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ORIGINAL

2001 ANNUAL MEETING

ARKANSAS RIVER COMPACT ADMINISTRATION

TUESDAY, DECEMBER 11, 2001

8:30 A.M. (MST)

COW PALACE INN

1301 NORTH MAIN STREET

LAMAR, COLORADO

Approved 12/12/06
Bob Johnson

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APPEARANCES

CHAIRPERSON: Aurelio Sisneros

APPEARING FOR COLORADO:

- Mr. James Rogers
- Mr. Tom Pointon
- Mr. Steve Miller
- Mr. Rod Kuharich
- Mr. Dennis Montgomery
- Ms. Wendy Weiss

APPEARING FOR KANSAS:

- Mr. Randy Hayzlett
- Mr. David Brenn
- Mr. David Pope
- Mr. John Draper
- Mr. Dale Book
- Mr. Leland Rolfs

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

25 MR. STEVE ARVESCHOUG: Thank you and thanks again

1 for letting me slip in on your schedule.

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

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

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

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

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

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

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

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

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

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

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

19 CHAIRMAN SISNEROS: Okay.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

17 MR. MARK RUDE: Thank you.

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

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

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

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

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

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

1 move forward with arbitration on those issues.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

8 MR. ROD KUCHARICH: Correct.

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

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

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

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

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

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

3 CHAIRMAN SISNEROS: Do I hear a second?

4 MR. JAMES ROGERS: I second it.

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

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

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

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

19 CHAIRMAN SISNEROS: I'm aware of that.

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

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

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

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

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

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

21 MR. ROD KUCHARICH: Aye.

22 CHAIRMAN SISNEROS: Colorado votes aye. Kansas.

23 MR. DAVID POPE: Kansas votes nay.

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

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

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

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

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

16 MR. DAVID BRENN: Mr. Chairman.

17 CHAIRMAN SISNEROS: Yes.

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

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

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

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

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

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

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

13 MR. DAVID POPE: Right.

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

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

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

4 CHAIRMAN SISNEROS: Any comments from Colorado?

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

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

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

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

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

9 CHAIRMAN SISNEROS: Any other comments from
10 Kansas?

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

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

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

15 CHAIRMAN SISNEROS: Somebody is bribing
16 somebody.

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

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

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

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

22 CHAIRMAN SISNEROS: Go ahead.

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

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

6 MR. DAVID POPE: Yeah.

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

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

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

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

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

22 CHAIRMAN SISNEROS: Yes.

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

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

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

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

12 MR. DAVID POPE: I think we understand.

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

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

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

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

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

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

25 CHAIRMAN SISNEROS: Before you get into that,

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

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

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

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

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

14 MR. ROD KUCHARICH: Yes.

15 CHAIRMAN SISNEROS: All in favor on this end?

16 MR. DAVID POPE: Kansas votes aye.

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

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

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

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

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

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

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

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

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

10 CHAIRMAN SISNEROS: Any questions from Kansas?

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

13 CHAIRMAN SISNEROS: Or comments.

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

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

12 MR. HAL SIMPSON: That's correct.

13 CHAIRMAN SISNEROS: Any other comments or
14 questions?

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

20 MR. HAL SIMPSON: That's correct.

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

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

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

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

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

16 MR. MARK RUDE: Okay, thank you.

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

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

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

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

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

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

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

9 MR. HAL SIMPSON: Thank you.

10 CHAIRMAN SISNEROS: Thank you, Mr. Simpson.

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

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

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

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

9 CHAIRMAN SISNEROS: Okay.

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

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

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

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

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

10 MR. ROD KUCHARICH: I agree.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 amendment.

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

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

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

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

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

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

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

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

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

11 CHAIRMAN SISNEROS: Any questions, Kansas?

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

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

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

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

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

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

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

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

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

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

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

11 MR. BRIAN PERSON: Yeah.

12 MR. DAVID POPE: Okay.

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

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

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

22 MR. BRIAN PERSON: Thank you.

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

1 just a second. Are you ready?

2 REPORTER: Go ahead.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

4 MR. DAVID POPE: Thank you.

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

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

11 MS. SUSAN SHAMPINE: Right.

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

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

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

11 MR. MARK RUDE: Okay.

12 CHAIRMAN SISNEROS: Thank you, Susan.

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

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

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

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

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

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

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

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

18 MR. STEVE MILLER: That's right.

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

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

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

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

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

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

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

16 MR. ROD KUCHARICH: I would second that.

17 CHAIRMAN SISNEROS: All in favor say aye.

18 BOARD MEMBERS: Aye.

19 CHAIRMAN SISNEROS: All opposed.

20 BOARD MEMBERS: (No audible response.)

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

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

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

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

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

18 CHAIRMAN SISNEROS: Any questions from Colorado?

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

21 CHAIRMAN SISNEROS: That's fine.

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

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

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

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

25 MR. KEITH LUCEY: That particular analysis does

1 not, no.

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

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

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

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

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

22 MR. KEITH LUCEY: (Interrupting) Right.

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

24 MR. KEITH LUCEY: Yes.

25 MR. DAVID POPE: Was there any additional data

1 collection efforts in the 2001 irrigation season.

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

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

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

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

11 MR. KEITH LUCEY: Right.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 of irrigation applications.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

8 CHAIRMAN SISNEROS: Any questions?

9 MR. JERIS DANIELSON: Thank you very much.

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

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

14 CHAIRMAN SISNEROS: Thank you.

15 MR. JERIS DANIELSON: Thank you.

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

18 MR. ROD KUCHARICH: Mr. Chairman.

19 CHAIRMAN SISNEROS: Yes.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 considered.

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

5 MR. BRIAN PERSON: Yes.

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

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

11 MR. ROD KUCHARICH: Correct.

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

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

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

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

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

8 MR. STEVE MILLER: I can explain that.

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

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

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

19 CHAIRMAN SISNEROS: Brian.

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

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

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

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

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

18 MR. DAVID POPE: Yes.

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

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

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

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

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

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

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

16 MR. JERIS DANIELSON: This?

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

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

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

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

14 CHAIRMAN SISNEROS: Go ahead, Mr. Pope.

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

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

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

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

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

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

8 MR. ROD KUCHARICH: True.

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

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

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

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

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

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

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

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

25 MR. JERIS DANIELSON: Correct.

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

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

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

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

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

19 CHAIRMAN SISNEROS: Reaction from Mr. Pope?

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

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

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

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

21 MR. JERIS DANIELSON: Right.

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

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

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

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

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

15 MR. JERIS DANIELSON: Yeah.

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

18 MR. JERIS DANIELSON: Absolutely.

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

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

3 MR. DAVID POPE: Yeah.

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

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

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

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

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

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

23 MR. DAVID POPE: That's fine.

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

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

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

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

8 CHAIRMAN SISNEROS: Okay.

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

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

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

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

23 CHAIRMAN SISNEROS: That's right.

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

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

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

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

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

9 MR. ROD KUCHARICH: The Annual Operating Plan

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

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

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

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

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

14 MR. DAVID POPE: Yeah.

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

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

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

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

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

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

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

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

1 the best we can do.

2 CHAIRMAN SISNEROS: Steve?

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

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

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

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

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

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

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

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

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

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

23 MR. BRIAN PERSON: Yes.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

14 MR. ROD KUCHARICH: Call a question.

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

20 MR. ROD KUCHARICH: Correct.

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

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

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

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

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

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

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

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

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

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

25 MR. ROD KUCHARICH: So we would make another

1 slight modification to that document that we have got.

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

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

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

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

18 MR. JERIS DANIELSON: Yeah, fine.

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

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

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

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

3 BOARD MEMBERS: (In unison) Aye.

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

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

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

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

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

1 there will be many.

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

12 CHAIRMAN SISNEROS: Mr. Pope?

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

15 MR. HAL SIMPSON: Sure.

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

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

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

25 MR. HAL SIMPSON: No, not unless this

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

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

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

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

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

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

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

1 historical return flow patterns.

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

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

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

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

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

15 MR. JOHN DRAPER: Fair enough.

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

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

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

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

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

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

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

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

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

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

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

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

1 final?

2 MR. HAL SIMPSON: Yes.

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

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

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

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

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

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

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

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

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

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

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

19 MR. DAVID POPE: Thank you.

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

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

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

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

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

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

18 CHAIRMAN SISNEROS: Any questions for Mr. Trout?

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

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

23 MR. JOHN DRAPER: Mr. Pope.

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

1 CHAIRMAN SISNEROS: Thank you, Mr. Trout.

2 MR. ROBERT TROUT: Okay.

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

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

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

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

8 CHAIRMAN SISNEROS: Any questions?

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

12 MR. JEFF ANDERSON: Appreciate your time.

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

1 water and you acquire some many years...

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

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

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

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

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

1 District.

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

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

8 MR. DANNIE MCMILLAN: Yes, we are.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 time, I'm not sure.

2 MR. DANNIE MCMILLAN: Yes.

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

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

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

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

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

17 CHAIRMAN SISNEROS: Yeah, go ahead, Mark.

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

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

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

11 MR. DANNIE MCMILLAN: Yes.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

25 CHAIRMAN SISNEROS: Steve?

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

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

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

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

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

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

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

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

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

11 MR. DAVID POPE: What?

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

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

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

23 MR. DAVID POPE: Okay.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 stored in there?

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

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

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

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

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

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

4 MR. MARK RUDE: That's correct.

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

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

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

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

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

1 CHAIRMAN SISNEROS: That's correct.

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

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

5 CHAIRMAN SISNEROS: Okay.

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

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

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

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

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

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

12 CHAIRMAN SISNEROS: Any comments from Kansas?

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

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

8 CHAIRMAN SISNEROS: Any comments?

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

17 CHAIRMAN SISNEROS: Maybe the oldest ones first?

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

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

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

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

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

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

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

9 CHAIRMAN SISNEROS: Okay. Thank you Steve.

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

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

15 MS. JAN ANDERSON: A very short report.

16 CHAIRMAN SISNEROS: Thank you.

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

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

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

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

9 CHAIRMAN SISNEROS: Thank you again, Jan.

10 MS. JAN ANDERSON: Thank you.

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

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

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

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

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

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

15 MR. TOM POINTON: So move.

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

18 MR. ROD KUCHARICH: Second.

19 CHAIRMAN SISNEROS: All in favor?

20 COMPACT MEMBERS: (In unison:) Aye.

21 CHAIRMAN SISNEROS: All oppose?

22 COMPACT MEMBERS: (No audible response.)

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

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

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

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

15 MR. DAVID BRENN: So move.

16 MR. JAMES ROGERS: Second.

17 CHAIRMAN SISNEROS: All in favor?

18 COMPACT MEMBERS: (In unison:) Aye.

19 CHAIRMAN SISNEROS: All opposed?

20 COMPACT MEMBERS: (No audible response.)

21 CHAIRMAN SISNEROS: Passes.

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

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

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

1 sir.

2 CHAIRMAN SISNEROS: I see.

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

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

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

2 MS. JAN ANDERSON: Could I add something?

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

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

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

20 MS. JAN ANDERSON: Sure.

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

25 MS. JAN ANDERSON: Because we have an agency

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

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

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

25 MS. JAN ANDERSON: They still are.

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

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

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

10 MS. JAN ANDERSON: Yeah, I know.

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

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

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

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

5 MR. DAVID POPE: Yeah.

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

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

10 MR. STEVE MILLER: Two or three budgets.

11 CHAIRMAN SISNEROS: Okay.

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

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

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

25 MR. ROD KUCHARICH: I move that.

1 CHAIRMAN SISNEROS: Do I have a second?

2 MR. TOM POINTON: I second that.

3 MR. STEVE MILLER: I'll make sure Jim signs

4 this one and I get it to him.

5 CHAIRMAN SISNEROS: All in favor?

6 BOARD MEMBERS: (In unison:) Aye.

7 CHAIRMAN SISNEROS: So passed.

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

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

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

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

20 MR. ROD KUCHARICH: So move.

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

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

23 MR. JAMES ROGERS: Second.

24 CHAIRMAN SISNEROS: All in favor.

25 BOARD MEMBERS: (In unison) Aye.

1 CHAIRMAN SISNEROS: So moved or so passed.

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

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

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

13 CHAIRMAN SISNEROS: Pardon.

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

16 MR. JAMES ROGERS: It stays that way.

17 MR. TOM POINTON: Okay.

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

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

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

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

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

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

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

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

8 MR. TOM POINTON: Second.

9 CHAIRMAN SISNEROS: All in favor?

10 BOARD MEMBERS: (In unison) Aye.

11 CHAIRMAN SISNEROS: So moved. So passed.

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

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

17 CHAIRMAN SISNEROS: So it becomes whom?

18 MR. RANDY HAYZLETT: Kuharich.

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

21 MR. ROD KUCHARICH: Kuharich.

22 CHAIRMAN SISNEROS: Kuharich. I'm sorry.

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

1 CHAIRMAN SISNEROS: Engineering?

2 MR. TOM POINTON: David Pope the chair.

3 CHAIRMAN SISNEROS: David Pope?

4 MR. TOM POINTON: Yes.

5 CHAIRMAN SISNEROS: Operations?

6 MR. TOM POINTON: Jim Rogers.

7 CHAIRMAN SISNEROS: Jim Rogers. Motion?

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

12 CHAIRMAN SISNEROS: Do I hear a second?

13 MR. TOM POINTON: Second.

14 CHAIRMAN SISNEROS: All in favor?

15 BOARD MEMBERS: (In unison) Aye.

16 CHAIRMAN SISNEROS: Passed.

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

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

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

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

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

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

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

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

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

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

11 MR. DAVID POPE: So move.

12 MR. JAMES ROGERS: Second.

13 CHAIRMAN SISNEROS: All in favor.

14 BOARD MEMBERS: (In unison) Aye.

15 CHAIRMAN SISNEROS: Thank you all.

16 (Proceedings conclude.)

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