

# Table of Contents

Exhibit A--Attendance List .....	125
Exhibit B--Notice & Agenda .....	130
Exhibit C--Res. 2006-06 Honoring Mark Rude .....	203
Exhibit D--Res. 2006-05 Dispute Resolution Procedure .....	196
Exhibit E--USGS Report .....	141
Exhibit F--US Army Corps of Engineers .....	143
Exhibit G--Engineering Action Items .....	150
Exhibit H--Committee Mtg Attendance List .....	152
Exhibit J--Operations Action Items .....	157
Exhibit I--AOS Report .....	160
Exhibit K--OS Report (CD only) .....	163
Exhibit L--Admin & Legal Action Items .....	165
Exhibit M--Res. 2006-03 Transfer of Conservation Storage .....	189
Exhibit N--City of Lamar Letter .....	169
Exhibit O--Financial Statement (Audit) Report .....	172
Resolution 2006-01: JMR Permanent Pool Evaporation .....	180
Resolution 2006-02: Winter Water Holding Accounts .....	184
Resolution 2006-03: Transfer of Conservation Storage .....	189
Resolution 2006-04: Section II Account Spill .....	193
Resolution 2006-05: Dispute Resolution Procedure .....	196
Resolution 2006-06: Honoring Mark Rude .....	203
Resolution 2006-07: Extension of Special Engineering Committee .....	205

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ARKANSAS RIVER COMPACT ADMINISTRATION

COMPACT YEAR 2006

ANNUAL MEETING

December 12, 2006

HELD AT THE  
COMMUNITY BUILDING  
LAMAR, COLORADO

BEFORE  
Karen Voepel, CSR  
VOEPEL REPORTING SERVICES, INC.

P.O. Box 1510  
Lamar, Colorado 81052  
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*Approved  
12/8/09  
[Signature]*

*Approved  
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Stephanie  
Honzels*

APPEARANCES

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CHAIRMAN: ROBIN JENNISON

COLORADO:

- Rod Kuharich
- Matt Heimerich
- Colin Thompson

KANSAS:

- David Brenn
- Randy Hayzlett
- David Pope

1           MR. JENNISON: Good morning. We'll call the 2006  
2 meeting of the Arkansas River Compact Administration to  
3 order. I'm Robin Jennison, the Federal Chairman, and I  
4 think the first thing that I'd like to do, there's not a lot  
5 of people here so I don't think it will take very long, is  
6 have everybody say who you are and if you're here  
7 representing an entity, say who that entity is.

8           We'll start over here. I don't know how you  
9 guys -- if you want to do it yourself or have David  
10 introduce yours.

11           First of all, Karen Voepel is our court reporter  
12 and she'll be making sure that everything we do today is  
13 preserved for posterity.

14           We'll start with Kansas and get the commissioners  
15 in Colorado and then we'll start with the front row and work  
16 our way back. Is that a signup sheet? And Steve is going  
17 to send a signup sheet around so everybody can also do that  
18 so Karen can have that as well. So we'll start with Kansas  
19 and then Colorado and then start over here.

20           Randy Hayzlett from Lakin, Kansas representing  
21 the region for the Compact.

22           I'm Dave Brenn, Compact Member, Garden City,  
23 Kansas.

24           David Pope, also a Member of the Administration  
25 from Kansas, and I'm from Topeka with the Division of Water

1 Resources, Kansas Department of Agriculture.

2 Rod Kuharich, Compact Commissioner from  
3 Colorado.

4 Matt Heimerich, Commission member, Olney Springs,  
5 Colorado.

6 Colin Thompson from Holly, Colorado.

7 Dennis Montgomery; I'm an attorney from Denver  
8 representing the State of Colorado.

9 I'm Steve Witte; I'm the Division Engineer for  
10 the Arkansas River Basin in Colorado and I also am the  
11 Operations Secretary.

12 Steve Miller with the Colorado Water Conservation  
13 Board and staff person for Rod Kuharich.

14 Lee Rolfs, Kansas Department of Agriculture,  
15 Topeka, Kansas.

16 Dale Book with Spronk Water Engineers, appearing  
17 for Kansas.

18 John Draper; I'm from Santa Fe here on behalf of  
19 the State of Kansas.

20 David Barfield, Kansas Division of Water  
21 Resources.

22 Mike Meyer, Water Commissioner, Garden City,  
23 Kansas, Division of Water Resources.

24 George Austin, Division of Water Resources in  
25 Topeka.

1 Russ Livingston, Hydrologic Consultant, Golden,  
2 Colorado.

3 Mark Rude, Southwest Kansas Groundwater  
4 Management District and a short-timer Operations Secretary.

5 Don Steerman from Shinn Steerman and Shinn. I  
6 represent the District 67 Ditches; Amity, Buffalo and  
7 several of the other ditches.

8 Terry Howland, Amity Canal.

9 Kelly Cummins here for Tri-State.

10 Thom Makens; I'm with the Division of Water  
11 Resources out of Garden City, Kansas.

12 Lori Marintzer; I'm with the USGS.

13 Brandy Cole, Division of Water Resources, Garden  
14 City, Kansas.

15 Dan Maxfield, Lakin, Kansas, Kearny County Water  
16 Users Association.

17 Steven Hines, Frontier Ditch, Coolidge, Kansas.

18 Hal Scheuerman, Deerfield, Kansas, Amazon Canal.

19 Dawn Wiedmeier, Deputy Area Manager, Bureau of  
20 Reclamations, Loveland, Colorado.

21 Eve McDonald, Colorado Attorney General.

22 Ed Perkins, Colorado Division of Wildlife.

23 Good morning, I'm Ken Knox from the Colorado  
24 Division of Water Resources in Denver.

25 I'm Chris Woodka with the Pueblo Chieftain.

1 I'm Bill Tyner with the Colorado Division of  
2 Water Resources.

3 Paul Flack, Colorado State Parks.

4 Russ Pallone, Colorado State Parks, Trinidad.

5 Monique Morey, Colorado Division of Water  
6 Resources, Pueblo.

7 Pat Edelman with the U.S. Geological Survey,  
8 Colorado Water Science Center, Pueblo, Colorado.

9 Susan Champine, Operations Division with the U.S.  
10 Army Corps of Engineers.

11 Joe Flory with the Division of Water  
12 Resources, Pueblo.

13 Dennis Garcia; I'm an engineer with the Corps of  
14 Engineers, Albuquerque District.

15 Sandy Rayl with the U.S. Army Corps of Engineers,  
16 Colorado Service Office in Denver.

17 Champe Green, U.S. Army Corps of Engineers.

18 Chelsea Juricek, Division of Water Resources out  
19 of the Garden City Field Office.

20 Mark Yuska of Corps of Engineers, Albuquerque  
21 District Reservoir Control branch.

22 Derrick Dunlap, U.S. Army Corps of Engineers  
23 representing John Martin Dam.

24 MR. JENNISON: And I think we've got one that  
25 came in after we started this exercise.

1 Bill Grasmick with Lower Arkansas Water  
2 Management Association.

3 MR. JENNISON: Thank you, everyone. We're glad  
4 you're here.

5 First of all, I ask the commissioners to look  
6 over the agenda. Do we have any revisions to the agenda  
7 that we've got before us? I think we're going to be able to  
8 work with that. Okay.

9 In the way of reports for the officers, I don't  
10 have really a report per se but I just would like to say to  
11 the commissioners and really the staff of both States that I  
12 appreciate their understanding this past year as I was  
13 unable to be as active as I really probably should have  
14 been. But in lieu of that, I congratulate the  
15 commissioners, congratulate both States and really the staff  
16 of both States to what I think is going to prove to be at  
17 least one of the most successful years that the Compact has  
18 had since I've been involved in it. I really think that  
19 we've gone a long way toward resolving a lot of issues.  
20 We've gone a long way toward the reports which I'd like to  
21 see us start getting done, and I think we're a long way down  
22 the road with that. And I think the credit goes to  
23 certainly both States really putting a lot of time. I mean,  
24 there's been a lot of time that's been put in the  
25 Administration this year on the part of the commissioners

1 and on the part of the staffs, and I really appreciate it.  
2 And I think we're going to see the fruits of that labor in  
3 this next year.

4 With that, I'll turn to Vice-Chairman Pope and he  
5 can give his report.

6 MR. POPE: Thank you, Mr. Chairman. And I  
7 appreciate those comments and indeed I'm also optimistic  
8 that this will be a good year and progress is being made on  
9 a number of issues.

10 One item that I would report on, I think much of  
11 our business will take care of itself, but one item I think  
12 that might fit here is that we have a couple of individuals  
13 that have provided extensive service to the Compact  
14 Administration over the years that I think it's appropriate  
15 that we acknowledge those individuals.

16 The first of those -- Let me do this, pass the  
17 copies down here. The court reporter may want to take one  
18 of those, too. I'm passing out, as I talk here, a copy of a  
19 proposed resolution of the Arkansas River Compact  
20 Administration honoring Mr. Mark Rude. I'll just say a few  
21 comments briefly first.

22 I think as you heard in the introduction, Mark  
23 has announced that he's not seeking reelection to the  
24 position of Assistant Operations Secretary. Many of you  
25 realize that Mark has shifted jobs and was willing to

1 continue serving in that role this last couple of years  
2 during the transition period but now has decided he needs to  
3 concentrate full-time on his day job but will still be  
4 involved in the affairs of the Compact Administration in  
5 some way or another. But we thought it would be appropriate  
6 to offer a resolution, and I'm not sure whether I should  
7 maybe read this since the audience won't have it or just  
8 summarize some key things in it, Mr. Chairman.

9 MR. JENNISON: It's not long. Whatever you want  
10 to do.

11 MR. POPE: Maybe since it is just relatively  
12 short, let me just do that.

13 "Whereas, Mark Rude of Garden City, Kansas  
14 has resigned his position as Assistant Operations  
15 Secretary of the Arkansas River Compact Administration  
16 after having served faithfully in that position for  
17 over nine years, from March 11, 1997 through December  
18 12, 2006;

19 "Whereas, as the first Assistant Operations  
20 Secretary of ARCA, the Water Commissioner in the  
21 Garden City Field Office of the Kansas Department  
22 of Agriculture's Division of Water Resources, and  
23 Executive Director of Southwest Kansas Groundwater  
24 Management District No. 3, Mark has diligently  
25 represented the Compact interests of the State of

1           Kansas and the residents of the Arkansas River Valley  
2           and Kansas;

3           "Whereas, while diligently representing the  
4           State of Kansas and its constituents, Mark continually  
5           reached out to the Operations Secretary, and other  
6           representatives of the State of Colorado, to compile  
7           the most accurate accounting possible of the waters of  
8           the Arkansas River, to identify issues in dispute, and  
9           to reach fair and reasonable solutions to the many  
10          issues associated with the Operations of John Martin  
11          Reservoir;

12          "Whereas, Mark's positive attitude, friendly  
13          personality and congenial temperament has been an  
14          asset to ARCA and the State of Kansas;

15          "Now therefore, be it hereby resolved that the  
16          Arkansas River Compact Administration does hereby  
17          express its sincerest gratitude and appreciation to  
18          Mark Rude for his dedicated service to ARCA in his  
19          position of Assistant Operations Secretary.

20          "Be it further resolved that ARCA honor Mr.  
21          Rude's service by including this resolution and  
22          appropriate dedicatory remarks in the ARCA annual  
23          report for Compact Year 2006 and hereby instructs  
24          the Recording Secretary to send copies of this  
25          resolution to the Rude family and the Governor of

1 the State of Kansas.

2 "Entered this 12th day of December, 2006 at the  
3 annual meeting of ARCA held in Lamar, Colorado."

4 And it would be signed by the Chairman and  
5 Recording Secretary.

6 MR. JENNISON: Accept that motion to move that  
7 resolution?

8 MR. POPE: I would move the adoption of this  
9 resolution.

10 MR. KUHARICH: Second it.

11 MR. JENNISON: An uncomfortable pause. All those  
12 in favor aye. Kansas?

13 MR. POPE: Kansas votes aye.

14 MR. KUHARICH: Colorado votes aye.

15 MR. JENNISON: Resolution carries.

16 Do you have another one?

17 MR. POPE: I don't have a prepared resolution,  
18 but I think it is appropriate that we acknowledge in some  
19 fashion Mr. Mark Stark who has served this area in water  
20 resources for many years. And Mark, of course, as many of  
21 you know, was here at John Martin Reservoir for the Corps of  
22 Engineers. We've always enjoyed working with Mark and  
23 hearing from him and his reports and his interaction with  
24 the Compact Administration and each of the States.

25 Mr. Chairman, I would suggest that we arrange for

1 an appropriate letter to be drafted for your signature that  
2 could be then subsequently sent to Mark and copied to the  
3 folks involved, the appropriate folks involved in the Corps  
4 of Engineers both here and in Albuquerque perhaps. And I  
5 would offer that as a motion.

6 MR. JENNISON: Second from Colorado?

7 MR. KUCHARICH: Yes, I do second that.

8 MR. JENNISON: Discussion? All in favor, aye.  
9 Colorado?

10 MR. KUCHARICH: Aye.

11 MR. JENNISON: Kansas?

12 MR. POPE: Aye.

13 MR. JENNISON: Motion carries.

14 Do you have anything else on the report, David?

15 MR. POPE: I do not. Thank you.

16 MR. JENNISON: Okay. In the same vein, I would  
17 like to recognize Rod for a similar...

18 MR. KUCHARICH: Thank you, Mr. Chairman. I would  
19 like to note the passing of Mr. Bill Howland. Bill had  
20 worked for many years compiling records for the Colorado  
21 Division of Water Resources and was integral in maintaining  
22 the operations of the Compact. And he passed away here  
23 recently.

24 The Administration did, when he retired, pass a  
25 resolution honoring him and I would just like to note that

1 there are people that will miss him with his passing.

2 MR. POPE: Mr. Chairman, I did miss one thing, if  
3 I could go back.

4 MR. JENNISON: Yes.

5 MR. POPE: In addition to the resolution for Mark  
6 Rude, we also had prepared a plaque and we would like to  
7 present that to Mr. Rude at this time if that's  
8 appropriate. It's not formally from ARCA, has been prepared  
9 by the Associated Ditches of Kansas and with the help from  
10 the State of Kansas.

11 MR. JENNISON: That would be fine.

12 MR. POPE: If that's okay with you. Mark, could  
13 you come forward?

14 MR. BRENN: Mark, you're not done yet. This  
15 plaque -- Stand over here so they can see you. I'll just  
16 read what it says on the plaque. I think it's pretty  
17 self-explanatory.

18 "In recognition and appreciation of  
19 Mark E. Rude for dedicated and meritorious  
20 service representing the State of Kansas  
21 and the Associated Ditches of Kansas on issues  
22 and business of the Arkansas River Compact  
23 Commission, Kansas Department of Agriculture,  
24 Division of Water Resources, from August 18th,  
25 1987 to February 5th, 2005, and Assistant

1           Operations Secretary, Arkansas River Compact  
2           Commission, 1997 through 2006."

3           We appreciate all your dedication and work.

4           MR. RUDE: Thanks, Dave. Appreciate it.

5           (Applause.)

6           MR. JENNISON: Steve, am I looking at this right,  
7           that Stephanie is going to be later in the agenda?

8           MR. MILLER: She asked me to do that report for  
9           the committee.

10          MR. JENNISON: Is that going to be deferred to  
11          later or do we do that now?

12          MR. MILLER: No, when we get to it later.

13          MR. JENNISON: Next item, Item 5, our reports  
14          from the Water Conservancy Districts. And I don't know that  
15          we have anyone here from any of those who want to, but I'll  
16          just go through it. And if there is a report from one of  
17          the districts, the Southeastern? Don't see one.

18          MR. KUCHARICH: Mr. Chairman, I would note in  
19          talking with the general manager of the Southeastern  
20          District that he reports no progress on the activities he's  
21          been involved in. And that should things begin to move in  
22          the future, he'll make a specific effort to contact  
23          representatives from Kansas.

24          MR. JENNISON: Thank you, Rod. How about the  
25          Lower Ark?

1 MR. MILLER: They had -- Steve Miller, State of  
2 Colorado. Their general manager had several conflicts and  
3 was going to try to make an effort to rearrange those. He  
4 may come later. I told him we'd keep moving the item back  
5 on the agenda until we're done and if he makes it here  
6 before then, he can report.

7 MR. JENNISON: How about Purgatoire?

8 MR. MILLER: We haven't been able to confirm what  
9 their intentions were, so I'm not sure if they'll appear. I  
10 doubt it at this hour.

11 MR. JENNISON: Then moving on, Item No. 6, were  
12 we going to have an update on the Kansas v. Colorado status?  
13 And who was going to do that?

14 MR. DRAPER: Mr. Chairman, Mr. Montgomery and I  
15 are both here. I'm John Draper. We serve as counsel for  
16 the two States along with David Robbins. And I'm happy to  
17 report that we're making good progress. We have made good  
18 progress in the last year in preparing a final decree for  
19 the case. The Special Master is considering that at this  
20 time. We expect there to be further proceedings to finalize  
21 the decree, but I feel that we've made good progress since  
22 last year at this time.

23 We've settled certain major items this year,  
24 including the settlement on a cost issue by which Colorado  
25 paid Kansas about a million dollars in costs in addition to

1 the \$34.6 million of damages in the previous year. So I  
2 think we're seeing big milestones being achieved towards  
3 concluding this litigation. And I think that's all I have  
4 to say unless Dennis has something to add.

5 MR. MONTGOMERY: The only thing I would add is  
6 that the States, as John mentioned, have submitted a draft  
7 decree to the Special Master. There were some disagreements  
8 and we are waiting for the Special Master to resolve those.  
9 In fact, we were assuming and anticipating that those would  
10 be resolved by this time but he had sent us a letter last  
11 month saying that he had been tied up in a major lawsuit and  
12 it would take him some time to get back to trying to issue  
13 an order.

14 But the end of 2006 will be the end of the first  
15 ten-year period for determining Compact compliance under  
16 Colorado's proposal, which was accepted by the Special  
17 Master and the Supreme Court. So it's important for him to  
18 resolve these issues because there was a disagreement about  
19 the amount of the depletions over the first eight years that  
20 needs to be resolved so that the States will know where  
21 Colorado stands in terms of Compact compliance and then  
22 determine whether at the end of the first ten-year period  
23 Colorado's in compliance or whether there is a shortfall  
24 that will need to be made up in 2007.

25 MR. JENNISON: Thank you. Item No. 7, Reports of

1 Federal Agencies. And we have, first, U.S. Geological --

2 MR. KUHARICH: Mr. Chairman.

3 MR. JENNISON: I'm sorry.

4 MR. KUHARICH: Under 6(B), I think.

5 MR. JENNISON: I lumped all those together, Rod.

6 MR. KUHARICH: We have a dispute resolution.

7 MR. JENNISON: Yep, that's right.

8 MR. KUHARICH: And I would offer this  
9 resolution.

10 MR. JENNISON: I think everybody's got that,  
11 don't they? The motion's been offered. Seconded by Kansas?

12 MR. POPE: Kansas would second it.

13 MR. JENNISON: Discussion? How does Colorado  
14 vote?

15 MR. KUHARICH: Aye.

16 MR. JENNISON: Kansas?

17 MR. POPE: Aye.

18 MR. JENNISON: Motion carries.

19 MR. MILLER: Could I ask the number of that  
20 resolution?

21 MR. JENNISON: The number of that is 2006-05.

22 MR. MILLER: And the Mark Rude resolution, did  
23 that have a number?

24 MR. POPE: I don't know that we assigned a number  
25 to that but could we do that?

1 MR. JENNISON: Yeah, you can.

2 MR. MILLER: I know that 1, 2, 3 and 4 are  
3 already taken. Whether they pass or not is still to be seen  
4 but as they're drafted. So in other words, Mark's does not  
5 have a number.

6 MR. POPE: It does not have a number. As printed  
7 it doesn't, but it would be easy to write that in in the  
8 official signed copy. And we could give it 2006-06 at this  
9 point if that would be appropriate.

10 MR. JENNISON: Without objection, that's what  
11 we'll do.

12 And then there's an item (c) then on 6, do we  
13 have anything to discuss on that? Steve.

14 MR. WITTE: Yes, Mr. Chairman. My name is Steve  
15 Witte. Last year at this meeting I reported that based upon  
16 the preliminary analysis conducted in March of 2005, it was  
17 estimated that a cumulative depletion to Usable Stateline  
18 Flow for the period 1997 through 2004 amounted to 6,824  
19 acre-feet. As a result, 4,149 acre-feet of fully-consumable  
20 water was delivered to the Offset Account specifically for  
21 the purpose of reducing the estimated deficit during 2005.

22 Subsequently, additional changes were made to the  
23 H.I. Model to comply with directives from Special Master  
24 Littleworth. In January of 2006, Kansas recalibrated the  
25 revised model and reported to the Special Master the

1 determination of its experts that for the period 1997  
2 through 2004, the remaining net depletion to Usable  
3 Stateline Flow at the end of 2004 was 21,137 acre-feet.  
4 Subsequently, that number was later revised in Exhibit E  
5 dated June 16th, 2006 to 20,324 acre-feet.

6 In February of 2006, Colorado reported its  
7 experts estimated the remaining net depletions to Usable  
8 Stateline Flow was 5,913 acre-feet at the end of the same  
9 time period.

10 In 2006, Colorado delivered an additional 4,670  
11 acre-feet of fully consumable water to the Offset Account  
12 specifically for the purpose of reducing the estimated  
13 deficit and an increased presumptive depletion factor was  
14 applied to supplemental well pumping used for flood  
15 irrigation.

16 Based upon discussions with Kansas experts  
17 related to the status of unreplaced stream depletions  
18 associated with the operation of substitute water supply  
19 plans, Colorado believes that an agreement will be reached  
20 regarding the application of credits from deliveries from  
21 the Offset Account to such depletions. Using that as an  
22 assumption and by utilizing pumping data collected through  
23 2006 with pumping estimates for October through December of  
24 2006 and Offset Account deliveries made through 2006,  
25 Colorado has estimated that depending on whether the Kansas

1 calibration is used or if the Colorado calibration is used,  
2 the compliance status at the end of the first ten-year  
3 compliance period will be a deficit of approximately 6,100  
4 acre-feet or a credit of 3,700 acre-feet respectively. It's  
5 estimated or it's anticipated that the Special Master will  
6 issue an order, as Mr. Montgomery said earlier, resolving  
7 this difference over the remaining net depletion through the  
8 period 2004. The States will then need to agree upon the  
9 results for 2005 and 2006, although this isn't expected to  
10 be difficult once the Special Master determines which  
11 calibration of the model should be used.

12 By letters dated March 22nd and 31st, Kansas'  
13 attorney provided comments concerning a draft decree in the  
14 matter of Division 2 Water Court Case No. 02CW181 regarding  
15 an application for a change of water rights filed  
16 by the LAWMA. In response, Colorado addressed some of these  
17 comments by either negotiating certain changes to the  
18 proposed decree or by providing further explanations to  
19 Kansas. After lengthy discussions with Lower Arkansas  
20 Water Management Association (LAWMA), Colorado developed a  
21 settlement stipulation with LAWMA. I was informed yesterday  
22 that State Engineer Hal Simpson has approved that  
23 stipulation. Colorado was the final objector to settle with  
24 LAWMA in this case, clearing the way for the entry of a  
25 decree provided others who previously settled accept the

1 subsequent changes that have been made.

2           And then, finally, I wanted to report that the  
3 Amended Rules Governing the Measurement of Tributary Ground  
4 Water Diversions became effective on December 1st, 2006.  
5 One of the "Mission Inn" agreements signed September 23rd,  
6 2005 provided that certain modifications of the Amended  
7 Measurement Rules would be made, including more frequent  
8 ratings of power conversion coefficients for those instances  
9 where that method of estimating pumping is used.  
10 A protest to the proposed amendment delayed completion of  
11 the amendment process; however, it is believed that the  
12 rules as amended are no less restrictive than those attached  
13 to the Mission Inn agreement.

14           Thank you for this opportunity to report on  
15 activities that have been undertaken in the past year.

16           MR. JENNISON: Questions for Steve? Dave.

17           MR. POPE: I might have one or two.

18           MR. MILLER: Could I just say I noticed that you  
19 had written remarks there and we have a new court reporter.  
20 If possible, would you be willing to submit those as an  
21 attachment or at least for her use? I can tell you from  
22 experience that a brand new reporter dealing with the way we  
23 talk about things has a horrible time. In fact, that's what  
24 happened to us in '93.

25           MR. WITTE: I'd be happy to.

1                   MR. MILLER: Do you want to make it an attachment  
2 or just an aid for the reporter?

3                   MR. WITTE: I would say an aid for the reporter  
4 might be better.

5                   MR. JENNISON: David.

6                   MR. POPE: Steve, thanks for your commenting in  
7 your report. I think Steve's comments illustrate there is a  
8 lot of information and a lot of numbers and a lot of things  
9 in your report.

10                   One of the items that you most reported on there  
11 at the end of the report was the status of the LAWMA court  
12 decree.

13                   MR. WITTE: Yes.

14                   MR. POPE: And where that stands. And I  
15 understand then that now that Mr. Simpson has approved that,  
16 there's a process that would be used to give the other  
17 parties an opportunity to review the final version of the  
18 decree; is that correct?

19                   MR. WITTE: That's my understanding, yes.

20                   MR. POPE: And then assuming everyone is still  
21 okay with that, then it would go to the Water Court Judge  
22 for final action; is that correct?

23                   MR. WITTE: That's my understanding, yes.

24                   MR. POPE: Is there a step in there someplace  
25 where Kansas will be notified of the actions that were taken

1 to address its concerns?

2 MR. WITTE: There was some discussion of that  
3 yesterday in one of the committee meetings and it was my  
4 understanding from that discussion that Kansas would have an  
5 opportunity to review the final stipulated decree. However,  
6 if Mr. Montgomery cares to add to that, he might give a more  
7 complete answer.

8 MR. POPE: And Dennis maybe could answer this.  
9 What I was really asking about is whether prior to the final  
10 stipulation, the final revised, whatever the terminology is,  
11 the final revised decree going to the Water Court for  
12 approval, whether Kansas would have an opportunity to look  
13 at the revised version or not?

14 MR. MONTGOMERY: Mr. Pope, that's certainly our  
15 intention. We're anticipating submitting the revised  
16 proposed decree back to Kansas with response to the comments  
17 that Kansas submitted through letters from Mr. Draper and  
18 that should be within the next week.

19 MR. POPE: Okay, thank you.

20 On a somewhat related matter, and I know you  
21 didn't cover it but, obviously, we've been aware of this  
22 process that's been undertaken on the LAWMA decree that I  
23 believe dealt with a number of the changes to water rights  
24 that have been acquired for replacement purposes and matters  
25 of that nature; and I'm trying to describe that in a

1 comprehensive way. I don't know that we've heard much for  
2 comparable processes for the other well associations that  
3 are providing augmentation water.

4 Steve, could you give us any brief summary of the  
5 status of those? Aren't those ultimately still also  
6 supposed to seek decrees in Water Court for their  
7 replacement water or not? If you or Dennis, either one,  
8 could respond to that. I just want to -- trying to figure  
9 out where this all fits together.

10 MR. WITTE: Yes, Mr. Pope. The Amended Ground  
11 Water Use Rules that went into effect in 1996 say that a  
12 party may utilize water rights not decreed for augmentation  
13 purposes for a ten-year period. So those associations who  
14 have relied on water rights that were originally decreed for  
15 irrigation purposes have over time come to us and requesting  
16 administrative approval for a temporary change of those  
17 water rights.

18 So the only other association that has now come  
19 up against that ten-year limit is the Arkansas Groundwater  
20 Users Association (AGUA). They have filed for a change of  
21 water rights for the Excelsior Ditch. That change of water  
22 right is now set for trial I believe in June of 2007.

23 MR. POPE: So that one is pending, that court  
24 process?

25 MR. WITTE: Yes, sir.

1                   MR. POPE: And is that the only water right that  
2 would be subject to that ten-year deadline rule for them or  
3 others?

4                   MR. WITTE: I think that there are some others  
5 that were begun to be used for replacement purposes sometime  
6 after 1996 that have not yet come up against that ten-year  
7 limit, by which time they must secure a change of water  
8 right.

9                   MR. POPE: And so then if one of those entities  
10 has not secured a court decree during that ten-year period,  
11 would they just not be unable to use those sources for  
12 replacement then or what's the fallout or what's the end  
13 result of that process?

14                   MR. WITTE: That's right. Ultimately, if they  
15 don't obtain the court's approval, then they just won't be  
16 allowed to be used as a replacement source.

17                   MR. POPE: Okay.

18                   MR. JENNISON: Dennis, did you have something to  
19 add to that?

20                   MR. MONTGOMERY: David, just as a comment, the  
21 State of Colorado also anticipates submitting a proposed  
22 decree for AGUA's change of water rights. As soon as we get  
23 a proposed decree to review, there's a process by which the  
24 applicant has to submit a proposed decree. We haven't  
25 gotten the proposed decree yet to submit to Kansas for

1 comment.

2 And just as a comment about the Colorado Water  
3 Protective and Development Association, I believe they  
4 primarily rely on Fry-Ark Project return flows or purchase  
5 of replacement water from Pueblo, sometimes from Colorado  
6 Springs. Those sources have already been changed and so  
7 they don't have the same need to get into court to change  
8 their replacement sources that LAWMA did.

9 MR. POPE: Those are already authorized sources  
10 through Water Court processes is what you're saying?

11 MR. MONTGOMERY: Yes.

12 MR. POPE: So they wouldn't have other -- They  
13 have not acquired other existing precompact surface rights,  
14 for example, or something like that. Okay. Thank you.

15 MR. JENNISON: Other questions? Okay, thank you,  
16 Steve. That now should wrap up No. 6.

17 Going down to No. 7, Reports of Federal Agencies.  
18 First we have up is the U.S. Geological Survey.

19 MR. EDELMANN: Good morning. Pat Edelman, U.S.  
20 Geological Survey.

21 MR. JENNISON: Thank you, Pat.

22 MR. EDELMANN: In 2006, the USGS, in cooperation  
23 with the ARCA, operated ten streamflow gages, eight in  
24 Colorado and two in Kansas. The table before you summarizes  
25 the water year 2006 annual flows. I'll review those in a

1 minute.

2           The second page basically just kind of shows --  
3 basically shows the map, especially distributes each of  
4 those flow stream gaging stations.

5           At the Arkansas River at Las Animas during water  
6 year 2006, there were 132,400 acre-feet water entering John  
7 Martin. The Purgatoire contributed 23,860  
8 acre-feet... (inaudible)...154,300 acre-feet. I'm sorry.

9           MR. JENNISON: The reporter, I suspect, would  
10 like you to slow down. If you put those in front of her,  
11 that might help a little bit.

12           MR. EDELMANN: I'll slow down.

13           John Martin released 154,300. At the Arkansas  
14 River at Lamar there was 36,580 acre-feet. So basically,  
15 roughly 120,000 acre-feet of diversions from John Martin  
16 Reservoir to Lamar. Between Lamar and Granada, the flows  
17 increased from 36,580 to 40,500, a gain of about 4,000  
18 acre-feet, and Big Sandy Creek contributed 3,310 acre-feet.  
19 Between Granada and Arkansas River near Coolidge, flows  
20 increased from 40,500 to 53,340, a gain of about 12,800  
21 acre-feet. With Wildhorse Creek flow being measured only  
22 during the months of October and November, and April through  
23 September, so basically we don't have a winter period,  
24 contributing about 5,800 acre-feet. And Frontier Ditch  
25 diversions were 8,080 acre-feet.

1           In general, there were no problems with flows  
2 with the exception that it's notable problems associated  
3 with beavers, particularly low flows created some challenges  
4 in operating the gages especially for low flows data at  
5 Arkansas River at Granada and Big Sandy Creek.

6           In 2007, the USGS proposes to continue to operate  
7 those ten streamflow gages, the eight gages in Colorado for  
8 approximately \$41,490 and operation of the one gage in  
9 Kansas would be \$7,400. It's my understanding that the gage  
10 at Frontier Ditch will be totally funded through the USGS  
11 NSIP program. There will not be a cost for operation of  
12 that gage in 2007.

13           And that concludes my report. If there's any  
14 questions, I'll be happy to try and address those.

15           MR. JENNISON: Questions for Pat?

16           MR. MILLER: Is it the intent that that written  
17 report be made a part of the minutes?

18           MR. EDELMANN: That's fine.

19           MR. POPE: Just as a procedural issue and Steve  
20 has just mentioned, I wonder if each of these documents as  
21 we've identified, those can just be made an exhibit and  
22 we'll let the court reporter working with Steve or whoever  
23 to get those in proper order.

24           MR. JENNISON: That sounds reasonable to me.  
25 Roger? Steve, did you have a question? All right, Pat,

1     thank you.

2                   MR. EDELMANN:   Thank you.

3                   MR. JENNISON:   U.S. Army Corps of Engineers.  
4     Susan.

5                   MS. SHAMPINE:   Good morning, commissioners,  
6     ladies and gentlemen.   I'm Susan Shampine with the U.S. Army  
7     Corps of Engineers.   I'm Chief of our Operations Division.  
8     And I want to extend my regrets for Lieutenant Colonel Bruce  
9     Estok, who up until last week intended to be here, and he  
10    was called to Washington to talk with the Chairman of the  
11    Senate Appropriations Committee for Water and Energy.   So he  
12    decided since that's where our money and funding comes from,  
13    that that's an important place to be.   Again, I extend his  
14    regrets --

15                   I do want to extend my thanks to the commission  
16    {Administration} for recognizing the efforts of Mark Stark  
17    over the past years.   Some of you may wonder what happened  
18    to Mark.   We asked him to come and help us with the  
19    inspection with Completed Works Program, which is basically  
20    our levee program.   And many of you are aware that following  
21    Katrina the Corps of Engineers has put a significant amount  
22    of emphasis on the safety and integrity of our levy  
23    structures and other flood control structures.   So we've  
24    asked Mark to help us out with that and other emergency  
25    management things.

1                   For our activities here in the basin with the  
2 Corps this year, it was a fairly quiet year, not a lot of  
3 water, 82 percent average snow runoff in the upper basin.  
4 And here in the lower basin our subbasin is only 22 percent  
5 of average. So very little activity from that. Most of our  
6 efforts were just regulating the releases from the John  
7 Martin Reservoir and some study activity.

8                   Each of you have been given a copy of our report  
9 and that will kind of give you the status on those  
10 particular studies. If you want any additional information  
11 for that, I think Sandy can help us with that, and we have  
12 some fact sheets here so that if anybody wants to know  
13 something more about that.

14                  At John Martin Reservoir itself, we did some  
15 tamarisk removal with the other agency's support from the  
16 Bureau of Reclamation. They loaned us an operator and this  
17 big machine called a Hydro-Ax, that's a grinder and goes in  
18 there and just attacks this stuff. So we removed about five  
19 acres of tamarisk there. The Corps right now is taking a  
20 look at if it makes sense for us to purchase that or some  
21 other type of equipment that could be used in the area for  
22 removing tamarisk.

23                  Another major activity that we've undertaken is a  
24 sediment study right there at the face, the upstream face of  
25 John Martin Dam. Over the years we've got a lot of sediment

1 that's built up right at the base of the dam and it's  
2 preventing us from setting stop logs. And these stop logs  
3 slide down the face of the dam and close off the conduits  
4 through the dam and allow us to do inspections of the  
5 conduit and do any kind of repairs on the emergency gate.  
6 And this sediment build-up has prevented us from being able  
7 to set those stop logs, so we have no way right now of  
8 working on those emergency gates.

9           So the first step in that process was to do some  
10 core samplings on the sediment and determine what's in  
11 there. If there's not any nasty toxins or that sort of  
12 thing, that will help us determine how and where we can  
13 dispose of the material when we dredge it. So we anticipate  
14 in the next couple of years to do a small dredging effort  
15 right there in front of the dam so we can operate those  
16 structures effectively.

17           We have a few feasibility studies going on, one  
18 at Florence, Colorado. And the City of Florence did kind of  
19 extend the scope of that to include some water storage  
20 there. And because of that, I think the costs of that  
21 project kind of grew significantly so there the City is  
22 trying to figure out whether they want to continue that.

23           At Pueblo we're finishing up the Fish Habitat  
24 Restoration Project or otherwise known as the Kayak Course  
25 Project. But, anyway, finishing with that project with some

1 revegetation and exotic plant removal in that area. There's  
2 also an ongoing G.I. (General Investigation) study on  
3 Fountain Creek.

4           The last thing, I want to remind folks that we  
5 are responsible for the regulation of Section 404 of the  
6 Clean Water Act. And during '06 we've had 92 permit  
7 actions, nine of those were individual permits. But anybody  
8 who's doing work in the river, either dredge or fill  
9 material, if you would contact one of our regulatory offices  
10 or any of our folks here, the folks at John Martin  
11 Reservoir, they'll help you get in touch with the right  
12 folks.

13           The last thing that I want to do is just mention  
14 that because we are an arm of the U.S. Army and part of the  
15 Department of Defense, we do have civilians that participate  
16 in volunteering, helping with emergencies and work  
17 throughout the world. And for the Albuquerque District  
18 during the fiscal year of 2006, we had 94 employees deployed  
19 in various places around the world. Most of those were in  
20 support of the Global War on Terrorism in Iraq and  
21 Afghanistan. At any time we have about nine to ten  
22 employees working there to help rebuild the infrastructure  
23 in that country. And also people that deployed to help the  
24 victims of Katrina and Rita. So we had a very active year  
25 as far as our civilian work force during this past year.

1                   And if the commissioners would indulge me, I  
2 would like to recognize Sandy Rayl, who is our Project  
3 Manager, runs the Colorado Service Office and many of you  
4 know her. She did a second six-month stint, just ended in  
5 April of '06. How many? Thirteen months. She was gone a  
6 long, long time. And because Sandy's a one-person office,  
7 she's not able to get recognition from her peers, and so I  
8 do want to recognize Sandy in front of a group of peers.  
9 So, anyway, Sandy, thank you so much for your service to the  
10 country. Let's take a picture.

11                   (A photograph was taken of Sandy Rayl.)

12                   MS. SHAMPINE: I'll just read this real  
13 quickly.

14                   "In grateful recognition of your selfless  
15 service to the U.S. Army Corps of Engineers and  
16 our Nation for the period of October '05 to April  
17 '06 while deployed in Iraq as a Project Manager  
18 in support of the war on terrorism, your willingness  
19 to volunteer in support of this important operation  
20 is reflected in your patriotism, dedication and  
21 character. Your contributions truly made a difference  
22 and are appreciated."

23                   And these folks put their selves in harm's way and  
24 it's totally voluntary on the part of our civilians, so we  
25 really appreciate Sandy's efforts.

1           Derrick Dunlap is filling in temporarily until  
2 we're able to refill the position of the Operations Project  
3 Manager at John Martin. And Derrick also did a term in  
4 Iraq, so we've had a significant amount of our staff deploy  
5 and help out with the situation there.

6           That's all of my formal presentation. Are there  
7 any questions?

8           MR. JENNISON: Questions?

9           MR. KUCHARICH: I have a question.

10          MR. JENNISON: Rod.

11          MR. KUCHARICH: We heard recently that the new  
12 Congress is not going to deal with budget bills and they're  
13 going to extend continuing resolutions through the end of  
14 the fiscal year in October. And I don't know if the rules  
15 talk about it's either the lesser of three funding levels,  
16 the Senate mark, the House mark or the current funding  
17 levels and I'm wondering if there are any problems that you  
18 foresee, any issues that will arise if this -- if the  
19 government's run by a continuing resolution through October?

20          MS. SHAMPINE: In our budget, I can be very frank  
21 with you, we've been told that we will end up with, if they  
22 don't pass an appropriation, that we will end up with the  
23 lesser, which is the House markup. And it will have a  
24 significant impact on the operation at John Martin and  
25 actually all of the Corps of Engineers' projects in the

1 Albuquerque District. We will barely -- I'm not even sure  
2 we can pay salaries to be quite frank with you.

3 So I think that was part of the discussion that  
4 was going on and I talked to Colonel Estok yesterday and he  
5 assured me that Senator Domenici was working hard on trying  
6 to get the appropriations past but that's about all I can  
7 tell you.

8 MR. KUHARICH: I know that Pat was nodding his  
9 head also. Similar impact to you?

10 MR. EDELMANN: If it stays in the House or the  
11 Senate, we'll be okay. The Coop Program was basically the  
12 same between those. If it's the third... continuing with  
13 the 2006, it will have revocations on our budget and  
14 probably the agreement here as well.

15 MR. POPE: Was that -- Just as a question, and,  
16 Rod, I wasn't sure I have as much detail as what you've  
17 apparently heard but did you say it was the lesser of those  
18 three?

19 MR. KUHARICH: I believe it is, isn't it?

20 MS. SHAMPINE: Yes.

21 MR. KUHARICH: What gets the Corps is the House  
22 mark has almost like a 20 percent cut in some programs.

23 MS. SHAMPINE: It gets significant for our  
24 operation and maintenance budget.

25 MR. POPE: And so that would be significant there

1 and, of course, as Pat has just indicated in the case of  
2 USGS, a number of -- a lot of folks have worked hard to get  
3 the gaging program bumped up a little bit and was successful  
4 in both the House and the Senate but if that doesn't ever  
5 get passed into law, then we're back to square one it sounds  
6 like.

7 MR. MILLER: Would that be even if we signed that  
8 agreement, Pat?

9 MR. EDELMANN: Yeah, we'll have to assume that  
10 with this agreement. (Inaudible.)

11 MR. POPE: So you might be in a position of  
12 coming back to us for more money.

13 MR. EDELMANN: What's likely to occur, we're  
14 still hoping that they'll actually pass the budget that  
15 contains a resolution for the entire year at the 2006 level  
16 is a possibility from what we've heard.

17 MR. POPE: We may need to take that up this  
18 afternoon when we get to our budget. Think about what  
19 means. I'm not sure.

20 MS. SHAMPINE: Any other questions? Thank you  
21 very much.

22 MR. JENNISON: Susan, thank you. And, Sandy, let  
23 us add our thanks and appreciation to you for your services,  
24 as well as Derrick, for your time in Iraq. We appreciate  
25 that. Thank you.



1 Reclamation does have a new commissioner. Bob Johnson was  
2 confirmed a couple of months ago as our 17th commissioner  
3 and Bob's been a Reclamation employee for a little better  
4 than 30 years. Most recently he was the Regional Director  
5 in our lower Colorado region.

6 I'm based out of our Eastern Colorado Area Office  
7 and at that office we manage two main transmountain  
8 diversion projects: the Fryingpan-Arkansas and the Colorado  
9 Big Thompson (CBT). I have a few other responsibilities,  
10 one of which is the Trinidad Irrigation Project repayment  
11 contracts.

12 And as most of you know, Trinidad is a Corps of  
13 Engineer facility and Reclamation's role in that is to  
14 administer the repayment contract. So to do that we work  
15 directly with Purgatoire River Water Conservancy District.

16 We entered into the contract with the District in  
17 1967. And the contract has two main purposes. One is to  
18 recover the construction costs of the project and one is to  
19 provide payment for the project ongoing costs.

20 All the contracts that we have with various water  
21 Districts we're required to do periodic reviews of the  
22 contract itself. That's what this slide is in reference  
23 to. We did conduct a review with the District this past  
24 July and essentially what we do is we look at their  
25 contract, their water use records just to ensure that their

1 use is in accordance with the contract. And we found out  
2 that it is indeed in conformance with the contract and just  
3 some minor accounting tweaking that will be going on in the  
4 review.

5 Then we have a ten-year review, different than  
6 the review I just spoke about. This is a ten-year review  
7 that's required in the Operating Principles. The primary  
8 objective to this is to obtain optimal beneficial use of  
9 water because every ten years you figure there are a number  
10 of things that change and that's what we have listed here.  
11 The conditions will change, operating experience over that  
12 period of time has been gained and where technical data  
13 becomes available. So every ten years we'll take a look at  
14 the Operating Principles and see what we need to change on  
15 there.

16 The past ten year reviews, the Corps actually  
17 began storing water in the reservoir in '77, so  
18 approximately ten years later in '88 we did a review and  
19 then in '96 we did another review and now in 2006, we're  
20 doing our third ten-year review.

21 Things that we've changed or that we've amended  
22 the Operating Principles to include is to correct water  
23 rights and acreages, allow for transfer of water use from  
24 irrigation water to M and I use. There's a little bit of  
25 that going on in the City of Trinidad. Transfer first from

1 the Model storage rights to the State and then specifics on  
2 stock water and acreage verification.

3 The current ten-year review that's in process we  
4 started in March of last year. We issued a letter to  
5 essentially solicit comments from many of you in this room  
6 and others just to kind of get your input on what you think  
7 we need to be looking at in a ten-year review. In October  
8 last year we held a scoping meeting in Trinidad for the same  
9 purpose. February of this year we held a technical meeting  
10 in Denver to collect issues and to get into that in a little  
11 bit more detail. And then in April of this year we actually  
12 provided a list of the things that we are studying in the  
13 ten-year review.

14 And these are those issues: water measurement  
15 gaging, acreage verification; we're going to be documenting  
16 historic operations; going to be documenting historical  
17 operations in Trinidad and we're doing a modeling review and  
18 verification.

19 Specific to the modeling will be another  
20 technical meeting probably set up in Denver next month.  
21 We're planning that for January. We'll be doing the  
22 modeling we need to really look at, the past models that  
23 we've had, identify the data needs and the sources of data  
24 that we can get. As I said, we've only done two past  
25 reviews so we're looking at some of the previous models

1 there, the logic that went into that. So we'll use that as  
2 a basis and then go from there.

3 More details on acreage verification. This slide  
4 essentially just talks about the two reports that the  
5 District is required to provide to us on an annual basis.  
6 One essentially is the report of the acreage and the tracts  
7 and the lands that they irrigated in the previous year, and  
8 then the second report is what they plan to irrigate in the  
9 upcoming year.

10 Moving on to the Water Conservation Field Service  
11 Program, Reclamation has provided a fair amount of money  
12 over the last year or so in terms of grants and assistance  
13 to other agencies that are doing various studies along the  
14 Arkansas. This is one right here. This is a study that's  
15 done by Colorado State University professors and mostly  
16 looked at selenium, salinity and shallow ground water issues  
17 on the Ark. If anybody's interested in that report, I  
18 believe Tim Gates has all kinds of copies of it.

19 Susan referred to this a little bit with our  
20 Hydro-Ax, that's the upper picture there. That's a machine  
21 that goes out and actually just chews up the tamarisk that's  
22 been previously defoliated by the beetles. I think  
23 Reclamation, I believe, has two of these machines. We had  
24 one down at Pueblo and then we also loaned one to the  
25 Corps.

1                   One of the things that we're seeing in the  
2 tamarisk is use of these beetles. The tamarisk actually is  
3 changing itself to be less susceptible to the beetles which  
4 kind of really blows me away. It's actually leafing out  
5 earlier in the year so the beetles are less effective on  
6 it. So that's presenting a challenge. I think the beetles  
7 are going to be effective the first year and then after that  
8 we're going to have to figure out another way to deal with  
9 the resprouts a little bit.

10                   Other invasive species: salt cedar and Russian  
11 olive. Many of you are probably aware that there was a law  
12 signed about two months ago that authorizes over eighty  
13 million dollars for research and demonstration programs. I  
14 think, yeah, I saw Bob Hamilton from Southeast come in a  
15 little bit ago. It's my understanding that Southeast has  
16 really been leading the charge in the area down here in  
17 terms of getting counties and local groups together to try  
18 and be competitive for some of that money.

19                   We participated via funding in a Transit Loss  
20 Study. This was through Pat and the USGS. They have been  
21 actually working on collecting data for a number of years  
22 and I believe have a final report that's just about ready to  
23 be published.

24                   Reclamation has also provided funding to the  
25 District in support of water measurement gages for six

1 different diversion sites. There will be gages and there  
2 will also be satellite equipment as well to transmit that  
3 data.

4 Moving on to the Fry-Ark Project. Our May 1  
5 forecast for this year was for 58,600 acre-feet to be  
6 brought from the West Slope over to the East Slope;  
7 diversions were actually 61,200 acre-feet. So we had a  
8 little bit better year than average on that. The dashed  
9 horizontal line you see on the draft there, that's kind of  
10 average. So if you look at '06 actually in terms of  
11 imports, we've had the best year that we've had since '97  
12 this last year.

13 That's a drought monitor just from last month.  
14 So taking a look at Colorado, you can see things have vastly  
15 improved since last year and the year before. I'm glad I'm  
16 not in Wyoming because things look pretty bad there, but  
17 Colorado is not looking too bad.

18 This talks about storage space available in all  
19 our East Slope reservoirs -- Turquoise, Twin and Pueblo --  
20 174,000 acre-feet available right now compared to 206,000  
21 last year.

22 Then I'll just give you a quick update on a  
23 couple of special projects that we have going on and that  
24 involve the Fry-Ark Project. Southern Delivery System, many  
25 of you are probably familiar with that, that's the proposed

1 pipeline from Pueblo up to Colorado Springs, it will provide  
2 water to Colorado Springs, Fountain, Security, possibly  
3 Pueblo West. Reclamation is the lead federal agency right  
4 now preparing an EIS for this project. And the EIS should  
5 be out probably in about another year. Colorado Springs  
6 recently ran into a little bit of a glitch that their  
7 no-action alternative may not meet their needs so we're  
8 relooking at that and we anticipate being able to go public  
9 with whatever it is that they come up with for a no-action  
10 alternative pretty soon.

11 City of Aurora, the long-term contract. We've  
12 been providing a contract -- temporary one-year contracts  
13 with the City of Aurora for quite a number of years now, and  
14 that's for storage and exchange of their nonproject water,  
15 any excess capacity that we've had in the Fry-Ark Project.

16 We've just gone through a Environmental  
17 Assessment. That was issued to the public for comment in  
18 September. Comment period closed in November, so we're  
19 still in the process of going through comments received for  
20 that.

21 We've held two contract negotiation sessions with  
22 Aurora, one in October and one just last week, so we're  
23 getting a whole lot closer to being able to issue a  
24 long-term contract with Aurora. And, again, this is just  
25 for non-project waters. So it's their own water and it's

1 for storage and exchange in excess capacity that we have in  
2 the Fryingpan-Arkansas. So if we don't have the capacity,  
3 they don't get to do it.

4 The PSOP or Preferred Storage Option Plan. And  
5 it seems like we've been talking about this one for a long  
6 time and it hasn't happened yet, but that may tend to change  
7 with the change in Congress. We'll have to wait and see.  
8 Essentially, that would be legislation that would allow  
9 Reclamation to do some studies and look at potentially  
10 enlarging Turquoise and Pueblo reservoirs. And, again, just  
11 allowing more storage space essentially for folks on the  
12 East Slope.

13 And the Arkansas Valley Conduit, that one might  
14 be getting closer. That is an authorized facility of the  
15 Fry-Ark Project. It was authorized back in '62 when the  
16 project was authorized, but it wasn't built because it  
17 required a hundred percent payment by the locals and the  
18 locals couldn't afford it. So now with water quality issues  
19 along the area east of Pueblo, it's becoming just that much  
20 of a greater need. So we're looking at it again in terms of  
21 what kind of a cost share there would be between federal  
22 government and locals.

23 And there has been legislation before the Senate.  
24 There was a Senate hearing back in September, so we'll wait  
25 and see if that gets passed and move from there. I think

1 actually that's -- I don't know. I presume the Corps  
2 will... it but they're involved in some of this so we're not  
3 sure if it passes, if it's going to be a Reclamation  
4 project, if it's going to be a Corps project or what it will  
5 be.

6 MR. KUCHARICH: Dawn, if I could add to that, the  
7 Water Conservation Board recently has authorized a 60  
8 million dollar loan for that Arkansas Valley Conduit.

9 MS. WIEDMEIER: So actually if it winds up being  
10 an 80/20 cost share, with 80 percent federal, 20 percent  
11 local, that's pretty much the local share, so they have  
12 funds secured for that.

13 MR. HEIMERICH: But, unfortunately, the wording  
14 in this (inaudible).

15 MS. WIEDMEIER: That would be the wording if the  
16 Corps was involved, yeah. If the Corps wasn't involved,  
17 then it would stand alone (inaudible).

18 And temporary excess capacity contracts, those  
19 are things that we do on an annual basis. Folks come to us  
20 when they have a temporary need for the year to either store  
21 or exchange water, so we issued contracts for 15 entities  
22 this past year for storage of over 45,000 acre-feet and  
23 exchange of up to 10,000 acre-feet.

24 And that's it. Any questions?

25 MR. JENNISON: No questions for Dawn?

1           MR. WITTE: Dawn, can you tell us what is the  
2 Bureau's agenda as far as timing or priority to be given to  
3 the ten-year review? Do you expect that that's something  
4 that will be wrapped up within the next 12 months, the next  
5 24 months?

6           MS. WIEDMEIER: Yes, one of those.

7           MR. WITTE: Twelve to 24, you think?

8           MS. WIEDMEIER: Yeah, I think so, because we  
9 started it last year and I don't think the ones that we've  
10 done in the past certainly have gone any more than three  
11 years. Yeah, I would be hopeful within one to two years.

12          MR. MILLER: A big part of those three-years were  
13 the States wrestling with how to respond to the draft, so it  
14 did not take three years to get a product out. Are you  
15 thinking it might take three years to get a product out?

16          MS. WIEDMEIER: You know, I'd really have to talk  
17 to the folks back in our office in reviewing that. I know  
18 there's some issues with modeling right now because they  
19 flat-out can't find some of the data set from the last time,  
20 so they're going back to '64 and to the hand-entered  
21 spreadsheets and trying to find that, so that's causing some  
22 delays. It kind of all depends on how soon we can get past  
23 that.

24          MR. POPE: Mr. Chairman, I have one other  
25 question if you don't mind.

1 MR. JENNISON: Yes, please.

2 MR. POPE: Dawn, you're showing those pictures of  
3 the equipment related to the tamarisk control, and I know  
4 Susan also made comments about that kind of project. My  
5 question is there's interest in Kansas and projects underway  
6 as well both in biological control and chemical control, but  
7 what's the availability or what's the access to federal  
8 assistance as far as equipment, for example, the equipment  
9 you showed to chew up the trees after they have been treated  
10 either biologically or otherwise, I presume? Does that  
11 require some sort of a federal project in funding or is that  
12 equipment available by some sort of an agreement by States?  
13 Is there any information you can share with us in that  
14 regard?

15 MS. WIEDMEIER: Yeah, to the best of my  
16 knowledge, we have two in the entire agency. You know, I'm  
17 not one that's responsible for either one of those, so I  
18 can't say for sure. But I believe, you know, it's easy for  
19 us to work with the Corps and other federal agencies. We  
20 just traded some funds through the agreements we had there,  
21 but I don't see any reason why that if you want to work with  
22 our Nebraska/Kansas office or our Denver office, and I think  
23 one is actually overseen by the Denver office, that they  
24 wouldn't be able to work with the States and work something  
25 like that out.

1                   And certainly that's one of the things now with  
2 some of these laws passed as well and some of the water  
3 conservation funds that we have available that we're  
4 certainly willing to work with States and locals to help  
5 with things that like. That's part of our program.

6                   MR. POPE: Thank you.

7                   MR. HEIMERICH: We could possibly help you with  
8 some things. The Bent County Soil Conservation District  
9 here in Colorado actually went out and purchased a machine  
10 and then using NRCS EQIP funds and some of the conservation  
11 funds, signs agreements with landowners to cost share to  
12 remove the invasive species from private land and then the  
13 Forest Service has done a lot of work and will continue to  
14 do work in the Purgatoire. And I think there's some efforts  
15 in Colorado for maybe a video (inaudible) to award a  
16 comprehensive watershed movement, which would then start  
17 going after some federal dollars that weren't enacted into  
18 law. So I would be more than happy to visit with anybody  
19 from the State of Kansas and perhaps give you a list or get  
20 some names of some contacts of how some things are moving  
21 along.

22                   MR. POPE: I appreciate that, Matt. And I know  
23 we have a team of people in Kansas and there's a State  
24 strategy that's been developed and approved to deal with it,  
25 but there's clearly an issue that the two States here have

1 some common interest in particular on that area along with  
2 others, of course, and so any process like that would be  
3 helpful.

4 MR. JENNISON: Yes, Rod?

5 MR. KUCHARICH: To elaborate just a little bit,  
6 the Water Conservation Board has funded for two years now an  
7 inventory of tamarisk infestation. And Colorado or, excuse  
8 me, the Arkansas River has been completed so we do have an  
9 inventory. And the tamarisk Coalition out of Grand Junction  
10 has that information. I don't know if it's up on my website  
11 or not but it's certainly up on theirs.

12 MR. POPE: Glad to know that. Well, some of that  
13 stuff does move downstream.

14 MR. KUCHARICH: Quite frankly, it was in  
15 anticipation of federal monies coming down here. It doesn't  
16 look like federal monies are going anywhere.

17 MR. POPE: Yeah, you know, my point is when I say  
18 that, I think we do have a joint interest. As you're  
19 successful up here, that's going to be helpful down there  
20 but in turn we need to make sure we have a way to eradicate  
21 down there also or whatever progress can be made. It's  
22 tough stuff.

23 MR. JENNISON: Steve?

24 MR. MILLER: I notice, going through the  
25 attendance list that Bob Hamilton is here. It looks like he

1 bailed me out on the coffee pot. But he's a member of the  
2 tamarisk Coalition. And that new federal legislation that  
3 Dawn mentioned, the demonstration project, I think both  
4 States could really take advantage and make a compelling  
5 pitch for a project if it was a joint state project. And I  
6 know the Southeast and Bob from the Coalition have talked  
7 about doing that. But I think we ought to start those  
8 conversations real soon.

9           There's no appropriation, there was only an  
10 authorization. I guess if they're not funding gages,  
11 they're probably not going to be funding too much new  
12 program in '07, but I think we should position ourselves.

13           MR. POPE: I think you're right, Steve. And our  
14 experience has been, likewise, a number of types of  
15 activities through federal funding is often more successful  
16 if you have multi-state, more comprehensive efforts that  
17 govern the whole river system or things of that nature.

18           MR. JENNISON: Did Bob want to give any kind of a  
19 report?

20           MR. HAMILTON: I really don't have a lot to  
21 report but on the mapping that Rod discussed, that was just  
22 along the main stem. It doesn't include anything on the  
23 Fountain Creek or any of the tributaries where there's, you  
24 know, the dry wash, you know, stuff like that, where there's  
25 infestation of tamarisk.

1                   But Southeastern is working on a basinwide plan.  
2   Bent County is sponsored by getting plans from the  
3   Department of Local Agencies, Local Affairs. And the monies  
4   from the counties goes to the basinwide plan and the web  
5   page so that it will give people who are interested in  
6   controlling tamarisk on their own property guidelines on  
7   techniques and stuff like that. And that's where we are  
8   right now.

9                   But to be eligible for the federal funds, you  
10   have to have a basinwide plan. And I've been in  
11   communication with Kevin Salter quite a bit on the tamarisk  
12   Coalition. I'm actually on the Board of the tamarisk  
13   Coalition, and so we try to keep busy on these, because it  
14   is basinwide and the basin's bigger than just the Colorado  
15   basin.

16                  MR. POPE: I appreciate that. That's good. I'm  
17   glad you had contact with Kevin and I know he also works  
18   with some folks in the Water Office because there is a plan  
19   kind of similar in Kansas for dealing with these kinds of  
20   things. Thanks.

21                  MR. JENNISON: Yes, Colin?

22                  MR. THOMPSON: Bob, do you know about how many  
23   acres they come up with on the main stem?

24                  MR. HAMILTON: There was a whole lot of  
25   information.

1 MR. MILLER: I can get that information to you.

2 MR. HAMILTON: I can get it for you too. I'm  
3 supposed to be getting a copy of the maps. We do have a  
4 copy of the maps.

5 MR. THOMPSON: Earlier there were some numbers  
6 running around, a hundred or a hundred and ten thousand  
7 acres, does that kind of ring a bell?

8 MR. HAMILTON: I think that's in the ballpark.  
9 Now that's just the main stem, that's not talking about the  
10 Big Sandy going up there or any of the tributaries in  
11 Huerfano or Cucharas or anything like that.

12 MR. JENNISON: Other questions for Bob? If not,  
13 it looks like the coffee pot's back and has stronger coffee  
14 in it hopefully. So why don't we take a five-minute break  
15 and when we come back, we'll have the committee reports.

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

19 MR. JENNISON: The meeting will come back to  
20 order and I think we're on Item 8, the report of the  
21 Engineering Committee.

22 MR. HEIMERICH: Robin, I think that's myself and  
23 David's also on the committee. And I'll ask David to fill  
24 in or help me also with this report.

25 Item I: Summary Discussions and Submit a Written

1 Report. Mr. Chairman, we do have a written report of what  
2 happened during yesterday's meeting, December 11th. It  
3 talks about some of the things underneath the other items  
4 under item (a).

5 And if you could, David, would it be your  
6 recommendation that we actually go ahead and read through  
7 those action items at this point in time, would that be  
8 appropriate, you think?

9 MR. POPE: I think that would probably be  
10 correct.

11 MR. HEIMERICH: This is from the Engineering  
12 Committee of December 11th. The Committee determined that  
13 Russ Livingston should complete final work on the  
14 calibration of the transit loss model.

15 Under that item (a) the output in tables, graphs  
16 and other illustrative work should be provided to Colorado  
17 and Kansas for their review by the 21st of January.

18 (b) The states should be prepared to provide the  
19 Special Engineering Committee with their evaluation of the  
20 model regarding the definition of transit loss by February  
21 15th, 2007. The Special Engineering Committee will provide  
22 the results of their deliberations to the committee for  
23 their further action.

24 (c) The committee may then schedule that meeting  
25 with the Engineering Committee. They then will schedule a

1 meeting to provide Mr. Livingston further instructions on  
2 the model.

3           And just as a segue, I think David and I think  
4 the audience and the other committee members, the commission  
5 {Administration} would be very impressed with the work that  
6 Mr. Livingston has done to date. His model almost uncannily  
7 imitates and replicates the hydrographs that we use and the  
8 simulations of what we do go against real data. It's  
9 incredibly accurate and we appreciate Russ' work. The  
10 committee felt that that momentum should be maintained,  
11 isn't that correct, David?

12           MR. POPE: Yes, sure.

13           MR. HEIMERICH: Under Item 2: The LAWMA/DOW  
14 proposal remains on the committee's docket pending  
15 information to be provided.

16           The committee recommends that Recommendation A of  
17 the Special Engineering Committee be approved by ARCA.

18           And the committee recommends that ARCA extend the  
19 term of the Special Engineering Committee to continue to  
20 resolve issues brought before it.

21           So if we were to go through the other items,  
22 obviously, Item 2 was dealt with in that report. We're  
23 pushing ahead with the Livingston Transit Loss Study and  
24 once information is passed back to the States, we can get  
25 back to the Special Engineering Committee. We're hoping

1 that we can come up with a definition of transit loss which  
2 is kind of right now the one barrier we have to get through  
3 to actually have Russ complete his project, which would then  
4 be a PC-based model called TLAP: Transit Loss Application  
5 Program. And that would be then the final report and that  
6 would be a product that the States would work with to  
7 calculate transit loss, right, Russ?

8 MR. LIVINGSTON: Correct.

9 MR. HEIMERICH: Under Recommendations of the  
10 Administration, obviously, that was also contained there in  
11 terms of the recommendation on (a) and as well as agreeing  
12 to extend or hoping to get a resolution to extend the term  
13 of the Special Engineering Committee which would sunset at  
14 the end of this year.

15 At this point there was no discussion concerning  
16 the development of the transit loss study above John Martin  
17 Reservoir. I think the sense is that we should get through  
18 this work first.

19 And under the Permanent Pool source water, that  
20 goes to Item 2 in the action items. Before the Engineering  
21 Committee last year, there was a presentation by LAWMA and  
22 DOW concerning the Keesee Ditch and those two agencies and  
23 their interaction with that water right. And I think we are  
24 still kind of waiting for, I guess, the stipulation. Steve  
25 can talk about this, Dennis, right? The State Engineer's

1 now signed a stipulation that will go back to the different  
2 parties and I'm assuming that Kansas will be notified and  
3 shown that for comments. And we anticipate LAWMA and DOW  
4 coming back before ARCA.

5 And just for notification purposes, the City of  
6 Lamar wrote ARCA and the Engineering Committee a letter  
7 discussing the possibility of using or asking the  
8 Administration to use John Martin as a source for permanent  
9 water for them. I think using the Fry-Ark water. David,  
10 does that sound correct? I think they were -- Steve's not  
11 in agreement. I think they were trying to use the Fry-Ark  
12 water. That might be the request. We've not taken any  
13 action on that.

14 MR. MILLER: There's a place on the full agenda,  
15 13(e), to discuss that letter that was submitted to ARCA.

16 MR. HEIMERICH: Very good. Thank you, Steve.  
17 David, would you like to share anything else with the Board  
18 that I might have missed?

19 MR. POPE: No, I think your report is fine and  
20 you have a written report on the explicit action items I  
21 think, don't you? I think that's probably all we need to do  
22 is get a copy of that written. We need to make a copy of  
23 that to the minutes or one of the transcripts.

24 MR. MILLER: I think one of the originals should  
25 go to the reporter as an exhibit to the minutes. Another

1 original, which should be --

2 MR. HEIMERICH: It would go to Stephanie?

3 MR. MILLER: Yes.

4 MR. HEIMERICH: And Stephanie generates the  
5 necessary copies.

6 MR. MILLER: Actually, I'll make the copies for  
7 her and make sure she gets an original.

8 MR. HEIMERICH: And as long as you're talking  
9 about the committee attachments, I have the attendance list  
10 from last night's meeting. And I'd offer to make those an  
11 attachment as well relevant to all three committees and I'll  
12 get the copies to you before we leave.

13 MR. POPE: I notice we have a place for action  
14 items and Robin needs to sign that too. So do we need to  
15 take any action at this point, I suppose, accepting the  
16 report?

17 MR. JENNISON: Well, the way that I read the  
18 agenda is that we're going to do that after we receive all  
19 the reports. So I really don't think we need to do anything  
20 right now.

21 MR. POPE: I think that's right.

22 MR. JENNISON: We could receive the report or we  
23 could adopt the report and we won't take any measure but  
24 nobody likes to do that except for me, so we won't do that.

25 MR. MILLER: If the reports are not consistent

1 with the agenda -- If the committee decided they wanted to  
2 do more things than we had put on the agenda, just keep  
3 track and we can deal with that.

4 MR. JENNISON: Do we have any Administration  
5 instruction to the committee at this point? I don't know  
6 that there would be.

7 MR. HEIMERICH: I don't believe there are.

8 MR. MILLER: This might be out of sequence but I  
9 think after we talk about the City of Lamar's letter later  
10 on this morning, there might be instruction.

11 MR. JENNISON: That's what I think. After the  
12 action items, we may have some instructions to the various  
13 committees. So with that, we'll go to the report of the  
14 Operations Committee. David, is that you?

15 MR. BRENN: I think I might allow opportunity for  
16 Steve Witte, Operations Secretary, and Mark Rude to make any  
17 comments on their reports at this time.

18 MR. WITTE: All I would say is that we delivered  
19 my report to the Operations Committee yesterday and we also  
20 made a report -- delivered a report to the Operations  
21 Committee on the operations of the Offset Account as well.

22 This year the form of our report is somewhat  
23 different. We produced full hard copy versions of both the  
24 Operations Secretary's Report and the Offset Account Report  
25 and distributed a limited number of those reports to

1 officers of the Administration, including one to the  
2 Recording Secretary to be a permanent part of the records of  
3 the Administration.

4 Also, we produced a number of reports that  
5 contained only the text and the tables for both the  
6 Operations Secretary's report and the Offset Report. There  
7 are a few of these remaining in the back of the room for any  
8 members of the audience that would like to have a copy.  
9 These combined reports also include a CD which contains the  
10 full content of both reports. So if anyone would like to  
11 have copies of those or just the CD, there are some of those  
12 reports remaining in the back of the room also.

13 MR. JENNISON: Mark?

14 MR. RUDE: I might just say that I had a brief  
15 letter report that I presented to the Committee last evening  
16 essentially just encouraging the Committee to the  
17 Administration to continue the work of the Special  
18 Engineering Committee on all of those long-standing issues  
19 that the Administration has put over to that Committee and  
20 continue that productive momentum that seems to be there to  
21 resolve as many issues as possible.

22 I don't know, I may just give a copy of that  
23 report to the court reporter for her reference.

24 MR. BRENN: We did have our Operations Committee  
25 meeting yesterday afternoon -- Colin Thompson, Colorado;

1 myself, Kansas and, of course, the Federal Chairman Robin  
2 Jennison. And I think what I'll do is just read through the  
3 action items that were addressed. Some of these are  
4 recommendations, others are just updates or specific  
5 meetings and those things. I think unless, Colin, you've  
6 got a better idea, I'll just read the action items.

7 MR. THOMPSON: Sounds fine.

8 MR. BRENN: The Committee will hold a meeting in  
9 April at a time, date and location to be announced. This  
10 Committee established this process a couple of years ago to  
11 keep abreast of the issues and certainly the workings of the  
12 matrix and identification of the direction of those issues.

13 The Committee acknowledges the receipt of reports  
14 by the Operations Secretary and Assistant Operations  
15 Secretary. And the Committee also acknowledges the receipt  
16 of the Offset Account report.

17 The Committee recommends to ARCA that the Special  
18 Engineering Committee be extended for the 2007 Compact Year  
19 in order to evaluate unresolved issues as well as new issues  
20 put before the Special Engineering Committee.

21 The Committee recommends that Colorado and Kansas  
22 review the Water Issues Matrix and coordinate to produce an  
23 updated Water Issues Matrix. The updated Water Issues  
24 Matrix should be identified by the date of completion and  
25 submitted for evaluation before the April meeting of the

1 Operations Committee.

2 The Committee recommends that ARCA approve the  
3 Special Engineering Committee Recommendations B, C and D.  
4 Recommendation B of that Committee is in reference to winter  
5 water and District 67 winter water storage charge holding  
6 accounts in John Martin Reservoir. Recommendation C is in  
7 regards to transfer of conservation storage to Section 2  
8 Accounts under the 1980 Operating Plan. And Recommendation  
9 D is in regards to Section 2, Accounts spill volume.

10 The Committee referred to the Operations  
11 Secretary and Assistant Secretary to formalize a description  
12 of the summer storage issues to be provided to the Committee  
13 by the April meeting.

14 The Committee endorses the use of compact disk  
15 (CD) format for distribution of reports as Mr. Witte had  
16 reported on here earlier.

17 And the Committee acknowledges the report  
18 regarding the Section II Agreement revised December 2006 and  
19 signed by the Colorado State Engineer and the Kansas Chief  
20 Engineer.

21 And, Mr. Chairman, I would assume that we could  
22 submit this for approval with the balance of the Committee  
23 reports?

24 MR. JENNISON: Yes. So we'll defer the  
25 instructions to that Committee as well. Is there any

1 questions for the Operations Committee? Steve?

2 MR. MILLER: I have one with the submittal by  
3 Mark of his Assistant Operations Report. Is that consistent  
4 with the Committee's view that that ought to be made an  
5 exhibit to the minutes? We're not putting the -- Well, as  
6 of yet, we're not putting the Assistant Operations Secretary  
7 Report in the minutes, mostly because it's so voluminous,  
8 but I don't know if it's appropriate or necessary to put the  
9 assistant's secretary's report in the minutes. That's up to  
10 the Committee, I guess, and then ultimately up to ARCA.

11 MR. POPE: We probably ought to be consistent.

12 MR. BRENN: I agree.

13 MR. POPE: It's been filed with the  
14 Administration, but I suppose just for consistency, I don't  
15 know if I would necessarily have a strong feeling.

16 MR. JENNISON: Do you think, Rod?

17 MR. KUCHARICH: Yeah, I think it should be  
18 consistent. Put Steve's in or Rude's out.

19 MR. POPE: It's kind of hard to put a CD in the  
20 record. I guess it could be included. Maybe that would be  
21 the way to do it would be to include the CD in the back  
22 pocket of the transcript and then Mark's would go in his  
23 hard copy.

24 MR. HEIMERICH: I think it's probably appropriate  
25 to put them both in one way or another.

1 MR. MILLER: I'll have the Operations Secretary's  
2 CD reports as an exhibit.

3 MR. JENNISON: That sounds like the consensus of  
4 the commission {Administration}. Any other commissioners  
5 have a question for the Operations Committee? If not, Item  
6 No. 10, Report of the Special Engineering Committee. Who's  
7 going to do that?

8 MR. KUHARICH: Randy.

9 MR. POPE: Do you want me to do that?

10 MR. JENNISON: Is that you, David?

11 MR. POPE: Yes, I suppose I would be the  
12 appropriate one to do that. As has, I think, been  
13 referenced several times in our discussions here, last year  
14 ARCA created a Special Engineering Committee. That  
15 Committee included myself as the Kansas Chief Engineer and  
16 Hal Simpson, the Colorado State Engineer, and also a member  
17 of the Administration from each State, those were and are  
18 Rod Kuharich and David Brenn. The four of us, together with  
19 numerous staff, met on I believe it was three separate  
20 occasions to consider the items that had been assigned to  
21 the Committee for resolution. And, in essence, I believe  
22 that was the list of disputed items included within the  
23 so-called matrix.

24 The Committee did establish its ground rules and  
25 concluded that for the nature of the issues that had been

1 long standing in dispute and had received a lot of  
2 discussion previously by the Operations Committee as well as  
3 ARCA, that we probably needed to try a little different  
4 approach and so we set some ground rules to where we would  
5 openly discuss these issues in confidence and then  
6 ultimately, if we were able to reach agreement, we would do  
7 that in the form of Recommendations which can in turn be  
8 provided to ARCA. And then by providing those comments to  
9 ARCA at the time of a special meeting of ARCA, which was  
10 held November 9th or something like that, I don't remember  
11 the exact date, we could release those recommendations and  
12 that would then provide the public and the water users with  
13 an opportunity to have full knowledge of what was the result  
14 of the Special Engineering Committee's deliberations, and  
15 then have those available for consideration during our  
16 Committee meetings yesterday and again today for the full  
17 ARCA meeting.

18 The committees have reported on those. Their  
19 recommendations A, B, C and D, which are proposed  
20 resolutions for consideration of ARCA together with the  
21 attached agreement that was reached by the Special  
22 Engineering Committee, and so I think the result of this is  
23 that the Committee is submitting and has submitted those  
24 recommendations to ARCA for its action here today if it  
25 deems appropriate. And I'll defer on that until whenever

1 we're ready for action on those.

2 It is my understanding, based on the standing  
3 committees that reviewed those, each of the standing  
4 committees yesterday, no one came to the committee, to my  
5 knowledge, and raised any concerns or expressed any concern  
6 and I'm not aware of any from the Kansas ditches nor has  
7 anyone mentioned to me any concerns from the Colorado side  
8 of the line. So we're pleased about that.

9 We also, while it was not an item that needed  
10 ARCA action, the Special Engineering Committee also spent  
11 time on and was able to reach agreement through Mr. Simpson  
12 and myself on how to implement a provision within the 1980  
13 Operating Plan. And the '80 Operating Plan has a provision  
14 in it that representatives of the two States, I think maybe  
15 through the Division Engineer and the Kansas Water  
16 Commissioner, should determine the amount of transit loss  
17 for deliveries of Section II water.

18 That has also again been an issue of some  
19 contention between the States over several years. Using and  
20 building upon the work and the success that was achieved  
21 from a previous effort between the staffs of the States that  
22 resulted in the series of agreements, sometimes referred to  
23 as the Mission Inn Agreements, but one of those was an  
24 agreement on how to determine credits for deliveries of  
25 Offset Account water. And there were some processes and

1 some techniques that were used in that. And we borrowed  
2 some of those and applied those, there's some differences,  
3 but applied those as it would relate to Section II  
4 deliveries. And to make a long story short, then we were  
5 able to use the form of the Special Engineering Committee to  
6 reach agreement between the two State Engineers on that  
7 matter and that has now been signed. And copies of that  
8 will be provided to ARCA for the record and to others that  
9 would like to have those.

10 So that is Item 10(e) on our agenda, Mr.  
11 Chairman. And I previously reported on A, B, C and D. Then  
12 on Item 10(f), the Special Engineering Committee at its last  
13 meeting also recommended that ARCA authorize a continuation  
14 of the Committee for 2007 based on the fact that we were  
15 able to come to an agreement on certain issues and there are  
16 some ongoing discussions that we believe may bear some fruit  
17 if we continue that effort. And, again, as I hear the  
18 standing committees, they also recommend that be done. So I  
19 simply just report that that's kind of the status of that  
20 matter.

21 And I think that's all that I'm aware of. Dave  
22 Brenn and Rod are both members of the Committee and they may  
23 have some items that they want to supplement my report on.

24 MR. JENNISON: Rod, do you want to add anything?

25 MR. KUCHARICH: Just briefly to echo the comments

1 of the Chairman, Robin, your opening comments about the  
2 progress that we've been making here, and I think that the  
3 progress really is embodied in these recommendations we're  
4 bringing to ARCA today, and that I think it's very important  
5 that the Special Engineering Committee be continued because  
6 of the previous progress. There certainly are other issues  
7 to be dealt with. And I do think that if we would have had  
8 a process like this in place, we might have avoided a lot of  
9 the pain and anguish over the last decade or so.

10 MR. POPE: And I appreciate those comments, Rod,  
11 and I would just simply echo those and also add that I think  
12 we've sort of reached a point here in regard to how many of  
13 these issues have evolved that they're ripe for resolution.  
14 And I think there's a lot of good faith effort being made by  
15 members, water users, and staff agency folks from both  
16 States to search for areas of agreement and we know that  
17 there has to be some compromises here and there. And we  
18 think that's a kind of a process that allows that to occur  
19 and try to protect the interest of both States but recognize  
20 that we have to work together to manage and administer water  
21 in this basin.

22 MR. JENNISON: Well, I appreciate the effort  
23 that's been made on behalf of everybody involved. Certainly  
24 the departments of both States and the principal people  
25 involved as well because I know it's difficult.

1           Any question from the commissioners? David, do  
2 you want to add something?

3           MR. BRENN: I just have one additional comment in  
4 regards to this process. It actually started back in 2002  
5 when both States agreed to the process of identification of  
6 issues and the utilization of a matrix process to look at  
7 those issues that could be resolved within staff or issues  
8 that needed to be referred to a different committee or to  
9 the Administration. And that process was participated in in  
10 good faith by both States and allowed us to get to the point  
11 of defining these issues and then establishing this Special  
12 Engineering Committee.

13           I think that's an important process in regards to  
14 the governance of ARCA in that we still maintain that matrix  
15 system and the process of staff reviewing those things  
16 first, both States, and so that just kind of gives a little  
17 more background to the process.

18           MR. POPE: How we got to where they are.

19           MR. JENNISON: We'll deal with those action items  
20 later as well. Report of the Administrative and Legal  
21 Committee, I think, Randy, you're doing that?

22           MR. HAYZLETT: Yes. The Administrative and Legal  
23 Committee did meet December 11th with Mr. Kuharich, Robin  
24 Jennison and myself. We instructed Steve Miller and George  
25 Austin to prepare a list of action items which I will go

1 through here. Some will probably need some motions, others  
2 just directions and recommendations.

3 We assigned Steve Miller and Kevin Salter to meet  
4 with Stephanie Gonzales, Recording Secretary/Treasurer,  
5 regarding ARCA duties and organization of Lamar office,  
6 including authorization to purchase a copy/scan/print  
7 machine for the office. This is a orientation type of  
8 process, I assume.

9 The financial matters, the financial actions,  
10 refer to the attached budget worksheet that was handed out.  
11 We reviewed the FY'05-'06 audit report and recommended  
12 adoption by ARCA. We also -- and I would -- do we need a  
13 motion on each one of those, Steve?

14 MR. JENNISON: That would be later.

15 MR. MILLER: We'll do that later.

16 MR. HAYZLETT: We reviewed current year budget  
17 for remainder of FY'06-'07 with anticipated expense level of  
18 \$135,000 and year-end with balance of \$37,340 and  
19 recommended no changes.

20 We reviewed the revised and recommended adoption  
21 of the first revision of the FY'07-'08 budget with the  
22 expense level of \$78,490, assessments of \$96,000 and  
23 anticipated year end balance of \$55,350.

24 We recommended the adoption of the FY0809 budget  
25 with the expense level of \$80,100, assessments of \$96,000

1       awn anticipated year end balance of \$72,150.

2                       That was the main look at the financial. We  
3 authorized Stephanie Gonzales to sign the USGS 2007 JFAs  
4 (Joint Funding Agreements) at budgeted amounts.

5                       For the minutes in the transcripts, we recommend  
6 that ARCA approve annual meeting transcripts for 2000, 2001,  
7 2002 and May of 2003, 2004 and 2005. Also minutes of  
8 several special meetings will be submitted by Lee Rolfs and  
9 Steve Miller.

10                      Instructed Steve Miller to complete review of the  
11 1999 and 1998 transcripts and deliver edits to Lee Rolfs by  
12 December 20 of 2006.

13                      Instructed Steve Miller to complete the final  
14 draft of the 1993 transcript prepared by his office by  
15 February 1, 2007 or propose an alternative procedure for  
16 completion.

17                      We also at the annual meeting approved the slate  
18 of officers and committee Chairman for the 2007 year. The  
19 officers to be are Vice-Chair, David Pope; Recording  
20 Secretary/Treasurer, Stephanie Gonzales; Operations  
21 Secretary, Steve Witte and Assistant Operations Secretary,  
22 Kevin Salter.

23                      The Committee Chairs for 2007, the Engineering,  
24 David Pope; Operations, Colin Thompson; Administrative and  
25 Legal, Rod Kuharich.

1                   We recommended ARCA approval of proposed  
2                   resolutions: extending Special Engineering Committee for one  
3                   year; adopting -- and I have that resolution here --  
4                   adopting Special Engineering Committee Recommendations A, B,  
5                   C and D that we just discussed and acknowledging ARCA's role  
6                   in proposed dispute resolutions procedures being  
7                   incorporated in the Kansas v. Colorado agreement which I  
8                   think we've already adopted.

9                   And that includes the Administrative and Legal  
10                  Committee report.

11                  MR. JENNISON: Thank you, Randy. Is there any  
12                  old business? Any old business to come before the  
13                  Administration? I don't see any. I think then what we're  
14                  going to do before we go to new business, take about a  
15                  five-minute break.

16                  I think the action items on the Engineering and  
17                  Operations Committees, give those two committees just a  
18                  minute to see how they want to present those motions to do  
19                  it in an expeditious manner. But at the same time the  
20                  concern that I think Steve has is to make the minutes  
21                  understandable for somebody to read, so, you know, figure  
22                  out a way to expeditiously make those motions. And if you  
23                  can bulk them up, I think it's perfectly okay to adopt the  
24                  committee report but I think the way the minutes would be  
25                  written, it might not be easy for someone to understand. So

1 if those two committees could go through that.

2 Looking at the Special Engineering Committee, I  
3 think each one of those, given the gravity of those, should  
4 be taken individually as they are resolutions for the  
5 Compact and we'll take those individually.

6 MR. HEIMERICH: That's A through D?

7 MR. JENNISON: Well, the ones on the Special  
8 Engineering Committee. I think it's four resolutions.

9 MR. KUCHARICH: Correct.

10 MR. JENNISON: I think all the action items for  
11 the Special Engineering are resolutions, aren't they?

12 MR. KUCHARICH: Uh-huh.

13 MR. JENNISON: So I think we'll take those each  
14 individually. And then I think also on the Administrative  
15 and Legal, the way that the agenda has those, I think those  
16 would be appropriate to take those individually as well.

17 But I think if the Operations and Engineering  
18 Committee would kind of look and see and maybe talk to Steve  
19 a little bit and Karen (Court Reporter). We'll take a  
20 five-minute break and come back and then we'll proceed on to  
21 new business.

22 (Whereupon, a short break was taken,  
23 after which the following proceedings  
24 were had:)

25 MR. JENNISON: First of all, we'll turn to the

1 Engineering Committee, Matt, for your motions.

2 MR. HEIMERICH: Based on David and I's discussion  
3 with Steve, it seems to us there's only one motion to make  
4 and I'll offer that. The Engineering Committee would ask  
5 for the assistance of deliberations from the Special  
6 Engineering Committee on developing a definition of transit  
7 loss for the completion of the Livingston Transit Loss  
8 Study. Was that --

9 MR. POPE: That's fine and I'll second that  
10 motion.

11 MR. HEIMERICH: Thank you, David.

12 MR. JENNISON: So, in essence, that is going to  
13 be a item for the Special Engineering Committee of the  
14 instructions from ARCA?

15 MR. POPE: A new assignment basically.

16 MR. HEIMERICH: That's right.

17 MR. JENNISON: That's a motion. Discussion?  
18 Colorado.

19 MR. KUCHARICH: Aye.

20 MR. JENNISON: Kansas?

21 MR. POPE: Kansas, aye.

22 MR. JENNISON: Motion carries.

23 MR. KUCHARICH: Mr. Chairman, point of order, that  
24 then means that the direction the various committees gave  
25 through their reports will be carried out because there were

1 several things there.

2 MR. JENNISON: Well, given the way that motion  
3 came down, I think that we should have a motion to adopt the  
4 committee report as well.

5 MR. KUCHARICH: I would make that motion.

6 MR. JENNISON: Motion. Seconded by?

7 MR. POPE: I would second that.

8 MR. JENNISON: Really that motion should be to  
9 adopt the committee report with the exception of that and we  
10 held the previous motion out.

11 MR. HEIMERICH: We'll try to accommodate Steve's  
12 wish that there be a more clear delineation of what the  
13 record reflects, that the record reflects what exactly the  
14 Board's trying to accomplish. Is that right, Steve?

15 MR. MILLER: Yes, but the resolution to create a  
16 Special Engineering Committee was fairly specific on how  
17 things got there. That's why you need to make that separate  
18 motion.

19 MR. HEIMERICH: Thank you.

20 MR. JENNISON: Just as a part of my understanding  
21 of parliamentary procedure, if we could receive these  
22 committee reports and then we would need to have motions to  
23 adopt anything that we wanted to adopt. If we adopt a  
24 committee report, everything in that committee report had  
25 been adopted by ARCA. So if we wanted to delineate for

1 means of understanding, we need to pull those out and do  
2 them separately. But regardless of how we do it, if we're  
3 going to pull them out, we do need to have a motion to adopt  
4 the report so everything is there.

5 We have a motion on the floor to adopt the  
6 committee report. It's been seconded.

7 MR. POPE: Mr. Chairman, your last discussion I  
8 think is good. There's a mix of things and the trouble we  
9 had in some of these different reports, the one that Matt  
10 and I just talked about, the reason we pulled that one item  
11 out was that was the only item that really required action  
12 by ARCA.

13 The item, for example, related to the Transit  
14 Loss Study had previously been authorized for the  
15 Engineering Committee to take that up on its own, and so  
16 that's why we thought it was redundant to go ahead and take  
17 action on that and the rest of it was really just items that  
18 were pending on the agenda. So if we're going to take  
19 action on each committee, I would be a little more  
20 comfortable just receiving those reports or accepting those  
21 reports, or whatever that terminology is, because we may end  
22 up inadvertently adopting some things that aren't really  
23 quite ripe here, and there on some of those reports thinking  
24 about the -- because we do have a separate agenda item that  
25 we're going to take on some of those here later. Maybe next

1 year we'll have a process that we can overhaul that a little  
2 bit.

3 MR. JENNISON: Rod has submitted his motion to  
4 receive the Engineering Committee Report? And seconded?

5 MR. POPE: Aye.

6 MR. JENNISON: Discussion?

7 MR. KUCHARICH: Colorado, aye.

8 MR. JENNISON: Kansas?

9 MR. POPE: Aye.

10 MR. JENNISON: Okay. Matt, anything else on  
11 your committee?

12 MR. HEIMERICH: No, Mr. Chairman. Thank you.

13 MR. JENNISON: Operations Committee. David.

14 MR. BRENN: Operations Committee would move that  
15 the ARCA receive the Operations Committee Report.

16 MR. JENNISON: Second?

17 MR. KUCHARICH: Yes, second.

18 MR. JENNISON: Discussion? Colorado?

19 MR. KUCHARICH: Aye.

20 MR. JENNISON: Kansas?

21 MR. POPE: Kansas votes aye.

22 MR. JENNISON: Motion carries. Is there anything  
23 in particular, David, that we need to take action on then  
24 there?

25 MR. BRENN: I guess the one that -- and, Steve,

1 you can clarify me on this, but in regards to the committee  
2 acknowledging the receipt of reports of the Operations  
3 Secretary and the Assistant Operations Secretary.

4 MR. MILLER: I believe that's been taken care of  
5 by ARCA's acceptance of the CD and Mark Rude's report to put  
6 in the minutes.

7 MR. POPE: Yeah, I think we're essentially  
8 receiving those rather than explicitly taking action, if I  
9 recall how we've done those in the past.

10 MR. JENNISON: Okay, Special Engineering. David  
11 Pope.

12 MR. POPE: Mr. Chairman, there are in terms of  
13 action items there under C1, 2, 3, 4; these are each of  
14 those resolutions that we previously spoke of. I would move  
15 adoption of Recommendation A pertaining to John Martin  
16 Reservoir permanent pool evaporation method. That was  
17 previously referred to as Matrix Issue No. 10.

18 MR. KUHARICH: Move and second that motion.

19 MR. JENNISON: Moved and seconded. Discussion?  
20 Colorado?

21 MR. KUHARICH: Aye.

22 MR. JENNISON: Kansas?

23 MR. POPE: Aye.

24 MR. JENNISON: Motion carries. David?

25 MR. POPE: Item C, II. Resolution 2006-02 --

1 Excuse me, I would move for adoption of proposed Resolution  
2 2006-02, Recommendation B pertaining to winter water and  
3 District 67 winter water storage charge holding accounts in  
4 John Martin Reservoir previously referred to as Matrix  
5 Issues No. 20 and 21.

6 MR. JENNISON: I have a motion.

7 MR. KUHARICH: I would second that motion.

8 MR. JENNISON: Second. Discussion? Colorado?

9 MR. KUHARICH: Aye.

10 MR. JENNISON: Kansas?

11 MR. POPE: Kansas votes aye.

12 MR. JENNISON: Motion carries. David.

13 MR. POPE: And just for clarification, I think on  
14 that first motion I should have referred to it as Resolution  
15 2006-01. I'm not sure I did.

16 MR. JENNISON: I think you did.

17 MR. POPE: Did I? Okay. The third item is -- I  
18 would move for adoption of Resolution 2006-03, known as  
19 Recommendation C, entitled Transfer of Conservation Storage  
20 to Section II accounts under 1980 Operating Plan previously  
21 referred to as Matrix Issues No. 42 and 43.

22 MR. JENNISON: I have a motion.

23 MR. KUHARICH: Second.

24 MR. JENNISON: Discussion? Colorado?

25 MR. KUHARICH: Aye.

1 MR. JENNISON: Kansas?

2 MR. POPE: Kansas votes aye.

3 MR. JENNISON: Motion carries. David.

4 MR. POPE: Mr. Chairman, I would move adoption  
5 of Resolution 2006 --

6 MR. MILLER: That's a typo.

7 MR. POPE: Is that four?

8 MR. MILLER: It should be four.

9 MR. POPE: Resolution 2006-04 known as  
10 Recommendation D, entitled Section 2, Accounts Spill Volume,  
11 also previously known as Matrix Issue No. 54.

12 MR. JENNISON: I have a motion.

13 MR. KUCHARICH: Second.

14 MR. JENNISON: Discussion? Colorado?

15 MR. KUCHARICH: Aye.

16 MR. JENNISON: Kansas?

17 MR. POPE: Kansas votes aye.

18 MR. JENNISON: Motion carries. Anything else,  
19 Dave?

20 MR. POPE: Yeah, we have a later item for  
21 extending the committee.

22 MR. JENNISON: Yes, that will be under  
23 administrative information. Yes, Steve Witte.

24 MR. WITTE: May I address Mr. Pope?

25 MR. JENNISON: Yes.

1           MR. WITTE: In your committee report, you made  
2 mention of the December revised agreement regarding Section  
3 II, Deliveries?

4           MR. POPE: Yes.

5           MR. WITTE: And although that requires no action  
6 of ARCA, is it your intention that a copy of that be filed  
7 with the Recording Secretary of the Administration?

8           MR. POPE: Yes. If I didn't say that, I should  
9 have. I think that would be appropriate to file with the  
10 Recording Secretary. And I don't know for information  
11 purposes whether we would like that one shown as an exhibit  
12 for the record of this meeting just for historic purposes?  
13 There's no action required.

14          MR. JENNISON: Rod?

15          MR. KUCHARICH: Mr. Chairman, even though there  
16 was an agreement between the two States, it did not require  
17 action by ARCA, it would probably be a good idea to include  
18 it, I would think, as an attachment to the meeting minutes.

19          MR. POPE: I think it would be because when we  
20 refer to a document during the course of our discussions,  
21 but that document is not attached, well then no one can  
22 really know what we're talking about. So even though it's a  
23 nonaction item, I think having these things as appendices is  
24 a good idea.

25          MR. MILLER: I would also offer that eventually

1 it will get in an annual report. We used to put those  
2 annual agreements in. But it will certainly get to the  
3 public quicker through the minutes.

4 MR. WITTE: I will make a copy of that available  
5 to the reporter and to the Recording Secretary.

6 MR. JENNISON: Without objection, so ordered.  
7 Anything else?

8 MR. POPE: No.

9 MR. JENNISON: Administrative and Legal, Randy  
10 Hayzlett.

11 MR. HAYZLETT: We have the election of officers.  
12 And, Rod, do you want to make the motion?

13 MR. KUCHARICH: Yes. Mr. Chairman, I would move  
14 the slate of officers for the coming year of Vice-Chairman,  
15 Mr. Pope; Recording Secretary/Treasurer, Ms. Gonzales;  
16 Operations Secretary, Mr. Witte; and Assistant Operations  
17 Secretary, Mr. Salter.

18 For committee chairs for the coming year:  
19 Engineering Committee, Mr. Pope; Operations Committee, Mr.  
20 Thompson; Administrative/Legal Committee, Mr. Kuharich.

21 MR. BRENN: Second.

22 MR. JENNISON: Moved and seconded. Discussion?

23 MR. POPE: Mr. Chairman, before you vote, I would  
24 just note this matter of information. In regard to the new  
25 Assistant Operations Secretary, Kevin Salter, who many of

1 you know is not here today, we had really two good choices  
2 in terms of who could serve in that role from Kansas. Mike  
3 Meyer, who is our Water Commissioner here from Kansas, and  
4 Mike is here today. Kevin, however, concentrates almost all  
5 of his time and effort in regard to issues related to the  
6 Compact Administration and Ark River, and so we thought  
7 probably from the standpoint of just dedicating his time, he  
8 would be a good choice. But I wanted to note that it would  
9 not be the Water Commissioner, but I believe it will work  
10 just fine in terms of focusing of efforts.

11 MR. JENNISON: Other discussion? Colorado?

12 MR. KUHARICH: Aye.

13 MR. JENNISON: Kansas?

14 MR. POPE: Kansas votes aye.

15 MR. JENNISON: Motion carries. We have our slate  
16 of officers.

17 MR. KUHARICH: Mr. Chairman, I would like to  
18 offer a motion to adopt the budget as it was presented to  
19 the Administrative and Legal Committee.

20 MR. MILLER: Are you moving the audit?

21 MR. KUHARICH: We have to adopt the audit.

22 MR. MILLER: I think it should be approved, not  
23 adopted.

24 MR. KUHARICH: I was going to do that with the  
25 approval of the report, if that's okay? But I do think we

1 need to adopt the budget.

2 MR. JENNISON: Motion to adopt the budget.

3 MR. HAYZLETT: Seconded.

4 MR. JENNISON: Seconded. Discussion? Colorado?

5 MR. KUCHARICH: Aye.

6 MR. JENNISON: Kansas.

7 MR. POPE: Kansas votes aye. And for clarity,

8 will we have this as an attachment also?

9 MR. MILLER: Yeah, the written report that Rod is  
10 reading should include this.

11 MR. KUCHARICH: Mine's all marked up here.

12 MR. MILLER: I can print out another one. I have  
13 clean ones here. They're identical.

14 MR. KUCHARICH: I didn't mark up the signed copy.

15 MR. JENNISON: Motion carries.

16 MR. KUCHARICH: Mr. Chairman, I'd like to make  
17 another motion, and I believe it's 2006-06 for the -- No,  
18 I'm going to do the extension of the Special. What's the  
19 extension in the Special Engineering Committee?

20 MR. MILLER: I didn't number it but by my account  
21 of what we've done so far this meeting, this would be seven.

22 MR. KUCHARICH: 2006-07, Extending the Special  
23 Engineering Committee for one year.

24 MR. JENNISON: I have a motion.

25 MR. POPE: Second.

1 MR. JENNISON: Discussion? David Pope.

2 MR. POPE: I have one of the copies that have  
3 been distributed for this proposed resolution. The only  
4 thing I would note for the record here is I think this was  
5 patterned after last year's, and it had my name listed as  
6 Vice-Chairman instead of yours, and I think that was because  
7 last year I was operating in that capacity. Do you have the  
8 version with the --

9 MR. HEIMERICH: You know, actually, our copy has  
10 you as being the Vice-Chair, so what you're suggesting, it's  
11 more appropriate to have Robin there as the Chair.

12 MR. KUCHARICH: The version that we would adopt, I  
13 think it would be appropriate to have. I would amend the  
14 motion to make that correction.

15 MR. POPE: Yeah, that would be a corrected  
16 version and then we'll put the number of 2006-07.

17 MR. JENNISON: And that amendment's fine with  
18 you?

19 MR. POPE: Yes, it is.

20 MR. JENNISON: Further discussion? Colorado?

21 MR. KUCHARICH: Aye.

22 MR. JENNISON: Kansas?

23 MR. POPE: Kansas votes aye.

24 MR. JENNISON: Motion carries.

25 MR. KUCHARICH: Then I'm uncertain of what we need

1 to do with the proposed dispute resolution. That's already  
2 been completed, correct? So we don't have to take any  
3 formal action on that.

4 At that point, Mr. Chairman -- Well, there is  
5 one other thing and that's a motion to authorize Stephanie  
6 Gonzales to sign the USGS 2007 contract. I would make that  
7 motion.

8 MR. JENNISON: Motion?

9 MR. POPE: Second.

10 MR. JENNISON: Discussion?

11 MR. POPE: Just as a clarification, Rod, the  
12 budget includes a specific number that was based upon  
13 circumstances as we understand them. And I presume that  
14 that's what we would authorize for her to do if per chance  
15 somehow is related to the federal budget system, if we need  
16 to take another look at that. I don't particularly want to  
17 give any blank checks but if we need to take another look at  
18 that, we can just deal with that later. Is that an  
19 appropriate way to handle it?

20 MR. KUCHARICH: I would think so. We will have  
21 some extra money in the budget, not that I want to tell USGS  
22 that.

23 MR. EDELMANN: I didn't hear it, Rod.

24 MR. MILLER: I discussed with Pat the magnitude  
25 of the perpetual request for additional funds, and that

1 would be in the neighborhood of two to four thousand dollars  
2 at most which we could absorb in contingency.

3 MR. JENNISON: So for my understanding, the  
4 motion then is to authorize Stephanie to sign that under the  
5 proposed budget that we have. And if it is more than that,  
6 we'll discuss it. I mean, is that your question, David?

7 MR. POPE: Yeah, it is, and I guess I don't know  
8 that we necessarily want to have a formal meeting of ARCA to  
9 deal with that, but would it be maybe appropriate to, given  
10 the nature of those kinds of agreements, if we authorize her  
11 to sign as it is but then authorize maybe a representative  
12 of each state to confer as necessary on any proposed changes  
13 to the agreement financially? And if they seem reasonable,  
14 then we could go ahead? It's sort of a delegation.

15 MR. KUCHARICH: We could do that. The Special  
16 Engineering Committee meets on a more regular basis so you  
17 and I attend those meetings, we could jointly agree to  
18 that. On the other hand, though, if the magnitude is no  
19 more than two to four thousand, we could authorize signature  
20 of the contract not to exceed four thousand above the  
21 budgeted amount.

22 MR. POPE: We could, except that's a little bit  
23 too much of a green light for USGS to bill us.

24 MR. MILLER: We're going to sign the agreement at  
25 the 41,000 and some change, and Pat was just alerting us to

1 the possibility that they would come and have to rescind  
2 that agreement and ask for additional funds. And that looks  
3 like it would be, at worst case scenario, three or four  
4 thousand dollars. I would suggest that Rod's Administration  
5 and Legal Committee be authorized today to deal with that  
6 issue if it does arise and it will require you calling Randy  
7 and saying may we talk about this?

8 MR. POPE: That's where it should go.  
9 Administrative and Legal would be a good place.

10 MR. EDELMANN: If that were to happen, if you  
11 would be involved, we would basically have to rescind the  
12 existing agreement, modifying and renegotiating the  
13 agreement and send it back for signatures.

14 MR. POPE: I think what we would be doing is  
15 allowing the committee essentially to enter into those  
16 negotiations if by chance Pat gets put in a bind. We  
17 understand that you might be left with no choice.

18 MR. EDELMANN: I think that, you know, for us, if  
19 we did something like that, that may mean if we don't know  
20 our target very specific agreements or unlike most years, we  
21 basically have almost all of our agreements out or near  
22 signing, so there's not much money sitting on the table.  
23 Normally, if there's some decisions on other things, we  
24 basically do that on agreements that haven't been signed  
25 yet. So our very last thing would be to go back on the

1 signed agreements. But if we were forced to do that,  
2 probably we would have to get together with Kansas and do  
3 the same thing and figure out how we would proceed, whether  
4 or not that would be renegotiated with 180 different  
5 agreements throughout the state or what, we don't know yet.  
6 So it would be our very, very last choice.

7 MR. KUCHARICH: Mr. Chairman, could I restate that  
8 motion?

9 MR. JENNISON: Yes, you can.

10 MR. KUCHARICH: The motion would be to authorize  
11 Stephanie Gonzales to sign the USGS contract at the budgeted  
12 amount, provided, however, if there are additional funds  
13 required, the Administrative and Legal Committee would meet  
14 to authorize such future expenditures.

15 MR. JENNISON: Is that restated satisfactorily?

16 MR. POPE: That's clear and I appreciate it and I  
17 second it.

18 MR. JENNISON: Further discussion? Seeing none,  
19 Colorado?

20 MR. KUCHARICH: Aye.

21 MR. JENNISON: Kansas?

22 MR. POPE: Aye.

23 MR. JENNISON: Motion carries.

24 MR. KUCHARICH: The only other question I had is  
25 in dealing with the annual meeting transcripts, do we need

1 to authorize Robin to sign those when they come in or does  
2 he just sign them?

3 MR. MILLER: What I was -- We talked briefly.  
4 We're going to be in Topeka next week and we could -- and if  
5 you could authorize in some fashion, Robin, to have the  
6 latitude to sit down, interrogate Lee and I and make sure  
7 that what we're asking him to sign is agreed to by both  
8 States, do that in David's office where it could be a little  
9 clearer what we're asking him to sign rather than trying to  
10 do it now in a motion and maybe get it wrong.

11 MR. POPE: So I think what I hear Steve  
12 suggesting is there are, and I don't know whether we need to  
13 name those by year, but there are certain transcripts that  
14 constitute the minutes of past annual meetings and special  
15 meetings perhaps of ARCA. And if we could authorize Robin  
16 to sign those upon agreement by Steve and Lee.

17 MR. MILLER: And yourself and Rod.

18 MR. POPE: And Rod and I will all be there  
19 together. That would be an expeditious way to make sure  
20 that we know what we're doing. I think we're close on  
21 those, it's just a matter of making sure that everybody  
22 knows exactly which version.

23 MR. JENNISON: Rod, do you have heartburn with  
24 that?

25 MR. KUCHARICH: No, I don't. That's fine.

1           MR. POPE:  If we do that for any of the past -- I  
2 think if we do that for any of the past transcripts that are  
3 backlogged on us up to where we are now, that would give us  
4 a process to get us back to a clean slate for next year  
5 then.  Do we need to name those specifically or can we just  
6 do that for everything up through 2005?

7           MR. MILLER:  I would be more comfortable if you  
8 didn't, but Lee thinks he's got it nailed down here.  So if  
9 the administration would like to know which ones we're  
10 talking about.

11          MR. POPE:  If you can list them by year for the  
12 record, that would be probably the best.

13          MR. KUHARICH:  So what would the motion be?  Do  
14 you want to offer that?  As long as you leave that  
15 interrogation part in, I'm okay with it.

16          MR. POPE:  Let me have Lee name off the years and  
17 then I can incorporate that into the motion.

18          MR. JENNISON:  Lee?

19          MR. ROLFS:  Mr. Chairman, the transcripts that we  
20 have here today that are completed, except for we're trying  
21 to assemble some of the attachments to, the transcripts  
22 themselves are completed, it would be December 13th, '05;  
23 December 14th, '04; December 9th, '03; May 23rd, '03;  
24 December 10th, '02; December 11th, '01; December 12th,  
25 2000.  Those are here and ready to be signed today.  And

1 then Steve has the ones that are close.

2 MR. MILLER: Well, I have two more that are ready  
3 to be signed and that would be June 14th, 1999; August 4th,  
4 1999, both of those being special meetings. I think that's  
5 probably the extent of it. If we find something else that's  
6 ready to be signed, I guess we'll deal with that at the next  
7 opportunity.

8 MR. POPE: Mr. Chairman, I would move that we  
9 authorize the Chairman to sign the transcripts that  
10 constitute the minutes of these annual and special meetings  
11 of ARCA subject to concurrence by Steve Miller, Lee Rolfs  
12 and Rod and I, as may be necessary, to ensure that both  
13 States are in agreement, that we know which ones are being  
14 officially approved.

15 MR. KUCHARICH: I'd second that.

16 MR. JENNISON: Motion and seconded. Discussion?  
17 Colorado?

18 MR. KUCHARICH: Aye.

19 MR. JENNISON: Kansas?

20 MR. POPE: Kansas votes aye.

21 MR. JENNISON: Motion carries. Rod, anything  
22 else?

23 MR. KUCHARICH: Mr. Chairman, I would offer the  
24 report of the Administrative and Legal committee for  
25 acceptance.

1 MR. JENNISON: Motion.

2 MR. HAYZLETT: Second.

3 MR. JENNISON: Moved and seconded. Discussion?  
4 Colorado?

5 MR. KUHARICH: Aye.

6 MR. JENNISON: Kansas?

7 MR. POPE: Kansas votes aye.

8 MR. JENNISON: Motion carries. Anything else  
9 from the Administrative and Legal?

10 MR. POPE: Mr. Chairman, I do have one item that  
11 was not before the Committee that may fit here because of  
12 talking about membership and officers and whatnot. I  
13 probably should have mentioned this in my report at the  
14 beginning of the meeting, but one or two reports of the  
15 Administration and also for the record, this is a copy of  
16 the memorandum to me from the Director of Appointments for  
17 the Governor's office in Kansas. And that is showing the  
18 reappointment of Randy Hayzlett and David Brenn for new  
19 four-year terms to the Compact Administration from Kansas.  
20 And I think we should have that officially known. I can  
21 provide her with a copy of that and have extra copies here  
22 if each State would like one.

23 MR. JENNISON: Anything else under item D?

24 If not, Jim Felt with the City of Lamar is here.

25 Jim.

1                   MR. FELT: Mr. Chairman, I'm Jim Felt, special  
2 water counsel for the City of Lamar and I have with me today  
3 Doug Montgomery, who is the Water Resources Manager for the  
4 City of Lamar. And thank you for giving us an opportunity  
5 to make this presentation to you as a request, basically,  
6 for a regulating account in John Martin Reservoir. And to  
7 understand what our request is, which is basically a request  
8 to be referred to a committee today, I wanted to give you a  
9 little bit of background.

10                   The City of Lamar's water system is rather unique  
11 because of geography located just downstream of John Martin  
12 Reservoir. It takes its municipal water supply from about  
13 28 wells located in the Clay Creek alluvium, which is a  
14 drainage just east of the city, two miles east of the City.  
15 That water is then treated and distributed to all the  
16 citizens here of Lamar.

17                   The Clay Creek alluvium itself is not sufficient  
18 to supply those needs, so for many years there has been a  
19 recharge facility there in the channel. That recharge  
20 facility takes surface water through the Fort Bent Ditch  
21 physical structure and delivers it to the recharge  
22 facility. The water rights that are associated with that  
23 delivery to the recharge facility are Lamar's ownership in a  
24 significant portion of the Fort Bent Ditch Company itself,  
25 but also Lamar has an entitlement to additional waters from

1 the Fryingpan Arkansas Project, known as "Project Waters,"  
2 administered by the Southeastern Colorado Water Conservancy  
3 District, which it then can take through these facilities to  
4 the recharge as an additional physical resource to the city.  
5 And the city has a great need for this resource.

6 The issue that is presented is that when the  
7 water is released, the Project Water is released from Pueblo  
8 Reservoir, it is desired that that water be released during  
9 the high portions of the hydrograph to reduce transit losses  
10 as much as possible. And when it then comes down, it  
11 coincides, of course, with the time when the Fort Bent Ditch  
12 Company itself is diverting generally its full entitlement.  
13 And so there are two reasons why it would be greatly  
14 advantageous to the City of Lamar if it could take the water  
15 that is sent to it from Pueblo Reservoir and allow it to be  
16 held for a temporary period of time in John Martin Reservoir  
17 and then released later in the summer or in the fall when  
18 the City has a greater need for it at its recharge  
19 facility.

20 The second reason is -- The first reason being  
21 that we want to try to conserve that transit loss. The  
22 second reason is the Fort Bent Ditch Company physical  
23 structure itself, when it is in priority to accept its  
24 Arkansas River priority, it's full and there isn't any  
25 extra space for the additional waters that would be the

1 Project Waters. And so when -- and so it would be good from  
2 a physical standpoint to be able to delay the deliveries of  
3 the water from the Project Waters to the recharge facility.

4 Now, between the years 1989 and 2002, this body  
5 allowed Lamar to do what I'm proposing today, that is, have  
6 a temporary storage in John Martin Reservoir, and we did  
7 that for those years. During the nineties, the average  
8 amount of water which we stored and delivered later in the  
9 summer was about 2,005 acre-feet a year. The highest was  
10 2005 acre-feet in 1995. And, of course, the Project Water  
11 allocation from the Southeastern District, it does vary each  
12 year depending on, of course, the availability, the physical  
13 availability of water and the snowpack in the mountains.

14 So as those allocations become available while  
15 they do vary, our proposal is that we be allowed a permanent  
16 account for temporary storage up to 3,000 acre-feet. The  
17 details, of course, to be worked out, hopefully, with your  
18 permission, by referral to a committee. We are happy to  
19 present a draft resolution with the details of this kind of  
20 thing if you are willing to refer it to committee.

21 That is the Reader's Digest big print version of  
22 what Lamar is requesting. And, hopefully, there is some  
23 history, there is some institutional knowledge here on this  
24 commission {Administration} about what has happened because  
25 of the years in which that was allowed as an informal

1 arrangement, and now we're requesting that you consider that  
2 as a more formal arrangement into the future.

3 MR. JENNISON: Jim, we appreciate that version.  
4 Are there questions for Jim?

5 MR. POPE: Maybe just a couple.

6 MR. JENNISON: David.

7 MR. POPE: I think I understand sort of the broad  
8 concept, Jim, that you have outlined here and certainly I  
9 recall some of those temporary arrangements that were  
10 affected. You mentioned a number of years there and I  
11 didn't quite get that down.

12 MR. FELT: It was 1989 to 2002. I think 2001 was  
13 the last year. It was in 2002 that the arrangement then was  
14 not continued.

15 MR. POPE: I don't have any problem with the  
16 Administration assigning this issue to an appropriate  
17 committee and considering it. One comment that I guess I  
18 would make in terms of kind of a preliminary reaction is  
19 because of the fact that this was sort of a temporary  
20 year-to-year issue that went on each year, we became  
21 uncomfortable with doing that under the limited  
22 circumstances and information that was available at that  
23 time, and so that's why that was no longer allowed after a  
24 certain period of time, apparently 2001.

25 It would seem appropriate to me that if ARCA

1 desires to consider this again, that the City develop a  
2 proposal more than just a draft resolution, but a proposal  
3 that really describes the engineering aspect and the details  
4 of the proposal so that we have something to review and make  
5 sure we understand what this means, because you are indeed,  
6 as I understand it, asking for this to be a permanent  
7 account, even though it would be for limited reregulation  
8 purposes, if I understand what you're saying.

9           But establishing new accounts in John Martin is a  
10 pretty big deal for us in regard to this Administration and  
11 so we want to make sure we know where this would fit in,  
12 what would be the circumstances, the terms, conditions. You  
13 know, using storage, storage is pretty valuable in this  
14 basin, as we all know, and so we need to have some  
15 appropriate accommodations in regard to that storage charge,  
16 whatever it may be that would be appropriate to be  
17 considered, so that would be my only request. And I don't  
18 know that we need to pursue that in depth more now in terms  
19 of this colloquy but it seems to me like that's a condition  
20 precedent before we want to spend much time on it.

21           MR. FELT: And, David, your comments are well  
22 taken. I understand what you're saying. I know that we're  
23 blazing new ground and, yes, I'm very well aware of  
24 considerations that will probably need to be negotiated but  
25 it is significantly important to the City in terms of the

1 timing of its ability to receive water in its recharge  
2 facility. And I did anticipate that we would need to come  
3 forward with a detailed proposal from an engineering  
4 standpoint, and we are able to do that and we'll do that  
5 once I found out that I would even have an entree. So we're  
6 happy to do that.

7 MR. JENNISON: Questions or comments?

8 MR. KUCHARICH: Yeah, I have a question of Jim.  
9 You had mentioned timing. Is there a timing issue  
10 associated with this in terms of being able to access some  
11 of the storage for recharge for the coming year?

12 MR. FELT: Well, of course, our first choice is  
13 to have some kind of arrangement in place to allow it to  
14 occur for 2007. Now I realize then that I'd need to get  
15 something to you very quickly and we'd have to have a  
16 meeting pretty quickly, but I'm prepared to do that if  
17 whatever committee this is assigned to is prepared to do  
18 that.

19 MR. KUCHARICH: Well, I'm just wondering, Mr.  
20 Chairman, we had authorized this as a temporary arrangement  
21 in the past. I think given the hydrologic conditions in the  
22 basin, there's probably storage space available without  
23 injury, assuming transportation and evaporative losses are  
24 assessed. I'm wondering if Kansas would consider a  
25 temporary arrangement for the coming year pending

1 finalization of such a thing. Because as I recall and I  
2 think David's right, the issue was annually agreeing to a  
3 temporary use of the storage space and for whatever reason,  
4 we didn't get it resolved or get moving on a permanent  
5 arrangement. And I'm just wondering if there's a  
6 possibility of doing that for the coming year?

7 MR. POPE: Is that a question to us here?

8 MR. KUCHARICH: Yes.

9 MR. POPE: We hadn't really thought in terms of  
10 something in the way of action now, candidly. At this  
11 point, I'm a little fuzzy in regard to before I would really  
12 react further to that, a little bit fuzzy in regard to  
13 whether from an administrative standpoint, Administration of  
14 the river, how what you've been doing the last three or four  
15 to three years, you know, whether that's been a real serious  
16 impediment, whether to continue that for another year is a  
17 significant problem. You know, Steve Witte might be able to  
18 comment on some these things or not.

19 We certainly want to fairly work with the City.  
20 I don't want to be misunderstood in regard to the importance  
21 of you being able to have a viable water supply and operate  
22 within the system and the rights that you have available and  
23 the entitlements you have available on the Fry-Ark Project.  
24 It's more a matter of how this is accounted for and are we  
25 really talking about a little less transit loss water or is

1 there some serious delivery problems under current  
2 conditions that would be different from last year or the  
3 year before.

4 MR. JENNISON: We're kind of -- I think in my  
5 opinion, we're kind of okay on time. David, would it be  
6 helpful, I mean, if we took a ten-minute break and you and  
7 your technical people maybe might have some questions for  
8 Steve. Would you like to have the opportunity to discuss  
9 that among yourselves or would that be helpful or not?

10 MR. POPE: Well, we could potentially do that. I  
11 don't know whether Steve has any comments or whether it  
12 would be better to informally talk about that with Jim and  
13 his people. Does this create a problem for you one way or  
14 the other in terms of Administration of the system?

15 I'm particularly concerned -- There's two parts  
16 of this. The second part is is Colorado wanting to consider  
17 and move forward to consider the proposal in the broader  
18 sense for a longer term situation? And then the second one,  
19 of course, is this issue that's been raised about the 2007.  
20 I'm not sure whether you have any comments on either one of  
21 those at this point and then depending on that, we might  
22 want to talk a little bit more informally about it.

23 MR. WITTE: You know, I think that from an  
24 administrative standpoint, we're perfectly willing to  
25 administer yet another account, assuming that acceptable

1 terms and conditions can be identified. We've done that in  
2 the past and so I think we could do so again in the future  
3 without any particular administrative difficulty.

4           You had raised a question about what we have done  
5 in recent years and you may have noted in my report last  
6 year the City of Lamar requested a release of water from  
7 Pueblo Reservoir at a fairly low rate which suffered greater  
8 transit losses on delivery to John Martin, if you will. And  
9 then we notified the Kansas Water Commissioner that there  
10 would be bypasses of inflow during that time to prevent any  
11 temporary retention of that water. So we simply bypassed  
12 the inflow and transferred it on down to the Fort Bent  
13 headgate.

14           I presume that the release rate was low enough  
15 that it didn't cause any delivery problems for the Fort Bent  
16 Ditch that precluded their ability to receive that amount of  
17 water at those lower flow rates. But it is always I think a  
18 tension as to whether there might have to be some water --  
19 some Fry-Ark water bypassed because of that type of  
20 operation and much more flexibility and efficiency on those  
21 deliveries of Colorado River water might be possible through  
22 the use of a regulating account.

23           In terms of a temporary account for this year, I  
24 didn't come to this meeting in anticipation of having to  
25 contemplate that, but I don't think it would be too

1 difficult to go back and look at expectations that were  
2 articulated, I believe, at the 1989 meeting regarding the  
3 kinds of information that needed to be provided to Kansas  
4 describing the proposed operation. And if I recall  
5 correctly, those criteria also included terms and conditions  
6 of sorts in the event that the City of Lamar wasn't able to  
7 fully utilize it. So we can at least go back and look at  
8 those kinds of provisions that were acceptable in the past  
9 as a model for use in the future.

10 MR. POPE: Okay, thank you. Maybe, Mr. Chairman,  
11 the thing to do at this point in time would be to take a  
12 short break and let us caucus in terms of the Kansas team.  
13 And if, Jim, if you and others would kind of stand by if we  
14 have some questions, well, we can pull them over.  
15 Otherwise, we just need to kind of talk.

16 MR. JENNISON: Ten or 15 minutes. I know this is  
17 apparently new to you. I'm guessing that Colorado would  
18 like to move forward with it.

19 MR. KUCHARICH: I think we would.

20 MR. JENNISON: Okay, so why don't we give you all  
21 ten minutes to recess and we'll give Kansas an opportunity  
22 to discuss it.

23 (A short recess was taken with the  
24 proceedings continuing as follows:)

25 MR. JENNISON: Okay, the meeting will come back

1 to order and we've heard a presentation to ask the  
2 commissioners what they'd like to do with it. I guess I'll  
3 turn to Kansas first. David, your thoughts?

4 MR. POPE: Well, thank you, Mr. Chairman. And,  
5 again, we appreciate the request and the concerns the City  
6 has raised about this issue and certainly want to, like I  
7 say, treat that appropriately and fairly.

8 We're a little bit caught off guard in regard to  
9 trying to figure out any way to do something for 2007, but  
10 we think, and I don't know what the timing of this will be,  
11 but I think in particular it's probably more appropriate if  
12 particularly if one more year can be used in kind of what  
13 they have been doing. Something comes up quicker, fine; but  
14 the real answer to this I think is probably assigning this  
15 matter to the appropriate committee or committees and we're  
16 certainly willing to do that. And we think there probably  
17 are several issues. Certainly, if the City will prepare a  
18 proposal that could be reviewed, there's kind of the  
19 engineering aspect of that, which that probably should go to  
20 the Engineering Committee.

21 There may be some questions that are somewhat  
22 unique regarding the legal and administrative components and  
23 we may actually want the Administrative and Legal Committee  
24 to take a look at some of those as well by next year. So  
25 there may need to be a package that could be referred to

1 both to some extent. But what would be my suggestion is to  
2 just make that as an assignment and look forward to  
3 receiving the appropriate materials to lay out the proposal  
4 in some depth for our consideration through those  
5 committees.

6 MR. JENNISON: Are you suggesting that two  
7 committees have this under their purview then?

8 MR. POPE: Well, I am in the sense that I think  
9 there's a technical aspect of it which I think the  
10 Engineering Committee should consider, and I think that  
11 would be the primary review of this. But I do think we  
12 ought to keep the Administrative and Legal Committee  
13 available perhaps to just look at the legal issues that may  
14 come along, so that it would be also able to interact on  
15 this and provide whatever guidance is appropriate along the  
16 way.

17 MR. JENNISON: For my possible clarification  
18 where we're at if the commission {Administration} would deem  
19 it worthwhile, would it be possible, if I'm understanding  
20 your suggestion, that you're willing to have the committee  
21 look at it, that we consider sending it to Engineering and  
22 if there are any questions Engineering thinks more  
23 appropriately go to Administrative and Legal, they would  
24 refer to that? Is that something that's workable? Rod,  
25 what are your thoughts?

1                   MR. KUHARICH: I'm comfortable with that, Mr.  
2 Chairman.

3                   MR. JENNISON: David, does that work?

4                   MR. POPE: That works for us. That would be  
5 fine. I mean, we know there's going to be some questions  
6 that need to be looked at carefully and certainly the  
7 drafting of the resolution. We're very sensitive to that  
8 nature. Of course, the draft should probably come from the  
9 City. But, yeah, that's okay.

10                  MR. HEIMERICH: David, does that infer that when  
11 and if the City of Lamar makes its proposal, that you and I  
12 would have the occasion then to visit with our staffs and  
13 start providing some feedback back to the City of Lamar in  
14 terms of --

15                  MR. POPE: Yeah, I think that's right. If that  
16 was provided to the Engineering Committee and our staffs  
17 could review that, then that way if there is questions, we  
18 could send those back. We may have to have a telephone  
19 discussion or something; we could send that back, and with  
20 the goal that we would be in a position to act by the next  
21 annual meeting. And that would put you well in advance of  
22 the '08 year that way.

23                  MR. HEIMERICH: That's fine.

24                  MR. POPE: Assuming I don't know what the results  
25 would be.

1 MR. HEIMERICH: I'm just trying to get a sense.

2 MR. JENNISON: David, I don't recall my authority  
3 so for ease why don't you make a motion? Why don't you make  
4 a motion as to how we want to deal with that and handle it  
5 that way.

6 MR. POPE: If I can do that or maybe it's  
7 appropriate to come from Rod.

8 MR. KUHARICH: Mr. Chairman, I'd make the motion  
9 that the request by the City of Lamar be referred to the  
10 Engineering Committee to be taken up and so that we can deal  
11 with the recommendation at our next annual meeting.

12 MR. POPE: Are you including in that the referral  
13 if necessary?

14 MR. KUHARICH: If necessary, to the  
15 Administrative and Legal Committee.

16 MR. POPE: I think with that, we could second  
17 that motion.

18 MR. JENNISON: Move and seconded. Discussion?  
19 Colorado?

20 MR. KUHARICH: Aye.

21 MR. JENNISON: Kansas?

22 MR. POPE: Kansas votes aye.

23 MR. FELT: May I submit my November 30th, 2006  
24 letter for the record?

25 MR. JENNISON: Okay.

1           MR. FELT: And let me, on behalf of the City of  
2 Lamar, express my appreciation particularly to Kansas. I  
3 didn't mean to take you by surprise there on that or to give  
4 you short notice on that and I appreciate your willingness  
5 to refer to committee. Thank you.

6           One question I would have is I need to be able to  
7 give our engineers, our hydrological engineers, some  
8 guidance. And I'm not sure of the protocol about how to get  
9 that guidance from you all.

10          MR. POPE: Okay. I wonder if we could, since  
11 Matt and I are the Engineering Committee, if we could each  
12 appoint a staff member that could serve as a group that  
13 could maybe talk and provide some feedback to the City  
14 rather than us trying to rattle off something right here?  
15 That might be a point that we could do.

16          MR. HEIMERICH: And that would be the point being  
17 that the proposal -- the way the proposal is shaped from  
18 Kansas would then be a little bit more focused in terms of  
19 looking at some of the issues that are important to both  
20 States and not just having a -- such a broad proposal that  
21 then we can't really get our hands around that? Is that  
22 what you're suggesting, David?

23          MR. POPE: Yeah, I think what ordinarily we would  
24 expect is that the City would come up with a proposal that  
25 would have the technical and the engineering as a part of

1 that. And I think what Mr. Felt is asking for is, as he  
2 goes back to his people that he would work with on this, if  
3 they had the opportunity to ask some questions about what  
4 kinds of questions would we want addressed, something of  
5 that nature. It's not our job to write a form, but I think  
6 we could probably point out some issues that we think ought  
7 to be included and some questions and things like that.

8 MR. HEIMERICH: All right, that makes sense  
9 because then we don't have to go through another process and  
10 say here are the questions that you need to answer.

11 MR. POPE: That would be kind of a first round  
12 discussion and then after that we could go back and develop  
13 a proposal and bring it back.

14 MR. FELT: That's what I'm asking. Thank you.

15 MR. HEIMERICH: Well, I think from my point, that  
16 the Engineering Committee from Colorado would be very happy  
17 if Steve would function in that role or he could delegate.

18 MR. POPE: Okay. We'll have Dave Barfield be  
19 our point of contact. I know Steve and Dave worked well on  
20 the Transit Loss Project, for example, and he'll incorporate  
21 then whoever else we need from the Field Office and our  
22 headquarters on that. So if you'll list Dave as our point  
23 of contact.

24 MR. HEIMERICH: And we'll list Steve Witte.

25 MR. FELT: Thank you again.

1           MR. JENNISON: Does that take care of all of our  
2 business right up to the future meetings then?

3           Seeing nothing else, Item 14, Future Meetings.  
4 Operations Committee, I think what -- what were you  
5 requesting?

6           MR. THOMPSON: We're going to have a meeting in  
7 April, I think. We don't have the dates yet.

8           MR. JENNISON: Do any other committees have  
9 future meetings that we need to kind of tentatively get on  
10 the calendar?

11          MR. POPE: I think we had alluded to the  
12 necessity of a meeting of the Engineering Committee sometime  
13 probably in the spring. We've got a couple of months that's  
14 going to be needed for Russ to -- he may have stepped out --  
15 but for Russ to provide the final model calibration in  
16 certain outputs from his modeling work and then his staff,  
17 and then we'll ask the Special Engineering Committee to look  
18 at the definition of transit loss. And at that point that  
19 will come back to the Engineering Committee and I think our  
20 hope would be to have either a regular or telephonic meeting  
21 sometime in the spring.

22          MR. HEIMERICH: I think we're looking at middle,  
23 late March, perhaps April.

24          MR. POPE: Somewhere in that time frame. And at  
25 that point we would hope to be able to give guidance back to

1 Russ to go ahead and finish up the rest of the project,  
2 which would be developing the -- Oh, Russ is here. Yeah.  
3 So I don't know the estimate. It depends on how long each  
4 of these steps take.

5 MR. LIVINGSTON: It was my understanding that I  
6 was going to get that material to you by the 21st of  
7 January.

8 MR. POPE: Yes.

9 MR. LIVINGSTON: And that staff would have a  
10 chance to look at that until sometime I believe the first  
11 part of February is what I thought. So I expected that we'd  
12 be in a position to get together certainly shortly  
13 thereafter at the end of March or something. Maybe that's  
14 constraining the time a little bit too much for the staff  
15 review. The sooner we can get back together and make a  
16 decision, I think the better, from my standpoint, to move  
17 things forward.

18 MR. POPE: I think part of it will depend a  
19 little bit on this definition of transit loss issue and if  
20 we're going -- I don't know exactly what the timing will be  
21 for meetings of the Special Engineering Committee, you know,  
22 we haven't gotten that far, but we may have to adjust for  
23 that schedule if necessary.

24 We really have four steps: the material you're  
25 going to finish up and provide; our staff reviewing that;

1 the Special Engineering Committee getting together and  
2 trying to hammer out the definition and provide that as a  
3 recommendation to the regular Engineering Committee, which  
4 will then meet and hopefully resolve that and then meet with  
5 you or whatever.

6 MR. LIVINGSTON: Certainly I can be available at  
7 any stage to go over the material.

8 MR. POPE: The simple answer is we do need to  
9 anticipate a meeting but it would be sometime within that  
10 time frame we talked about.

11 MR. HEIMERICH: And I think, David, as long as  
12 you and I are kept up to date on where that process is, then  
13 you and I can simply say here is a time we can talk together  
14 or perhaps make those other meetings as scheduled, and we  
15 can do it in person, trying to combine a couple of different  
16 tasks. So that's where I think we are.

17 MR. POPE: Mr. Chairman, that would take care of  
18 the Engineering Committee. Now, as to the Special  
19 Engineering Committee, it is scheduled to meet in Topeka  
20 next week, so that would be the next meeting of it. And  
21 we'll see how that goes and presumably there might be  
22 another meeting sometime after the first of the year.

23 MR. HEIMERICH: David, another thought is now  
24 that we've dealt somewhat with the City of Lamar situation,  
25 and we have David now and Steve being the contact people to

1 work with the City of Lamar's engineers that, you know, we  
2 can kind of monitor the progress of how that proposal is  
3 being put together. And perhaps if they understand that  
4 there's going to be a spring meeting perhaps between the  
5 Engineering Committee, then there might be a way to actually  
6 look not only at transit loss vis-a-vis the Livingston Study  
7 but also get a first blush of what the staff feels like and  
8 what both States feel about the proposal. So we might be in  
9 a better position to actually look at a resolution as a way  
10 to operate that proposed storage for the next annual  
11 meeting.

12 MR. KUHARICH: So we would need Lamar's proposal  
13 by when in order to analyze that? Steve? Dave?

14 MR. WITTE: It was my understanding that Mr. Felt  
15 has a draft resolution to sort of put the parameters on what  
16 they're thinking available now. But I would think that  
17 David and I could rough out the outlines of what we'd like  
18 to see an engineering proposal to include certainly by the  
19 meeting in March.

20 MR. WITTE: But you're suggesting having a  
21 response to your --

22 MR. HEIMERICH: Well, I might have gotten a  
23 little bit more ambitious, I suppose. What I was thinking  
24 was that if Mr. Felt has a draft proposal, at least the  
25 outline of what he is suggesting to ARCA, now Mr. Felt knows

1 that David and yourself are the contact people, contact  
2 persons and, you know, the City of Lamar's engineers would  
3 be getting with you fairly quickly to actually understand  
4 what those questions are going to be and perhaps then, and  
5 this might be, again, too ambitious, but perhaps then there  
6 could be a proposal to at least look at the preliminary  
7 stages from the Engineering Committee's standpoint of okay,  
8 here's the first draft and what this proposal looks like and  
9 address some of the highlights of what both States wanted to  
10 see in that proposal. And then it gives David and I a  
11 chance to say okay -- or okay, not so okay -- because then  
12 we have essentially six more months after let's say an April  
13 meeting -- let's pick April as a time, maybe late March or  
14 April -- then we essentially have six months to try to get  
15 together and reach some kind of consensus on what a draft  
16 resolution might look like. Does that make any sense to  
17 you, David, or is it too quick?

18 MR. POPE: Well, I think this process between  
19 Steve and David and Mr. Felt and his engineers can take  
20 place relatively soon to flush out the questions. I don't  
21 have a feel for how long it will take the City to develop  
22 the proposal and whether that will be -- what the status of  
23 that will be. But we can do a status check. I'm okay with  
24 us doing a status check in terms of where things stand at  
25 our spring meeting and just go from there. I can't tell you

1 whether it will be ready or not at that point in time, but  
2 at the minimum we can talk about where we are and go from  
3 there. And like you say, we'll have another like six months  
4 or so for whatever needs to be done next to finish up.

5 MR. HEIMERICH: In my experience, sometimes  
6 engineers work better under deadlines, that's my feeling.

7 MR. JENNISON: Steve Miller, do you have a  
8 comment?

9 MR. MILLER: I do have one. I think another  
10 potential issue for your meeting would be the LAWMA/DOW  
11 proposal. And the rule of thumb I've given them is if you  
12 expect serious consideration by a Committee or ARCA, have it  
13 in writing at least a month before the meeting. So rather  
14 than you having to figure out how long it's going to take  
15 them, I'd say we're going to meet on April 1st, you better  
16 have us something by March 1st. And if you do, we'll give  
17 it a fair look. We probably won't agree to it the first  
18 time we see it but we'll look at it. And so I've given that  
19 instruction to DOW. I think it applies to Russ and the  
20 guidance that we've been giving to him.

21 MR. HEIMERICH: I think probably the task before  
22 David and I is to actually have a little bit of a reality  
23 check sometime the middle of February, end of February, to  
24 kind of see where everything is. And if we need to say like  
25 on February 15th, we can say yes, things look like they're

1 proceeding; we have business that we can conduct as the  
2 Engineering Committee and we set a meeting for April 1st,  
3 then we can put notice out saying to DOW/LAWMA, Mr. Felt in  
4 this case, we need something to look at by March 1st in our  
5 offices to actually do some deliberations on what you're  
6 trying to do for ARCA.

7 MR. FELT: On behalf of the City of Lamar, I  
8 think we can meet those deadlines.

9 MR. HEIMERICH: It's difficult. I agree with  
10 David. Sometimes it's difficult to come back and we have a  
11 meeting before the meeting and try to hash it out. I think  
12 in all fairness to ARCA, the committees and the Special  
13 Engineering Committee need a fairly good lead time to work  
14 through pretty complex issues.

15 MR. POPE: Well, I certainly agree with that. I  
16 think we do need the lead time. And as far as I'm  
17 concerned, with the exception of the conferring about the  
18 questions, the entities that want to propose things, the  
19 ball's in their court.

20 MR. HEIMERICH: Exactly.

21 MR. POPE: And we need information and we'll need  
22 the information in advance of any discussion and meeting  
23 that we have. And just as a general premise, I will say  
24 that somewhere in April is really better for me personally  
25 than a whole lot quicker than that because of legislative

1 session. So once we get into that sort of the end of the  
2 session time period, which in our case is somewhere usually  
3 in the April time frame, well, then that's the time where we  
4 can have a little bit more of an opportunity to focus on it  
5 and then back up from that a month in terms of getting the  
6 materials to us.

7 MR. HEIMERICH: We'll use April as a target  
8 month, David, to call the Engineering Committee together.  
9 And you and I can work specifically on what dates will and  
10 won't work and then perhaps if there's other meetings  
11 scheduled for April that we can participate in collectively,  
12 we'll try to work that out.

13 MR. POPE: And we'll stay flexible if we need to  
14 do something sooner or later.

15 MR. JENNISON: Is there any anticipation of any  
16 special meetings of the full commission {Administration}?

17 MR. KUCHARICH: I don't think so, do you, David?

18 MR. POPE: I'm not aware of anything that would  
19 require that at this point.

20 MR. MILLER: The only suggestion I would have is  
21 the Special Committee, assuming it makes some progress and  
22 produces some resolutions, are there any there that you  
23 would want to implement prior to next December? And one of  
24 two options would be to have a special meeting for that  
25 purpose or to have some way that ARCA could let the Special

1     Engineering Committee instruct the Assistant Operations  
2     Secretary and the Operations Secretary to implement the  
3     recommendations for a provisional or temporary basis until  
4     ARCA meets again. I don't know which way would be less --

5             MR. BRENN: Isn't that the authority of the  
6     Chairman to call a special meeting?

7             MR. JENNISON: I think we're completely flexible  
8     if something arises.

9             MR. POPE: I think we just ought to recognize the  
10    possibility does exist. And once we get into that process a  
11    little deeper, we'll know whether some of those are time  
12    sensitive and whether it would be appropriate to try to get  
13    them in before another irrigation season or something, and  
14    so that's a good point. But it's a little premature.

15            MR. JENNISON: Tentative dates for the next  
16    annual meeting? Anybody want to tie into that?

17            MR. MILLER: Well, it can't be tentative unless  
18    we change the bylaws. It needs to be the second Tuesday of  
19    December.

20            MR. JENNISON: That is the 11th. The next  
21    meeting will be the 11th.

22            MR. POPE: The 11th of December of '07. I would  
23    just offer something for our consideration since we're right  
24    at noon here, but it's been a number of years now since we  
25    have met at some place other than Lamar. And Kansas has I

1 think extended invitations several times and I just wonder  
2 if given the fact that we have had some changes of members  
3 in the Administration that it might be -- we'd certainly  
4 welcome the opportunity to host a meeting in Garden City,  
5 let's put it that way. And if December of '07 would be the  
6 appropriate time to do that, we'd certainly try to make some  
7 arrangements. I don't know if the Colorado delegation would  
8 be acceptable to that right now or not, but it certainly  
9 could be a possibility.

10 MR. JENNISON: Do you want them to think about it  
11 or do you want a decision today?

12 MR. POPE: Let's get preliminary reactions and  
13 see what people think.

14 MR. THOMPSON: In the past there's been some  
15 opposition. In the original Compact it was set to go in  
16 Lamar. Isn't it stated there that it's in Lamar?

17 MR. POPE: That's the default location. It does  
18 have a provision in there that the meeting could be held in  
19 other locations with the approval of ARCA.

20 MR. THOMPSON: We could talk to some guys and see  
21 what everybody's feelings is.

22 MR. POPE: Okay. If you can do that and let us  
23 know and we can still make arrangements, otherwise, we'll be  
24 back here.

25 MR. JENNISON: Is there anything else to come

1 before the commission {Administration}? Seeing none, motion  
2 to adjourn is in order.

3 MR. POPE: So move.

4 MR. KUCHARICH: Seconded.

5 MR. JENNISON: Discussion? All in favor, aye?

6 AUDIENCE: Aye.

7 MR. JENNISON: Motion carried. We're adjourned.

8 Thank you.

9 (The meeting concluded at approximately 12:08 p.m.)

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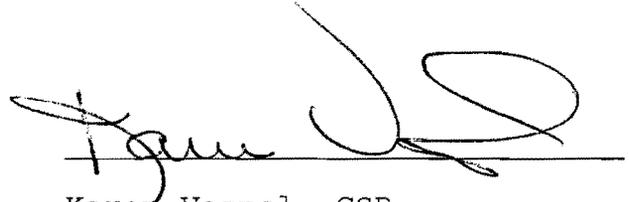
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REPORTER'S CERTIFICATE

I, Karen Voepel, Court Reporter and Notary Public for the State of Colorado, do hereby certify that I reported the foregoing proceedings in stenographic shorthand at the time and place aforementioned; that, therefore, I reduced said notes to computer-aided transcription form, and that the foregoing transcript is an accurate transcription of said shorthand notes and the proceedings held, to the best of my knowledge and belief.

Dated at Lamar, Colorado, this 15th day of April, 2007.



Karen Voepel, CSR

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Lamar, Colorado 81052

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1 Note re status of exhibits attached to 2006 Annual Meeting  
2 Transcript

3 **EXHIBIT LIST**

- 4 Exhibits accepted by ARCA follow in the order introduced
- 5 A Attendance list, Page
  - 6 B Notice and Agenda, Page
  - 7 C Resolution Honoring Rude [see resolutions below]
  - 8 D Resolution re Dispute Procedures [see resolutions below]
  - 9 E USGS Report, Page [missing as of Dec. 7, 2009]
  - 10 F US Army Corps of Engineers Report, Page
  - 11 G Engineering Comm. Action items, Page
  - 12 H Committee Meetings Attendance Lists, Page
  - 13 J Operations Comm. Action items, Page
  - 14 I Assistant Operations Secretary Report, Page [missing as of  
15 Dec. 7, 2009]
  - 16 K Operation Secretary Report (CD only), Page [missing as of Dec.  
17 7, 2009]
  - 18 L Administrative and Legal Comm. Action items, Page
  - 19 M Resolution re Transfer of Conservation Storage [see  
20 resolutions below]
  - 21 N City of Lamar Letter, Page
  - 22 O Financial Statement (Audit) Report, Page

23

24 **ADOPTED RESOLUTIONS**

- 25 Resolutions adopted by ARCA follow in the order adopted
- 26 2006-01 John Martin Res. Permanent Pool Evaporation [Rec. A],  
27 Page
  - 28 2006-02 Winter Water Holding Accounts [Rec. B], Page
  - 29 2006-03 Transfer of Conservation Storage [Rec. C], Page
  - 30 2006-04 Section II Account Spill [Rec. D], Page
  - 31 2006-05 Dispute Resolution Procedure, page
  - 32 2006-06 Honoring Mark Rude, page
  - 33 2006-07 Extension of Special Engineering Comm., page

# **Exhibit A**

**Annual Meeting**

## ATTENDANCE LIST

2006 ARKANSAS RIVER COMPACT ADMINISTRATION ANNUAL MEETING

Tuesday, December 12, 2006, 8:30 a.m. (MST) Lamar Community Building, Lamar, Colorado

NAME	REPRESENTING	ADDRESS	PHONE & FAX	EMAIL
Steve Wille	Colorado Water Res / ARCADIS	310 E Abriendo Pueblo, CO 81004	(719) 542-3368	steve.wille@state.co.us
Dennis Montgomery	Colorado	1441 18th St. #100 Denver, CO 80207	303 296-8100	
Bill GRASMICK	LAWMA	Lamar CO	719 336 9696	
Kelly Cummins	Tri-State GTT	1100 W. 116th Ave Westminster, CO 80234	303 254 3102	kcummins@tristategt.org
TERRY Howard	Amity Mutual Irrig	204 South MAIN Box 887 Holly, CO 81047	Same 719-537-4627	Amity@Real.com.com
Donna Steeman	Dist 67 Ditches Amity Bullhead	P.O. 890 Lamar, CO 81052	719-336-4313 719-334-4315	shinnsteeman@law@ Comcast.net
M. [unclear]	SW KS (GRAND RIVER MANAGEMENT DIST. AND AOS, ARCA	409 CANON DR LAWRENCE, KS 66044		mcc@comcast.net
Hal Scheuerman	Kearny Co. Farmers Irrig Assoc Amazon Canal	PO Box 222 Deerfield, Ks 67838	620-426-6073	
Steven Hines	Frontier Ditch Co	Box 147 Coolidge, Ks 67836	620 372 8251	
Dan Mayfield	Kearny Co Farmers AMAZON CANAL	P.O. Box 1270 LAWRENCE, Ks 67860	620-355-7637	
Brandi Cole	KS DWR	2508 Johns St. Garden City, 67846	620-276-2901 f: 620-276-9315	bc06@ksa.state.ks.us

Ed. J. A.

## ATTENDANCE LIST

2006 ARKANSAS RIVER COMPACT ADMINISTRATION ANNUAL MEETING

Tuesday, December 12, 2006, 8:30 a.m. (MST) Lamar Community Building, Lamar, Colorado

NAME	REPRESENTING	ADDRESS	PHONE & FAX	EMAIL
LORI MINTZER	11665 Kansas WSC	1390 E. 8th St Bldg B Hays, KS 67601	(785) 628-8918	lsh11665@go.com
THOM. MAKENS	KS. DEPT. OF AG.	2508 JOHN ST. GARDEN CITY KS 67846	(620) 276-2901	TMAKENS@KDA.STATE. KS.US
Derrick Dunlap	USACE, John Martin Dam	Arkansas River	(415) 859-0341	derrick.t.dunlap@ spdoz.usace.army.mil
Mark Yuska	USACE, Albuquerque District	4101 Jefferson Pl NE Albuquerque, NM 87109	505-342-3608	Mark.e.yuska@ usace.army.mil
Chelsea Juricek	KS Dept. of Ag Water Resources Div.	2508 Johns St Garden City, KS 67846	620-276-2901	cjuricek@kda.state. KS.US
CHAMPE GREEN	U.S. Army Corps OF ENGINEERS	4101 JEFFERSON PL NE ALBUQUERQUE, NM 87109	505 342 3357	champe.b.green@ USACE.Army.mil
SANDY RAYL	U.S. Army Corps of Engineers - C&D	1600 Broadway #1070 DENVER, CO 80202	303 731-6052	SANDY.L.RAYL@ USACE.Army.mil
BOB HAMILTON	SECWCD	3177 UNITED AVE PUEBLO, CO 81001	719-948-0093	BOB@SECWCD.COM
JOE FLARY	CDWR	310 E ABREUDD ST PUEBLO CO 81004	719-542-3368	joe.flary@state.co.us
CHRIS WOODKA	Pueblo Chieftain	PO Box 4040 Pueblo, Co 81003	719-544-8214	cwoodka@chieftain.com

## ATTENDANCE LIST

2006 ARKANSAS RIVER COMPACT ADMINISTRATION ANNUAL MEETING

Tuesday, December 12, 2006, 8:30 a.m. (MST) Lamar Community Building, Lamar, Colorado

NAME	REPRESENTING	ADDRESS	PHONE & FAX	EMAIL
Steve Miller	Colo. Water Law Bd	1312 Sherman St Denver CO 80203	on file	on file
Lee Rolfs	KS Dept. of Agric.	109 SW 9 <sup>th</sup> St. Topeka, KS 66612	—	—
Dale Book	State of Kansas	1000 Lapan St. Denver, CO 80203	—	—
JOHN DRAPER	KANSAS	PO Box 2307 SANTA FE, NM	505-986-2525 505-982-4289 (fax)	jdraper@montand.com
David Barford	KDA, Div of Water Resources	109 SW 9 <sup>th</sup> , 2nd FL Topeka, KS 66612	785-296-3830 296-3717	dbarford@kda. state.ks.us
MIKE MEYER	KDA Division of Water Resources	2508 Adams St Golden City, KS 67042	620-276-2501	mmeyer@kda.state.ks.us
George Austin	KDA DWR	109 SW 9 <sup>th</sup> , 2nd FL Topeka 66612	785.296.1495	gaustin@kda. state.ks.us
Russ Livingston	Livingston Professional Services, LLC	1109 Northridge Ct. Golden, CO 80401	303-526-5627	RussandAnita@gmail .com
Dawn Wiedmeier	US Bureau of Reclamation	11056 West Co Rd 18E Loveland CO 80537	970 962 4343 (P) 970 663 3212 (F)	dwiedmeier@gp.usbr. gov
Eve McDonald	Colo Atty Gen Office	1525 Sherman Denver 80203	303/266-5072 -3558	eve.mcdonald@ State.co.us
Ed Perkins	CO Div. of Wildlife	6060 Broadway Denver, CO 80216	303-291-7466	ed.perkins@state.co.us

## ATTENDANCE LIST

2006 ARKANSAS RIVER COMPACT ADMINISTRATION ANNUAL MEETING

Tuesday, December 12, 2006, 8:30 a.m. (MST) Lamar Community Building, Lamar, Colorado

NAME	REPRESENTING	ADDRESS	PHONE & FAX	EMAIL
Ken Knox	Colorado DWR	Denver, CO	303-866-3581	Ken.Knox@state.co.us
BILL TYNER	COLORADO DWR	PUEBLO, CO	719-542-3368 x2110 719-544-0800	bill.tyner@state.co.us
Paul Flack	Colorado State Parks	1313 Sherman St Denver, CO 80203	303-894-2583 -2582-Fax	paul.flack@state.co.us
RUSS PALLONE	CO. STATE PARKS, TRAWLOND LAKE	32610 Hwy 12 TRAWLOND CO 81086	719 846 6951	Russ.Pallone@state.co.us
MONIQUE MOREY	CO DWR	PUEBLO, CO	FAX (719-544-0800) 719-542-3368 x 2116	monique.morey@state.co.us
Pat Edelmann	USGS	Pueblo, CO	719-544-7155x130	pedelma@usgs.gov
Susan Champagne	Corps of Engineers	4101 Jefferson Plaza NE Albuquerque, NM	505-342-3602	Susan.Champagne@usace.army.mil
<del>Paul E. Garcia</del>	"	"	<del>505-342-3380</del>	<del>PAUL E. GARCIA @USACE.ARMY.MIL</del>
Eddie Hall		Lamar, Col.	719-336-3637	edhall64@hotmail.com

# **Exhibit B**

**Annual Meeting**

# ARKANSAS RIVER COMPACT ADMINISTRATION

Lamar, Colorado 81052

For Colorado

Rod Kuharich, Denver  
Colin Thompson, Holly  
Matt Heimerich, Olney Springs

Chairman and Federal Representative

Robin Jennison, Healy, Kansas

For Kansas

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

## NOTICE & AGENDA 2006 ANNUAL MEETING ARKANSAS RIVER COMPACT ADMINISTRATION

LAMAR, COLORADO  
TUESDAY, DECEMBER 16, 2006,  
8:30 A.M. (MST)

LAMAR COMMUNITY BUILDING  
610 SOUTH SIXTH STREET  
LAMAR, COLORADO

The 2006 Annual Meeting of the Arkansas River Compact Administration ("ARCA") will be held in Lamar, Colorado, on **Tuesday, December 12, 2006**, commencing at 8:30 A.M. (MST). The Lamar Community Building is located at 610 South Sixth Street, in Lamar. The meeting will be recessed for lunch at about 12:00 P.M. and reconvened for the completion of business in the afternoon as necessary. Meetings of the Administration are operated in compliance with the federal Americans with Disabilities Act. If you need a special accommodation as a result of a disability please contact Stephanie Gonzales at 719-734-5367 at least three days before the meeting.

The Engineering, Operations, and Administrative/Legal Committees of the Administration will meet on **Monday, December 11, 2006**, also at the Lamar Community Building, beginning at 1:00 P.M. MST and continuing to completion at approximately 6:00 P.M. Tentative agendas for the Committee meetings follow. The public is welcome to attend the Committee meetings, but time for comments may be limited.

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

**ARCA ENGINEERING COMMITTEE MEETING**  
**MONDAY, DEC. 11, 2006, 1:00 P.M. (MST)**  
**TENTATIVE AGENDA (subject to change)**  
Presiding: David Pope

- 1. Review committee agenda and procedure for minutes and/or committee report preparation**
  
- 2. Status review of items currently before Committee** [a listing of items for review purposes only, no presentations or actions proposed, unless listed elsewhere on this agenda
  - a. Livingston transit loss study between JMR and Stateline
  - b. Permanent pool evaporation methodology
  - c. Colorado request for new water source for John Martin Reservoir ("JMR") permanent pool
  - d. ARCA's needs for various streamflow gages
  
- 3. Old business**
  - a. Review Livingston transit loss study between JMR and Stateline
    - i. Presentation by Russ Livingston
    - ii. Committee review
    - iii. Recommendation on proceeding with Phase 2
  - b. Update on LAWMA's proposal for use of Keesee as a JMR permanent pool water source
  - c. Review of streamflow gages needs
  
- 4. New business and other matters**
  - a. Review of Special Engineering Committee Recommendation (A) on John Martin Reservoir Permanent Pool Evaporation Method (Matrix Issue #10)
  - b. Recommendation of Engineering Committee regarding possible extension of Special Engineering Committee created by ARCA Resolution 2005-01
  
- 5. Summary of action items / Committee assignments to staff**
  
- 6. Future Meetings**
  
- 7. Adjourn**

**ARCA OPERATIONS COMMITTEE MEETING**  
**MONDAY, DEC. 11, 2006, 2:30 P.M. (MST)**  
TENTATIVE AGENDA (subject to change)  
Presiding David Brenn

1. **Review committee agenda and procedure for minutes and/or committee report preparation**
2. **Status review of items before Committee** [a listing of items for review purposes only, no presentations or actions, unless listed elsewhere on this agenda]
  - a. Water Issues Matrix – accounting and operations issues tracking
  - b. Dispute resolution process as adopted by the Operations Committee
3. **Reports of Operations Secretary and Assistant Operations Secretary**
  - a. Operations Secretary, Steve Witte
  - b. Assistant Operations Secretary, Mark Rude
  - c. Action item: Committee recommendations concerning CY2006 Operations and Assistant Operations Secretaries' Reports
4. **Offset Account Operations Annual Report, Colorado Division Water Resources**
5. **Old Business**
  - a. Accounting and operations issues from prior years (Water Issues Matrix)
  - b. Dispute resolution process as adopted by the Operations Committee
6. **New business and other matters**
  - a. Review of Special Engineering Committee Recommendations
    - i. Recommendation B – Winter Water and District 67 Winter Water Storage Charge Holding Accounts in John Martin Reservoir (Matrix Issues #20 and #21)
    - ii. Recommendation C – Transfer of Conservation Storage to Section II Accounts under 1980 Operating Plan (Matrix Issues #42 and #43)
    - iii. Recommendation D – Section II Account Spill Volume (Matrix Issue #54)
  - b. Agreement on Determination of Transit Loss under the provisions of Section II E (4) of the Resolution Concerning an Operating Plan for John Martin Reservoir
  - c. Recommendation of Operations Committee regarding possible extension of Special Engineering Committee created by ARCA Resolution 2005-01
7. **Summary of action items / Committee assignments to staff**
8. **Future Meetings:** April and/or mid-Summer meeting(s)
9. **Adjourn**

**ARCA ADMINISTRATIVE & LEGAL COMMITTEE MEETING**  
**MONDAY, DEC. 11, 2006, 4:00 P.M. (MST)**  
**TENTATIVE AGENDA (subject to change)**  
**Presiding Rod Kuharich**

- 1. Review committee agenda and procedure for minutes and/or committee report preparation**
- 2. Status review of items before Committee** [a listing of items for review purposes only, no presentations or actions proposed, unless listed elsewhere on this agenda]
  - a. Financial matters
    - i. Audit Report
    - ii. Treasurer Report
    - iii. Budget
  - b. ARCA Transcripts
  - c. Annual Reports
  - d. Nomination of ARCA Officers & Committees
  - e. Items referred from Operations Committee
    - i. Records retention
    - ii. Matrix issue 52 re upstream storage of flood flows
    - iii. Matrix issue 60 re "Agreement B"
  - f. ARCA Special Engineering Committee created under ARCA Resolution 2005-01
- 3. Review Agenda for 2006 Annual Meeting**
- 4. Recording Secretary Report**
- 5. Financial Matters**
  - a. Audit Report, review and approval of FY 04-05 Report (7/1/04-6/30/05)
  - b. Treasurer Report
  - c. Budget review and adoption
    - i. Review of current fiscal year (FY) 2005-06 budget
    - ii. Review of previously adopted FY 06-07 budget and assessments
    - iii. Approval of USGS Cooperative Agreements for gaging network
    - iv. Adoption of FY 07-08 budget and assessments
- 6. Old Business**
  - a. Status of Transcripts and/or Summaries from Prior Meetings
    - i. Annual Meetings: 1993, 1998, 1999, 2000, 2001, 2002, May 2003, Dec. 2003, Dec. 2004
    - ii. Special Meeting Minutes
  - b. Annual Report Preparation
    - i. Status of uncompleted reports from 1994-2005
    - ii. Process to complete backlog and for future years

**7. New business**

- a. Nomination of Officers
  - i. Vice-Chairman
  - ii. Recording Secretary
  - iii. Treasurer
  - iv. Operations Secretary
  - v. Assistant Operations Secretary
- b. Recommendation on appointment of Committee chairs
- c. Review of Recommendations of Special Engineering Committee created by ARCA Resolution 2005-01 and related ARCA Resolutions
- d. Proposed resolution concerning extension of Special Engineering Committee created by ARCA Resolution 2005-01 to resolve disputed accounting and operational issues
- e. ARCA's involvement in the dispute resolution process being proposed in the Kansas v. Colorado U.S. Supreme Court litigation
- f. Discussion of future water quality studies and issues

**8. Summary of action items / Committee assignments to staff**

**9. Future Meetings**

**10. Adjourn**

**ARKANSAS RIVER COMPACT ADMINISTRATION**  
**2006 ANNUAL MEETING**  
**TUESDAY, DEC. 12, 2006, 8:30 A.M. (MST)**  
**LAMAR COMMUNITY BUILDING**  
TENTATIVE AGENDA (subject to change)

1. **Call to Order:** Chairman and Federal Representative, Robin Jennison  
Vice-Chairman, David Pope
2. **Introductions of Representatives and Visitors**
3. **Review and Revision of Agenda**
4. **Reports of Officers for Compact Year 2006**
  - a. Chairman: Robin Jennison
  - b. Vice-chairman: David Pope
  - c. Recording Secretary and Treasurer: Stephanie Gonzales [defer to item 11]
5. **Reports from Colorado Water Conservancy Districts**
  - a. Southeastern Water Conservancy District
  - b. Lower Arkansas Valley Water Conservancy District
  - c. Purgatoire River Water Conservancy District
6. **Kansas v. Colorado Status Update**
  - a. Status of litigation
  - b. ARCA's involvement in the dispute resolution process being proposed in the Kansas v. Colorado U.S. Supreme Court litigation
  - c. Colorado compliance efforts
7. **Reports of Federal Agencies**
  - a. U.S. Geological Survey
  - b. U.S. Army Corps of Engineers
  - c. U.S. Bureau of Reclamation
8. **Report of Engineering Committee**
  - a. Report from Dec. 2006 Committee Meeting
    - i. Summary of discussions and submittal of written report
    - ii. Livingston Transit Loss Study JMR to Stateline
    - iii. Development of transit loss study above JMR
    - iv. Recommendations to the Administration
    - v. Permanent pool water source
  - b. Administration instructions to the Committee
9. **Report of Operations Committee**
  - a. Reports of Operations Secretary and Assistant Operations Secretary for CY2006

- b. Report from Dec. 2006 Committee meeting
  - i. Summary of discussions and submittal of written report
  - ii. Recommendations to the Administration
  - iii. Committee recommendations re 2006 Operations Secretary and Assistant Operations Secretary Reports
- c. Administration instructions to the Committee

**10. Report of Special Engineering Committee created by ARCA Resolution 2005-01**

- a. Recommendation A – John Martin Reservoir Permanent Pool Evaporation Method (Matrix Issue #10)
- b. Recommendation B – Winter Water and District 67 Winter Water Storage Charge Holding Accounts in John Martin Reservoir (Matrix Issues #20 and #21)
- c. Recommendation C – Transfer of Conservation Storage to Section II Accounts under 1980 Operating Plan (Matrix Issues #42 and #43)
- d. Recommendation D – Section II Account Spill Volume (Matrix Issue #54)
- e. Agreement re Section II Account Deliveries
- f. Continuation of Special Comm. for 2007

**11. Report of Administrative and Legal Committee**

- a. Report from Dec. 2006 Committee Meeting
  - i. Summary of discussions
  - ii. Written report
  - iii. Action items for consideration by Administration
    - 1. Election of Officers for Compact Year 2007
    - 2. Appointment of Committee chairs for Compact Year 2007
    - 3. Financial matters
  - iv. Audit Report
  - v. Budget review and adoption
- b. Approval of minutes from previous meetings
- c. Annual report procedures
- d. Administration instructions to the Committee
  - i. approval of transcripts and/or summaries from prior meetings
  - ii. approval of annual reports

**12. Old Business**

**13. New Business**

- a. Action on recommendations from Engineering Committee
- b. Action on recommendations from Operations Committee
- c. Action on recommendations from Special Engineering Committee
  - i. Resolution 2006-01: Adoption of Recommendation A – John Martin Reservoir Permanent Pool Evaporation Method (Matrix Issue #10)
  - ii. Resolution 2006-02: Recommendation B – Winter Water and District 67 Winter Water Storage Charge Holding Accounts in John Martin Reservoir (Matrix Issues #20 and #21)

- iii. Resolution 2006-03: Recommendation C – Transfer of Conservation Storage to Section II Accounts under 1980 Operating Plan (Matrix Issues #42 and #43)
- iv. Resolution 2006-03: Recommendation D – Section II Account Spill Volume (Matrix Issue #54)
- d. Action on recommendations from Administrative and Legal Committee
  - i. Election of Officers
  - ii. Appointment of Committee chairs
  - iii. Approval of Audit Report
  - iv. Budget review and adoption
  - v. Approval of minutes
  - vi. Annual Report instructions
  - vii. Resolution extending “Special Engineering Committee”
- e. City of Lamar request for an account within John Martin Reservoir

#### **14. Future Meetings**

- a. Spring and/or mid-Summer meeting(s) of Operations Committee
- b. Special Meeting(s) of the Administration
- c. Special Engineering Committee
- d. 2007 Annual Meeting

#### **15. Adjourn**

# **Exhibit C**

**Annual Meeting**

# **Exhibit D**

**Annual Meeting**

# **Exhibit E**

**Annual Meeting**

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

**December 12, 2006**

In 2006, 10 streamflow gages were operated under the USGS/ARCA cooperative program; eight in Colorado and two in Kansas.

Final annual flows for WY2006 are shown in the following table. No significant problems were encountered with streamflow records at most sites. However, beaver dams at the Arkansas River at Granada and Big Sandy Creek near Lamar gages continue to be a problem and have a significant affect on the accuracy of the record, particularly at lower flows.

In 2007, the USGS proposes to continue operation of the 10 streamflow gages at a cost to ARCA of \$48,890 of which \$41,490 is for operation of the eight gages in Colorado; and \$7,400 is for operation of one gage in Kansas. The gage at Frontier Ditch is now totally funded by the National Streamflow Information Program (NSIP).

Summary of Mainstem and Tributary Flows,  
Water Years 2006 and 2005

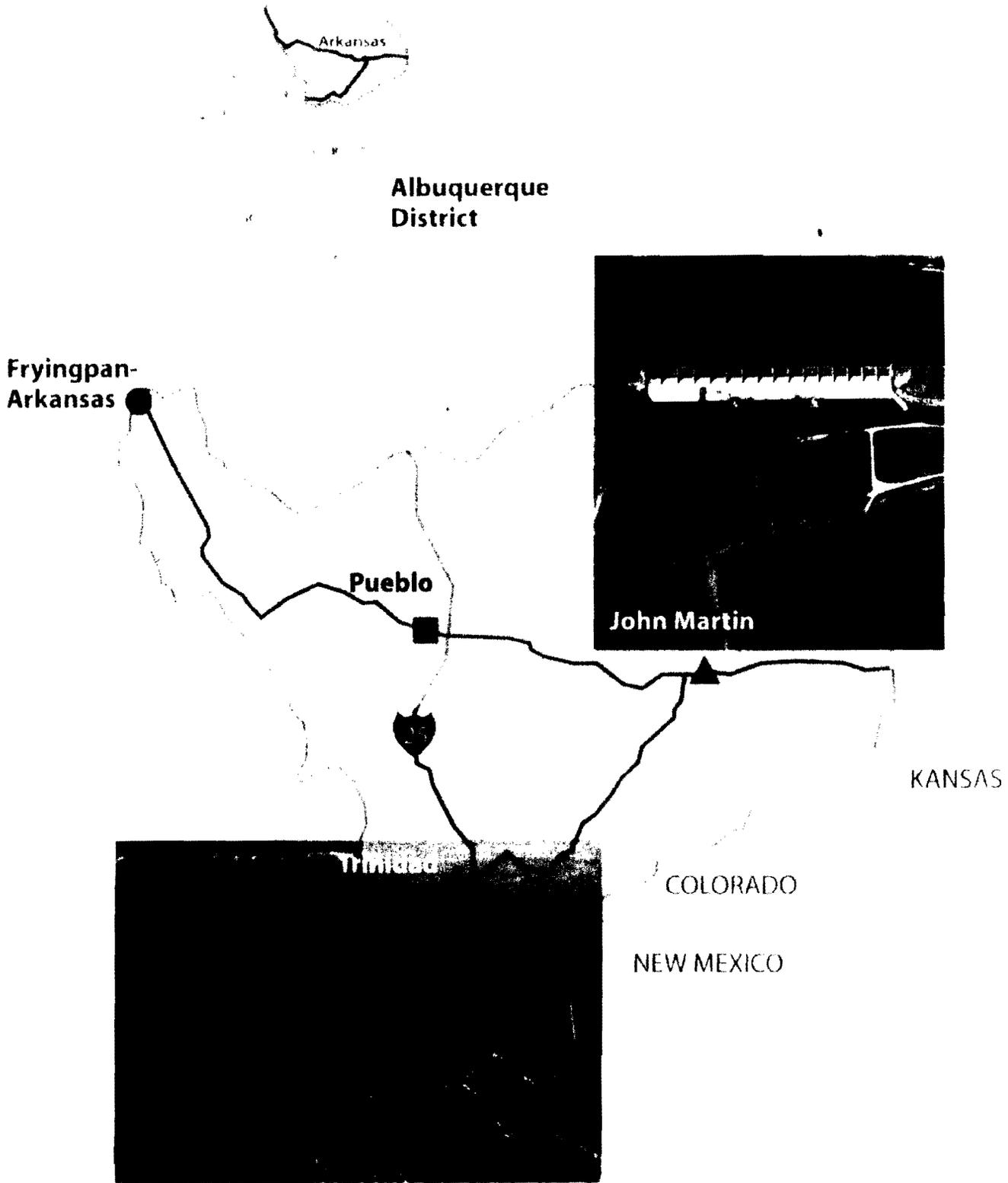
Station Name	WY2006 Annual Flow, in Acre Feet <sup>†</sup>	WY2005 Annual Flow, in Acre Feet	2006 as % of 2005	2006 as % of Average
<b>Arkansas River at Las Animas</b>	<b>132,400</b>	99,080	134	68
<b>Purgatoire River near Las Animas</b>	<b>23,860</b>	91,400	26	51
<b>Arkansas River below John Martin Reservoir</b>	<b>154,300</b>	178,300	87	76
<b>Arkansas River at Lamar</b>	<b>36,580</b>	63,800	57	43
Big Sandy Creek near Lamar	3,310	4,350	76	30
Baseflow	2,540	3,810	--	--
Above Baseflow	770	540	--	--
<b>Arkansas River near Granada</b>	<b>40,500</b>	76,930	53	29
Wildhorse Cr. above Holly (Oct, Nov, Apr-Sept)	5,790	--	--	--
(April - Sept, 2006)	2,400	2,100	114	41
<b>Arkansas River near Coolidge</b>	<b>53,340</b>	90,060	59	34
<b>Frontier Ditch near Coolidge</b>	<b>8,080</b>	6,310	128	--

<sup>†</sup> numbers are rounded

# **Exhibit F**

**Annual Meeting**

# Arkansas River Basin



Army Corps  
of Engineers.  
Albuquerque District

## Report of Civil Works Activities for 2006

Exhibit F  
ACCA  
12/12/06

1. **General.** During 2006, activities of the U.S. Army Corps of Engineers, Albuquerque District (Corps) in the Arkansas River Basin consisted of reservoir regulation, flood-control related studies, flood plain management services, regulation under Section 404 of the Clean Water Act, and emergency assistance.

2. **Flood Control Operations.** The Arkansas River Basin snowmelt runoff was below normal throughout the upper basin, and considerably lower than normal in the southern sub-basins.

The upper Arkansas, which carried the Arkansas basin in terms of snow pack, was 86% of average, while the southern sub-basins were at 22% of average.

There were no Corps flood-control operations at Trinidad, John Martin, or Pueblo Reservoirs.



Trinidad Lake, 2005. USACE photograph.

**John Martin Reservoir** – The Corps is currently conducting a small scale core sampling operation on sediment deposits which have accumulated on the upstream face of the dam in front of the sluicing conduits.

The sediment deposits are hindering scheduled routine maintenance and inspection of the emergency sluicing gates and a future dredging operation to remove them will be required. The core samples will be tested for contaminants and a determination will then be made on how best to proceed with the dredging and disposal of the sediments.

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

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

**4. Continuing Authorities Program.** There are three active Continuing Authorities Program projects in the Arkansas River basin.

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

A Section 205 feasibility study at Florence along the Oak Creek, a tributary to the Arkansas River, is in the feasibility stage. The project is being designed to fulfill both flood control and water supply objectives. The estimated project costs have increased substantially. The sponsor is currently evaluating whether to continue with the study.

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



Arkansas River, 2001. Photograph  
Van Truan, USACE.

There is currently one active Section 206 project in the Arkansas River basin, the Arkansas River Fisheries Habitat Restoration project. The Project Cooperation Agreement was signed with the City of Pueblo in April 2002. The project will improve fish and riparian habitat along ten miles of the Arkansas River downstream of Pueblo Dam. Stream habitat and channel enhancement structures, and some riparian/bank plantings were completed in FY06. Exotic vegetation removal and replantings are scheduled through FY08.

There is one potential section 206 feasibility study being developed to determine Federal interest in removing exotic vegetation and replanting with native vegetation at John Martin. The sponsors are Colorado State Parks and Colorado Division of Wildlife. The project is currently funded for the Preliminary Restoration Plan phase.

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

There is one Section 14 project in the basin located at Colorado Springs at Powers Blvd. The project is to protect the roadway bridge and involves grade control and slope protection. The project is on hold pending funding.

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

Currently, there are no active Section 1135 projects in the Arkansas River basin

5. **General Investigations.** The Corps' General Investigations program provides for large comprehensive solutions to complex problems that can explore solutions on a watershed scale.

A study is currently underway at Fountain Creek, which began in 2002 and will be on-going through FY07. The study will analyze the entire watershed, identifying potential detailed studies involving environmental restoration, flood reduction, erosion protection and other factors in a Feasibility document. Baseline conditions have been completed for the environment, hydrology, and hydraulics of the watershed. The project identification and evaluation phases are expected to be completed in FY07 if Federal funding is available.

6. **Flood Plain Management Services.** The Corps Flood Plain Management Services (FPMS) Program authority stems from Section 206 of the Flood Control Act of 1960 (PL 86-645), as amended. The objective of the Flood Plain Management Services Program is to support comprehensive floodplain management with technical services and planning guidance at all appropriate governmental and community levels. These services are provided to State, regional, and local governments and Indian tribes at no cost. Section 321 of the Water Resources Development Act of 1990 requires recovering the cost of services provided to Federal Agencies and to private entities. A fee schedule has been established.

Section 202 of the Water Resources Development Act of 1999 (PL 106-53) authorizes the Secretary of the Army to collect funds contributed voluntarily from State, regional, and local governments, Indian tribes, and other non-Federal public agencies for the purpose of recovering the cost of providing services pursuant to Section 206.

Services available include assistance relating to the interpretation and evaluation of basic flood-hazard data, guidance in preparation of floodplain regulations, advice on the use of data regarding possible alternative developments in flood-prone areas, guidance on structural and nonstructural measures that might be employed to reduce flood hazard, and, in some cases, development of basic flood-hazard data.

Governmental agencies or persons having a need for these services should contact the U.S. Army Corps of Engineers, Hydrology and Hydraulics Section, 4101 Jefferson Plaza NE, Albuquerque, New Mexico 87109-3435, telephone 505-342-3323, or consult the FPMS web page at: <http://www.spa.usace.army.mil/fpms>.

At the request of the Colorado Water Conservation Board, and partially funded by the Federal Emergency Management Agency Region VIII, the Corps initiated in 2004 a floodplain delineation study and Flood Insurance Study for Oak Creek through the towns of Williamsburg and Rockvale and for Coal Creek through the town of Coal Creek in Fremont County, Colorado. The digital topographic mapping for the study area, developed by the Fremont County Regional GIS Authority and funded by the Corps, was completed in 2005. The study will be submitted to FEMA for review and publication in January 2007.

Under authority of an Interagency Agreement with the Federal Emergency Management Agency Region VIII, the Corps initiated in 2004 a Flood Insurance Study for a portion of Black Squirrel Creek and five tributaries in El Paso County, Colorado. The digital topographic mapping for the study area, developed by the El Paso County Department of Transportation and funded by the Corps, was completed in 2005. The study will be submitted to FEMA for review and publication in January 2007.

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

**7. 404 Permits.** Section 404 of the Clean Water Act prohibits discharges of dredged or fill materials into waters of the United States, including wetlands, without a permit from the Corps.

In 2006, 9 individual permits were issued in the Arkansas River Basin. An additional 92 activities in the Basin were reviewed during the period and most were covered under nationwide permits. Persons or agencies who are planning to conduct fill or excavation activities in any waterway are advised to contact the Southern Colorado Project Office, 720 North Main, Suite 205, Pueblo, Colorado 81003, (719) 543-9459. Information, including all public notices, is also available on our web home page at: <http://www.spa.usace.army.mil/reg/>.



USACE Emergency Management employee. Waveland, MS USACE photograph.

#### **8. Emergency Management Coordination.**

Public Law 84-99 gives the Corps of Engineers the authority to assist state and local governments before, during and after flood events. The Corps' Emergency Management Branch works with Local governments to inspect numerous flood control projects throughout the Arkansas Basin to ensure that these facilities are in proper operational condition for the next flood season.

During years with high snow pack, the Corps works with the Colorado Water Conservation Board to prepare for flood fight activities that may be required.

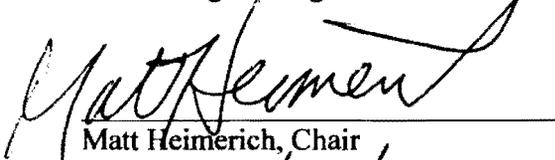
During the past year, the Emergency Management Branch received no contacts from local governments and private citizens in the Arkansas River Basin requesting information or assistance regarding flood related activities.

# **Exhibit G**

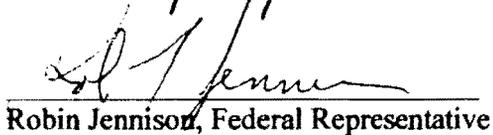
**Annual Meeting**

Arkansas River Compact Administration  
Engineering Committee  
Action Items  
December 11, 2006  
Lamar, CO

1. The committee determined that Russ Livingston should complete final work on the calibration of the transit loss model.
  - a. The output in tables, graphs and other illustrative work should be provided to Colorado and Kansas for their review by January 21, 2007.
  - b. The states should be prepared to provide the Special Engineering committee with their evaluation of the model regarding the definition of transit loss by February 15, 2007. The Special Engineering will provide the results of their deliberations to the committee for their further action.
  - c. The committee may then schedule a meeting to provide Mr. Livingston further instructions on the model.
2. The LAWMA / DOW proposal remains on the committee's docket pending information to be provided.
3. The committee recommends that Recommendation A of the Special Engineering Committee be approved by ARCA.
4. The committee recommends that ARCA extend the term of the Special Engineering Committee to continue to resolve issues brought before it.

  
Matt Heimerich, Chair

Date: 12/13/06

  
Robin Jennison, Federal Representative

Date: 12/12/06

  
David Pope, Member

Date: 12/12/06

No. 1 of 2 originals

# **Exhibit H**

**Annual Meeting**

## ATTENDANCE LIST

### ARKANSAS RIVER COMPACT ADMINISTRATION COMMITTEE MEETINGS

Monday, December 11, 2006, 1:00 - 5 P.M. (MST) Lamar Community Building, Lamar, Colorado

NAME	REPRESENTING	ADDRESS	Attending Engineering	Attending Operations	Attending Legal & Ad
Dave Brenn	KS ARCA	1710 Pleasant Court Garden City, KS	✓	✓	✓
Steve Witte	Colo Div Water Res/ <sup>OS</sup> ARCA	310 E Abriendo Pueblo 81009	✓	✓	✓
MARK RUDE	AOS, ARCA / KS. GMD3	409 CAMPUS DR., SUITE 108 GARDEN CITY, KS. 67846	✓	✓	✓
Randy Hayzlett	Ks Representative ARCA	Rt 1 Box 44 Lakin, KS 67860	✓	✓	✓
Colin Thompson	CO 67 Rep ARCA	30255 Rd 31 Holly, 81047	✓	✓	✓
Steven Hines	Frontier Ditch Co	Box 147 Coolidge, KS 6736	✓	✓	✓
Rod Kuharich	Colorado	1313 Sherman St Denver, CO 80203	X	X	X
Pat Edelman	USGS	201 W 8th St Pueblo, CO 81003	✓	✓	✓
Kelly Cummins	Tri-State GIT	1100 W. 116th Ave Westminster, CO 80234	✓	✓	✓
MATT HENNING	CO ARCA	5325 LP 9.5 O.S. CO 81062	✓	✓	✓
David L. Pope	KS ARCA	109 SW 9th St. Topeka, KS 66612	✓	✓	✓

Exhibit H

## ATTENDANCE LIST

### ARKANSAS RIVER COMPACT ADMINISTRATION COMMITTEE MEETINGS

Monday, December 11, 2006, 1:00 - 5 P.M. (MST) Lamar Community Building, Lamar, Colorado

NAME	REPRESENTING	ADDRESS	Attending Engineering	Attending Operations	Attending Legal & Ad
SANDY RAYL	USACE, CSO DENVER	1600 Broadway #1070 DENVER, CO 80202	✓	✓	
Mark Yaska	USACE, Albuq, Reservoir Control Br	4101 Jefferson Plaza NE Albuquerque, NM 87109			
DENNIS GARCIA	"	"	✓	✓	
Russ Livingston	Livingston Professional Services, LLC	1109 Northridge Ct. Golden, Co	✓	✓	

## ATTENDANCE LIST

### ARKANSAS RIVER COMPACT ADMINISTRATION COMMITTEE MEETINGS

Monday, December 11, 2006, 1:00 - 5 P.M. (MST) Lamar Community Building, Lamar, Colorado

NAME	REPRESENTING	ADDRESS	Attending Engineering	Attending Operations	Attending Legal & Ad
Steve Miller	Crlo Water Res Bd	Denver CO	✓	✓	✓
George Austin	Kansas Div of Water Res	Topelca KS	✓	✓	✓
Dale Book	State of Kansas	Denver, CO	-	-	-
MIKE MEYER	Kansas Division of Water Res.	Garden City KS	✓	✓	✓
Chelsea Juricek	Kansas Division of Water Res.	Garden City, KS	✓	✓	✓
David Barfield	KDA, Div of Water Resources	Topulca, KS	✓	✓	✓
Leland E. Rolfs	KS Dept of Agric.	Topelca, KS	✓	✓	✓
JOHN DRAPEK	KANSAS	SANTA FE, NM	✓	✓	✓
Joe Flury	CDWR	PUEBLO CO	✓	✓	✓
BILL TINFEE	CDWR	PUEBLO, CO	✓	✓	✓
Jennis Montgomery	Colorado	Denver, CO	✓	✓	✓

## ATTENDANCE LIST

### ARKANSAS RIVER COMPACT ADMINISTRATION COMMITTEE MEETINGS

Monday, December 11, 2006, 1:00 - 5 P.M. (MST) Lamar Community Building, Lamar, Colorado

<u>NAME</u>	<u>REPRESENTING</u>	<u>ADDRESS</u>	<u>Attending Engineering</u>	<u>Attending Operations</u>	<u>Attending Legal &amp; Ad</u>
MONIQUE MOREY	CO DWR, PUEBLO	Pueblo, CO	✓	✓	✓
Ken Knos	CO DWR - Denver	Denver, CO	✓	✓	✓
Ed Perkins	CO DOW	Denver	✓	✓	✓

# **Exhibit J**

**Annual Meeting**

Arkansas River Compact Administration  
Operations Committee  
Action Items  
December 11, 2006  
Lamar, CO

- 1) Steve Miller, George Austin, and Chelsea Juricek were designated to record a written list of action items for the 11 December Committee meeting.
- 2) The Committee will hold a meeting in April at a time, date, and location to be announced.
- 3) The Committee acknowledges the receipt of reports by the Operations Secretary and Assistant Operations Secretary. The Committee also acknowledges the Offset Account report.
- 4) The Committee recommends to ARCA that the Special Engineering Committee be extended for the 2007 Compact year in order to evaluate unresolved issues as well as new issues put before the Special Engineering Committee.
- 5) The Committee recommends that Colorado and Kansas review the Water Issues Matrix and coordinate to produce an updated Water Issues Matrix. The updated Water Issues Matrix should be identified by the date of completion and submitted for evaluation before the April meeting of the Operations Committee.
- 6) The Committee recommends that ARCA approve the Special Engineering Committee Recommendations B, C, and D.
- 7) The Committee referred to the Operations Secretary and Assistant Operations Secretary to formalize a description of the summer storage issues to be provided to the Committee by the April meeting.
- 8) The Committee endorses the use of compact disc (CD) format for distribution of reports.
- 9) The Committee acknowledges the report regarding the Section II Agreement revised December 2006 and signed by the Colorado State Engineer and the Kansas Chief Engineer.

Exh. 67 J

David A Brenn

David Brenn, Chair

Date: Dec 12, 2006

Robin Jennison

Robin Jennison, Federal Representative

Date: 12/12/06

No. 2 of 2 originals

Colin Thompson

Colin Thompson, Member

Date: 12/22/06

# **Exhibit I**

**Annual Meeting**

# ARKANSAS RIVER COMPACT ADMINISTRATION

Lamar, Colorado 81052  
719-336-9696

For Colorado

Rodney Kuharich, Denver  
Colin Thompson, Holly  
Matt Heimerich, Olney Springs

Chairman and Federal Representative

Robin Jennison  
Healy Kansas

For Kansas

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

December 8, 2006

Mr. David Brenn, Chairman,  
Mr. Collin Thompson, Member, and  
Mr. Robin Jennison, Ex-officio Member  
Operations Committee, Arkansas River Compact Administration

RE: CY 2006 letter report  
Assistance Operations Secretary

Gentlemen:

This report is provided to the Operations Committee (Committee) of the Arkansas River Compact Administration (ARCA) as a review of the operations and operational issues for Compact Year (CY) 2006 from the perspective of the Assistant Operations Secretary (AOS). Discussion occurred in 1994 between staff of the two states regarding growing concern by Kansas over operational and accounting issues in Colorado relating to the *ARCA Resolution Concerning An Operating Plan For John Martin Reservoir* as amended (1980 Agreement), including proposed spill accounting methods. These and other issues were identified and tracked on the multi-page table generally referred to as the issue matrix in an effort to resolve what could be resolved by the Operations committee and the staff level personnel in Pueblo and Garden City.

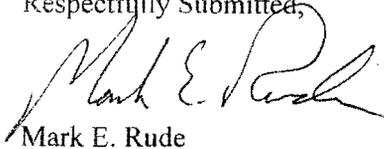
Last annual meeting, a special engineering committee (SEC) was formed to include compact commissioner representation and top water officials from both states. This committee was charged with the task of resolving the operational issues with the hope of building on some success realized in settlement negotiations in KS v. CO that occurred in CY05. Work by this committee ensued in CY06. I understand that progress has been made on a number of issues. For my part, I encourage ARCA to continue the progress and extend the charge of the SEC with high hopes for CY07. The Operations committee should encourage the productive efforts of the SEC to resolve the issues in dispute to pave the way for agreeable operating criteria adopted by ARCA from which the operations of ARCA can be performed by any expert administrator.

The Committee has successfully facilitated a process for better communication between offices at the staff level. It is important to renew that commitment to a regular review of operational issues at the staff level and retain the process in place. Issues that occurred in CY06 requiring notice and exchange of information were effectively communicated between staff offices and the purposes of the Operations committee process were effectively served.

Finally, after almost two years of service as the AOS to ARCA while employed as a non-state employee, I am stepping aside as an officer of the administration in favor of someone with the time and daily routine more suited to support the responsibilities of ARCA operations. I have enjoyed the job and

the people involved and look forward to maintaining those relationships. The work of the SEC and the subsequent adoption of agreeable operating criteria on a number of long standing issues will perhaps help make the concept of alternating the responsibilities of the OS and AOS between the two states a more practical and acceptable practice in the future.

Respectfully Submitted,



Mark E. Rude  
Arkansas River Compact Administration  
Assistant Operations Secretary  
409 Campus Drive, Suite 108  
Garden City, KS 67846-6148  
Office: (620) 275-7147  
Fax: (620) 275-1431  
E-mail: [mrude@gmd3.org](mailto:mrude@gmd3.org)

# **Exhibit K**

**Annual Meeting**

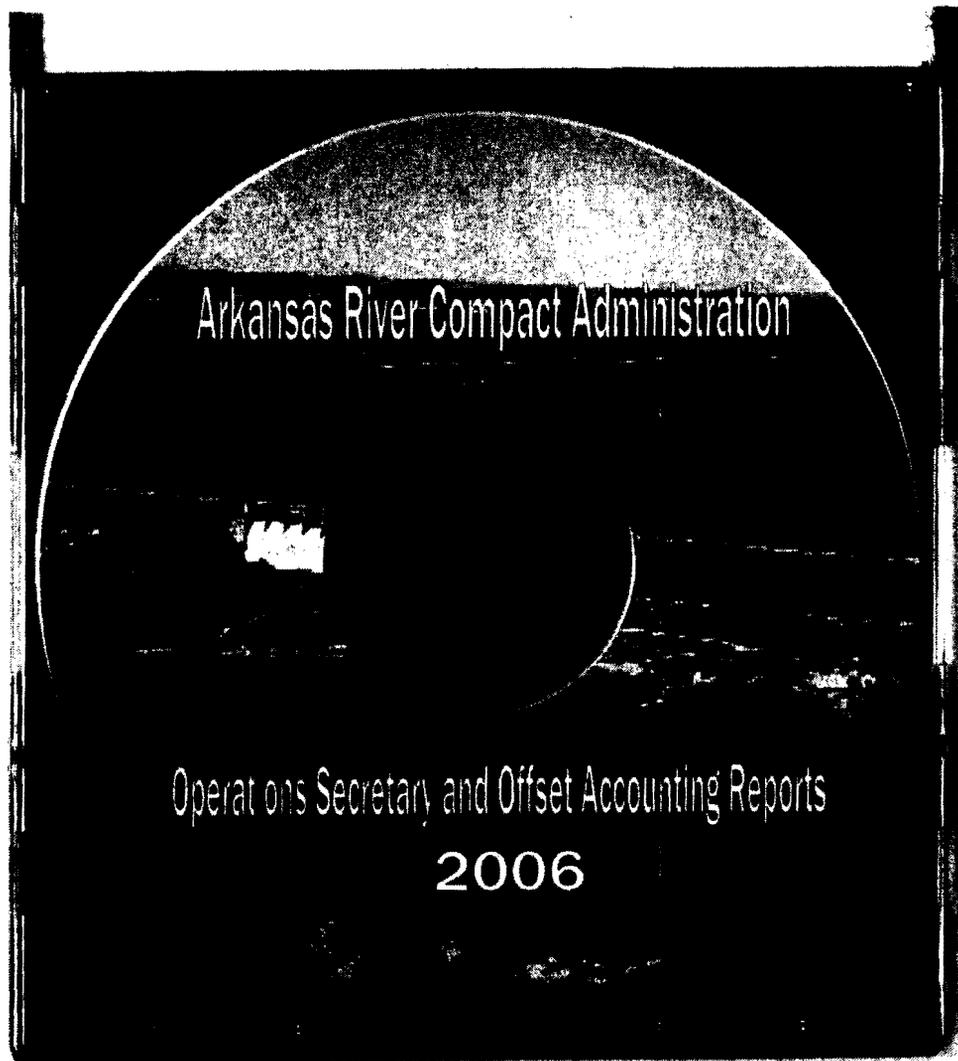


Exhibit K

# **Exhibit L**

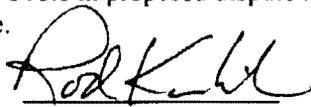
**Annual Meeting**

Arkansas River Compact Administration  
Administrative and Legal Committee  
December 11, 2006  
Lamar, Colorado

Action Items

1. Steve Miller and George Austin directed to prepare Action Item for Committee in lieu of minutes or other meeting summary.
2. Assigned Steve Miller and Kevin Salter to meet with Stephanie Gonzales, Recording Secretary-Treasurer, regarding ARCA duties and organization of Lamar office, including authorization to purchase copy-scan-print machine for office.
3. Financial actions, refer to attached budget worksheet handout:
  - a. Reviewed FY0506 audit report and recommended adoption by ARCA
  - b. Reviewed current year budget for remainder of FY0607 with anticipated expense level \$135,000 and year end with balance of \$37,340 and recommended no changes.
  - c. Reviewed, revised, and recommended adoption of first revision of FY0708 budget with expense level of \$78,490, assessments of \$96,000 and anticipated year end balance of \$55,350.
  - d. Recommended adoption of FY0809 budget with expense level of \$80,100, assessments of \$96,000 and anticipated year end balance of \$72,250.
4. Authorized Stephanie Gonzales to sign USGS 2007 JFA's at budgeted amounts.
5. Minutes/Transcripts:
  - a. Recommended ARCA approve annual meeting Transcripts for 2000, 2001, 2002, May 2003, 2004, and 2005; also minutes of several special meetings as will be submitted by Lee Rolfs and Steve Miller.
  - b. Instructed Steve Miller to complete review of 1999 and 1998 transcripts and deliver edits to Lee Rolfs by December 20, 2006,
  - c. Instructed Steve Miller to complete final draft of 1993 transcript prepared by his office by Feb. 1 2007 or propose alternate procedure for completion.
6. Approved slate of officers and committee chairmen for 2007:
  - a. Officers to be Vicechair: Pope, Recording Secretary-Treasurer: Gonzales, Operations Secretary: Witte, Assistant Operations Secretary: Salter
  - b. Committee Chairs: Engineering: Pope, Operations: Thompson, Admin/Legal: Kuharich
7. Recommended ARCA approval of proposed resolutions:
  - a. Extending Special Engineering Committee for one year
  - b. Adopting Special Engineering Committee recommendations A, B, C, and D.
  - c. Acknowledging ARCA's role in proposed dispute resolution procedures being incorporated into Kansas v. Colorado decree.

  
Randy Hayzlett, Chair

  
Rod Kuharich, Member

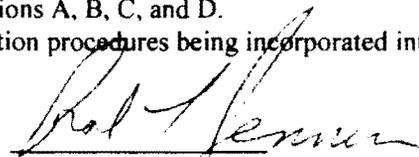
  
Robin Jennison, Federal Rep.

Exhibit L

**ARKANSAS RIVER COMPACT ADMINISTRATION**  
BUDGET AND ASSESSMENT SUMMARY 2004-2008

*2006 Budget Review  
Work Sheet  
12-8-06*

	FY04-05			FY05-06	CURRENT BUDGET FY06-07			APPROVED BUDGET FY07-08			PROPOSED BUDGET FY08-09					
	7/1-12/31/ proposed	1/1-6/30/ adopted	7/1 - 6/30/05 1st revised	7/06-6/07 12/13/04	12/12/05 12/14/04	NO CHANGE	12/12/05 12/13/05	12/12/05 12/11/06			12/11/06					
			11/02/05	11/27/06												
<b>I EXPENDITURES</b>	<b>ACTUAL</b>			<b>ACTUAL</b>	<b>budget</b>	<b>1st rev</b>	<b>expected</b>	<b>ACTUAL</b>	<b>budget</b>	<b>1st rev</b>	<b>2nd rev</b>	<b>ACTUAL</b>	<b>budget</b>	<b>1st rev</b>	<b>2nd rev</b>	<b>ACTUAL</b>
<b>A PROFESSIONAL SERVICE CONTRACTS</b>	7/1-12/31/	1/1-6/30/	7/1 - 6/30/05													
1 Treasurer	\$1,000	\$1,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000		\$2,000				\$2,000
2 Recording Secretary	\$1,250	\$1,250	\$2,500	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000		\$2,000				\$2,000
3 Operations Secretary	\$3,571	\$2,521	\$6,092	\$6,096	\$6,100	\$6,100	\$6,100	\$6,100	\$6,100	\$6,100		\$6,100				\$6,100
4 Auditor's Fees	\$0	\$615	\$615	\$600	\$500	\$500	\$500	\$500	\$500	\$500		\$500				\$500
5 Court Reporter's Fees	\$0	\$1,052	\$1,052	\$0	\$2,000	\$2,000	\$3,000	\$2,000	\$2,000	\$2,000		\$2,000				\$2,000
<b>subtotal services</b>	<b>\$5,821</b>	<b>\$6,438</b>	<b>\$12,259</b>	<b>\$10,696</b>	<b>\$12,600</b>	<b>\$12,600</b>	<b>\$13,600</b>	<b>\$12,600</b>	<b>\$12,600</b>	<b>\$12,600</b>		<b>\$12,600</b>				<b>\$12,600</b>
<b>B GAGING STATIONS</b>																
1 U S G S Colorado Dist Joint Funding fed	\$0	\$35,440	\$35,440	\$37,070	\$40,000	\$45,000	\$39,950	\$50,000	\$50,000	\$41,490		\$44,000				\$44,000
2 U S G S Kansas Dist Joint Funding fed	\$0	\$8,500	\$8,500	\$9,300	\$10,000	\$11,000	\$9,500	\$12,000	\$12,000	\$7,400		\$8,000				\$8,000
3 State of Colorado Satellite System	\$10,500	\$0	\$10,500	\$10,500	\$10,500	\$10,500	\$10,500	\$10,500	\$10,500	\$11,200		\$11,200				\$11,200
<b>subtotal gaging</b>	<b>\$10,500</b>	<b>\$43,940</b>	<b>\$54,440</b>	<b>\$56,870</b>	<b>\$60,500</b>	<b>\$66,500</b>	<b>\$59,950</b>	<b>\$72,500</b>	<b>\$72,500</b>	<b>\$60,090</b>		<b>\$63,200</b>				<b>\$63,200</b>
<b>C OPERATING EXPENSES</b>																
1 Treasurer's Bond	\$100	\$0	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100		\$100				\$100
2 Annual Reports Printing	\$0	\$0	\$0	\$0	\$2,000	\$2,000	\$1,000	\$2,000	\$2,000	\$2,000		\$500				\$500
3 Telephone	\$500	\$0	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500		\$100				\$100
4 Miscellaneous Office Expense	\$177	\$78	\$255	\$60	\$100	\$100	\$100	\$100	\$100	\$100		\$100				\$100
5 Postage/Copying/Supplies	\$200	\$198	\$398	\$144	\$200	\$200	\$200	\$200	\$400	\$400		\$400				\$400
6 Meetings	\$500	\$0	\$500	\$59	\$500	\$500	\$500	\$500	\$500	\$500		\$500				\$500
7 Travel	\$1,173	\$0	\$1,173	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0				\$0
8 Rent	\$600	\$0	\$600	\$0	\$600	\$600	\$1,200	\$600	\$600	\$600		\$600				\$600
<b>subtotal operating</b>	<b>\$3,250</b>	<b>\$276</b>	<b>\$3,526</b>	<b>\$363</b>	<b>\$4,000</b>	<b>\$4,000</b>	<b>\$3,600</b>	<b>\$3,800</b>	<b>\$3,800</b>	<b>\$3,800</b>		<b>\$2,300</b>				<b>\$2,300</b>
<b>D OTHER</b>																
1 Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0				\$0
2 Contingency	\$0	\$0	\$0	\$0	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000		\$2,000				\$2,000
3 Litigation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0				\$0
4 Special Projects & Studies	\$0	\$0	\$0	\$10,420	\$10,000	\$50,000	\$56,000	\$0	\$0	\$0		\$0				\$0
<b>subtotal other</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$10,420</b>	<b>\$12,000</b>	<b>\$52,000</b>	<b>\$58,000</b>	<b>\$2,000</b>	<b>\$2,000</b>	<b>\$2,000</b>		<b>\$2,000</b>				<b>\$2,000</b>
<b>TOTAL ALL EXPENDITURES</b>	<b>\$19,571</b>	<b>\$50,654</b>	<b>\$70,225</b>	<b>\$78,349</b>	<b>\$89,100</b>	<b>\$135,100</b>	<b>\$135,150</b>	<b>\$90,900</b>	<b>\$78,490</b>	<b>\$78,490</b>		<b>\$80,100</b>				<b>\$80,100</b>
<b>II INCOME</b>																
<b>A ASSESSMENTS</b>																
1 Colorado (60%)	\$40,800	\$0	\$40,800	\$40,800	\$48,000	\$48,000		\$57,600	\$57,600			\$57,600				\$57,600
2 Kansas (40%)	\$27,200	\$0	\$27,200	\$27,200	\$32,000	\$32,000		\$38,400	\$38,400			\$38,400				\$38,400
<b>subtotal</b>	<b>\$68,000</b>	<b>\$0</b>	<b>\$68,000</b>	<b>\$68,000</b>	<b>\$80,000</b>	<b>\$80,000</b>		<b>\$96,000</b>	<b>\$96,000</b>			<b>\$96,000</b>				<b>\$96,000</b>
<b>C INTEREST EARNINGS</b>	\$721	\$598	\$1,319	\$1,150	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$500		\$1,000				\$1,000
<b>D MISCELLANEOUS</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0				\$0
<b>TOTAL ALL INCOME</b>	<b>\$68,721</b>	<b>\$598</b>	<b>\$69,319</b>	<b>\$69,150</b>	<b>\$81,000</b>	<b>\$81,000</b>		<b>\$97,000</b>	<b>\$96,500</b>	<b>\$96,500</b>		<b>\$97,000</b>				<b>\$97,000</b>
<b>III CASH RESERVE FUND</b>																
<b>A JULY 1 BALANCE</b>			\$101,545	\$100,639	\$91,440	\$91,440		\$37,340	\$37,340			\$55,350				\$55,350
<b>B REDUCTION FROM BALANCE</b>			-\$906	-\$9,199	-\$8,100	-\$54,100		\$6,100	\$18,010			\$16,900				\$16,900
<b>C ADDITION TO BALANCE</b>																
<b>D JUNE 30 BALANCE</b>			\$100,639	\$91,440		\$37,340		\$43,440	\$55,350			\$72,250				\$72,250

# **Exhibit M**

**Annual Meeting**

# **Exhibit N**

**Annual Meeting**

**December 8, 2009**

**FELT, MONSON & CULICHIA, LLC**

319 N. WEBER ST.  
COLORADO SPRINGS, CO 80903

JAMES G. FELT  
STEVEN T. MONSON  
JAMES W. CULICHIA  
CHRISTOPHER D. CUMMINS  
DAVID M. SHOHEE

TELEPHONE: 719-471-1212  
FAX: 719-471-1234  
jgf@fmcwater.com

November 30, 2006

Via Fax 303-866-4474 and U.S. Mail

Rod Kuharich, Director  
Colorado Water Conservation Board  
1313 Sherman St.  
Room 721  
Denver, CO 80203

Re: December 12, 2006 ARCA Meeting  
City of Lamar Request for John Martin Reservoir Storage Account

Dear Mr. Kuharich:

I am special water counsel for the City of Lamar located in Prowers County, Water District 67, Colorado. Lamar is entitled to receive project water from the Fryingpan-Arkansas River Project administered by the Southeastern Colorado Water Conservancy District. This project water is made up of both waters of the Arkansas River and waters imported from the Colorado River basin which are not defined as waters of the Arkansas River for Article III of the Arkansas River Compact. In order for Lamar to take delivery of such project water, that water must first pass through John Martin Reservoir.

Prior to 2002, Lamar had for many years obtained the permission of the Arkansas River Compact administration to utilize John Martin Reservoir to regulate deliveries of Lamar's project water that had been allocated to them by the Southeastern Colorado Water Conservancy District. Such regulated deliveries of water from John Martin Reservoir to Lamar permitted increased utilization and greater beneficial use of its water for the benefit of its citizens. It is Lamar's desire to formalize that protocol by establishment and utilization of a separate John Martin Reservoir storage account for those purposes.

Article IV(D) of the Arkansas River Compact provides for future beneficial development of waters within the Arkansas River basin under appropriate terms and conditions and providing that no material depletion to the river waters defined in Article III occurs. It is Lamar's belief that utilization of John Martin Reservoir to regulate the timing of the deliveries of its project water under appropriate terms and conditions will meet the Arkansas River Compact standards.

Lamar therefore requests your assistance in placing this matter on the December

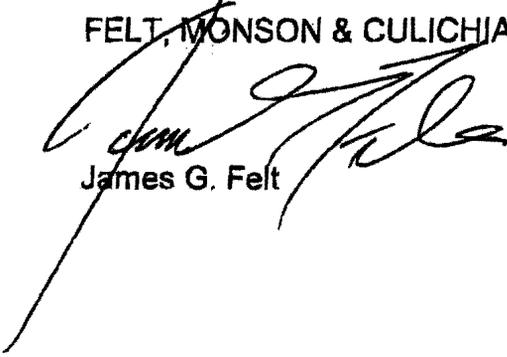
Exhibit N

12, 2006, Arkansas River Compact Administration meeting agenda for presentation of the concept and for consideration of a request by Lamar to refer the matter to the Arkansas River Compact Administration Special Engineering Committee for consideration.

If you have any questions or comments, please contact me at your earliest convenience.

Very truly yours,

FELT, MONSON & CULICHIA, LLC



James G. Felt

JGF/arb

cc: Steve Witte  
Lee Miller  
Doug Montgomery

# **Exhibit O**

**Annual Meeting**

**December 8, 2009**

**ARKANSAS RIVER COMPACT ADMINISTRATION**

*Audited* Financial Statements

June 30, 2006

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Exhibit 0

**ARKANSAS RIVER COMPACT ADMINISTRATION**

TABLE OF CONTENTS

June 30, 2006

	<u>Page</u>
Independent Auditor's Report	1
Statement of Assets, Liabilities, and Fund Balance - Cash Basis	2
Statement of Revenues and Expenses with Budget Comparison	3
Changes in Cash Balance - Statement of Receipts and Disbursements	4
Notes to Financial Statements	5

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Members  
NSA  
PASC

Certified Public Accountants

Gary L. Anderson, C.P.A.  
Cynthia S. Anderson, A.B.A., A.T.P.  
Howard Hampson, P.A.  
Ronald D. Anderson, P.A., Retired

INDEPENDENT AUDITOR'S REPORT

November 27, 2006

To the Representatives of  
Arkansas River Compact Administration  
Lamar, Colorado 81052

We have audited the accompanying statements of assets, liabilities and equity - cash basis - of the Arkansas River Compact Administration as of June 30, 2006, and the related statements of revenue collected and expenses paid for the year then ended. These financial statements are the responsibility of the Administration's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Our examination was made in accordance with generally accepted auditing standards and accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

As described in Note 1a, these financial statements were prepared on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets and liabilities - cash basis - of the Arkansas River Compact Administration as of June 30, 2006 and its revenue collected and expenses paid during the year then ended, on the basis of accounting described in Note 1a.

  
Anderson & Company, P.C.

**ARKANSAS RIVER COMPACT ADMINISTRATION**

**STATEMENT of ASSETS, LIABILITIES, and FUND BALANCE - CASH BASIS**

	<b>June 30 2006</b>	June 30 2005	June 30 2004
<b><u>ASSETS</u></b>			
Cash	<u>91,440</u>	<u>100,639</u>	<u>101,545</u>
<b>TOTAL ASSETS</b>	<b><u>91,440</u></b>	<b><u>100,639</u></b>	<b><u>101,545</u></b>
<b><u>LIABILITIES</u></b>			
None	0	0	0
<b><u>FUND BALANCE</u></b>			
Unexpended Fund Balance	<u>91,440</u>	<u>100,639</u>	<u>101,545</u>
<b>TOTAL FUND BALANCE</b>	<b><u>91,440</u></b>	<b><u>100,639</u></b>	<b><u>101,545</u></b>

*See Accountant's Audit Report.*

**ARKANSAS RIVER COMPACT ADMINISTRATION**

STATEMENT OF REVENUES and EXPENSES  
with BUDGET COMPARISON

For the Budget Year July 1, 2005 to June 30, 2006

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>OVER (UNDER)</u>
<u>REVENUES</u>			
Revenues from Assessments:			
Colorado 60%	40,800	40,800	0
Kansas 40%	27,200	27,200	0
Interest	1,150	1,000	150
Miscellaneous	0	0	0
	<u>69,150</u>	<u>69,000</u>	<u>150</u>
<u>EXPENDITURES</u>			
Professional Service Contracts:			
Treasurer	2,000	2,000	0
Recording Secretary	2,000	2,000	0
Operations Secretary	6,096	6,100	(4)
Auditor Fee	600	500	100
Court Reporter (transcripts)	0	2,000	(2,000)
Gaging Stations & Studies:			
U.S. Geological Survey - Colorado District	37,070	39,950	(2,880)
U.S. Geological Survey - Kansas District	9,300	9,500	(200)
State of Colorado Satellite System	10,500	10,500	0
Operating Expenses:			
Treasurer Bond	100	100	0
Printing Annual Report	0	1,000	(1,000)
Telephone	0	500	(500)
Miscellaneous Office Expense	60	100	(40)
Postage/Copying/Supplies	144	200	(56)
Meetings	59	500	(441)
Travel	0	0	0
Rent	0	600	(600)
Other:			
Equipment	0	0	0
Contingency	0	2,000	(2,000)
Litigation	0	0	0
Special Projects & Studies	10,420	16,500	(6,080)
	<u>78,349</u>	<u>94,050</u>	<u>(15,701)</u>
<b>NET DECREASE IN FUND BALANCE</b>	<b>(9,199)</b>	<b>(25,050)</b>	<b>15,851</b>
Fund Balance at Beginning of Year	100,639		
Fund Balance at End of Year	91,440		

**ARKANSAS RIVER COMPACT ADMINISTRATION**

**CHANGES IN CASH BALANCE**  
**STATEMENT OF RECEIPTS AND DISBURSEMENTS**

For the Year Ended June 30, 2006

---

<b>CASH BALANCE - July 1, 2005</b>		<b>100,639</b>
<b><u>RECEIPTS</u></b>		
Revenues from Assessments	68,000	
Interest	1,150	
Miscellaneous	0	
<b><u>TOTAL RECEIPTS</u></b>		<b>69,150</b>
<b><u>DISBURSEMENTS</u></b>		
Professional Service Contracts	10,696	
Gaging Stations & Studies	56,870	
Operating Expenses	363	
Other	10,420	
<b><u>TOTAL DISBURSEMENTS</u></b>		<b>(78,349)</b>
<b>DISBURSEMENTS in EXCESS of RECEIPTS</b>		<b>(9,199)</b>
<b><u>CASH BALANCE - June 30, 2006</u></b>		<b><u>91,440</u></b>

*See Accountant's Audit Report.*

**ARKANSAS RIVER COMPACT ADMINISTRATION**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2006

**NOTE 1**      **Summary of significant accounting policies:**

a. The Arkansas River Compact Administration (the Compact) maintains financial records using the cash basis of accounting. By using the cash basis of accounting, certain revenues are recognized when received rather than when earned, and certain expenses and purchases of assets are recognized when cash is disbursed rather than when the obligation is incurred.

b. The *Statement of Receipts and Disbursements* is shown only to reconcile the beginning and ending cash balances. It is not intended to reflect *income* and *expense* recognition. Income and expenses are reflected in the *Statement of Revenues and Expenses with Budget Comparison*.

# **Resolution No. 2006-01**

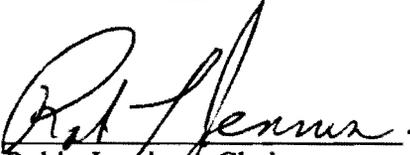
**Annual Meeting**

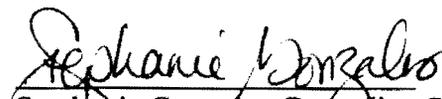
**Resolution No. 2006-01**  
**Arkansas River Compact Administration**

**John Martin Reservoir Permanent Pool Evaporation Method**

Be it resolved that the Arkansas River Compact Administration hereby approves the attached recommendation of the Special Engineering Committee with respect to John Martin Permanent Pool Evaporation Method. Be it further resolved that ARCA directs that this recommendation be implemented immediately for all subsequent operations and that this recommendation will be incorporated by future amendment of the Resolution Concerning an Operating Plan for John Martin Reservoir, adopted April 24, 1980 as amended.

Entered this 12<sup>th</sup> day of December 2006, at the ARCA Annual meeting.

  
Robin Jennison, Chairman  
Arkansas River Compact  
Administration

  
Stephanie Gonzales, Recording Secretary  
Arkansas River Compact  
Administration

3 of 4 originals

**Recommendation A**  
**Special Engineering Committee**  
**October 2006**

**John Martin Reservoir Permanent Pool Evaporation Method**

The Arkansas River Compact Administration (ARCA) created a Special Engineering Committee by means of Resolution No. 2005-1 and directed said Committee to develop recommendations to ARCA which will reduce or eliminate disputes between the States.

Pursuant to said Resolution, Rod Kuharich and Hal Simpson, for Colorado; David Brenn and David Pope, for Kansas; and Robin Jennison, Federal member, ex-officio, were appointed members of the Special Engineering Committee.

Whether evaporation is charged to the Permanent Pool Account pro-rata-by-content with the other accounts or by incremental area was raised as an issue.<sup>1</sup>

The ARCA Resolution Concerning John Martin Reservoir Permanent Pool dated August 14, 1976, states in part:

“Whereas operating criteria for a permanent pool have been formulated and are attached herewith as exhibit 1 and assure the owners of water rights in the States of Colorado and Kansas to those waters available to them under the terms of the Arkansas River Compact and under the laws of their respective states;

\* \* \*

NOW THEREFORE BE IT RESOLVED that this compact administration approves the creation in John Martin Reservoir of a permanent pool with Muddy Creek water and adopts the criteria attached herewith as procedures for the operation of John Martin Reservoir.”

The fifth numbered paragraph of the John Martin Permanent Pool Operating Criteria attached as exhibit 1 to the August 14, 1976 Resolution states:

“Net evaporation from the additional reservoir surface area resulting from the addition of the permanent pool to the conservation storage shall be charged against the permanent pool storage. The net evaporation rate shall be seven-tenths of the measured pan evaporation less measured precipitation. During times when no conservation water is in storage, the permanent pool shall be charged with all the evaporation.”

The Resolution Concerning an Operating Plan for John Martin Reservoir, adopted April 24, 1980 as subsequently amended (referred to as the 1980 Operating Plan) provides in Section IV:

---

<sup>1</sup> This issue has been referenced as Issue #10 in the “Water Issues Matrix” document, JMR Accounting Issues, dated April 2005

"A permanent recreation pool has been authorized by the August 14, 1976, Resolution of the Administration. For purposes of the Resolution, this permanent recreation pool shall be considered a separate account and deliveries made to it are not subject to the transfers provided in Subsection III D, herein. The permanent recreation pool will, however, stand its pro rata share of evaporation as provided in the Administration's Resolution of August 14, 1976."

Additionally, Section II F of the 1980 Operation Plan states:

"Evaporation charges shall be made against water stored in the accounts...using formulas and procedures approved by the Colorado Division Engineer and a representative of the Kansas Division of Water Resources... The evaporation charges shall be prorated amongst conservation storage and the accounts according to the amounts in them."

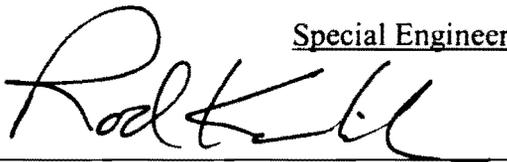
Since the adoption of the 1980 Operating Plan, the evaporation has been charged to all accounts on a pro-rata-by-content basis, including the Permanent Pool Account.

It is the finding of the Special Engineering Committee that the foregoing provisions of the various documents should be consistently interpreted to assess evaporation charges from all accounts within John Martin to be on a pro-rata basis by content, including the Permanent Pool account and recommends the continuation of the practice to charge evaporation to all accounts within John Martin Reservoir on a pro-rata-by-content basis.

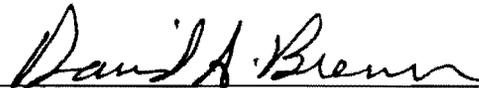
Therefore, it is recommended that ARCA adopt this finding that the assignment of evaporation among all accounts is to be pro-rata-by-content so long as the 1980 Operating Plan is in force.

Further, it is recommended that clarifying language be included in a subsequent amendment of the 1980 Operating Plan.

Special Engineering Committee Approval



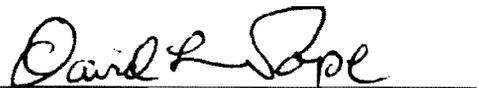
Rod Kuharich, Colorado



David A. Brenn, Kansas



Hal Simpson, Colorado State Engineer



David L. Pope, Kansas Chief Engineer

Date: October 19, 2006

3 of 4 originals

# **Resolution No. 2006-02**

**Annual Meeting**

**Resolution No. 2006-02**  
**Arkansas River Compact Administration**

**Winter Water and District 67 Winter Water Storage Charge Holding Accounts in  
John Martin Reservoir**

BE IT RESOLVED that the Arkansas River Compact Administration does hereby create two holding accounts in John Martin Reservoir as prescribed below:

1. **Definitions:** All terms employed in this Resolution which are defined in the Compact or the 1980 Operating Plan shall have the same meaning as set out in the Compact or the 1980 Operating Plan, as the case may be. When the term Section is used in this resolution, it refers to a Section of the 1980 Operating Plan.
2. **1980 Operating Plan:** The two holding accounts are in addition to those accounts established in the 1980 Operating Plan (formally known as *Resolution Concerning an Operating Plan for John Martin Reservoir*). The holding accounts will facilitate the distribution of water delivered to John Martin Reservoir under the Pueblo winter water storage plan. This facilitation is necessary because the exact distribution between the Section III accounts and the exact distribution of associated storage charge water (detailed in Section III D) to the Colorado District 67 accounts established in Section II may not be known until March 15.
3. **Termination:** The holding accounts directly relate to the operation of the 1980 Operating Plan and these holding accounts shall no longer exist if 1980 Operating Plan is terminated.
4. **Winter Water Holding Account:** A holding account is hereby established in John Martin Reservoir during the period of November 15 to the next March 15 of each Compact Year to allow temporary storage of water delivered under the Pueblo winter water storage plan solely for the purpose of distribution to the Section III A, III B and III C accounts in accordance with the limitations set forth in Section III of the 1980 Operating Plan. All water accumulated in this holding account shall be completely released to the accounts established in Sections III A, III B and III C as of March 15.
5. **District 67 Winter Water Storage Charge Holding Account:** A holding account is hereby established in John Martin Reservoir during the period of November 15 to the next March 15 of each Compact Year to allow temporary storage of the portion of the Section III D waters delivered under the Pueblo winter water storage plan owed to the Colorado Water District 67 Section II accounts solely for the purpose of distribution to these Section II accounts. All water accumulated in this holding account shall be completely distributed to the Section II accounts as of March 15.

6. **Spill Order:** In the event that runoff conditions occur in the Arkansas River basin upstream from the Reservoir that cause water to spill from the Reservoir, then water stored in the Permanent Pool in excess of 10,000 acre-feet shall spill before water stored in the accounts established in Subsections III A, B, and C of the 1980 Operating Plan, including the **winter water holding account** established herein; which shall spill before the water stored in the Offset Account; which shall spill before the accounts established in Section II of the Operating Plan, including the **District 67 winter water storage charge holding account** established herein; which shall spill before the Kansas Transit Loss Account; all of which shall spill before conservation storage.

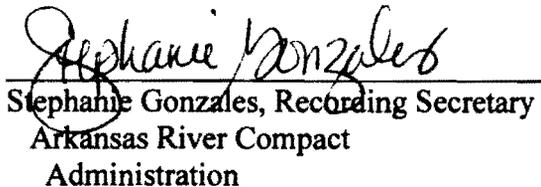
7. **Effective Date:** These holding accounts will be used as of Compact Year 2006.

Be it further resolved that ARCA directs that this recommendation be implemented for all subsequent operations and that this recommendation will be incorporated by future amendment of the Resolution Concerning an Operating Plan for John Martin Reservoir, adopted April 24, 1980 as amended.

Entered this 12<sup>th</sup> day of December 2006, at the ARCA Annual meeting.



Robin Jensen, Chairman  
Arkansas River Compact  
Administration



Stephanie Gonzales, Recording Secretary  
Arkansas River Compact  
Administration

3 of 4 originals

**Recommendation B**  
**Special Engineering Committee**  
**October 2006**

**Winter Water and District 67 Winter Water Storage Charge Holding Accounts**

The Arkansas River Compact Administration (ARCA) created a Special Engineering Committee by means of Resolution No. 2005-1 and directed said committee to develop recommendations to ARCA which will reduce or eliminate disputes between the States.

Pursuant to said Resolution, Rod Kuharich and Hal Simpson, for Colorado; David Brenn and David Pope, for Kansas; and Robin Jennison, Federal member, ex-officio, were appointed members of the Special Engineering Committee.

Two issues related to the provisions of Section III of 1980 Operating Plan specifically associated with water delivered to John Martin Reservoir under the Pueblo winter water storage plan are in dispute: (1) the use of temporary accounts not specifically authorized by ARCA<sup>1</sup> and (2) the timely transfer of 35% charge water as described in Section III D.<sup>2</sup>

The Operations Secretary has proposed and implemented a process that potentially resolves these issues. Attached as an exhibit is a flow chart entitled "Distribution of Inflow to John Martin Nov. 15 to Mar. 15" that illustrates the process to distribute water delivered under the Pueblo winter water storage plan. In order to fully and properly implement that process, the Committee recommends that ARCA authorize the use of two holding accounts by adopting the attached resolution.



Rod Kuharich, Colorado



David A. Brenn, Kansas



Hal Simpson, Colorado State Engineer



David L. Pope, Kansas Chief Engineer

Date: October 19, 2006

3 of 4 originals

<sup>1</sup> These issues have been referenced as Issue #20 in the "Matrix" document, JMR Accounting Issues, dated April 2005

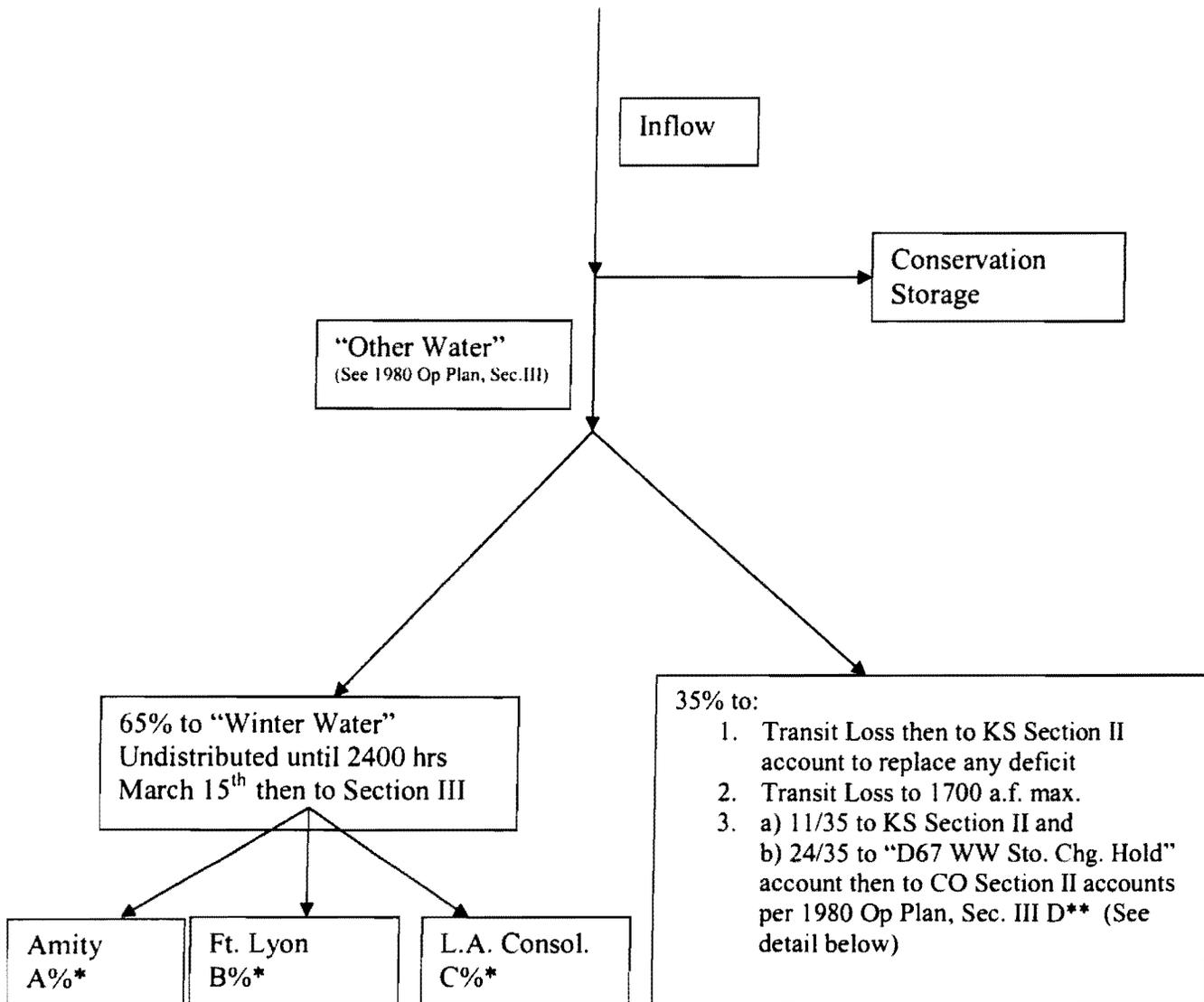
<sup>2</sup> These issues have been referenced as Issue #21 in the "Matrix" document, JMR Accounting Issues, dated April 2005

**Distribution of Inflow to John Martin Nov. 15 to Mar. 15**

The following illustration depicts the processes that are to be performed to properly distribute inflow to John Martin Reservoir during this period.

Problem: One can not properly distribute to Section III accounts or complete step 3. b) in right-hand branch, until after March 15<sup>th</sup>.

Proposed Solution: Use "Winter Water" account and "D67 WW Sto. Chg. Hold" account to accumulate quantities of water prior to distribution on or after March 15<sup>th</sup> of each year. All other distributions are to be made on a daily basis.



\* These percentages are not fixed. Actual percentages are unknown until at least March 15 per 84CW179.  $A\% + B\% + C\% = 100\%$

\*\*Detail Step 3. b):

Assume, 100 units on Mar. 15<sup>th</sup>. 1980 Op Plan, Sec. III D provides that Amity doesn't share in proportion it contributed, so distribute "D67 WW Sto. Chg. Hold" acct. as follows:

A units ( $A\% \times 100$ ) to be distributed to All WD 67 ditches per Section III D except Amity  
 B+C units ( $(B\% + C\%) \times 100$ ) to be distributed to All WD 67 ditches per Section III D including Amity

# **Resolution No. 2006-03**

**Annual Meeting**

**Resolution No. 2006-03  
Arkansas River Compact Administration**

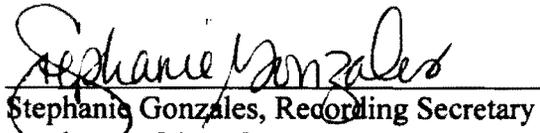
**Transfer of Conservation Storage to Section II Accounts  
under the 1980 Operating Plan**

Be it resolved that the Arkansas River Compact Administration hereby approves the attached recommendation of the Special Engineering Committee with respect to Transfer of Conservation Storage to Section II Accounts under the 1980 Operating Plan. Be it further resolved that ARCA directs that this recommendation be implemented immediately for all subsequent operations and that this recommendation will be incorporated by future amendment of the Resolution Concerning an Operating Plan for John Martin Reservoir, adopted April 24, 1980 as amended.

Entered this 12<sup>th</sup> day of December 2006, at the ARCA Annual meeting.



Robin Jennison, Chairman  
Arkansas River Compact  
Administration



Stephanie Gonzales, Recording Secretary  
Arkansas River Compact  
Administration

4 of 4 originals

**Recommendation C**  
**Special Engineering Committee**  
**October 2006**

**Transfer of Conservation Storage to Section II Accounts**  
**under the 1980 Operating Plan**

The Arkansas River Compact Administration (ARCA) created a Special Engineering Committee by means of Resolution No. 2005-1 and directed said Committee to develop recommendations to ARCA which will reduce or eliminate disputes between the States.

Pursuant to said Resolution, Rod Kuharich and Hal Simpson, for Colorado; David Brenn and David Pope, for Kansas; and Robin Jennison, Federal member, ex-officio, were appointed members of the Special Engineering Committee.

Questions concerning whether interruptions of transfers from Conservation Storage to Section II accounts during the summer storage season<sup>1</sup> or at the conclusion of the summer storage season<sup>2</sup> are appropriate under any circumstances, have been in dispute.

After reviewing the issue, the Special Engineering Committee recommends once the transfer from conservation storage to Section II Accounts has been initiated, such transfers will not be interrupted until exhaustion or November 1, whichever occurs first.

To fully implement this clarifying language, the Special Engineering Committee recommends that sub-Section II B (3) of the 1980 Operating Plan be amended as follows:

- (3) All inflows entering said reservoir during a period of conservation storage in the summer storage season shall accrue to conservation storage. Conservation storage shall be released into the accounts specified in Section II D beginning at the first request for release of account water by a Colorado Water District 67 ditch or by Kansas or beginning 48 hours after commencement of conservation storage, whichever occurs first. *Such transfers from conservation storage should continue until conservation storage is exhausted or November 1, whichever occurs first. (added language italicized)*

Furthermore, the Special Engineering Committee recommends that the 1980 Operating Plan be amended to add a new sub-Section II D (4):

- (4) *In the event that any conservation storage has not been released into accounts as of November 1 of any year, further release shall be suspended until such*

---

<sup>1</sup> This issue has been referenced as Issue #42 in the "Water Issues Matrix" document, JMR Accounting Issues, dated April 2005

<sup>2</sup> This issue has been referenced as Issue #43 in the "Water Issues Matrix" document, JMR Accounting Issues, dated April 2005

*time as provided for according to Section II A herein. (added language italicized)*

As a result of the Special Engineering Committee review of these issues, the committee found that Section II A should also be amended as follows:

A. Period of Winter Storage -

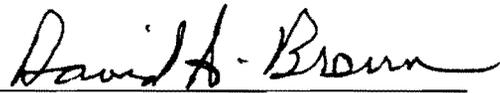
All inflows into John Martin Reservoir during a period of winter storage shall accrue to conservation storage. Conservation storage shall be released into the accounts specified in Subsection II D beginning at the first request for release after March 31 of account water by a Colorado Water District 67 ditch or by Kansas or beginning at 8:00 a.m. on April 7, whichever occurs first. *Such transfers from conservation storage should continue until conservation storage is exhausted or November 1, whichever occurs first. (added language italicized)*

Therefore, it is recommended that ARCA incorporate these recommendations through amendments to the 1980 Operating Plan.

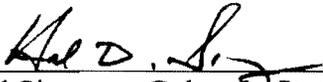
Special Engineering Committee Approval



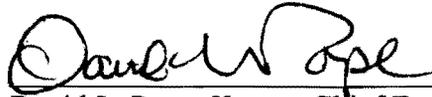
Rod Kuharich, Colorado



David A. Brenn, Kansas



Hal Simpson, Colorado State Engineer



David L. Pope, Kansas Chief Engineer

Date: October 19, 2006

4 of 4 originals

# **Resolution No. 2006-04**

**Annual Meeting**

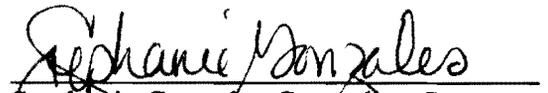
**Resolution No. 2006 - 04**  
**Arkansas River Compact Administration**

**Section II Account Spill Volume**

Be it resolved that Arkansas River Compact Administration hereby approves the attached recommendation of the Special Engineering Committee with respect to the Section II Account Spill Volume. Be it further resolved that ARCA directs that this recommendation be implemented immediately for all subsequent operations and that this recommendation will be incorporated by future amendment of the Resolution Concerning an Operating Plan for John Martin Reservoir, adopted April 24, 1980 as amended.

Entered this 12<sup>th</sup> day of December 2006, at the ARCA Annual meeting.

  
Robin Jennison, Chairman  
Arkansas River Compact  
Administration

  
Stephanie Gonzales, Recording Secretary  
Arkansas River Compact  
Administration

1 of 4 originals

**Recommendation D**  
**Special Engineering Committee**  
**October 2006**

**Section II Account Spill Volume**

The Arkansas River Compact Administration (ARCA) created a Special Engineering Committee by means of Resolution No. 2005-1 and directed said committee to develop recommendations to ARCA which will reduce or eliminate disputes between the States.

Pursuant to said Resolution, Rod Kuharich and Hal Simpson, for Colorado; David Brenn and David Pope, for Kansas; and Robin Jennison, Federal member, ex-officio, were appointed members of the Special Engineering Committee.

Clear and unambiguous authority to limit the total volume of water spilled from Section II accounts to the amount contained in those accounts at the inception of their spill is not found in the Resolution Concerning an Operating Plan for John Martin Reservoir, adopted April 24, 1980 as subsequently amended (referred to as the 1980 Operating Plan).<sup>1</sup> It is noted that without such a limitation, it is possible that a simultaneous spill from Section II accounts and release into such accounts as prescribed by Section II B (3) may preclude the spill of water from either the transit loss account or from conservation storage, which is otherwise provided for in Section II G.

Therefore, it is the recommendation of the Special Engineering Committee that ARCA determine that the total volume of water spilled from Section II accounts shall be limited to the amount contained in those accounts at the inception of the Section II spill

Further, it is recommended that ARCA incorporate these recommendations through amendments to the 1980 Operating Plan.

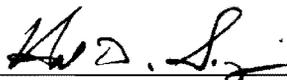
Special Engineering Committee Approval



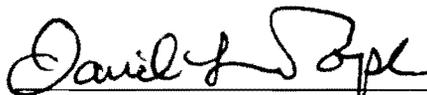
Rod Kuharich, Colorado member



David A. Brenn, Kansas member



Hal Simpson, Colorado State Engineer



David L. Pope, Kansas Chief Engineer

Date: October 19, 2006

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<sup>1</sup> This issue has been referenced as Issue #54 in the "Water Issues Matrix" document, JMR Accounting Issues, dated April 2005

# **Resolution No. 2006-05**

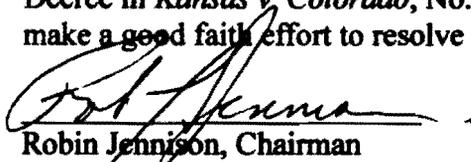
**Annual Meeting**

**ARKANSAS RIVER COMPACT ADMINISTRATION**

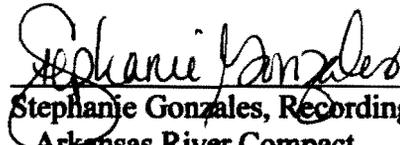
**RESOLUTION NO. 2006-05**

**DISPUTE RESOLUTION PROCEDURE**

**BE IT HEREBY RESOLVED** that in the event an issue is submitted to the Arkansas River Compact Administration (ARCA) for resolution in accordance with the Dispute Resolution Procedure set forth in APPENDIX H of the draft Judgment and Decree in *Kansas v. Colorado*, No. 105, Original, attached hereto, the ARCA agrees to make a good faith effort to resolve the issue.



Robin Jennison, Chairman  
Arkansas River Compact  
Administration



Stephanie Gonzales, Recording Secretary  
Arkansas River Compact  
Administration

Date: 12-12-06

## APPENDIX H

### DISPUTE RESOLUTION PROCEDURE

#### I. Definitions

Whenever used in this Appendix, the following terms shall mean:

**Day:** A calendar day. If the end of the designated time period, or a day specified in the applicable schedule to be used to arbitrate issues, falls on a Saturday, Sunday, or legal holiday, then the described action will be due on the next day that is not a Saturday, Sunday, or a legal holiday specified by name in Rule 6(a) the Federal Rules of Civil Procedure, and any other day appointed as a holiday by the President or Congress of the United States and all official state holidays of Kansas and Colorado.

**Engineers:** The Colorado State Engineer, Colorado Division of Water Resources, Colorado Department of Natural Resources; and the Kansas Chief Engineer, Division of Water Resources, Kansas Department of Agriculture; or comparable officials succeeding to their duties and functions.

**Fast Track Issue:** Any Non-Substantive change, as defined in Appendix B.1, part V.A, to the H-I Model; the annual determination of Compact compliance and repayment accounting as described in Appendix A; and any other issue that the States agree to designate as a Fast Track Issue.

**Federal Representative:** The representative designated by the President of the United States pursuant to Article VIII.C of the Compact who acts as chairman of the ARCA.

**Meeting:** A conference in person, by telephone, or by other means authorized by the States.

**Non-Fast Track Issue:** Any issue that is not a Fast Track Issue.

**Submitted to the ARCA:** An issue is deemed to have been Submitted to the ARCA when a written statement requesting action or decision by the ARCA has been delivered to all members of ARCA, including the Federal Representative, by a widely accepted means of communication.

## II. Fast Track Issue Resolution Procedure

If a Fast Track Issue has not been resolved informally, the following steps shall be followed, unless the States agree otherwise, if a State desires to resolve the issue:

1. The State raising the issue(s) shall give notice in writing to the other State describing the issue(s), designating the issue(s) as a Fast Track Issue, and designating the expert(s) from that State to participate in the discussions described below.
2. Within 10 days of receiving the notice described in paragraph (1), the other Engineer shall designate the expert(s) from that State to participate in the discussions. The States shall then schedule and conduct meetings of appropriate experts from each State designated by the Engineers within 30 days to attempt to resolve the issue(s). Both States shall cooperate in good faith to schedule the meetings.
3. Within 10 days of the conclusion of the 30 days for expert discussion, if the issue(s) has not been resolved, the experts shall prepare a joint written report and submit it to the Engineers. The report shall set forth the areas of agreement and disagreement among the experts. If the experts cannot agree on a joint report, each State's expert(s) shall simultaneously submit a separate report to the Engineers.
4. If the issue(s) has not been resolved, the Engineers shall hold a meeting to discuss the issue(s) within 30 days of receiving the report(s) from the experts.
5. If the Engineers do not resolve the issue(s) within 30 days of receiving the report(s), the issue may be Submitted to the ARCA within 10 days by the State raising the issue(s) if it still wants to have the issue(s) resolved. Any issue(s) Submitted to the ARCA by a State shall include a specific description of the issue(s) and supporting materials, including the written report(s) of the experts.
6. If the ARCA does not resolve the issue(s) within 30 days of its being Submitted to the ARCA, either State may submit the issue(s) to Fast Track arbitration. Arbitration shall be initiated by providing written notice to the other State and the Federal Representative. The notice shall include a brief, clear written description of the issue(s) to be arbitrated. Arbitration shall be conducted in accordance with the Rules of Arbitration set forth in Section II of this Appendix. If both States agree, the issue(s) may be submitted to Non-Fast Track arbitration.
7. The following schedule shall be used to arbitrate Fast Track Issues:

Day 1	The State raising the issue(s) to be arbitrated provides the notice set forth in Section II.6 above.
Day 7	The States mutually agree on one arbitrator for each issue.
Day 10	If they do not agree, each State will select one arbitrator.
Day 20	The two arbitrators selected by the States shall select a third arbitrator.

Day 24	If the two arbitrators fail to select a third arbitrator, the States shall each propose a candidate for the third arbitrator to the Federal Representative, who shall select the third arbitrator from the candidates proposed by the States or choose any other qualified arbitrator.
Day 24	The States shall exchange final witness lists, testimony summaries and exhibits.
Day 27	Prehearing conference.
Day 40	The States shall exchange responsive witness lists, testimony summaries, and exhibits.
Day 47	Discovery complete.
Day 53	Arbitration hearings begin.
Day 60	Arbitration hearings complete.
Day 75	Final decision(s) by arbitrator(s).

### III. Non-Fast Track Issue Resolution Procedure

If a Non-Fast Track Issue has not been resolved informally, the following steps shall be followed, unless the States agree otherwise, if a State desires to resolve the issue(s):

1. The State raising the issue(s) to be arbitrated shall give notice in writing to the other State describing the issue(s), designating it as a Non-Fast Track Issue, and designating the expert(s) from that State to participate in the discussions described below.
2. Within 10 days of receiving the notice described in paragraph (1), the other Engineer shall designate the expert(s) from that State to participate in the discussions. The States shall then schedule and conduct at least three meetings of appropriate experts from each State designated by the Engineers within 60 days to attempt to resolve the issue(s). Both States shall cooperate in good faith to schedule the meetings.
3. Within 20 days of the conclusion of the 60 days for expert discussion, if the issue(s) has not been resolved, the experts shall prepare a joint written report and submit it to the Engineers. The report shall set forth the areas of agreement and disagreement among the experts. If the experts cannot agree on a joint report, each State's expert(s) shall simultaneously submit a separate report to the Engineers.
4. If the issue(s) has not been resolved, then the Engineers shall hold a meeting to discuss the issues within 60 days of receiving the report(s) from the experts.
5. If the Engineers do not resolve the issue(s) within 60 days of receiving the report(s) from the experts, the issue may be Submitted to the ARCA within 10 days by the State raising the issue(s) if it still wants to have the issue(s) resolved. Any issue(s) Submitted to the ARCA by a State shall include a specific definition of the issue(s) and supporting materials, including the written report(s) of the experts.
6. If the ARCA does not resolve the issue(s) within 30 days of its being Submitted to the ARCA, either State may submit the issue(s) to Non-Fast Track Arbitration. Arbitration

shall be initiated by providing written notice to the other State and the Federal Representative. The notice shall include a brief, clear written description of the issue(s) to be arbitrated. Arbitration shall be conducted in accordance with the Rules of Arbitration set forth in Section VII of this Appendix.

7. The following schedule shall be used to arbitrate Non-Fast Track Issues:

Day 1	The State raising issue(s) to be arbitrated provides the notice set forth in Section III.6 above.
Day 10	The States mutually agree on one arbitrator for each issue.
Day 16	If they do not agree, each State will select one arbitrator.
Day 23	The two arbitrators selected by the States shall select a third arbitrator.
Day 30	If the two arbitrators fail to select a third arbitrator, the States shall each propose a candidate for the third arbitrator to the Federal Representative, who shall select the third arbitrator from the candidates proposed by the States or choose any other qualified arbitrator.
Day 48	The States shall exchange final witness lists, testimony summaries and exhibits.
Day 54	Prehearing conference.
Day 80	The States shall exchange responsive witness lists, testimony summaries, and exhibits.
Day 94	Discovery complete.
Day 106	Arbitration hearings begin.
Day 120	Arbitration hearings complete.
Day 150	Final decisions by arbitrator(s).

**IV. Issues Subject to Binding Arbitration.**

The States agree that if a State desires to submit any of the following issues to arbitration prior to December 31, 2016, it shall be submitted to binding arbitration: (1) all Fast Track Issues; (2) any proposal to modify reference crop values or crop coefficients for the ASCE standardized Penman-Monteith method for determining PET on the basis of data from new lysimeters to be installed at Rocky Ford; and (3) recalibration of the H-I Model based on new weather station data. The States may agree to extend the term of this section or the issues to be submitted to binding arbitration.

**V. Issues Subject to Non-Binding Arbitration.**

All issues other than those identified in Section IV shall be submitted to non-binding arbitration unless the States agree in writing to submit the issue(s) to binding arbitration.

**VI. Notice.**

Notice or communications required or allowed by this Appendix H shall be made in writing to and from the following:

**For Kansas: the Kansas Chief Engineer, with a copy to the Kansas Attorney General or his or her designee.**

**For Colorado: the Colorado State Engineer, with a copy to the Colorado Attorney General, or his or her designee.**

# **Resolution No. 2006-06**

**Annual Meeting**

**ARKANSAS RIVER COMPACT ADMINISTRATION  
RESOLUTION NO. 2006-06  
HONORING  
Mr. MARK RUDE**

**WHEREAS**, Mark Rude of Garden City, Kansas, has resigned his position as Assistant Operations Secretary of the Arkansas River Compact Administration (ARCA) after having served faithfully in that position for over nine years, from March 11, 1997 through December 12, 2006.

**WHEREAS**, as the first Assistant Operations Secretary of ARCA, the Water Commissioner in the Garden City Field Office of the Kansas Department of Agriculture's Division of Water Resources, and the Executive Director of the Southwest Kansas Groundwater Management District No. 3, Mark has diligently represented the Compact interests of the State of Kansas and residents of the Arkansas River valley in Kansas;

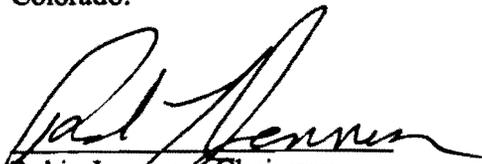
**WHEREAS**, while diligently representing the State of Kansas and its constituents, Mark continually reached out to the Operations Secretary, and other representatives of the State of Colorado, to compile the most accurate accounting possible of the waters of the Arkansas River, to identify issues in dispute, and to reach fair and reasonable solutions to the many issues associated with the Operations of John Martin Reservoir;

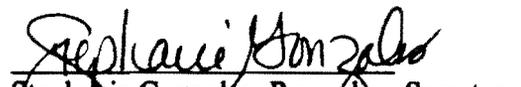
**WHEREAS**, Mark's positive attitude, friendly personality, and congenial temperament have been an asset to ARCA and the State of Kansas;

**NOW THEREFORE**, be it hereby resolved that the Arkansas River Compact Administration does hereby express its sincerest gratitude and appreciation to Mark Rude for his dedicated service to ARCA in his position of Assistant Operations Secretary.

Be it further resolved that ARCA honor Mr. Rude's service by including this resolution and appropriate dedicatory remarks in ARCA's annual report for Compact Year 2006 and hereby instructs the Recording Secretary to send copies of this resolution to the Rude family and the Governor of the State of Kansas.

Entered this 12<sup>th</sup> day of December 2006, at the annual meeting of ARCA held in Lamar, Colorado.

  
Robin Jennison, Chairman  
Arkansas River Compact  
Administration

  
Stephanie Gonzales, Recording Secretary  
Arkansas River Compact  
Administration

# **Resolution No. 2006-07**

**Annual Meeting**

**Arkansas River Compact Administration  
Resolution No. 2006 - 07  
Regarding Extension of the Special Engineering Committee**

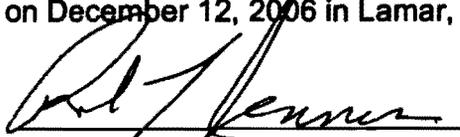
**WHEREAS**, pursuant to Bylaw Article V.5., the Arkansas River Compact Administration by Resolution created the "Special Engineering Committee" at its December 2005 Annual Meeting to resolve certain accounting and interpretation issues arising from the Resolution Concerning an Operating Plan for John Martin Reservoir ("1980 Operating Plan"); and

**WHEREAS**, the Special Engineering Committee has reported to the Administration on its successful resolution of numerous disputed issues and the potential for further agreement; and

**WHEREAS**, the Special Provisions of the 2005 Resolution creating the Committee specify that: "Term: The Special Engineering Committee shall be authorized for a period expiring on Dec. 31, 2006. ARCA may extend this period by Resolution adopted at any regular or special ARCA meeting prior to such date."

**NOW THEREFORE, BE IT RESOLVED** that the Arkansas River Compact Administration does hereby extend the term of the Special Engineering Committee for one full year to expire on December 31, 2007 unless otherwise extended. All other Special Provisions of the 2005 Resolution shall remain unchanged and govern the actions of the Special Engineering Committee in 2007.

Adopted by the Arkansas River Compact Administration at its 2006 Annual Meeting on December 12, 2006 in Lamar, Colorado.

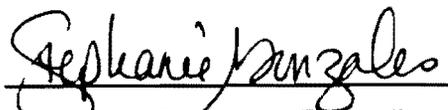


Robin Jennison, Chairman

Arkansas River Compact Administration

12/12/06

Date



Stephanie Gonzales, Recording Secretary - Treasurer,

Arkansas River Compact Administration

12-12-06

Date