIMBEL: So moved.

MR. HAYZLETT: Second?

MR. BARFIELD: Second.

MR. HAYZLETT: Further discussion? If not, Colorado?

MS. GIMBEL: Aye.

MR. HAYZLETT: And Kansas?

MR. BARFIELD: Aye. That will be Exhibit P.

MR. HAYZLETT: Okay. We're ready for 13 C., Resolutions, the City of Trinidad proposed amendment. (See Exhibit Q for resolution)

MS. GIMBEL: Wait a second. Don't we need to now talk about adopting the amendments for Trinidad under B.? He's just presented a record.

MR. HAYZLETT: Under C.; right?

MR. BARFIELD: Yes. I'm going to offer

the resolution.

MS. GIMBEL: Okay. I just wanted to make sure we didn't miss that.

MR. BARFIELD: Yes. I'll go ahead, Mr. Chairman, and offer the resolution that will effect essentially ARCA's concurrence with the amendments, so let me go ahead and read the proposed resolution. Kevin, so would it be 2012-A?

MR. SALTER: 01.

MR. BARFIELD: Okay, 01. I can write that in here?

MR. SALTER: Yes.

MR. BARFIELD: Okay. I'll just read it for the purposes of the Administration and those attending.

(Reading) Amendments to the Operating Principles Trinidad Dam and Reservoir Project Amended 2004:

Whereas, the Purgatoire River Water Conservancy District on behalf of the City of Trinidad has requested the consideration of amendments to the Operating Principles of the Trinidad Dam and Reservoir Project as amended in 2004; and

Whereas, the Trinidad Operating Principles

presently limit the use of water to uses within the District; and

Whereas, the City is within the boundaries of the District; and

Whereas, the City may store water that is fully consumable in its storage account in the joint use capacity, among other water; and

Whereas, the City has requested to use the water that is fully consumable and stored in the City's account on lands within the Purgatoire River basin at or above Trinidad Reservoir, but outside the boundaries of the District; and

Whereas, to supply water that is fully consumable outside the boundaries of the District, an amendment to the Trinidad Operating Principles is necessary and appropriate as stated in Exhibit A.; and

Whereas, the amount of water attributable to the historic consumptive use on acreage removed from irrigation that may be stored in the City's account in the joint use capacity is limited by Article IV.B.4(a)(1) of the Trinidad Operating Principles; and

Whereas, the number of historically irrigated acres removed from irrigation that the City can

obtain and use is also limited by Article IV.B.4(a)(1) of the Trinidad Operating Principles; and

Whereas, the City has acquired additional water rights and, as a result, the limits contained in Article IV.B.4(a)(1) of the Trinidad Operating Principles should be adjusted as indicated in Exhibit B.; and

Whereas, the Arkansas River Compact Administration is a signatory to the Trinidad Operating Principles and all signatories must approve amendments to them; and

Whereas, the amendments proposed by the District and attached hereto have been reviewed by the ARCA Engineering Committee and recommended for approval by the Administration.

Now, therefore, be it resolved that the Administration hereby approves the amendments to the Trinidad Operating Principles, as set forth in Exhibits A and B.

Be it further resolved that the Administration authorizes its Chairman to sign the Trinidad Operating Principles as amended by Exhibits A and B, once all the signatories have approved the same.

And that would say, Adopted by the

Administration at its 2012 Annual Meeting on December 6th, 2012 in Garden City.

So I would move that ARCA approve this resolution.

MS. GIMBEL: I'd second.

MR. HAYZLETT: Moved and seconded. Is there more discussion? If not, how does Kansas vote?

MR. BARFIELD: Aye.

MR. HAYZLETT: And Colorado?

MS. GIMBEL: Aye.

MR. HAYZLETT: Motion carried.

MR. BARFIELD: So that should be attached to the transcript as Exhibit Q.

MR. BEIGHTEL: Okay.

MR. HAYZLETT: The resolution extending the Special Engineering Committee extension, who has that to read? (See Exhibit R for resolution)

MR. BARFIELD: I have it here. I'll go ahead and offer it again. So this would be Resolution 2012-02 Regarding Seventh Extension to the Term of the Special Engineering Committee, and I'll read it in part.

Whereas, pursuant to the Bylaws of Article 5.V (sic) the Arkansas River Compact Administration, by

Resolution Number 2005-01 created Special Engineering Committee at its 2000 -- December, 2005 Annual Meeting to resolve four categories of assigned tasks, including certain accounting and interpretation issues arising from the Resolution Concerning an Operating Plan for John Martin Reservoir; and

Whereas, the Special Provisions of the 2005 Resolution creating the Committee specify that: "Term: The Special Engineering Committee shall be authorized for a period expiring on December 31, 2006 ARCA may extend this period by Resolution adopted at any regular or special meeting prior to such date"; and then there's a recitation of whereas-es, one year after another, where we extended it year after year after year, so I'm going to go straight to the last whereas of that nature.

Whereas, on December 8, 2011 at the 2011 Annual Meeting the Administration adopted Resolution 2011-01 extending the term of the Special Engineering Committee until December 31, 2012; and

Whereas, the Committee has successfully resolved disputed issues placed before it during its term, and the assigned tasks still remain before it with the potential for future agreement.

Now therefore, be it resolved that the Arkansas River Compact Administration does hereby extend the term of the Special Engineering Committee for one full year to expire on December 31, 2013. All other Special Provisions of the 2005 Resolution remain -- shall remain unchanged and shall govern the actions of the Special Engineering Committee during the seventh extension throughout 2013. Adopted by ARCA this date.

I would move adoption of this resolution.

MS. GIMBEL: Second.

MR. HAYZLETT: Moved and seconded. More discussion? Hearing none, how does Kansas vote?

MR. BARFIELD: Aye.

MR. HAYZLETT: And Colorado?

MS. GIMBEL: Aye.

MR. HAYZLETT: Motion carried.

MR. BARFIELD: All right. We'll attach that to the transcript as Exhibit R. (See Exhibit S for resolution)

MR. HAYZLETT: Third resolution then is a resolution honoring David Brenn.

MR. BARFIELD: I'll offer this as well. This will be Resolution 2012-03. This year, we've heard numerous individuals express these sentiments.

Obviously, as a Kansas commissioner, I and Randy obviously both share these sentiments as well, and this is a statement on behalf of the Administration that has been circulated to Colorado and they have agreed to and actually added language to as well, so honoring David Brenn.

Whereas, the members of the Arkansas River Compact Administration wish to recognize the outstanding service of their fellow member, David Brenn, who has served as a Kansas Representative from his appointment in 1998 until his resignation in 2012;

Whereas, David has conscientiously devoted his ability and energy to the Administration and conservation of water resources of the Arkansas River;

Whereas, David by his devotion to duty and his good judgment has earned the respect of all members of the Arkansas River Compact Administration;

Whereas, David passionately represented his home area of the basin while at the same time reaching out to water users in other parts of the Arkansas Basin in both States;

Whereas, David through his service on the Operations and Engineering Committees successfully

encouraged and guided the resolution of many disputed issues between the States;

Whereas, David is particularly appreciated for having promoted a process for framing and documenting new issues as they arise in order to facilitate understanding and the development of solutions as represented by the Water Issues Matrix and fostering the communication between the Operations and Assistant Operations Secretaries;

Whereas, David desired to see such resolutions stand the test time and therefore emphasized the importance of governance and procedures as resolutions were developed; and

Whereas, David will be relinquishing his position as Representative of the Arkansas River Compact Administration after this Annual Meeting.

Now, therefore, be it resolved that the said Administration desires to express its gratitude and appreciation for the opportunity to have known and worked with David and for his loyal and faithful service, his fine cooperation, and his aid in solving the administrative problems confronting the Administration during this tenure as representative and that the Administration sincerely wishes him the best of everything and continued health and

happiness in all of his future endeavors;

Be it now therefore resolved that the Administration honor David Brenn's service by including this resolution and the appropriate dedicatory remarks in the Administration's annual report for the Compact Year 2012 hereby instructs the Recording Secretary to provide a copy of this resolution to David Brenn and to the Governor of Kansas. Adopted this date.

I would move adoption of this resolution.

MS. GIMBEL: And a wholehearted second.

MR. HAYZLETT: Moved and seconded? Further comments?

MR. THOMPSON: It's been a pleasure.

MS. GIMBEL: It's been a pleasure.

MR. BRENN: Thank you.

MS. GIMBEL: Thank you.

MR. HAYZLETT: Moved and seconded. Kansas's vote?

MR. BARFIELD: Aye.

MR. HAYZLETT: And Colorado?

MS. GIMBEL: Aye.

MR. HAYZLETT: Motion carried.

(Applause.)

MR. BARFIELD: We don't actually often

get to honor the individuals when they're still here. I think this is a fairly unique, but thank you, and this will be that attached as Exhibit S.

MR. HAYZLETT: And Dave, thank you sincerely for all your service.

MR. BRENN: Thank you, Randy.

MR. HAYZLETT: We'll move ahead then with 13.D., financial matters, approval of the audit report. We should be able to move through these fairly rapidly. We took care of that last night in the committee meetings.

MS. GIMBEL: Mr. Chair, I would recommend approval of the audit report. (See Exhibit T for report)

MR. HAYZLETT: Okay.

MR. BARFIELD: That's a motion?

MS. GIMBEL: That's a motion. I'm sorry.

MR. BARFIELD: I would second.

MR. HAYZLETT: Moved and seconded? More discussion? Hearing none, Colorado vote?

MS. GIMBEL: Aye.

MR. HAYZLETT: And Kansas?

MR. BARFIELD: Aye. That will be Exhibit T.

MR. MILLER: We'd like to get the

Vice-Chairman to just initial the copy before we make it an exhibit.

MR. HAYZLETT: All right. Approval of the USGS contracts.

MS. GIMBEL: Mr. Chair, I would move approval of the USGS contracts.

MR. BARFIELD: Second.

MR. HAYZLETT: Moved and seconded. More discussion? Hearing none, Colorado vote?

MS. GIMBEL: Aye.

MR. HAYZLETT: And Kansas?

MR. BARFIELD: Aye.

MR. HAYZLETT: Okay. Motion carried? Approval of the CoAgMet contract.

MS. GIMBEL: Mr. Chair, I would move approval of the CoAgMet contract.

MR. BARFIELD: Second.

MR. HAYZLETT: Moved and seconded. More discussion?

MR. MILLER: Just one thing. The actual action is ratification because it's already been signed, and just to identify what you did, we're talking about a services agreement signed by Randy Hayzlett on September 25th, 2012, and I don't think the agreement itself needs to be an exhibit. We've

just identified it and it's operative already.

MR. HAYZLETT: Okay. Moved and seconded then, and Colorado vote?

MS. GIMBEL: Aye.

MR. HAYZLETT: And Kansas?

MR. BARFIELD: Aye.

MR. HAYZLETT: Okay. The adoption of the budget.

MS. GIMBEL: Mr. Chair, I would move adoption of the '12-'13 and '13-'14 budgets now. No?

MR. MILLER: The only budget action that needs to be taken by ARCA is approval of a new budget for the Fiscal Year 2014 to 2015. I have a copy of that. It's marked draft, if you'd like to make that an exhibit, or we can print it out at the conclusion of the meeting, get Stephanie to sign it, and make that version an exhibit. It's up to you. This might be the simplest, just to put the draft agenda in the exhibit and we'll get it signed after.

MS. GIMBEL: The draft budget. (See Exhibit U)

MR. MILLER: And the way to identify that is the year is Fiscal Years 2014 through 2015. It anticipates expenditures of $94,550 and income of

$96,250.

MR. HAYZLETT: Okay. And we're going to make that an exhibit then?

MS. GIMBEL: That will be an exhibit.

MR. BARFIELD: Exhibit U.

MR. HAYZLETT: Okay.

MS. GIMBEL: So I move rati- -- no, I move adoption of the '13-'14 -- the '14-'15 budget.

MR. MILLER: The '14-'15, as just described.

MR. BARFIELD: All right. Second.

MR. HAYZLETT: Moved and seconded. More discussion? Hearing none, Colorado?

MS. GIMBEL: Aye.

MR. HAYZLETT: And Kansas?

MR. BARFIELD: Aye.

MR. HAYZLETT: Motion carried. Approval of transcripts.

MS. GIMBEL: Mr. Chair, I would move approval of the -- now he's got me all flustered here -- the 2011 transcript. Thank you.

MR. BARFIELD: Second.

MR. HAYZLETT: Moved and seconded. More discussion? Hearing none. Colorado?

MS. GIMBEL: Aye.

MR. HAYZLETT: And Kansas?

MR. BARFIELD: Aye.

MR. HAYZLETT: Motion carried.

MR. BARFIELD: Does that need to be an exhibit?

MR. MILLER: No, no. You don't want to make last year's minutes an exhibit to this year's.

MR. BARFIELD: All right. That's fine.

MR. HAYZLETT: Officers and committee appointments for the coming year. Jennifer.

MS. GIMBEL: Mr. Chair, I would offer a motion to have the slate of officers and committee chairs be -- well, let's do officers first. Vice-Chair, yourself, Randy Hayzlett; Recording Secretary-Treasurer, Stephanie Gonzalez; Operations Secretary, Steve Witte; and Assistant Operations Secretary, Kevin Salter.

MR. HAYZLETT: Okay. You moved that?

MS. GIMBEL: I moved that.

MR. BARFIELD: And I would second that.

MR. HAYZLETT: Moved and seconded. More discussion? Hearing none, Colorado?

MS. GIMBEL: Aye.

MR. HAYZLETT: And Kansas?

MR. BARFIELD: Aye.

MR. HAYZLETT: Appointment of committee chairs.

MS. GIMBEL: Mr. Chair, I would move that we appoint the committee chairs for Operations, Colin Thompson as Chair with Dave Brenn as member; for the Administrative and Legal Committee, myself, Jennifer Gimbel as Chair and Randy Hayzlett, yourself, as member; and then Engineering, David Barfield as Chair and Matt Heimerich as member. I would so move.

MR. BARFIELD: I would second, and I would note that as a result of David Brenn resigning, we'll probably have some movements in committee members. I don't think it will affect the committee chairs.

MR. HAYZLETT: Okay. More discussion? Hearing none, Colorado?

MS. GIMBEL: Aye.

MR. HAYZLETT: And Kansas?

MR. BARFIELD: Aye.

MR. HAYZLETT: Motion carried. Instructions to the Committees. Did we have any instructions that came out of the committee meetings?

MS. GIMBEL: Mr. Chair, I would only

remind, as I said in the report, that we've asked staff to report on how to go about getting a web site up.

MR. HAYZLETT: Yes. I think that's the only instructions I recall. Okay. That takes care of Item D. I think we're ready for public comments. I'll open the floor I guess to anyone that may want to come forward with comments or on any of the agenda items.

MR. HINES: Mr. Chair?

MR. HAYZLETT: Yes.

MR. HINES: Steven Hines, Frontier Ditch. I would like Colorado and Kansas each to speak to the item of the Super Ditch, please.

MR. HAYZLETT: Okay. Do we have anyone that can make a few comments on the status of that?

MR. HEIMERICH: I think Bill Tyner perhaps might be the best designee. I'm sorry. Is that appropriate? Bill?

MR. TYNER: I'll be glad to do it. The 2012 Lower Arkansas Valley Water Conservancy District did submit an application for a substitute water supply plan to dry up portions of several farms under the Catlin Canal to be used for a Pilot Program to see if that historic consumptive use

water from those dried up lands could be used as a leased source for municipal interests. The Lower Arkansas Valley Water Conservancy District had worked with a couple of communities along Fountain Creek that would be the purchasers of that water.

Unfortunately, with the -- well, let me keep going with the narrative in chronological order. That substitute water supply plan was initially approved by the State Engineer. It -- the approval contains a large number of conditions that were required in order to be able to operate that plan. The one element of that plan to maintain historic return flows to prevent injury or prevent a Compact violation was to use recharge ponds to help the lag return flows be maintained in the proper amounts, timing and location, and the approval letter contained some specific conditions that required those recharge ponds to be tested first to make sure they would operate properly to maintain return flows.

With the drought conditions that we had in 2012, unfortunately, the Catlin Canal went out of priority and could not divert water to test those ponds in time, and so there was a provision in that substitute water supply plan approval that caused

the plan to basically expire under that condition if they could not test those ponds successfully by a certain date, and that substitute water supply plan did expire once that condition could not be met; so no, no changed use of those Catlin Canal shares for municipal purposes occurred during 2012.

MR. SALTER: As far as Kansas' comments, this is a project that we have been monitoring. I appreciate the project proponents and the Colorado Division of Water Resources keeping us in the loop of things as they came up. We participated in meetings that were associated with the Super Ditch.

Also, even though it didn't ultimately come to a substitute water supply plan application, we did review the proposed dry-up in the fields, as well as the recharge sites, and we did offer our comments to concerns that we saw with both of those in the field.

MR. HINES: Thank you.

MR. HAYZLETT: Any other questions? Fred, did you have something?

MR. JONES: I have a comment.

MR. HAYZLETT: Yes, please.

MR. JONES: My name is Fred Jones. I'm the City Administrator at Lakin, Kansas, and I'm not

quite sure how to frame my comments within the charge of the Compact Administration, but I just wanted to share a little bit about what's happening in Lakin regarding our water quality.

Since 2007, we've been notified by the Kansas Department of Health and Environment that we are in violation of a water quality standard; that being the amount of uranium within our water supply. We've consistently exceeded that standard since 2007. Oddly enough, with the exception of this year, we haven't violated yet.

We're in the process of constructing a water treatment plant at the cost of about $5.5 million to the 900 and so rate-payers in Lakin. We continue to work on it. We're trying to work with Groundwater Management and the Department of Water Resources, I think -- or, sorry, not DWR so much, but the Kansas Geological Survey, in terms of monitoring to see if there's any correlation between the quality of the water that's coming to Kansas in the river and the quality of the water that we're pulling from our well fields. Our well field is north of the river by a few miles, but the Amazon Ditch does run in close proximity to our well field, so that's my comments.

MR. HAYZLETT: Okay. Thank you. Any other public comments on any of the agenda items? Hearing none --

MR. BARFIELD: Can I make one additional comment? Just because we're going to future meetings, I just want to appreciate again Colorado for allowing us to host the meeting here and just appreciate, I think, the good attendance here by citizens of on both sides of the Stateline, and I appreciate the work of several staff here in Garden City to make this meeting happen smoothly: Kevin Salter, Brandy Cole and, in particular, Rachel Duran, so thank you -- thank you much for, for a smooth meeting here as we wrap this one up.

MR. HAYZLETT: Yes. We appreciate Groundwater Management District Number 3 providing the refreshments during the two meetings here.

Future meetings, it looks like the 2013 Annual Meeting --

MS. GIMBEL: Mr. Chair?

MR. HAYZLETT: Yes.

MS. GIMBEL: I want to first of all thank Kansas for being such gracious hosts and everything that you've done. It's a very comfortable meeting and I appreciate that.

I also want to express my appreciation to all the commissioners up here with respect to being very flexible, because I have this problem about conflicts between the Colorado River and the Arkansas River and I don't want to pick which one's more important, and so I think, because they're both very, very important, and so I would move that our next meeting be held in Lamar on December 18th, with committee meetings on the 17th.

MR. BARFIELD: I would second.

MR. HAYZLETT: Moved and seconded. More discussion? Hearing none, then how does Colorado vote?

MS. GIMBEL: Aye.

MR. HAYZLETT: And Kansas?

MR. BARFIELD: Aye.

MR. HAYZLETT: Okay. Next year will be in Lamar.

Committee meetings. We did talk about a June meeting, the Administrative and Legal, or was that a full ARCA meeting? I guess we hadn't really decided.

MS. GIMBEL: We hadn't really talked about that. Let's see how a couple months go here and what work we get done.

MR. HAYZLETT: And I guess that takes care of the special meetings of ARCA as well, so I don't think we have any more business to come before the Administration today, so I think that brings us to the motion for adjournment.

MR. BARFIELD: I would move we adjourn.

MS. GIMBEL: And I second.

MR. HAYZLETT: It's been moved and seconded. All in favor say aye.

MR. BARFIELD: Aye.

MS. GIMBEL: Aye.

(Proceedings concluded at 12:54 p.m. Mountain Time)

EXHIBIT LIST

Exhibits accepted by ARCA follow in the order introduced:

A. Attendance List

B. Notice & Agenda

C. USGS Report

D. U.S. Army Corps of Engineers Report

E. U.S. Bureau of Reclamation Report

F. U.S. Bureau of Reclamation Power Point Presentation

G. Kansas Department of Health and Environment Briefing

H. Ten-Year Accounting of Depletions and Accretions to Usable Stateline Flow, 2002-2011

I. Offset Account Review Joint Report

J. Colorado Presumptive Depletion Factor (PDF) Report

K. Operations Secretary Report

L. Assistant Operations Secretary Report

M. Offset Account Report

N. Committee Action Items

O. Pat Edelmann Commendation Letters

P. Letters regarding Amendments to Trinidad Operating Principles

Q. Resolution 2012-01 Amendments to the Operating

Principles Trinidad Dam and Reservoir Project

R. Resolution 2012-02 Regarding Seventh Extension of the Term of the Special Engineering Committee

S. Resolution 2012-03 Honoring David Brenn

T. ARCA Audited Financial Statements, 6/30/2012

U. FY14-15 Proposed Budget

ADOPTED RESOLUTION

ARCA adopted following resolutions:

1. Resolution 2012-01 Amendments to the Operating Principles Trinidad Dam and Reservoir Project
2. Resolution 2012-02 Regarding Seventh Extension of the Term of the Special Engineering Committee
3. Resolution 2012-03 Honoring David Brenn

STATE OF KANSAS)
COUNTY OF RENO)

This is to certify that I, Lee Ann Bates, a Certified Shorthand Reporter in and for the State of Kansas, reported in shorthand the proceedings had at the time and place set forth on the title page hereof and that to the best of my ability, the above and foregoing pages contain a full, true and correct transcript of the said proceedings.

Certified to on this 8th day of December, 2013.

Lee Ann Bates, CSR, RPR, CRR

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