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ARKANSAS RIVER COMPACT ADMINISTRATION

COMPACT YEAR 2005

ANNUAL MEETING

DECEMBER 13, 2005

ORIGINAL

HELD AT THE

COMMUNITY BUILDING

LAMAR, COLORADO

BEFORE

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Approved 12/12/06
[Signature]

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APPEARANCES

CHAIRMAN: David Pope

COLORADO:

- Rod Kuharich
- Colin Thompson
- Matt Heimerich
- Dennis Montgomery

KANSAS:

- David Brenn
- Randy Hayzlett
- John Draper
- David Pope

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MR. POPE: I think we will go ahead and call the meeting to order. I seem to be having trouble getting the mic to work. Are you able to hear in the room? Okay.

AUDIENCE: Yes.

MR. POPE: Okay. Let me call the meeting to order. My name is David Pope. I serve as Vice Chairman of the Arkansas River Compact Administration and will be serving as chairperson for this particular meeting. Our chairperson and Federal Representative, Robin Jennison, was continuing chairperson. Chairman Robin Jennison had advised Mr. Miller and others that he has an unavoidable conflict and was not able to attend the meeting this year, so he certainly sends his regrets and, for not being able to participate, because I know he's very interested in the activities of the Administration and will normally be able to chair the meetings in person.

Let me do a -- I think we should do quick introductions of our members of the Administration and people up at the table. Then perhaps it would be fine just to go ahead and go around the room if that's okay with the Colorado Delegation.

1 First of all, let me introduce the Kansas
2 Delegation. To my right, David Brenn from Garden
3 City, member of the Administration; and to his
4 right, Randy Hayzlett, another member of the
5 Administration from the Lakin area, I guess, Randy.

6 MR. HAYZLETT: Yes.

7 MR. POPE: And then to his right is John
8 Draper, Special Assistant Attorney General for the
9 state of Kansas. And there are others in the room
10 from Kansas but those can be introduced as we go
11 around the room. And Rod, let me turn the mic to
12 you. I know we have new members of the Delegation
13 from Colorado and so I'm sure you will want to do
14 some special introductions here.

15 MR. KUHARICH: Thank you. I'm Rod
16 Kuharich, Chairman of the Colorado Delegation. And
17 we have two new appointments to the Colorado
18 Commission. One is Matt Heimerich and the other is
19 Colin Thompson, and maybe it would just be easy
20 enough for me to turn the mic to those two people
21 and we can get a little bit background from
22 them.

23 MR. MATT HEIMERICH: Again, my name is
24 Matt Heimerich. My home is in Olney Springs,
25 Colorado, which is Crowley County, approximately 80

1 miles up the river and I'm actually a two-term
2 Commissioner for Crowley County. I farm and ranch
3 there with my father-in-law and brother-in-law;
4 also on the Arkansas Valley Conduit Advisory
5 Committee; president of the local RC and D council
6 here, based in Lamar that does a lot of 319 work,
7 with the EPA and Colorado Health Department and
8 it's an honor to be appointed to this body,
9 looking forward to serving the citizens of
10 Colorado. Thank you.

11 MR. COLIN THOMPSON: I'm Colin Thompson.
12 I'm a farmer. I live at Holly, Colorado. I'm a
13 farmer and that's about all there is to me.

14 MR. KUCHARICH: Don't let him kid you.

15 MR. DENNIS MONTGOMERY: My name is Dennis
16 Montgomery, I'm a Special Assistant Attorney
17 General for the state of Colorado and (inaudible)
18 with the Kansas versus Colorado lawsuit.

19 MR. POPE: Certainly, let me, on behalf
20 of the state of Kansas, welcome the new members of
21 the Administration from Colorado and we certainly
22 look forward to working with you in the challenging
23 events in the future that I'm sure we will have.

24 Rod points out there should be an attendance
25 sheet going around. I'm not sure where it is but

1 if each -- Steve, do you -- is that -- has that
2 been started around yet? If you would kind of help
3 facilitate that, we will just ask all of the people
4 in attendance to sign the attendance sheet (Attachment
5 A), if you would so we would have a record of who is
6 attending the meeting for that purpose.

7 Let me go ahead, and hopefully the acoustics
8 are well enough if people would speak up, if we
9 would just start, Steve, Steve Witte, with you.
10 And if we would just have introductions now around
11 the audience (inaudible). Thanks.

12 (Reporter's note: The audience gave
13 introductions as follows:)

14 My name is Steve Witte. I'm the Division
15 Engineer for the Arkansas River Basin in
16 Colorado. I'm also the Operations Secretary for
17 the Arkansas River Compact Administration.

18 Good morning, I'm Susan Champine, Chief
19 of Operations for the US Army Corps of
20 Engineers.

21 Good morning. I'm Lieutenant Colonel
22 Todd Wang, Commander of the Albuquerque District
23 Corps of Engineers.

24 Good morning. My name is Dennis Garcia,
25 I'm an engineer with the Corps of Engineers,

1 Albuquerque District, Reservoir Control Branch.

2 Good morning, I'm Mark Yuska, Chief of
3 Reservoir Control Branch of the Albuquerque
4 District Corps of Engineers.

5 Dale Book, Consultant to the State of
6 Kansas.

7 I'm Mark Rude with the, now with the
8 Southwest Kansas Ground Water Management District
9 and also Assistant Operations Secretary for the
10 Administration.

11 Mike Meyer, Division of Water Resources
12 in Kansas at Garden City.

13 John Mayberry, Consultant for Kansas.

14 Hal Scheuerman, I live at Deerfield,
15 Kansas; I'm president of Kearny County Irrigation
16 Association.

17 Steven Hines, Coolidge, Kansas, I
18 represent Frontier Ditch.

19 Grady McNeill, Colorado Division of
20 Wildlife.

21 Ed Perkins of the Division of Wildlife.

22 Don Higbee, Lower Arkansas Water
23 Management Association.

24 Stephanie Gonzales, I'm the ARCA
25 Recording Secretary.

1 I'm Jim Rogers, just a farmer and a water
2 user.

3 Randall Ristau, Water Quality Control
4 Division, Colorado.

5 Malcolm Wilson, Bureau of Reclamation in
6 Loveland, Colorado.

7 Dawn Wiedmeier, acting Area Manager,
8 Bureau of Reclamation.

9 Bill Grasmick, Lower Arkansas Water
10 Management Association.

11 Russ Livingston, Hydrologic Consultant.

12 George Austin, Kansas Division of Water
13 Resources, Topeka.

14 Dan Neubold, District 66 and 67
15 (inaudible) Water Commissioner for the state of
16 Colorado.

17 Joe Flory, (inaudible) manager of
18 Division of Water Resources in Pueblo.

19 I'm Bill Tyner with the Colorado Division
20 of Water Resources in Pueblo.

21 Kevin Salter, Kansas Division of Water
22 Resources out of Garden City, Kansas; I'm the
23 Interstate Water Engineer.

24 Dave Barfield, Kansas Division of Water
25 Resources, Interstate Water Engineer.

1 Terry Howland, Amity Mutual Irrigation
2 Company.

3 Don Steerman, Shinn, Steerman and Shinn,
4 we're the attorneys for District 67 Irrigated
5 Canals Association and Amity Mutual.

6 Pat Edelman, US Geological Survey.

7 Lori Hill, USGS out of Kansas.

8 Van Truan, Corps of Engineers at Pueblo,
9 Colorado.

10 Champe Green, I'm a biologist with the
11 Army Corps of Engineers, Albuquerque.

12 Doris Morgan, US Senator Wayne Allard,
13 out of Pueblo.

14 Mark Mendenhall, Hydrologic Engineer out
15 of the Albuquerque district.

16 John Merson, Manager of John
17 Martin Reservoir State Park.

18 Mark Stark, I'm the Operations Manager for
19 John Martin and Trinidad projects US Army Corps of Engineers.

20 Eve McDonald, Assistant Attorney General for
21 the state of Colorado.

22 Good morning. I'm Ken Knox. I work for the
23 State Engineer's Office, Denver, Colorado.

24 Carol Angel, (inaudible) Colorado AGs
25 office.

1 Tom Iseman, with the Nature Conservancy
2 with Colorado.

3 Steve Miller, Colorado Water Conservation
4 Board Denver.

5 Lisa Vehmas, Colorado Bureau of
6 Reclamation.

7 MR. POPE: Thank you very much. Special
8 note, Jim, for you being here this morning, so you
9 are in a different role but we are glad to see you
10 here. I guess Tom is not here this morning.

11 MR. KUHARICH: I haven't seen him, no.

12 MR. POPE: I wanted to just add one
13 thing. Mike Meyer did not indicate this in his
14 introduction but for those who do not know, Mike
15 Meyer succeeded Mark Rude as the Water Commissioner
16 for the Garden City Field Office of the Division of
17 Water Resources of Kansas, so I wanted people to be
18 aware of that and get acquainted with him. I guess
19 our next item on the agenda is review and revision
20 of the agenda (Attachment B) and I guess I would turn to
21 members of the Administration, Rod Kuharich.

22 MR. KUHARICH: Mr. Chairman, we just had
23 a few suggested changes to the agenda. Since
24 Colorado has two outgoing representatives, Tom
25 Pointon and Jim Rogers, we will have resolutions

1 honoring the work they have done for us, and we
2 would do that right before lunch if that's
3 acceptable. Additionally, the Lower Arkansas Water
4 Conservancy District had asked to be taken out of
5 order. I believe they have a scheduling conflict
6 so that when Jay Winner gets -- here he's not
7 coming?

8 UNIDENTIFIED PERSON: He's not here yet.

9 MR. KUHARICH: I know he's not. So when
10 Jay gets here, if we could possibly take his report
11 out of order, we would appreciate that. Other than
12 that, we have no other changes on the agenda.

13 MR. POPE: Okay. Thank you. We'll
14 certainly, hearing no objection from other members,
15 we will amend the, revise the agenda as Rod has
16 stated it. Item five on the agenda then is the
17 reports of officers for Compact Year 2005. I
18 believe since Robin is not here and I've already
19 passed on his comments, we can skip to B. And as
20 Vice chairman, I really have no separate report to
21 give to the Administration other than as I serve in
22 the role here as chairman today, I'll sort of wear
23 two hats and I'll try to distinguish between those
24 two in terms of running the meeting, if you will,
25 in the role of chairman and then I'll put on

1 a different hat and speak for the state of Kansas
2 or confer with the members of our Delegation. So
3 I'll try to distinguish between those two roles.
4 Recording Secretary, let's see, we are going to
5 defer that to item 9, and then also the Treasurer's
6 Report, we'll defer that to item 9 if that's
7 acceptable as per the agenda, so if unless there's
8 further reports of officers, we'll move to item 6.
9 On item 6A, Steve, will you give the report then
10 for Southeastern Water Conservancy District?

11 MR. MILLER: This is a busy week for water
12 users in Colorado even though for 50 years every
13 other year, about half the time we meet the second week
14 in December, but Jim had a conflict. His board is
15 meeting. There's some budget things that have
16 to be done by the 15th of December. That's what
17 he's working on today. He did say if he was able
18 to come he wouldn't have been able to say much
19 different than what he said last year. The major
20 activities he's involved in are unchanged, those
21 being an effort to get Legislation in Congress to
22 support the Preferred Storage Option Plan studies
23 and the Arkansas Valley Conduit, there's a new
24 engineering study going on to better define some
25 of the user demands. That process is started up a

1 couple of months ago but no significant action.

2 He did invite the Kansas Delegation and Robin,
3 if he's available to take one of two tours or both
4 tours that they conduct in the summer, and I just
5 wanted to give you the dates on those. They'll be
6 touring the upper part of the system, which is
7 really pretty interesting, both on the west slope
8 and east slope of Colorado where their diversions
9 come from. That is August 23 and 24. They do a
10 tour of the lower basin, which Kansas is probably
11 more familiar with, but that would be on June 6 and
12 7, it looks like. In addition, he said if there
13 are questions Kansas had, he's got an open door
14 policy. You can certainly be on their mailing list
15 for their minutes and if you want an opportunity to
16 meet with him in person, that can be arranged too.
17 He said he knows his way to Kansas. He has been
18 there a few times and gone that direction too, to
19 speak with you, but he will -- he put next years
20 meeting on his calendar already in hopes to be
21 there. Jeris Danielson, from the Purgatoire, had a
22 similar conflict. There's a series of meetings out
23 in Las Vegas on Colorado River issues. He's on his
24 way to those, so -- and we know Kansas's concerns
25 with that and we talked a little bit about those

1 yesterday.

2 MR. KUCHARICH: What were the June tour
3 dates again?

4 MR. STEVE MILLER: It was June 6 and 7
5 and that's a tour of the Lower Arkansas, and I
6 don't know exactly how the District (inaudible),
7 I'm assuming Pueblo Dam. They are really good
8 tours. They usually get some people from
9 Washington and other places on there too, so it's a
10 good place to -- just give them a call if you are
11 interested in doing either of those.

12 MR. POPE: Okay, Steve, thank you very
13 much and pass on our regards to Jim and thanks for
14 those invitations and we will certainly keep those
15 in mind in regard to various issues including the
16 tours. And we will, then, if you will, Rod, or
17 somebody, let us know when Jay arrives, we'll move
18 that report in the proper place.

19 MR. KUCHARICH: Yes.

20 MR. POPE: Our next item is Kansas v
21 Colorado status update, and I'm trying to recall
22 how we had -- John and Dennis are probably key
23 people but maybe if we will turn first to John
24 then.

25 MR. KUCHARICH: Sure.

1 MR. POPE: If you want to go ahead and
2 make some comments, that would be good. Do you
3 want me to just pass this down?

4 MR. DRAPER: Okay. Dennis and I
5 discussed this briefly this morning, just wanted to
6 say that we are making a lot of progress on the
7 case. We have resolved a lot of issues in the last
8 six to nine months and the Special Master has us on
9 a schedule to finish everything up by Christmas so
10 we are scrambling to try to do that. One of the
11 things that we are doing is working on a decree to
12 finalize the case and I wanted to raise the
13 possibility that we would come back to ARCA at the
14 appropriate time to ask for ARCA's review and
15 hopefully approval of some dispute resolution
16 procedures that we are looking at that would
17 involve ARCA and if we did come to agreement on
18 that, we would like to have the opportunity to come
19 back perhaps at a special meeting so that we could
20 determine whether ARCA was agreeable to
21 participating in the dispute resolution process and
22 if so, then we would be able to communicate that to
23 the Special Master and the Supreme Court. So
24 that's a brief review and also prognostication and
25 I don't know if Dennis might have anything further

1 to add to that.

2 MR. MONTGOMERY: I have nothing further
3 to add.

4 MR. DRAPER: Okay. Thank you.

5 MR. KUCHARICH: Questions?

6 MR. POPE: Any questions on status of the
7 litigation for either John or Dennis? Rod?

8 MR. KUCHARICH: I guess I have a question.
9 The envisioned role of the Compact Administration
10 for dispute resolution. Would you care to
11 elaborate more on that?

12 MR. DRAPER: Sure. We have been using
13 the dispute resolution procedures that Colorado,
14 Kansas and Nebraska utilized in the Republican
15 settlement as a starting place and we are looking
16 at whether that procedure might be adaptable to our
17 present situation in this basin. It would involve,
18 if the states were unable separately to come to
19 agreement on an issue that relates to the
20 implementation of the decree, the states would then
21 bring that to ARCA under a certain procedure, the
22 details of which we haven't worked out yet and we
23 are trying to balance the need for quick action
24 with the need for an appropriate deliberate
25 consideration being made possible in the forum that

1 ARCA provides and then there are other steps in the
2 procedure after that if that doesn't resolve
3 the issue. But it's generally along those lines
4 that we are considering that I think the Supreme
5 Court was encouraging us to utilize ARCA in the
6 form we have here as much as possible and we believe
7 there's a way to do that, but of course we need the
8 specific approval of ARCA and that puts us into a
9 position with the Supreme Court to assure them that
10 ARCA would be willing to consider an appropriate
11 level of participation in that process. Does that
12 answer your question?

13 MR. KUCHARICH: Yes, it does.

14 MR. POPE: Okay. Thank you, John. At
15 this point I -- obviously we are not in a position
16 to act or deal with this issue, but I guess that
17 provides at least some level of update that we can
18 be anticipating some things and I suppose if
19 there's anyone that has any major objections to
20 this role it would be good for those to be, you
21 know, but -- okay, the second part of this item was
22 an update on the Colorado compliance efforts.
23 Steve Witte, are you going to handle that?

24 MR. WITTE: Yes, Mr. Chairman. Typically
25 Hal Simpson delivers this report but he asked me to

1 report on one aspect of Colorado's Compact
2 compliance efforts this morning. In the Special
3 Master's fourth report, he recommended use of the
4 HI Model over a 10 year period for the purposes of
5 determining Compact compliance. The Master noted
6 in that -- in that recommendation the testimony of
7 State Engineer Simpson when he said that Colorado
8 would have to make some adjustments if a series
9 of years of depletions were observed in model
10 results. The results of a preliminary analysis
11 using a version of the HI Model made in November
12 2004, indicated that over the six year -- first six
13 year period in 1997 through 2002 an unreplaced
14 depletion to usable stateline flow of approximately
15 11,600 acre feet existed. In response to this
16 information, Colorado well users that were subject
17 to the Amended Use Rules were told that as a
18 condition for pumping in 2005-2006 year, that
19 either would have to make up their portion of that they
20 estimated depletion by making deliveries to the
21 offset account or alternatively, to make up at
22 least 50 percent of that amount and accept
23 increased depletions for pumping for irrigation,
24 flood irrigation purposes, during the year. In
25 March of 2005 another preliminary analysis was made

1 with a slightly revised version of an HI Model and
2 extending the period to include the 8 year period,
3 1997 through 2004. This produced a revised
4 estimated depletion to usable stateline flow of
5 6,824 acre feet. With the assistance of the Pueblo
6 Board of Water Works and the Lower Arkansas Valley
7 Water Conservancy District, well users were able to
8 deliver a total of 4,149 acre feet of fully
9 consumable water to the offset account,
10 specifically for the purpose of reducing the
11 cumulative estimated deficit and associated storage
12 charges. Consequently, the quantity of water equal
13 to the 59.3 percent of the estimated deficit was
14 delivered to the offset account. Additional
15 changes to the HI Model are being made or will be
16 made to conform with the directives of the Special
17 Master, results of arbitration and agreements
18 between the states. As the remaining changes are
19 made, other preliminary analyses will be conducted.
20 First, for the same time period, 1997 through 2004,
21 and then later as the data becomes available for
22 the period '97 through 2005. Among the agreements
23 that have been reached between the Colorado State
24 Engineer and the Kansas Chief Engineer on September
25 30, 2005 is the agreement concerning the Offset

1 Account in John Martin Reservoir. This agreement
2 is expected to provide greater certainty regarding
3 the compliance status. The Colorado State Engineer has
4 told the Special Master that by the end of 2005,
5 with the agreements in place that affect both the
6 model and the method of determining credits for
7 delivery from the offset account, he believes
8 Colorado will be about even with no depletions and
9 no accretions to usable stateline flows. However a
10 final determination as to whether additional
11 adjustments are needed during 2006, which will be
12 the final year of the initial compliance period,
13 will be reserved until the results of analysis
14 updated through 2005 can be reviewed. That
15 concludes my report.

16 MR. POPE: Do we have any questions for
17 Mr. Witte? Steve, I -- what was the number that
18 you mentioned of the special make-up, I probably
19 have that someplace else but I didn't get it jotted
20 down.

21 MR. WITTE: The revised analysis that we
22 did in March indicated for the period '97 through
23 2004 of 6,824 acre feet.

24 MR. POPE: And then the special delivery
25 to the offset account?

1 MR. WITTE: Deliveries for that purpose
2 were 4,149 acre feet.

3 MR. POPE: Okay, thanks. Other
4 questions? Okay. If not, thanks. We are now
5 ready for the reports of the Federal agencies and
6 we're always happy to have our colleagues from the
7 various agencies here to give a status report and
8 again, looks like we have good representation here
9 today, so I'll first turn to the US Geological
10 Survey. Pat, are you going to give that report or
11 most of it?

12 MR. PAT EDELMAN: Yes. Good morning. In
13 2005 USGS operates 10 streamflow gages as part of
14 the USGS ARCA Cooperative program. Eight of those
15 gages were operated in Colorado and two in Kansas.
16 In Water Year 2005 the annual flow at Arkansas
17 River below John Martin Reservoir was 178,300 acre
18 feet. That was 17 percent greater than 2004 and 13
19 percent less than long term average. Big Sandy
20 Creek near Lamar at 4,350 acre feet, 17 percent
21 greater than 2004 but about 62 percent less than
22 the long term average. Wild Horse Creek above
23 Holly showed 2,100 acre feet and that was 93
24 percent greater than 2004 but about half of what
25 was long term average. Arkansas River near

1 Coolidge there was 90,680 feet, 58 percent greater
2 than 2004, 43 percent less than long term average.
3 Frontier Ditch near Coolidge shows 6,310 acre feet
4 of water. In addition to the streamflow, the USGS
5 continues to collect water quality samples
6 upstream from John Martin Reservoir in cooperation
7 with several entities. In addition, the USGS
8 operates several continuous specific conductance
9 monitors, basically measures hourly dissolved
10 solids from basically downstream from Twin Lakes
11 all the way to Coolidge, Kansas. That concludes my
12 report. If there's other questions, I'll try to
13 address those.

14 MR. POPE: Any questions for Pat?

15 MR. BRENN: What constitutes your long
16 term average? Is that a 30 year --

17 MR. PAT EDELMAN: We basically, these are
18 computed based on the length of the record, so
19 there's some variation within that. We can
20 normalize that in the future and probably should do
21 so.

22 MR. BRENN: And with regard to your water
23 quality data collection, is that -- where are you
24 going with that information?

25 MR. PAT EDELMAN: Well, the purpose of

1 the long term data collection is one to evaluate
2 trends, where the trends are occurring; also to
3 provide information that could be put into some
4 software to basically look at loads and look at
5 where your major source areas of loads are
6 occurring. So those are the two primary purposes.
7 There's also some ancillary purposes for collecting
8 data from Fountain Creek for some other purposes
9 but most of the stuff we are doing on the main stem
10 of the tributaries and the mouth are for those two
11 purposes.

12 MR. COLIN THOMPSON: Have you been
13 working with Professor Gates and Luis Garcia from
14 CSU?

15 MR. PAT EDELMAN: Yes. We meet formally
16 probably two times a year. Then we talk
17 periodically on the phone to keep each other
18 abreast of things.

19 MR. COLIN THOMPSON: How far back does
20 your historical records of the water quality go
21 that you are referencing?

22 MR. PAT EDELMAN: We have basically
23 periodic specific conductance measurements that
24 USGS has collected as part of the streamflow gaging
25 program back to beginning to whenever we started

1 measuring streamflow, so some of the specific
2 conductance measurements may go back to the '60s.
3 Most of the other data, we have data sets that
4 will, there would be a data set that is fairly
5 comprehensive in the '80s, then work was
6 discontinued. Another one that was collected in
7 the early '90s, late '90s and then the present,
8 2001.

9 MR. COLIN THOMPSON: Are you seeing any
10 trends?

11 MR. PAT EDELMAN: Actually, we have not
12 seen trends. In general, what we have seen
13 actually in salinity is the last 40 years at
14 several sites and I can't speak to what's occurring
15 downstream from John Martin Reservoir because we
16 haven't done that analysis, but upstream John
17 Martin Reservoir, we are either seeing that the
18 concentrations are about the same or slightly
19 declining, and this last year the sites that at
20 least we have evaluated, the dissolved solids
21 concentrations have generally been well below long
22 term average. So less than long term average.

23 MR. COLIN THOMPSON: You think that is
24 due to increased erosion that's taken place.

25 MR. PAT EDELMAN: I think that could be

1 due to less return flows as a result of drought
2 related issues.

3 MR. COLIN THOMPSON: And saleneum?

4 MR. PAT EDELMAN: Saleneum concentrations
5 with what we measured there, we only have maybe
6 about 15 to 20 years of record, haven't shown any
7 trends.

8 MR. BRENN: Mr. Chairman, just a
9 follow-up question. Were you involved with the
10 process of, I think Rod alluded to at the meeting
11 yesterday evening but of the activity of
12 representation from both states, I believe Tom
13 Stiles from Kansas KDHE and, were you involved in
14 that process in looking at the issues of water
15 quality in both states.

16 MR. PAT EDELMAN: To my knowledge USGS
17 was not so -- involved in that.

18 MR. KUHARICH: Mr. Chairman, Commissioner
19 Brenn references an attempt at a memorandum of
20 understanding that occurred between Stiles and Mark
21 Pifher, who at that point, was the director of the
22 Colorado Water Quality Control Division that, and
23 to my knowledge there have been no more meetings to
24 work on that point.

25 MR. POPE: Okay. Just a brief follow up

1 on some of the other questions and responses of
2 Pat, so the primary effort you have under way is
3 the data collection, or to what extent are you
4 involved in a study of the analysis of the data.
5 Can you help clarify that, what is anticipated
6 there.

7 MR. PAT EDELMAN: Sure. In 2007 we are
8 planning, in cooperation with the Southeast
9 Conservancy District and the Lower Arkansas of
10 putting a report out that will address trends and
11 loads in the reach between Pueblo and John Martin,
12 especially with dissolved solids and saleneum.

13 MR. POPE: And is there a plan for the
14 reach below John Martin?

15 MR. PAT EDELMAN: At this point in time,
16 no.

17 MR. POPE: So the report would be
18 addressing the reach from Pueblo to John Martin?

19 MR. PAT EDELMAN: Right.

20 MR. POPE: And the comments you've made
21 about the trends that you've looked at are with
22 regard to that reach?

23 MR. PAT EDELMAN: We have not done an
24 analysis of data that we have available downstream
25 outside of John Martin, outside of John Martin

1 Reservoir itself, so Arkansas River below John
2 Martin Reservoir, we have looked at that data.
3 Downstream from that, we have not compiled that
4 information.

5 MR. POPE: You've looked at outflows of
6 John Martin but that's it?

7 MR. PAT EDELMAN: Right.

8 MR. POPE: Further questions? Thank you,
9 Pat. Appreciate it.

10 MR. PAT EDELMAN: Thank you.

11 MR. POPE: Just as a reminder to each of
12 the speakers, if you would clearly provide your
13 names and affiliation for the record, that would be
14 helpful. Let's turn to the Corps., Colonel. Will you
15 be doing that?

16 LIEUTENANT COLONEL TODD WANG: Yes.
17 Mr. Chairman and Members of the Board: My name is
18 Lieutenant Colonel Todd Wang from the Corps of
19 Engineers.

20 In 2005 the Corps of Engineers were involved in
21 a number of activities in the basin that included
22 reservoir operation and control, flood control,
23 flood plain management, regulatory activities and
24 emergency assistance.

25 Under regulatory reservoir regulation the

1 Arkansas, and if I pronounce it intermittently, I'm
2 from Southwest Kansas so I will say R-kansas or
3 Arkansas intermittently during the presentation.
4 The Arkansas River Basin snowmelt runoff was above
5 normal throughout the upper basin, and considerably
6 higher than normal in some of the southern
7 sub-basins. The streamflow volumes in the Cucharas
8 River near La Veta were an impressive 190 percent
9 of average, and streamflow volumes on the
10 Purgatoire River near Madrid reached 147 percent of
11 average. Although the Upper Arkansas streamflow
12 volumes were not as high, streamflows were 77
13 percent of average in the Arkansas River at Salida
14 and 76 percent average near Chalk Creek or on Chalk
15 Creek near Nathrop.

16 There were no significant flood control
17 operations at John Martin or Trinidad
18 Reservoirs.

19 At Trinidad, the Corps and the USGS have
20 completed installation of the secondary gaging
21 station located downstream from the outlet works.
22 The station will ensure reliable readings for
23 releases exceeding 1,000 cfs below Trinidad
24 although that has not been tested to date.

25 Flood Plain Management Services, that included

1 a number of Section 206 activities. This 1996
2 Water Resource Development Act provided for aquatic
3 ecosystem restoration projects in areas unrelated
4 to existing Corps of Engineer water projects.

5 The Arkansas River Fisheries Habitat
6 Restoration Project and the fish and riparian
7 habitat project along 10 miles of the Arkansas
8 River downstream from Pueblo.

9 Construction is ongoing. It is scheduled
10 for completion this year. The majority of the
11 construction is complete. What that's going to entail
12 for the next couple of years is a continuation of
13 exotic vegetation removal and replantings and that
14 is scheduled through fiscal year 2008.

15 There's some potential Section 206 preliminary
16 restoration plans being developed to determine
17 federal interest in removing exotic vegetation and
18 replanting native vegetation at John Martin and the
19 Las Animas area. Sponsors are the Colorado State
20 Parks and the Las Animas Conservancy District. And
21 then just most recently I was in discussion with
22 Pueblo as of yesterday on potential 206 project for
23 the Minnequa Lake in downtown Pueblo, and
24 that is the environmental restoration project.

25 Section 205 feasibility study at Florence

1 along Oak Creek, a tributary to the Arkansas River
2 is in a feasibility stage, that project is being
3 designed to fill both flood control and water
4 supply objectives.

5 We have one general investigation on the
6 reach, and that's the Fountain Creek watershed
7 study that is ongoing. We had projected it to be
8 completed at fiscal year '07. Because of federal
9 funding for this coming fiscal year that might be
10 extended out to fiscal year '08.

11 The projects look at the entire watershed
12 identifying potential detailed studies involving
13 environmental restoration, flood reduction, erosion
14 protection and other factors in a feasibility
15 document.

16 I do want to make this clear-that water
17 quality is not in part of this study and that was
18 determined early on when this study started in
19 2002.

20 At the request of Colorado Water Conservation
21 Board a partially funded -- and partially funded by
22 the Federal Emergency Management Agency, the Corps
23 continued work in 2005 on the flood plain
24 delineation study and Flood Insurance Study for Oak
25 Creek and Rockvale and for Coal Creek, through the

1 town of Coal Creek in Fremont County. The digital
2 topographic mapping for the study area developed by
3 the Fremont Regional GIS Authority and funded by
4 the Corps was completed this past year. The Corps
5 has also continued work on the Flood Insurance
6 Study for a portion of Black Squirrel Creek and
7 five tributaries in El Paso County. Digital
8 topographic mapping for the study area, developed
9 by the El Paso County Department of Transportation
10 also funded by the Corps was completed this past
11 year.

12 A number of 404 permits were issued this year.
13 There were 20 individual permits issued in the
14 Arkansas River Basin, and an additional 280
15 activities in the basin were reviewed during the
16 period and most were covered under our nationwide
17 permits.

18 During this past year the Emergency Management
19 Branch did receive three contacts from local
20 governments and private citizens in the Arkansas
21 River Basin requesting information or assistance
22 regarding flood related activities.

23 That concludes the Corps of Engineer's Report and
24 if there are any further questions I'll be
25 (inaudible).

1 MR. POPE: Any questions for Colonel
2 Wang?

3 MR. COLIN THOMPSON: Is Tamarisk exotic?

4 COLONEL WANG: Yes.

5 (Conversation had between Mr. Colin
6 Thompson and Colonel Wang that was inaudible and
7 unintelligible by reporter.)

8 MR. HEIMERICH: Actually, that was really
9 -- all I was going to ask, if you could elaborate
10 on at least what you see as the Corps' involvement
11 in eradication of Salt Cedar, at least in areas
12 that are identified around the John Martin
13 Reservoir and maybe that reach was somewhat being
14 done between around the city of Las Animas by that
15 Conservancy District.

16 COLONEL WANG: Right now we're looking at
17 the alternatives of what we can do. There's been
18 no money appropriated as of yet to actually go out
19 and do the work. As you well know, mechanical
20 removal is very expensive as you saw. Just east of
21 Las Animas there's about five or six acres was
22 completed at a significant amount of money.
23 Spraying is an alternative but then of course what
24 do you do with the dead vegetation and removal?
25 Again, that is an added expense.

1 MR. HEIMERICH: As well as the Cottonwoods
2 are there as well.

3 COLONEL WANG: There was in the
4 appropriation of \$400,000 for Colorado for Tamarisk
5 removal but that was all on the western slope and
6 the Albuquerque District did not receive any of
7 those funds. It was all western slope.

8 MR. COLIN THOMPSON: There's been some
9 talk of releasing some Tamarisk beetles. Are you
10 involved in that at all?

11 COLONEL WANG: Yes, we are involved in
12 that research project, I would call it that. From
13 our discussions on that, the beetles are having a
14 tough time surviving, the ants are eating them.
15 But that is continuing in other ways to mitigate
16 that non-eating vegetation continues. We haven't
17 seen a big success or I haven't heard of any great
18 success with the beetle.

19 MR. POPE: Other questions for Colonel
20 Wang? I have one maybe. If it's beyond the scope
21 of what you care to comment today, that's fine.
22 But I know a number of the items, of course,
23 reference back to sections of existing law under
24 WRDA, and many of us are aware of the fact that
25 Congress has been debating a new WRDA bill that's

1 been put off for some years now. I didn't know if
2 you had any late information or updating
3 information that might be of interest to the group
4 here, as far as where the attempts to pass another
5 Water Resources Development Act would stand.

6 COLONEL WANG: I'm not optimistic and
7 I've been rather pessimistic all year long for the
8 passing of the WRDA bill. And my understanding is
9 right now that WRDA has made it through the House
10 and now it is with the Senate, but to divide that
11 gully between the Senate and the House is rather
12 large and having them come together, I think will
13 still work its way through this Congress, but I'm
14 really pessimistic if it will become law. I know
15 there's a number of items in that that bring relief
16 to a number of those continuing authorities that we
17 have, Section 206 right now, we are really at a
18 stand still on creating new work in 2006. All of
19 the funds are expended and we are just closing up
20 projects we are currently doing. So the two or
21 three Section 206 projects I just mentioned, will
22 sort of sit on hold until this WRDA bill passes
23 some day.

24 MR. POPE: Okay, good. Thank you.
25 Colonel, we appreciate that and you and your

1 Delegation attending the meeting and certainly
2 don't be afraid to pronounce the river as
3 "R-kansas". I understand that Mr. Winner has
4 arrived and so in regard to the scheduling issue
5 there, let's accommodate that and --

6 MR. MILLER: (Inaudible).

7 MR. POPE: Okay. If that's no longer an
8 immediate issue, maybe it would be better to
9 continue and finish up the federal reports then.
10 Thank you, Steve, if that's okay, we appreciate all
11 of the people accommodating schedules here. Who is
12 going to give the report? Dawn, are you going to
13 give that for Reclamation? Thank you. Will you
14 just come forward and I'll just turn the mic over
15 to you here.

16 MS. WIEDMEIER: We're going to do a power
17 point presentation, kind of shake things up so --

18 Again, my name is Dawn Wiedmeier. I'm THE
19 Deputy Area Manager for the Bureau of Reclamation
20 in Loveland, Colorado.

21 Going to talk to you about a number of
22 different topics today. This is a list of them:
23 predominantly the 10 Year Review that we're doing
24 to the Operating Principles, a little bit of work
25 on the Water Conservation Field Services Program,

1 and some issues concerning our Fryingpan-Arkansas
2 Project.

3 A little bit about staff initially. In the
4 past you are probably used to this presentation being
5 given by Brian Person, the big tall dude that
6 didn't quite get the feeling (inaudible). Brian
7 left us a few months ago and took an area manager
8 position out in northern California. So our new
9 area manager, who will be reporting to us probably
10 January-February timeframe, is a gentleman by the
11 name of Fred Orr. Fred is currently the Director
12 of Operations in our Washington DC office. Prior
13 to that, Fred was the area manager in the
14 Nebraska-Kansas area office.

15 I'm listed there. Also Lisa and Malcolm
16 introduced themselves earlier and I'm sure you have
17 worked with the two of them for a number of years
18 at these meetings.

19 Also had a change in management in our
20 regional office in Billings, Montana. Mike Ryan is
21 our new Regional Director. He replaces Mary Ann
22 Bauch, who moved to Denver about a year ago now.
23 Mike actually, prior to coming to Billings, was the
24 area manager in northern California. So actually,
25 Mike vacated that position, came to us in Billings

1 and that is the position that Brian took. Gary
2 Campbell is our new Deputy Regional Director. He
3 came to us from the Forest Service, from their DC
4 office, and Don Mumah is the new Assistant Regional
5 Director. Don was formerly the Deputy Area Manager
6 in Oklahoma-Texas.

7 This is a real picture of our office in
8 Loveland, not the Swiss Alps or whatever it was
9 before. Most of you are probably familiar that our
10 office in Loveland manages two trans-mountain
11 trans-basin diversion projects, mostly moving the
12 water from the west slopes of the mountains here in
13 Colorado over to the east slope, and those two
14 significant projects are the Fryingpan-Arkansas and
15 Colorado Big Thompson.

16 One of our other significant duties is to
17 administer the repayment contract for the
18 Purgatoire River Water Conservancy District for
19 Trinidad which is a Corps of Engineer project.

20 In February of '67 we entered the repayment
21 contract with the district and they repaid for the
22 irrigation portion. They pay both costs of
23 construction and operation and maintenance costs.
24 The Operating Principles are part of that contract.
25 And as stated in Article 6 of the Operating

1 Principles for the project, those principles are
2 subject to review and amendment not more than once
3 a year. Any party who is a signator to the
4 Operating Principles can call for review. At least
5 one review has to be done within the first 10 years
6 following the construction of the Dam and then
7 one review should be done every 10 years
8 thereafter.

9 The primary objective of each review is to
10 obtain beneficial use of the water and you know,
11 being that we do that every 10 years we can take
12 into account in that 10 year span changing
13 conditions, the operating experience we have gained
14 over that period of time, and the technical data
15 that becomes available also during that stretch.

16 State of Kansas condition four also requires
17 10 year reviews to determine the effect if any the
18 operation has had on other Colorado and Kansas
19 water users.

20 It's kind of a little history here on our
21 reviews. In '77 the Corps began impounding the water
22 behind the dam. Then in '88 we did our review. We
23 actually initiated the first review in December of
24 '84 and that was for a five year period from '79 to
25 '84 and we published that report in 1988. Then our

1 '96 review was done, was initiated in '94 and it
2 was done for the next 10 year period. So the first
3 review was for five years, the next review was for
4 a 10 year period, '85 to '95, and we finalized that
5 in '96.

6 There are a number of different things that
7 have been amendments to the Operating Principles
8 that have come about as a result of the various
9 reviews. The acreage verification that is listed
10 there, that is, and I know it is very important to
11 you folks, as it is Reclamation. I think we talked
12 briefly about this yesterday in one of the
13 committee meetings. The district in July, early
14 July of this year, provided a tabulation of acreage they
15 intended to irrigate for 2005, and then on October
16 6, they submitted a map that had indicated
17 initially, in July I guess, they were having, working
18 out of some of the bugs with their GIS program. So
19 the map got submitted October 6, and the next due
20 date from the district will be February 1st.
21 That's when they submit information as what
22 actually did occur in 2005. The District is also in
23 the process of working with us to literally find
24 this data, to make it more user friendly, give us
25 more access to the actual GIS to put things like

1 roads and parcel numbers and things like that on
2 the map. As kind of a background of where we are
3 so far in our current 10 year review. In March of
4 this year, we issued a letter to initiate the
5 process and elicit comments and concerns, and we
6 received input from both Colorado and Kansas. And
7 then in October of this year we held scoping
8 meetings and written comments from the District.
9 This is a list of topics submitted by Kansas. I'm
10 not going to go through them, there's quite a
11 number of them. You can take a look at a fair
12 number of things that they would like us to
13 consider. Topics submitted by Colorado
14 predominantly centering around gages, determining if
15 we have gages in the right location and who should
16 actually pay to operate and maintain those gages.
17 And the topic submitted by the District, they
18 requested that we analyze the impacts, if any, of
19 storing direct flows in the irrigation capacity
20 during the non-irrigation season. So the next
21 steps to this 10 Year Review, if anybody has
22 additional topics, they need to get them to our
23 office in Loveland by the end of January. And then
24 probably in February we will be holding meetings to
25 discuss the topics and focus -- focus the issues

1 for the review.

2 Moving on to the Water Conservation Field
3 Services Program. This is focusing on Tamarisk in
4 Pueblo. We have worked with the state parks and
5 given them some funds for the Tamarisk control at
6 Pueblo and the top picture you see here is a
7 hydroax machine. Once an area has been defoliated
8 by the beetles, we send the hydroax machine in and
9 that kind of chews up the remainder of the
10 Tamarisk.

11 MR. COLIN THOMPSON: Is that before or
12 after the ants eat it?

13 MS. DAWN WIEDMEIER: Hopefully before.
14 That's one of the beetles we have released there
15 for the control. We are going to continue to be
16 working on that facility down there monitoring
17 to see what kind of long term control we get if we
18 get any (unintelligible) after the beetles have
19 been to a site and also what kind of wildlife you
20 know, if wildlife actually does move quickly back
21 into the areas or if they stay out of the areas.

22 We are also working on a transit loss study.
23 We worked with the District back in '99 to start
24 this but then of course the drought hit so it was
25 kind of tough to do a transit loss study in a

1 drought so we kind of delayed things out a little
2 bit. However, USGS has been gathering data the
3 last few years on this and should be preparing a
4 report probably in this next year or so.

5 Automated water measurement. The District
6 recently came to us and asked if we would work with
7 them and provide them with some funds to automate
8 six gages on existing ditch diversions so we're
9 going to be doing that trying to make a change from
10 the strip chart recorders there over to DCPs.

11 And moving into the Water Year Report for the
12 Fryingpan-Arkansas Project. The black line, black
13 horizontal line you see on the chart there is our
14 average diversions for the Bousted Tunnel. Bousted
15 Tunnel is the main tunnel where we bring the water
16 from the west slope of the mountains over to the
17 east slope for the Fryingpan-Arkansas Project.
18 March 1 of 2005 the NRCS forecasted 47,000 acre
19 feet of diversion that we would be able to bring
20 from the west slope to the east slope. Actually,
21 we wound up getting some good April snows so that
22 boosted our totals a little bit so we were able to
23 bring through 54,600 acre feet which is 113 percent
24 of average.

25 This is a drought monitor map at the end of

1 November. It's -- I don't know how many of you
2 look at this periodically, but it sure looks a
3 whole lot nicer now than it did in the last year or
4 two. You can see Colorado is looking a lot whiter
5 and a lot yellower. Rather than the browns and
6 reds indicating severe drought, so, it looks like
7 we are headed in the right direction anyway. One
8 of the things that kind of tied with that, you
9 know, we are heading in the right direction in
10 terms of the conditions but we have big holes on
11 this side. We have 206,000 acre feet of storage
12 space in all our east slope reservoirs, so while
13 conditions are looking good right now it looks like
14 we have got some great snowpack in the mountains we
15 have got some big holes over here on our east slope
16 reservoirs so we will be working to fill those best
17 we can.

18 And moving into various issues that we are
19 dealing with on the Fryingpan-Arkansas Project is a
20 delivery system. Colorado Springs and a number of
21 smaller communities have come to us and asked for a
22 long term contract to use excess capacity space in
23 our facilities. Essentially, what they are wanting
24 to do, is take non-project water,
25 non-Fryingpan-Arkansas Project Water and move it

1 through Fryingpan-Arkansas facilities at the time
2 when we have excess capacity available. So we are
3 in the process right now of doing an environmental
4 impact statement to see if that's a feasible
5 project or not.

6 City of Aurora, pretty much, very similar
7 request. They have also asked for a long term
8 contract with us for the storage and conveyance of
9 excess capacity. We are doing the National
10 Environmental Policy Act compliance. We did
11 recently hold a public workshop last month on the
12 hydrologic model. That was very well received.

13 Temporary contracts from year to year -- we get a
14 number of entities come to us and ask for temporary
15 contracts. Again for excess capacity. So folks
16 using non-project water, but they wanted to use the
17 extra capacity that we are not using at the time in
18 the system to move their water and you can see with
19 the bar chart there, the last three years the
20 number of requests for those contracts has
21 significantly risen so as those contract requests
22 come in we work with the entities, kind of
23 determine the feasibility of their request to
24 environmental impacts and implement the contracts
25 as appropriate.

1 The Preferred Storage Option Plan otherwise
2 known as the PSOP. Many of you may know
3 Legislation has been considered by Congress in the
4 past but has yet to be enacted into law. Parties
5 are working to address various issues and see if
6 they can't get a new version of Legislation moving
7 forward. Past legislation would have authorized
8 the Secretary of Interior to conduct a study for
9 possible enlargement of Turquoise and Pueblo
10 Reservoirs which are two reservoirs on the
11 Fryingpan-Arkansas Project. Legislation also would
12 have confirmed the Secretary's authority to issue
13 excess capacity contracts. We'll have to wait on
14 the new legislation to see how it is drafted and what is
15 included in that.

16 And finally, the Arkansas Valley Conduit, the
17 Conduit is an authorized future of the
18 Fryingpan-Arkansas Project but it was never
19 constructed. And locals came to us a few years ago
20 and asked us to get involved in it and so we sat
21 down and did a re-evaluation statement for the
22 conduit, just kind of take, basically taking
23 reports that were done back in the original
24 authorization of the project and bringing them up
25 to current day putting current environmental

1 information and things like that in there and
2 that's currently under review by OMB, Office of
3 Management and Budget. And Legislation is
4 currently pending to get that moving forward.

5 Any questions?

6 MR. POPE: Questions for Dawn? Dawn, I
7 guess I have one in regard to the PSOP, you know, we
8 heard your report here and heard various other
9 sectors negotiations working on additional ways to
10 consider authorization. I think the Bureau and
11 others are probably well aware that the State of
12 Kansas is one of those entities that has had a
13 number of serious concerns about the Legislation at
14 least as we have seen it so far, but I guess, can
15 you give any sense of a status report in terms of
16 are there other proposals or other drafts or you
17 know, the parties seem to have left out Kansas in
18 this debate and I guess I'm trying to figure out
19 how, where this is headed.

20 MS. DAWN WIEDMEIER: And you know, we
21 have not really had a whole lot of involvement
22 lately. I know Southeast is working on items. I'm
23 sure other entities are as well. I don't know if
24 Lower Arkansas wants to mention that at all when
25 they give their presentation but, yeah, we have not

1 really been involved with other entities, so I, you
2 know, I know folks are working on it, but where it
3 is, we've not heard that anything is closed, we
4 have not been asked to look at anything, I don't
5 know that anything has been entered yet.

6 MR. POPE: Okay. Other questions for
7 Dawn? Looking at the other members of the
8 Administration, I wonder if this would be, if that
9 completes the federal reports, a good place for a
10 quick break while we are all dispersed here, and
11 let's try to come back in 10 minutes or so and get
12 started again. Thank you all.

13 (Whereupon, a short break was taken,
14 after which the following proceedings
15 were had:)

16 MR. POPE: We'll call the meeting back to
17 order. Let's now move to finish up the reports
18 from the Water Conservancy Districts and
19 Mr. Winner is here, so thank you. I can pass on
20 the mic to you.

21 MR. JAY WINNER: I probably don't need a
22 mic. Hello, my name is Jay Winner. I'm the
23 General Manager of the Lower Arkansas Valley Water
24 Conservancy District. I guess what I want to talk
25 about is more of the partnerships. Partnerships

1 that have to be formed within the basin to help the
2 future of the basin. I'm also going to talk about
3 what the Lower District has done over the past
4 year. I've been with the Lower District for one
5 year now. Over the last year we have taken 7, and
6 closed 7 conservation easements from the valley.
7 That is in tying the water to land. We are very
8 proud of that because the first two years we only
9 (unintelligible) obtained one. We also entered
10 into the court stipulation with High Plains A and
11 M. We are very involved with that with the Supreme
12 Court. They did not have an end user for their
13 water. We felt that was not proper, so we entered
14 into that court case. We are in the process right
15 now of partnering with Wildlife, Parks, and LAUMA on
16 the possibility of purchasing one-half of the Keesee
17 Ditch. We have also partnered with Pueblo Board of
18 Water Works, Southeast Water Conservancy District,
19 the Division Engineer, to help offset the stateline
20 deficit. We have leased over 500 shares of Twin
21 Lakes water. Something we are trying to do with
22 this is create a very small scale water bank. And
23 in any type of business, when you try to create
24 something like this, it is not going to be
25 profitable the first year. We figure at about year

1 five, we are currently in our third year, that we
2 will have success with a very small scale water
3 bank. We purchased a farm on the Holbrick at which
4 point we will put a conservation easement on this
5 farm, lease it back to the farmer, give the farmer
6 the ability to purchase this farm at a greatly
7 reduced price because that water will now have to
8 stay on the farm. We purchased a farm on the Rocky
9 Ford, which I believe it is going to take a couple
10 of years to put together. Our purpose on this is
11 we would like to enter into a long term contract
12 with Colorado State University Research Center who
13 owns the adjacent land, put all of this into a
14 conservation easement which would ensure water
15 would run in the Rocky Ford Ditch for perpetuity.
16 That is very important with us. We completed a
17 biodiesel study for the Lower Valley. This study
18 is open to anyone that would like to obtain and
19 look at this study. The belief of my Board is that
20 agriculture is the future of the Lower Arkansas
21 Valley. We need to accept that agriculture is the
22 future of the Valley. We need to get into
23 alternative fuels. I think that can help the
24 entire Lower Valley. We created a partnership with
25 the Colorado State University on a study of Winter

1 Canola to see if that will work for biodiesel.
2 Partnerships are important. I think moving
3 forward, we are in the process of creating a
4 partnership through, which I'm sure there's some
5 questions on this one, through the PSOP
6 negotiations. It was a little over a year ago that
7 the Lower District sent off this 17 word e-mail.
8 At the time the 17 word e-mail went off, I was in
9 my 11th day of work, and life has not been the
10 same since. I think the e-mail said something to the
11 effect that the Lower Arkansas Valley Water
12 Conservancy District could not support Legislation
13 the way it was currently written. The next day I
14 got a call from Mr. Heimerich and I learned a lot
15 about PSOP that day, what it was worth. Storage is
16 important. I think PSOP is important to everyone
17 involved, but I do believe that with PSOP the
18 enlargement of Pueblo Reservoir, the playing field
19 has to be leveled, it has to be leveled to help all
20 of the entities below the dam, the small towns that
21 can't afford just to write a check. That is
22 something we are very concerned about. I don't
23 think the enlargement of Pueblo Reservoir should go
24 only to the people with the biggest checkbook, it
25 should be open to everyone in the Lower Valley. It

1 is very important to us. We are also working at
2 PSOP and PSOP participants for the Water Management
3 Program. People have talked about leasing land,
4 fallowing, how it can help the farmers, how it can
5 help agriculture. And everybody says it will be
6 very beneficial, how do we do it? Over the last 8
7 months we have some of the brightest minds in
8 Colorado working on this. I believe we will have a
9 draft document within the next 60 to 90 days on a
10 water management program that will be successful
11 for the municipalities and for the agricultural
12 community. Something else with PSOP that caused
13 some serious heartburn for us, and I'm sure people
14 read the Pueblo Chieftan just this last Saturday,
15 was the ability for the Bureau of Reclamation to
16 enter into long term storage contracts with
17 entities outside the basin. That causes some
18 heartburn. I understand that Aurora is in the
19 basin. I think that's a fact that most of us
20 accept. They are here. But what is to stop your
21 Las Vegas, Los Angeles, your big communities
22 entering into those exact same contracts within our
23 basin. We have some heartburn with that one. And
24 we are trying to get that question answered.

25 We also helped Colorado Springs form their

1 storm water enterprise. They are one of the few
2 cities that did not have a storm water enterprise.
3 John and I went up and spoke to their city council,
4 we spoke to members of their public works and I
5 believe we helped convince them that a storm water
6 enterprise is very essential to the Lower Basin, to
7 Pueblo, to control the water coming down the
8 Fountain. We are looking to enter into an output
9 contract with Colorado Springs with bio-diesel.
10 That's why the bio-diesel Feasibility Study, it
11 will be probably in the tune of 2 million gallons
12 that would come from this basin that will help the
13 agricultural community. Something else that was a
14 challenge for us this last year, as many people
15 probably are aware of in this basin, with
16 conservation easements, the IRS has been very, very
17 active in the conservation easement business. We
18 have been speaking to the IRS for about the last 8
19 months concerning conservation easements. We do
20 believe we have a fix for the conservation
21 easements for the appraisals that the brokers do
22 not like. It's a long fix. So if anybody wants
23 any more information, please feel free to contact
24 me. It will take about a half hour to explain what
25 we can with it.

1 In closing, something that I would like to see
2 within this valley is a vision. I think this
3 valley needs to cooperate together. Everybody
4 needs to get on the exact same page. Rod has heard
5 me say this before. Back in the 1960's my father,
6 we moved all over the place, all over Colorado, all
7 over the United States, and we moved to this one
8 awful, awful little town. It was dirt roads, a
9 union hall, mining industry was in the toilet, but
10 those people had a vision. And that vision was
11 cooperation, that vision was creating partnerships.
12 That town was called Breckenridge, Colorado, and
13 they are thriving today. And I do believe that
14 everybody works together and forms partnerships
15 that we can do the same exact same thing that those
16 little towns have done. And I'm sure you have some
17 questions.

18 MR. POPE: Anybody have questions for --
19 Go ahead.

20 MR. COLIN THOMPSON: On your conservation
21 easements that tie to the land, are they based on
22 other factors as well, gravel easements and then
23 they have water on top of that or are they based
24 solely on water and the land?

25 MR WINNER: Easements that we have

1 accepted this year are water conservation
2 easements. We have accepted -- 13 months ago we
3 accepted a dry land conservation easement. One of
4 my goals this year was to get conservation
5 easements moving once again in this valley because
6 it kind of came to a standstill. What was going on
7 were the brokers. With the gravel easements, we
8 are looking at one right now. It doesn't really
9 thrill me. There's not a lot of history, there's
10 not a lot of, not a lot out there on gravel
11 easements right now, so I'm kind of leary of those
12 right now.

13 MR. HEIMERICH: Jay, could you elaborate a
14 little bit on the water management program that you
15 spoke about.

16 MR. JAY WINTER: Water Management
17 Program, you look at what California has done with
18 their water management. The Water Management
19 Program I believe is important for us to set up a
20 leasing, fallowing, interruptable water supply
21 program that would be open to everybody within the
22 valley. The minds that are working on this right
23 now are your Peter Nichols, your Dave Robbins, your
24 Paddocks, there's engineers involved. When Aurora,
25 Colorado Springs, and Pueblo, when we all look at

1 this, there's about \$250,000 tied to one document.
2 I wish I could say more but we are in the middle of
3 negotiations. I do believe that our end of PSOP
4 will be completed within 60 to 90 days. What we
5 are doing with PSOP is we are going to take our
6 time and make sure that it is a very complete
7 package for the lower basin. I've seen too many
8 entities that have entered into agreements then
9 backed out six months later and said "What in the
10 world did we just do?" So we want to make sure we
11 have a very comprehensive agreement. This is part
12 of the agreement that we are looking at.

13 MR. KUHARICH: Mr. Chairman, Jay, I have
14 one comment, and that is that the State of Colorado
15 is very concerned about interstate water marketing.
16 You had mentioned Las Vegas or Los Angeles trying
17 to purchase or trying to get into the basin. The
18 State of Colorado, I think, is so concerned about
19 interstate water marketing that it probably will be
20 very difficult for that to move forward as water
21 marketing could have the direct effect of voiding
22 the Colorado River Compact, so we aren't going to
23 let that happen.

24 MR. JAY WINNER: I appreciate that. I
25 think the State of Colorado is a great partner to

1 have to make sure that does not happen. Our
2 concern is the long term extra capacity contract
3 with out-of-basin entities.

4 MR. POPE: Other questions for Jay?
5 Dennis.

6 MR. COLIN THOMPSON: What about
7 Tri-State?

8 MR. JAY WINNER: Did you go to the
9 meeting yesterday?

10 MR. COLIN THOMPSON: No, I was here.

11 MR. JAY WINNER: Sorry. You were here.
12 That's why you couldn't come yesterday. It was an
13 interesting meeting yesterday. Tri-State made a
14 presentation to the Fort Lyons. Some of the people
15 on the Fort Lyons are saying well, this is worse
16 than the offer that High Plains A and M gave us. What
17 are you guys doing here? I don't think much is
18 going to come out of it. This is just my opinion
19 on it. I asked the question directly; where would
20 the power plant be built? Never got an answer out
21 of it, so I look at it, I'm not really taking it
22 that seriously at this time until we start seeing
23 some of the actual purchases happening. The sense
24 that I'm getting from the farmers are they are
25 tired of the options you know, we want to give you

1 X number of dollars to get your option and take
2 this to court. I think the farmers want to see
3 actual purchases. They want to see actual money
4 in their hand.

5 MR. POPE: Are there other questions?

6 MR. MONTGOMERY: I did have a contact
7 with Tri-State which indicated that they were
8 interested in building a power plant both in the
9 Lower Arkansas Basin below John Martin and in
10 Kansas and I always wondered if Kansas
11 representatives had any information about
12 Tri-State's plans with the Sunflower plant.

13 MR. POPE: Dennis, I can provide some
14 level of information. I don't, first of all, I
15 don't have global understanding of how all of these
16 things fit together in regard to Tri-State and
17 Sunflower. I am aware that Sunflower has spent a
18 lot of time and energy developing plans and working
19 with partners for a second unit at the Holcomb
20 power station. They have one existing coal-fired
21 unit near Holcomb, Kansas just west of Garden City.
22 We have had some administrative action related to
23 that in our state. There was a very limited amount
24 of water available. Most of that area has been
25 closed for years but there was some, some water

1 they were able to secure based on pre-closed
2 situations but it was very small, far short of what
3 would be needed for that plant. I don't have
4 anything formal on this but I think it's publicly
5 known at this point that Sunflower, and actually, I
6 think it's another member utility, Sunflower is a
7 cooperative, and they have a number of electrical
8 cooperatives that are the owners of Sunflower. One
9 of those is known as Wheatland from the Garden City
10 area, and they have also gotten involved in almost
11 somewhat of a water utility role and they have
12 acquired a very large tract of land in southwest
13 Kansas in the vicinity of the Sunflower proposed
14 plant, acquired that largely for the water rights.
15 The land and the water rights. Something in the
16 order of about 150 quarter sections of existing
17 irrigated land and so the presumption is they are
18 pretty serious about moving forward, and I think
19 they have made announcements, have they not, Dave
20 and Randy, locally, that they are planning to move
21 forward with construction of this second unit for
22 the Holcomb power station, and I think they believe
23 they now have secured enough water. They are doing
24 some studies about long term issues there because
25 this is ground water supply, not river supply, and

1 so there's an issue of what does the long term life
2 look like. I think these are pretty good locations
3 as far as saturated thickness and things of that
4 nature but all of these rights are pretty highly
5 regulated at this point in Kansas, so there are
6 some issues there. So, I don't know, what I don't
7 know is the connection between that and what you're
8 referring to as the Tri-State issue. I've heard
9 some of the proceedings we were involved in. They
10 talked about interconnections between, in opening
11 up power lines that have not historically been
12 there, to move power between southeast Colorado and
13 Kansas and on down into Oklahoma and places like
14 that. So I think they anticipate wheeling some
15 power around. I don't know whether that helps, you
16 know, I'm, yeah, Colin.

17 MR. COLIN THOMPSON: And there is no
18 connection between the alluvium and, they are all
19 Ogallala water?

20 MR. POPE: What they have acquired is
21 Ogallala water out further away from the river.
22 In the big scheme of things I'm not saying there is
23 no connection but these are not alluvial rights.

24 MR. COLIN THOMPSON: You don't envision
25 that they have any plans of trying to take alluvial

1 water, some surface water, Arkansas water out to
2 try and recharge any basins in those areas or
3 something like that?

4 MR. POPE: I'm not aware of that at this
5 point in time. I don't -- I can't say that they
6 haven't you know, looked at anything, but I'm not
7 aware of any plans with regard to that. There's
8 some very, and I think it's beyond the scope here
9 today, but there's some, some very complicated and
10 highly contested issues in regard to some existing
11 rights that Wheatland has owned in the Garden City
12 area that they were, we had a contested case and
13 some neighboring water right owners were strong
14 objectors to the changes of those existing rights
15 to purposes which would allow water for the power
16 plant and other uses, and my order severely limited
17 the amount of water that could be ordered under
18 those changes and the company is not very happy
19 with that. We are in court at this point in time
20 and the objectors also sued me, so -- but so far we
21 have won, so, it's on appeal. Related to consumptive
22 use and conditions and all of those things.

23 Jay, just for a quick question back in regard
24 to your report was interested in what you are
25 referring to as the Water Management Program and

1 how that might relate to these things and I guess
2 I'm not quite sure I understand the connection
3 between PSOP and the Water Management Program.
4 Could you shed more light on that?

5 MR. JAY WINNER: Within PSOP, a lot of
6 the objectors to PSOP have come away with money,
7 storage, etc. Something that we are looking at with
8 Lower Ark is that we need economy down here, we
9 need their help to create the economy down here.
10 Some of the issues that we are negotiating with
11 PSOP, they are outside the box. They are outside
12 the normal, but it's creating the partnerships with
13 the bigger entities on water management programs
14 for the valley. Does that mean anything to do a
15 PSOP? Probably not. Does it have a lot to do with
16 negotiations? Yes, it does.

17 MR. POPE: Okay. Well, thanks, I
18 appreciate your comments. I'm sure there's at
19 least some common concerns related to all of this
20 and we appreciate that and the update from the
21 district.

22 MR. JAY WINNER: So thank you very much.

23 MR. POPE: Thank you very much. I think
24 we are ready to move to item 9 on our agenda for
25 those that are following along on that.

1 Report of the Operations Committee and Dave,
2 are you the one that's going to provide that report
3 or is Colin? Dave, I'll turn it over to Dave
4 Brenn.

5 MR. BRENN: Thank you, Mr. Chairman. The
6 confusion in that was due to the fact that Jim
7 Rogers for Colorado was chairman of this, but in the
8 process of the change I was asked to preside, I
9 guess, and so Colin and I, as a committee of two,
10 with an extraordinary audience yesterday afternoon
11 had the Operations Committee meeting. Just a brief
12 general breakdown of that meeting, we did briefly
13 review two documents, the water issues matrix
14 document, and dispute resolution process document
15 that has been adopted by the Operations Committee
16 mainly as a process to recognize those documents
17 and how both states have utilized that process
18 since it's been put together. We did hear from
19 both Steve Witte as Operations Secretary and Mark
20 Rude as Assistant Operation Secretary on their
21 respective reports. We had a report from Bill
22 Tyner in regard to the Offset Account Operations
23 Annual Report and a brief report from Dave Barfield
24 reviewing the agreements between the states
25 associated with the Kansas versus Colorado

1 litigation. Mr. Chairman, at this time I guess I
2 could read the written summary of the Operations
3 Committee that included three items. Item 1 was
4 Steve Miller and Kevin Salter were designated to
5 develop a written summary for the December 12
6 committee meeting. A draft written summary should
7 be submitted to the committee by January 13 of '06.
8 I was going to highlight "should" instead of "will"
9 but I understand you shouldn't ask for more than
10 you could anticipate receiving, but --

11 Item 2, the committee acknowledges the receipt
12 of the Operation Secretary and Assistant Operations
13 Secretary's Reports and Item 3, the committee
14 recommends to ARCA that a Special Engineering
15 Committee look at all unresolved issues that are
16 before the committee as indicated in the water
17 issues matrix.

18 And with that, Mr. Chairman, I would submit
19 that written report for action of ARCA.

20 MR. POPE: Any questions or, Colin, any
21 additional comments on that? If there's not
22 questions, I guess, do we have a motion to accept
23 the Operation Committee Report?

24 MR. KUHARICH: I would so move.

25 MR. POPE: Do we have a second?

1 MR. BRENN: I'll second.

2 MR. POPE: Dave. Unless there's further
3 discussion, I'll call for the vote. Colorado.

4 MR. KUCHARICH: Aye.

5 MR. POPE: Kansas.

6 MR. BRENN: Aye.

7 MR. POPE: Next item we have on the
8 Agenda is report of the Engineering Committee. I
9 guess I have to put on a third hat now, in regard
10 to just the other two, if that's okay.

11 And the Engineering Committee did meet
12 yesterday afternoon. Also Matt Heimerich and I were
13 members of the committee. I did chair the
14 committee this year, and we again asked Steve
15 Miller and Kevin Salter to develop a written
16 summary of the meeting which has now been
17 accomplished, and Matt and I have signed off on a
18 written series of action items and I'll share those
19 here briefly. The, really, the agenda shows the
20 issues that we really had dealt with there and are
21 covered by the written action item. The first of
22 those was the Transit Loss Study issue, and by way
23 of just real brief background for the audience, you
24 may recall that last year at the annual meeting
25 after considerable discussion and listening to a

1 proposal, ARCA had authorized the Engineering
2 Committee to meet with Russ Livingston, who had made
3 the proposal for the Transit Loss Study, after some
4 discussion by the states. And ARCA essentially
5 authorized the Engineering Committee to give the
6 go-ahead as far as refining the scope of work in
7 those discussions and other issues related to how
8 the study would be used and matters of that nature.
9 And long and short of the issue as a result of all
10 of the other discussions, several discussions did
11 take place last year between Mr. Livingston and
12 representatives of each of the states. As has been
13 mentioned, there was a lot of other discussions that
14 took place as result of issues being resolved
15 between the states, and all of that did not lead to
16 the Transit Loss Study getting authorized until
17 yesterday. And at that point in time we were able
18 to conclude those discussions, but the brief
19 written report basically says the Engineering
20 Committee authorized Russ Livingston to proceed
21 with a Transit Loss Study between John Martin
22 Reservoir and the Colorado-Kansas stateline using
23 the two phase approach that had been previously
24 discussed say, parenthetically. Mr. Livingston is
25 to report back to the committee at the end of phase

1 one. Additionally, each State shall appoint a
2 contact person which will arrange for things, like
3 state supplied resources, for the Transit Loss Study
4 and the state delegates will report back to their
5 respective Compact representatives. And so the
6 long and short of this item was that we did agree
7 to -- the Engineering Committee carried out its
8 responsibilities that were assigned to it a year
9 ago, and asked Mr. Livingston to proceed. So
10 that's sort of a report back to the full ARCA on
11 the status of that.

12 The next item that we talked about in some
13 depth was the matter that had been raised regarding
14 the proposed new source of water for the permanent
15 pool. The committee heard from LAWMA and Colorado
16 Division of Wildlife concerning the use of the
17 Keesee water right for John Martin Reservoir
18 permanent pool. The Engineering Committee
19 indicated it was willing to monitor that issue and
20 take the steps that would lead up to a potential
21 ARCA special meeting. LAWMA and DOW needs to
22 provide the committee with the appropriate
23 information and then the committee will stay in
24 touch with the process, settlement proposals, terms
25 and conditions, and utilize respective state staffs

1 to evaluate their proposal. I would say that the
2 committee was operating under the assumption based
3 on that general agenda item of additional sources
4 of water, that ARCA wanted it to go ahead and
5 consider this matter. So that was kind of a
6 presumption with that, and so I think we will
7 probably have some further discussion about this
8 item here at the meeting, but Matt, let me ask you
9 if you have anything to add to the Engineering
10 Committee Report?

11 MR. HEIMERICH: No. I appreciate you
12 stepping in and taking the chairmanship. Thank
13 you.

14 MR. POPE: Any questions about the
15 Engineering Committee Report? If not, I guess we
16 can entertain a motion to accept.

17 MR. KUCHARICH: So move.

18 MR. POPE: Have a motion to accept the
19 report. Do I hear a second?

20 MR. HAYZLETT: Second.

21 MR. POPE: Second from Mr. Hayzlett, any
22 conversation? How does Colorado vote?

23 MR. KUCHARICH: Yes.

24 MR. POPE: How does Kansas vote?

25 MR. HAYZLETT: Aye.

1 MR. POPE: Motion passed. We are now to
2 the Administrative Legal Committee and I'll pass
3 the mic to Rod Kuharich.

4 MR. KUCHARICH: Thank you, Mr. Chairman.
5 The Administrative Legal Committee met December 12,
6 yesterday evening. Due to the lateness of the day,
7 we dispensed with the ritual reading of the
8 Compact. We can do that right now if you want.
9 The committee reviewed the audit and recommended
10 that it be accepted. They reviewed the current and
11 proposed budgets and the budget for fiscal year
12 '07-'08 as going to be recommended as adopted or as
13 presented -- recommended to be adopted as
14 presented. And then we discussed the ARCA reports.
15 It was noted that the Compact Year Report for '94
16 is done and will be submitted to Kansas for review.
17 After much discussion, it was determined that the
18 states would begin working on compact year 2005 and
19 work back, making these reports available to the
20 states for review and hopefully eventual adoption.
21 And that the annual reports meet, at a minimum, the
22 requirements of the ARCA Bylaws.

23 Due to Mr. Rogers going off the board, or off
24 the commission, it was recommended that the offices
25 of Treasurer and Recording Secretary be combined as

1 well as discussion of the slate of officers for the
2 coming year. The committee is recommending that
3 David Pope remain as Vice Chairman; Stephanie
4 Gonzales be appointed to be both the Recording
5 Secretary and Treasurer; the Operations Secretary
6 be Steve Witte; the Assistant Operations Secretary,
7 Mark Rude; and for committee assignments, it is
8 proposed that the Engineering Committee be made up
9 of David Pope with Matt Heimerich as Chair;
10 Operations Committee, Colin Thompson with David
11 Brenn as Chair; and Administrative and Legal
12 Committee, Rod Kuharich with Randy Hayzlett as
13 Chair. The committee also looked at the proposal
14 for the Special Engineering Committee and it had
15 before it a couple of unresolved issues. I think
16 the general consensus is that the unresolved issues
17 and the matrix be recommended to the Special
18 Engineering Committee that we are recommending
19 should be created, and that that Special
20 Engineering Committee work on those unresolved
21 issues.

22 Mr. Chairman, is there any questions? I would
23 be glad to answer them. Randy, do you have any
24 additional comments?

25 MR. HAYZLETT: No.

1 MR. POPE: I don't see any questions. If
2 there are no questions I guess the motion to accept
3 the report would be in order.

4 MR. HEIMERICH: So moved.

5 MR. POPE: Matt moves; do we have a
6 second?

7 MR. BRENN: Second.

8 MR. POPE: Dave Brenn seconds. Further
9 discussion on the motion? If not, call for the
10 vote. Colorado?

11 MR. KUHARICH: Colorado votes aye.

12 MR. BRENN: Aye.

13 MR. POPE: Kansas votes aye. Motion is
14 declared passed.

15 We are ready for old business, and I see on
16 item 12 we had Water Issues Matrix items #50, 51
17 and 53 listed, and I'm trying to recall, I believe,
18 are those the issues that were directly referred to
19 full ARCA?

20 MR. BRENN: Yes.

21 MR. POPE: I wonder if it would be
22 prudent to defer on those until we take action on
23 and decide whether to creat the new Special
24 Engineering Committee, and if so, we can decide
25 whether those issues can be referred to that

1 committee. If that's an acceptable way, I think we
2 will just defer on that item.

3 MR. KUCHARICH: I believe it is. These
4 are the two originals for us, for our committee.

5 MR. POPE: Okay. Thank you. With that,
6 let's move to new business. And the first item
7 under 13 A is action on recommendations from the
8 Engineering Committee. I believe on that there, of
9 the items considered, the transit loss issue has
10 been taken care of. I don't believe there's
11 further action needed by ARCA on that other than
12 the budget issue that we will get to, perhaps.
13 With regard to the presentation that was received
14 and the discussion regarding the permanent pool, I
15 think that issue may well be one that some
16 consideration should be given to, I believe, the
17 parties to that case had requested consideration of
18 a special meeting under certain circumstances and I
19 will turn to Rod to see if you had a suggestion in
20 that regard.

21 MR. KUCHARICH: Thank you, Mr. Chairman.
22 I have a proposed motion for consideration. I
23 apologize, I do not have it typed up. We can do
24 that if it meets with your satisfaction.
25 Traditionally, the Colorado Water Courts are set up

1 to make the determination of consumptive use and
2 transit losses and I think Colorado certainly
3 agrees those are adequate. Before the committee, I
4 think we have the request by the applicant for
5 water change to have ARCA take action on this. And
6 I think there are probably two approvals needed.
7 One would be approval as required by Article V-H of
8 the Compact and also a determination that the new
9 source would be appropriate for the permanent pool.
10 And in that regard, I would move that ARCA refers
11 the Keesee ditch Change Application to the
12 Engineering Committee for review and recommendation
13 to the full ARCA and that ARCA further agrees to
14 hold a special telephonic meeting prior to April 1,
15 2006.

16 UNIDENTIFIED PERSON FROM AUDIENCE:

17 Pardon me, Rod. I meant to catch you during the
18 break.

19 MR. KUCHARICH: We are not going to do the
20 committee?

21 UNIDENTIFIED PERSON FROM AUDIENCE: Yeah,
22 they wanted to go ahead and suggest March 20 as the
23 date for the (inaudible) conference date
24 (inaudible) or anything that we (inaudible) and to
25 clarify that they understand ARCA won't be taking

1 the final action or any action at the (inaudible)
2 if the parties to the case haven't stipulated to
3 the terms and conditions yet.

4 MR. KUCHARICH: I guess I'm concerned
5 about the calendar, if people are available at that
6 point in time. Everybody is going to their Palm
7 Pilots here.

8 MR. POPE: Would it be better to, in
9 terms of the formal action, go with prior to the
10 April 1, then we will try before we adjourn to see if
11 we can find a date, a date certain.

12 UNIDENTIFIED PERSON FROM AUDIENCE:
13 That'll be great.

14 MR. KUCHARICH: Prior to April 1, we will
15 continue that with a motion. ARCA agrees to hold a
16 special telephonic meeting prior to April 1, 2006.
17 Contingent upon the parties receiving a stipulated
18 settlement for the purposes of review of the
19 existing application, any proposed changes, and a
20 finding of fact that the action as requested by
21 Article V-H is appropriate, and that further that
22 ARCA determines whether or not the Keesee Ditch be
23 approved as a new source for the permanent pool
24 pursuant to ARCA's 1976 Resolution, and that if
25 there is not a stipulated decree, no vote would

1 occur until Water Court determination.

2 UNIDENTIFIED PERSON FROM AUDIENCE: Do
3 you mean the conference call will happen anyway
4 because they would like to at least have a
5 discussion and explain what parties are thinking.

6 MR. KUHARICH: Yes, I believe we are.
7 That's the sense of the motion.

8 MR. POPE: Let me confer for just a
9 minute.

10 MR. KUHARICH: Sure.

11 MR. POPE: Let me see if I can make sure
12 we understand the motion first, and I know we don't
13 have a second yet, but if we make sure we all
14 understand the motion the same way and get it
15 clarified and then perhaps that would be,
16 obviously, the next step, but if I understand the
17 sense of the motion is, first of all, it would
18 refer the matter to the Engineering Committee for
19 review and recommendation. Secondly, the motion
20 would call for a special telephonic meeting of
21 ARCA.

22 MR. KUHARICH: Prior to April 1?

23 MR. POPE: Prior to April 1 for the
24 purpose of -- here's where maybe I need some
25 clarification. If that is for purposes of

1 consideration of the proposal, I think that may be
2 helpful in regard to our understanding of the
3 motion but the two issues there are, as I think was
4 outlined in your reading of the motion, the Article
5 V-H findings of fact and review and action that
6 would be required by the Compact and then the
7 second purpose would be to determine whether the,
8 Keesee water would be acceptable as a new source
9 for permanent pool. Those are really the two
10 issues that would be under consideration and I
11 understood the motion to be that if the case has
12 settled, then the purpose of the meeting would be
13 to consider the proposal. If the case had not
14 settled, it would be more for the purposes of a
15 status discussion. Forget exactly how that was --

16 MR. KUHARICH: Correct. No vote by ARCA
17 would occur until either stipulated settlement by
18 the parties or determination by Water Court.

19 MR. POPE: Yeah. I think that's fine.
20 The clarification I was trying to get to by using
21 the word consideration, so there's no
22 misunderstanding, is not knowing what information
23 will be available for consideration of ARCA yet.
24 I'm not sure the state of Kansas can commit to a
25 vote. We can commit to a consideration, even if

1 the parties stipulate we can consent to having the
2 meeting in considering the proposal, but I'm not
3 sure that it is appropriate to say it would
4 absolutely be a yes-no vote. I mean, there may be
5 some additional information needed or something
6 like that. There could be several scenarios but we
7 would be certainly willing to consider the action
8 at the time of the special telephonic call.

9 MR. KUHARICH: Mr. Chairman, I used the
10 words "review and approval" and that would be under
11 the, if the matter were ripe for consideration, but
12 I would agree that we could change "review and
13 approval" to "consideration" assuming that we could
14 move forward to a vote, if, in fact, we had
15 everything available to us. If it wouldn't bind
16 you to vote yes or no, so --

17 MR. POPE: Right. I'm looking at my
18 colleagues. I think with that clarification, I
19 think that gives the latitude that I think is
20 appropriate for a matter of this nature. With that
21 clarification, I think the next thing we need is a
22 second for the motion. Let me ask if we have that
23 at this point in time.

24 Rod has made a motion. We need a second from
25 someone.

1 MR. KUCHARICH: Is it appropriate the
2 second come from Kansas?

3 MR. BRENN: I'll second it.

4 MR. POPE: We have a motion and a second.
5 I don't think it has to, but sometimes it's
6 helpful.

7 MR. KUCHARICH: Mr. Chairman, I guess I
8 was -- the question I would have would be kind of a
9 procedural question. If Colorado has one vote,
10 Kansas has one vote, wouldn't it been incumbent
11 that the second come from the other voting party or
12 can another Commissioner second the motion?

13 MR. POPE: The way I've always understood
14 it, Rod, is that the motion and second actually can
15 come from any members of the Administration, is the
16 way our bylaws are set up, but I think as a
17 practical matter, motions that are successful tend
18 to be ones that have, that have a, some support
19 from both sides. But, so one's just a technical
20 issue and the other is a practical issue.

21 We now have a motion on the table so I think
22 it's appropriate for us to discuss it, and I would
23 like to discuss for a minute. Let me ask if
24 there's other members of the Administration that
25 have comments on the motion. Also I, again, have

1 this two hat role here.

2 We have already spent some period of time of
3 course, talking about this issue, but mostly we
4 have talked about the procedural aspect of how to
5 get this before ARCA and we have really not talked
6 too much about the substance. As the motion, if we
7 assume for purposes of discussion that the motion
8 will be successful, I think it's also apparent here
9 that there's a lot of work to be done between now
10 and April 1 to have a proposal that will be
11 acceptable to both states. We have just recently
12 received the letter from the law firm representing
13 LAWMA and, apparently, DOW. At least on behalf of
14 DOW, and some engineering material. One of the
15 things that I thought would be helpful given the
16 time frames, and also given the discussion
17 yesterday and again today, that clearly action by
18 the Water Court is an important step in this
19 process, but ARCA also has its own separate
20 responsibilities to review these two matters, and
21 this is a quite important matter in regard to the
22 long term historic review that ARCA has retained in
23 regard to sources of water for the permanent pool.
24 There's a lot of history in terms of why there were
25 restrictions on that to start with. As I said

1 yesterday, the state of Kansas is not coming into
2 this discussion with any preconceived notion that
3 this can't be successful. But nevertheless, we do
4 have significant issues that I think would be
5 appropriate to consider. One of the things I
6 wanted to just simply note for purposes of the
7 sponsors of this, and of members of ARCA as well,
8 as result of the litigation that's been going on in
9 all and all of the discussions between the parties
10 that have taken place this last year, to try to
11 resolve the remaining issues in the case, as John
12 Draper and Dennis Montgomery well know, Colorado
13 offered Kansas an opportunity to submit a list of
14 concerns and to interact with our colleagues from
15 Colorado in regard to any concerns about, about
16 actions of pending cases in Water Court and we took
17 advantage, and with the Special Master's support, of
18 that opportunity, thinking that Colorado Water
19 Court actions are very important to Kansas also,
20 but yet we are not parties to those cases, and so
21 John Draper sent a letter to David Robbins as
22 counsel to counsel, dated July 15, of 2005, outlining
23 a number of concerns related to the applications
24 that LAWMA had filed, and in a similar letter, for those
25 that relate to the, to the AGUA case. And I just

1 wanted to call that letter to the attention of
2 everybody involved in this issue, because it
3 outlines in some detail the concerns of the state
4 of Kansas in regard to the proposed case of LAWMA
5 of which the Keesee issue is one part, certainly
6 not the whole case, but one part. And I understand
7 now with this latest action that the second half of
8 the Keesee of course would be involved in this
9 matter through the permanent pool aspect, and so I
10 wanted to just note that in that letter there's a
11 list of like 14 items, and it would seem to me that
12 if the proponents of this process would like to be
13 successful in regard to getting this issue moved
14 through ARCA, I would suggest careful review of
15 this letter. Because that would be one way to come
16 forward with some terms and conditions that might
17 be acceptable to at least the Kansas Delegation in
18 regard to this action, but I did not want to leave
19 this discussion with the presumption, if it was
20 unclear to anyone, that just because the Water
21 Court acts and comes up with a set of proposed
22 conditions, that that automatically is going to
23 meet the approval of the State of Kansas. Just as
24 a few examples, we mentioned up front in regards to
25 item 1 about the Article V-H issue, to the extent

1 that any of the efforts involved by LAWMA would
2 involve transfers of water upstream of John Martin
3 Dam, for example, which this case does. Secondly,
4 the terms and conditions are necessary to require
5 administration of the changed water rights, at
6 times when conservation storage in John Martin
7 Reservoir is exhausted so as to prevent injury to
8 Kansas and other water users, water users in
9 District 67, and particularly here, one of the
10 issues I think that should be looked at carefully
11 is, are there terms and conditions that, that
12 relate to when the call against upstream water
13 rights takes place. And just glancing at the terms
14 that are there, we have concerns. Because if
15 there's anything that changes that call, we think
16 that can affect the rights of people in Kansas and
17 other ditches in 67, so somehow that's got to be
18 dealt with. We think this may actually change
19 that. The historic irrigation return flows is
20 clearly an issue of importance to, I think, all of
21 us, and I think that ought to be looked at
22 carefully. So our view, basically, as we have laid
23 out here is, the default position has maintained
24 the historic return flows so that we don't cause
25 some injury as a result of that. And then another

1 issue that I would just mention is that in order to
2 avoid injury to prior uses, terms and conditions
3 are needed to prevent storage of water by LAWMA
4 from causing greater spills to the Kansas and
5 Colorado Section II accounts. At this point I'm
6 not real sure how, whether the proposal would cause
7 a problem there or not, but I think there's some
8 potential for that. And by moving water upstream
9 of John Martin Dam and now more water into storage,
10 does this have any effect on the spill. So that's
11 a question I think that would be important to all
12 of us. So those are some of the key ones I would
13 simply highlight for purposes of this discussion.
14 And one thing that is unclear, just glancing at the
15 material yesterday, we know there was a proposal
16 for the first half of the Keesee to be made
17 available for augmentation purposes, certain
18 operation studies done. The second half of the
19 Keesee, as we understand it, could be partially for
20 a new source of water for the permanent pool, but
21 also partially for augmentation the three years out
22 of 12 issue, and we are a little unclear in regard
23 to, can any of the water from Keesee be moved into
24 the permanent pool or just part of the section
25 second half, because that's not clear, I think, in

1 the proposal as we understand it at least at this
2 -- so are we talking about any or just that
3 nine-twelfths of half. With that, let me see if
4 there's other supplementary comments or questions
5 that I may have generated, but my comments are
6 meant to be helpful in regard to moving this issue
7 further, and I assume answers to many of these
8 questions and discussions that will lead up to some
9 dialogue before the Engineering Committee might be
10 appropriate (inaudible) to ARCA especially.

11 MR. KUHARICH: Thank you, Mr. Chairman.
12 I'm aware of the letter and the issues that were
13 outlined in that, and I'm closely watching that
14 because of the fact the Water Conservation Board
15 has loans secured by these water rights. The
16 second part of the Keesee however, does not have
17 those constraints on it and I would think that the
18 finding that we would make under V-H and the
19 identification of the source of the water being
20 appropriate for the permanent pool is limited just
21 to the second part and the nine-twelfths, and I see
22 a nod over there, and I think that is correct. I
23 would not want the first Keesee purchase to hold
24 up actions on the second, if we can avoid that at
25 all. I definitely do not want to avoid the issues

1 if there are going to be impacts with that second,
2 that second one, however. I do think that return
3 flows will probably be an important issue to the,
4 to those people down below John Martin, and would
5 hope that their concerns are the same concerns as
6 yours. So you know, in that regard, I think we can
7 move forward with this. We may be able to solve
8 some of the issues that are the issues associated
9 with litigation and the first Keesee thing at the
10 same time, but I would hope to be able to keep
11 those two separate, because I do not view any of
12 that water as available for the permanent pool.

13 MR. MONTGOMERY: David, thank you for
14 your comments. I think that would be very helpful
15 to LAWMA and Division of Wildlife on how to
16 proceed. In the Water Court context, normally the
17 way those types of issues get addressed is that the
18 engineers for the parties, the applicant, and the
19 objectors get together and meet to try and see if
20 they can agree on the engineering issues and if
21 necessary, bring in the attorneys, to discuss if
22 there are legal issues involved. And it would
23 certainly be helpful if you identified who from
24 Kansas, the Division of Wildlife and LAWMA should
25 be contacting to try to address the concerns that

1 you've raised. Because I think they understand, at
2 least I do, that in the relatively short time frame
3 that they are requesting action by ARCA. They are
4 going to have to come up with and address those
5 considerations that do not appear on the date of
6 the special committee with a proposal. It's going
7 to have to be fully discussed with Kansas's
8 engineers and, if necessary, with attorneys, so
9 that you are fully comfortable and understand what
10 the proposal is. But to get there, it seems to me
11 there have to be some discussion ahead of time, and
12 if you're not, can't do it now, at least if you
13 give some thought to that and give some guidance to
14 LAWMA and Division of Wildlife as to who they
15 should contact.

16 MR. POPE: Dennis, thanks for the
17 comments. And I think that's possible for us to
18 do. I would like for confer with the folks from
19 our Delegation in terms of who to designate and I
20 think we can, most likely, come up with a name of
21 someone that would be a technical contact for this
22 issue in that regard. And then a second step in
23 that process will probably be the Engineering
24 Committee and then ultimately the ARCA process. So
25 I think that's a good suggestion. Let me see if

1 there's any other -- Steve Miller, you have your
2 hand up.

3 MR. STEVE MILLER: The comment about
4 frequency of spill, I guess that one caught me off
5 guard, because, is it a suggestion that if we are
6 more likely to be using the full 10,000 acre foot
7 authorized space, does that mean someone else can't
8 be using it, and therefore there would be injury?
9 Maybe I misunderstood the question. But if we have
10 over 10,000 feet, obviously that's the first water
11 to spill and there would be no injury, but if the
12 concern is that we actually find water to put in
13 Congressionally authorized space and we have now
14 taken space other people have grown accustomed to
15 using, that seems like an unfair disadvantage to
16 place on Wildlife, but maybe I misunderstood what
17 the concern is that you were --

18 MR. POPE: My comment was not meant to
19 infer that Congressionally authorized permanent
20 pool can't operate and there's a special provision
21 in there in regard to water even floating, I think, on it
22 during the spill issue. It was one of the items in
23 our letter and I wanted to mention it. At this
24 point I think it's probably more productive for
25 that issue to be thought through after we can look

1 at the details and maybe some of those discussions
2 take place to see whether there's really an issue
3 or not, but at this point I don't know that I can
4 go further on that, Steve. Maybe I should just
5 leave it at that. Let me see if there's any
6 further question by the members of the Delegation.
7 If not, are we ready for action on the motion? How
8 does Colorado vote?

9 MR. KUCHARICH: Colorado votes aye.

10 MR. BRENN: Aye.

11 MR. POPE: Kansas votes aye. Okay. I
12 have to get myself back to my other role here. Do
13 we have actions from, on the Operations Committee?

14 Other than the recommendation that was made
15 concerning the Special Engineering Committee, I
16 don't know that this needs action by ARCA because
17 that will be taken care of by our next action, is
18 that right.

19 MR. BRENN: M-hm.

20 MR. POPE: Okay. Does that mean we are
21 ready for action on recommendations for
22 Administrative Legal? I think it does.

23 MR. KUCHARICH: Mr. Chairman, I think the
24 actions or the recommendations for actions by
25 Administrative Legal are taken care of in items

1 one, two, three, four, five, well, six and 7, so I
2 guess, yeah, I guess all of the actions are for us.
3 The election of officers, the committee recommends
4 Vice Chairman, David Pope; Treasurer-Recording
5 Secretary, Stephanie Gonzales; Operations Secretary,
6 Steve Witte; Assistant Operations Secretary, Mark
7 Rude; and I would move those for consideration at
8 this time.

9 MR. POPE: We have a motion on the
10 election of officers. Do I hear a second on the
11 slate of officers.

12 MR. HAYZLETT: Second.

13 MR. POPE: We have a second from Randy
14 Hayzlett. Any discussion on that point?

15 MR. HEIMERICH: No.

16 MR. POPE: I'll give anybody an
17 opportunity for reconsideration here. Okay. How
18 does Colorado vote?

19 MR. KUCHARICH: Colorado votes aye.

20 MR. BRENN: Aye.

21 MR. POPE: Kansas votes aye. Second
22 item.

23 MR. KUCHARICH: Mr. Chairman, second item
24 is the appointment of committee chairs. In that
25 regards, the Administrative Legal Committee met and

1 recommended Matt Heimerich, chair of the Engineering
2 Committee; David Brenn, chair of the Operations
3 Committee; and Randy Hayzlett, chairman of the
4 Administrative Legal Committee; and Mr. Chairman, I
5 would move those nominations.

6 MR. POPE: Do I have a second?

7 MR. BRENN: Second.

8 MR. POPE: Second, David Brenn. Any
9 further discussion? If not, ask for Colorado to
10 vote.

11 MR. KUHARICH: Colorado votes aye.

12 MR. BRENN: Aye.

13 MR. POPE: Kansas votes aye. Motion
14 passed.

15 Number three, Audit Report. Do we need Steve?
16 Steve Miller, do you want to handle that one.

17 MR. MILLER: We did review the audit last
18 night and I have clean copies. Maybe we can get
19 some signatures on these to note that they were
20 accepted if we take that action, but that brings up
21 one issue that maybe we should talk about a little
22 bit ago, exhibits to the minutes. So far I don't
23 know that you've accepted anything, but I think
24 there's a few things that we would want to get into
25 the minutes. And I just scratched on my margins

1 here the Notice and Agenda there's an attendance
2 list that I think made it back up here. I would
3 like to submit the audit (Attachment C). And I've got
4 copies for each state and, as well as the reporter. I
5 have a Budget Calculation Sheet that we will get to next.
6 And I believe the three action lists what be useful
7 to put in the minutes.

8 MR. KUCHARICH: The what?

9 MR. MILLER: The three committee action
10 lists; operations, engineering, administrative and legal
11 (Attachments D, E & F). That's about all I had. It
12 would help Bev and it would help the readers of the
13 minutes down the road.

14 MR. POPE: I think that's probably a
15 pretty good list. From my recollection, if we do
16 take action on the resolution of the Special
17 Engineering Committee, that would probably be an
18 additional one. I encourage that. But that would
19 be it. We did have a written report from the Corps.
20 (Attachment G) Is that -- that would be something that I
21 think what go, would it not? I don't know how we handled
22 those in the past.

23 MR. MILLER: I do have a pink copy that I
24 could --

25 MR. POPE: I think that's probably

1 appropriate to have in it.

2 MR. MILLER: And we will have the
3 resolution for Jim and Tom.

4 MR. KUCHARICH: Jim Rogers, Tom Pointon.

5 MR. MILLER: I do have an Audit Report that was
6 reviewed by Rod's committee last night and I think the
7 recommendation was to accept it. (Attachment C, H & I)

8 MR. POPE: Correct. Do I hear a motion
9 for --

10 MR. KUCHARICH: Right. Mr. Chairman, I
11 would move the Audit Report for approval.

12 MR. POPE: We have a motion; do we have a
13 second.

14 MR. BRENN: Second.

15 MR. POPE: Second from Dave Brenn.
16 Discussion? If not, ask for a vote. Colorado.

17 MR. KUCHARICH: Colorado, aye.

18 MR. POPE: Kansas.

19 MR. BRENN: Aye.

20 MR. POPE: Motion passed. Budget review
21 and adoption. Steve, I guess that's you again.

22 MR. MILLER: Yeah, and I thought I had
23 more copies. I don't have. They are back at my
24 seat but I'll get you a copy. I did take the
25 liberty of moving some of the numbers around after

1 Rod's committee reviewed the conceptual budgets,
2 and I did that because Russ rephased the actual
3 spending that will occur on the Transit Loss
4 Report. It makes the surplus look less grim early
5 but just as bad late. In fact, if we did everything
6 that the committee recommended last night. We
7 would end June '08 with only 75 hundred dollars in
8 reserve. That's assuming 20 percent increase in
9 our assessment this coming year, and another 20
10 percent in the '07-'08.

11 MR. POPE: What is with those --

12 MR. MILLER: Excuse me?

13 MR. POPE: That's with the increase --

14 MR. MILLER: That's with the two
15 increases; one that we planned, one we approved
16 last night, so, and but it does include 20 thousand
17 unidentified study in that third year, so whether
18 that's to pursue something about transit losses
19 above John Martin or decided we can't afford it
20 because the reserve is too low.

21 MR. KUCHARICH: I think I'm confused here
22 because it was purported to us in the proposed
23 '07-'08 budget with the 20,000, with the second 20
24 percent increase in Compact dues, was a July 1
25 balance carry-over of 36,000 and you are saying now

1 that is 7,000?

2 MR. MILLER: Let me tell you what -- I
3 did one other adjustment. Russ's study is
4 actually, we had budgeted 60,000 for the Transit
5 Loss Study. The number we got yesterday was
6 66,500; is that right, Russ?

7 MR. HEIMERICH: That's correct, yeah.

8 MR. MILLER: I made that, that's an
9 increase in sixty-five hundred dollars in our
10 spending. I had also taken GS and not bumped them
11 for next year, but bumped them 20 percent the
12 following year. When I went back and did it, I
13 realized that it would not be a stair step, it
14 would be like this, so I increased the GS costs to
15 us in the next year on the sheet you have, and I
16 apologize, I do have some more back at the seat. I
17 think it said 40,000 and 10,000 in the year '06-'07
18 for GS. And I'm now using 45,000 and 11,000, and
19 then the next year 50,000 and 12,000. So that was
20 another 6,000. So I basically added \$12,000,
21 \$12,500 of new spending. It was spending you
22 didn't see last night when I set down and tried to
23 make this all work out. I'm not sure why else
24 there would have been -- that doesn't quite cover
25 the full gap you are talking about. I'm not sure

1 where the rest of it would come from. If you've
2 got a minute I'll see if I can get those
3 spreadsheets. It's hard for you to understand what
4 I'm saying.

5 (Off the record discussion.)

6 MR. MILLER: Sometimes it's been
7 necessary to go off record and look at this and
8 come back later? Do you want some time to maybe
9 skip this and you could take it up after. Maybe we
10 could come back on after lunch and do this if
11 there's concerns.

12 MR. POPE: I guess, what is the will of it
13 body? I'm trying to see where we are on the
14 agenda. Obviously, we don't want to get off
15 schedule here.

16 MR. MILLER: Well, we don't really --

17 MR. POPE: We are getting pretty close.

18 MR. MILLER: I assume you want to spend
19 some time on the Special Engineering Committee, but
20 other than that --

21 MR. POPE: That's our main item here.
22 Why don't we do this? Let's skip over this for the
23 moment and get through our action items, and I
24 would still like to get through it before lunch if
25 we can, and maybe that way we'll have closure in

1 terms of action items, but for right now, and then
2 maybe we can have a little informal session with a
3 quick break right before lunch or something if we
4 need to.

5 MR. MILLER: You did already approve the
6 audit, is that right?

7 MR. POPE: We did get the audit approved.

8 MR. MILLER: I'll get some signatures on
9 that and give them to Bev before she leaves.

10 MR. KUCHARICH: The next item would be the
11 approval of minutes, and as noted earlier, we would
12 have attachments to the minutes, Notice of Agenda,
13 attendee list, audit, budget sheet when adopted,
14 the three committee action item reports, Corps of
15 Engineer Report, Special Engineering Committee
16 Resolution when adopted, and the two Resolutions
17 for the outgoing commissioners, and in that regard
18 I would move approval of the minutes.

19 MR. POPE: You mean for this?

20 MR. KUCHARICH: The last minutes?

21 MR. MILLER: I think the items on there
22 are talking about minutes from many meetings ago.

23 MR. POPE: I don't think we are quit
24 ready for action.

25 MR. KUCHARICH: Okay, we're not ready for

1 action.

2 MR. MILLER: There was a brief report
3 from the Engineering Committee (inaudible) with Lee
4 Rolfs injury made some progress, but not enough to
5 bring anything for approval at this time.

6 MR. KUCHARICH: Okay. So I withdraw that.

7 MR. POPE: It's a good review though for
8 this meeting.

9 MR. KUCHARICH: Then the annual report
10 instructions, what do I?

11 MR. POPE: Committee recommendations have
12 pretty well covered that and we don't necessarily
13 need action on that, do we?

14 MR. KUCHARICH: Then we are at the
15 resolution of the Special Engineering Committee and
16 at your places you should have a write-up of the
17 language creating a Special Engineering Committee.
18 (Attachment H) This was discussed at the Engineering
19 Committee and the Administrative and Legal Committee.
20 Several suggestions to the draft was made, changes were
21 made, and added to this, both Colorado and Kansas
22 had input into it, and I would offer that for
23 consideration. Mr. Chairman, I would move adoption
24 of the resolution creating the Special Engineering
25 Committee.

1 MR. POPE: Okay. Thank you, Rod. Do we
2 have a second for that motion?

3 MR. HAYZLETT: Second.

4 MR. POPE: Randy Hayzlett seconds the
5 motion. Let me ask if there's further discussion
6 about any of the changes that have appeared today.
7 Like you said, hopefully everybody has had a chance
8 to look at it. I think this, my sense was, there
9 were some clean up things and then also I think an
10 attempt to make sure there was a well understood
11 mechanism that the Special Engineering Committee
12 will maintain you know, basically good
13 communications with their respective Delegations so
14 these issues will proceed with, in an appropriate
15 fashion. But, yeah, we can still use the nature of
16 this kind of special committee to try to work
17 through these very difficult issues, try to bring
18 to ARCA some hopeful resolution.

19 MR. KUHARICH: I just have one comment
20 and that is that the idea about creating a Special
21 Engineering Committee came out of the
22 Colorado-Kansas litigation and the extraordinary
23 success that two states have had in negotiating
24 unresolved issues with litigation. So, it's, I
25 think it's Colorado's hope that we can resolve the

1 issues identified on matrix too.

2 MR. POPE: Okay. If we are at the point
3 of, we have a motion on the table, and at this
4 point unless there's further discussion, I would
5 call for the action on that and ask Colorado how
6 they vote.

7 MR. KUHARICH: Colorado votes aye.

8 MR. BRENN: Kansas votes aye.

9 MR. POPE: Kansas votes aye as well. So
10 this motion is declared passed. Appreciate
11 everybody's work on that, and we hope for the best
12 on this. I hope no one has any unreasonable
13 expectations, but hopefully this will be very
14 successful. The, I do think we, as a follow-up to
15 this, now that we have a special committee, we need
16 to make clear that, what the assignment is. I
17 guess that's covered within the resolution itself,
18 is it not? That it includes those items that have
19 basically all of the issues associated with a
20 matrix are including, including the ones that were
21 referred to the full ARCA.

22 MR. KUHARICH: That's true.

23 MR. POPE: So just for purposes of the
24 clarification, I think all of the opinion issues of
25 that nature referred, so that's taken care of in the

1 resolution of the terms themselves. Okay. Our
2 next item here is future meetings and then I think
3 we have one deferred item that we need to take care
4 of, of course, in terms of the resolutions. In
5 regard to future meetings, we had listed here four
6 items, one was a spring and or potentially
7 mid-summer meeting of the Operations Committee. Is
8 there a need for further discussion of that at this
9 time? Mr. Brenn, did you have...

10 MR. BRENN: Generally there's a meeting
11 of the OS and AOS in April, and whenever that date
12 is facilitated to, if it's appropriate for
13 Operations Committee to meet at that time, I think
14 that that's generally how we have kind of looked at
15 that, and as far as the summer meeting, that also,
16 determination of that could be made after the, you
17 know, sometime after the April meeting, so I think
18 we are good with that.

19 MR. POPE: Okay. Thanks. Item B,
20 special meetings of the Administration. Now we may
21 have already taken -- we have already pretty well
22 set that up with the action we previously took.
23 One thing we should do when we informally recess is
24 maybe check our schedules for that, but for right
25 now I guess I suggest we go ahead and proceed down

1 the list. With regard to Special Engineering
2 Committee, the, I guess the states have not, we
3 have not, appointments have not formally been made.
4 My suggestion, I have heard Hal Simpson's name and
5 my name mentioned as at least two of those parties,
6 and we will have an additional member from each
7 state as well. My sense is just as soon as those
8 appointments are made that we will confer and get
9 something scheduled as soon as we can now. At this
10 point, I don't know exactly when that will be
11 because there will be legislative sessions and
12 various things going on, we will try to deal with
13 those things as we can, at least in my view, as
14 quickly as we can. Some need to take place several
15 months down the road as well. Just for the general
16 interest of people that are here, we note that the
17 effort that has been referred to several times in
18 our meetings, Hal and I, along with many other
19 people, Ken Knox is here, Bill Tyner, Dale Straw,
20 Steve Witte. And on our side, several of the
21 people are here, Dave and George and Dale Book and
22 others, Kevin. We, I think there was something
23 like 11 days of pretty darn intense meetings, so
24 this was no small undertaking in terms of what
25 occurred before, and I would not guess that this

1 would be real easy either. So I just wanted people
2 to know that this is not something you get together
3 a couple of hours and solve, so it will take some
4 time and busy people. We will try and do the best
5 we can. Next thing we have down is the 2006 annual
6 meeting, and I guess that's a date that's been set
7 by law.

8 MR. KUHARICH: The second Tuesday is the
9 12th.

10 MR. POPE: The second Tuesday will be the
11 12th next year. So, mark your calendars
12 accordingly. And as always, I would certainly, you
13 know, note that Administration is always welcome to
14 Kansas, if there's consideration to at sometime in
15 the future hold a meeting down there, so -- With
16 that, I think we are ready for a final action. I
17 think deferred was the resolutions for -- oh, we
18 need to go back to that. Do you want to do that
19 before? Do you want to go off line for a minute
20 here and --

21 MR. KUHARICH: Is Tom here?

22 MR. POPE: Let's go ahead and do the
23 budget then because we are planning on the lunch at
24 noon. Looks like we are on schedule, so why don't
25 we go 10 minutes and people are welcome to stay,

1 people want to take a brief break, you are welcome
2 to do that. We are going to go off the record for
3 a few minutes and hammer out the budget issue, then
4 we will go on the record to make take action on
5 that as well as the resolutions of appreciation for
6 Jim and Tom. Thank you.

7 (Short break taken.)

8 MR. POPE: Thank you. We are back on the
9 record. I'll turn, we'll now turn to the action we
10 deferred earlier in regard to the budget issues.
11 Steve, do you want to walk us through that? We had
12 some informal discussions and hopefully we can
13 bring this to action at this point.

14 MR. MILLER: I did get a version of the
15 budget calculation with the 7:30 a.m. time on it,
16 so, at least most of the members, we have looked at
17 that sheet. On there I think we have agreed to
18 make some changes to the current year budget
19 '05-'06. The main purpose for that is to move out
20 the expenditure of the Transit Loss Study
21 consistent with the way it is going to be phased.
22 And that budget will leave us with a reserve
23 balance anticipated in June of '06 of \$75,600.
24 There's a budget we proposed that, actually a
25 budget we adopted last year for '06-'07 and we will

1 move some of the transit loss spending out into
2 that year, begins July 1, '06. And at the end of
3 that year after a 20 percent increase in
4 assessments to each state, end up with a balance of
5 \$21,500 approximately. The Administration during
6 the break decided that a \$7,500 surplus was not
7 satisfactory in the year, at the end of the year
8 '07-'08, so we have decided not to do the special
9 study budgeted at \$20,000 in that year. And
10 basically that will, after an additional 20 percent
11 assessment increase to the states result in us
12 having a balance at the end of that year of about
13 \$28,000. So that would be the proposal for me to
14 prepare actual budget documents consistent with
15 those numbers for the Treasurer to sign and
16 implement.

17 MR. POPE: With that, do I, if that's
18 consistent with the people's understanding, I guess
19 we are ready for an action to that.

20 MR. HEIMERICH: I would move that adopt
21 the revised budget as just presented by Steve with
22 the, memorialize the addition of the \$22,000
23 special projects funding for the fiscal year
24 '07-'08.

25 MR. POPE: We have a motion on the floor.

1 Do I hear a second?

2 MR. HAYZLETT: Second.

3 MR. POPE: Randy has seconded that
4 motion. Any further discussion.

5 MR. KUCHARICH: Mr. Chairman, I've noticed
6 here also that these gaging stations are getting
7 pretty costly and it would seem to me that it would
8 probably be appropriate for the Operations
9 Committee or someone on the commission staff to
10 take a closer look at these costs because if they
11 are just projected at a flat rate out into the
12 future, we may have to take a different look at how
13 we fund these, or if we fund them in the future,
14 since they seem to be, the costs that are increasing
15 at that, at a fairly steady rate.

16 MR. POPE: Okay. We had, I appreciate
17 those comments. I think all of us have looked at
18 that and struggled with it. We have had, we have
19 already got a lot going on, but we have had some
20 review of those sorts of things through the
21 Engineering Committee in the past. Would that be
22 an appropriate place?

23 MR. KUCHARICH: Engineering?

24 MR. POPE: I'm okay either way, but if
25 that's okay, can we take that as an assignment by

1 consensus to the Engineering Committee? Is that
2 acceptable?

3 MR. KUCHARICH: Sure.

4 MR. POPE: Okay. We'll take on the
5 additional duty of reviewing our needs for the
6 various gages and the costs and issues of that
7 nature. As soon as we hear from Hal we will be in
8 a position to have a better feel for the budget.

9 MR. MILLER: He's offered to work with us
10 on that.

11 MR. POPE: We know this is a difficult
12 issue for the Survey as well nationwide. And with
13 that, we deferred one item and that was in regard
14 to resolutions of appreciation for two outgoing
15 members of the Administration from Colorado which
16 in, they are both here today, and we're very
17 pleased to see them again. I'm going to turn the
18 mic to Rod for proposed action here.

19 MR. KUCHARICH: Mr. Chairman, it is --

20 MR. POPE: Did we not vote on.

21 MR. HEIMERICH: I made the motion, I think
22 Randy seconded it. I don't think we voted on it.

23 MR. POPE: I apologize. How does
24 Colorado vote?

25 MR. KUCHARICH: Colorado votes aye.

1 MR. POPE: Kansas.

2 MR. BRENN: Aye.

3 MR. POPE: Budget has been passed.

4 MR. KUCHARICH: Mr. Chairman, it is kind
5 of bittersweet here. We have two outgoing
6 committee members that have served many years on
7 the Compact Administration. Tom Pointon and Jim
8 Rogers, both of them have done yoman's work in the
9 past. They have been valued Compact Commissioners
10 and we have developed two resolutions that we think
11 are suitable for framing. You may want to put them
12 up in the post office with the front and the
13 profile, but I, for one, when I came on board had
14 to rely heavily on these two people to help
15 considerably, and I do want to thank them very much
16 for the time and consideration that they have put
17 into this work. And I would move the two
18 resolutions honoring the outgoing Commissioners.
19 (Attachment H & I) Do they need to be read into the
20 record or -- they are kind of lengthy here?

21 MR. BRENN: Read them.

22 MR. POPE: Read them. We will test you.

23 MR. KUCHARICH: Okay. We'll start with
24 the resolution honoring James G. Rogers. Whereas,
25 Mr. James G. "Jim" Rogers of Lamar, Colorado,

1 retired from the Arkansas River Compact
2 Administration after serving from 1985 to 2005, the
3 longest tenure of any Colorado representative; and
4 Whereas, Jim zealously represented his home area of
5 the basin while at the same time reaching out to
6 water users in other parts of the Arkansas Basin,
7 particularly the watershed in Colorado, as well as
8 downstream in Kansas; and Whereas, Jim worked
9 closely with Kansas members of the ARCA and the US
10 Army Corps of Engineers to plan, host, and celebrate
11 the 50th anniversary of John Martin Reservoir in
12 1998, thereby promoting interstate comity and
13 to the public's understanding of the value of water
14 and conservation; and Whereas, Jim's concern for
15 the Arkansas River Basin, its scarce and precious
16 water resources, and the prior appropriation system
17 was expressed through his service to well user
18 groups as they strove to comply with the enhanced
19 well regulations required as a result of the U.S.
20 Supreme Court decision in Kansas V Colorado; and
21 Whereas long before it became fashionable, Jim
22 steadfastly warned of the damages from the invasion
23 of phreatophyte's, in particular salt cedar or
24 tamarisk into the Arkansas Valley and the resulting
25 changes that channel the river which increased the

1 risk of flooding made efficient delivery of water
2 more difficult and urged the appropriate state and
3 federal agencies to address this issue; and Whereas,
4 Jim's warmth and hospitality have been appreciated
5 by all who have worked with him, contributing to a
6 positive spirit in all meetings. Now, therefore,
7 be it resolved in the Arkansas River Compact
8 Administration, that it does hereby express it's
9 sincerest gratitude and appreciation for the
10 opportunity to have known and worked with Jim for
11 his outstanding service and dedication and courtesy
12 to the Administration and to the states. Be it
13 further resolved that the Administration honor
14 Mr. Rogers by including this resolution and
15 appropriate dedicatory remarks in the
16 Administration's annual report for Compact Year
17 2005 and hereby instructs the Recording Secretary
18 to send copies of this resolution to the Rogers
19 family and to the Governor of Colorado. Entered
20 this 13th day of December, 2005 at the annual
21 meeting of the Arkansas River Compact
22 Administration held in Lamar, Colorado.

23 Resolution honoring Mr. Thomas R. Pointon,
24 whereas Mr. Thomas R. Pointon of Las Animas,
25 Colorado retired from the Arkansas River Compact

1 Administration after serving two terms from 1997 to
2 2005; and Whereas, Tom zealously represented his
3 home area of the basin while at the same time
4 reaching out to water users in other parts of the
5 Arkansas River Basin in Colorado as well as in
6 Kansas; and Whereas Tom worked closely with the
7 Kansas members of the ARCA and the U.S. Army Corps of
8 Engineers to plan, host and celebrate the 50th
9 anniversary of John Martin Reservoir in 1998,
10 thereby promoting interstate comity and enhancing
11 the public's understanding of the value of water
12 conservation; and Whereas, Tom's concern for the
13 Arkansas River Basin, its scarce and precious water
14 resources, and the prior appropriation system was
15 expressed through his service to the area as a
16 member of the Colorado General Assembly, a board
17 member of the Southeastern Colorado Water
18 Conservancy District; and Whereas Tom's sense of
19 humor and gentlemanly manner were appreciated by
20 all who worked with him. His stories and tales
21 often filled lulls in our meetings and broke tense
22 moments to others; and Whereas, Tom has
23 successfully operated a family farm and cattle
24 feeding operation and been an outspoken advocate
25 for irrigated agriculture demonstrating the hard

1 work and common sense. Nowtherefore be it
2 resolved by the Arkansas River Compact
3 Administration that it does hereby express its
4 sincere gratitude and appreciation for the
5 opportunity to have known and worked with Tom and
6 for his outstanding service, dedication and
7 courtesy to this Administration and to the states.
8 Be it further resolved that the Administration
9 honor Mr. Pointon by including this resolution
10 and appropriate dedicatory remarks in the
11 Administration's Annual Report for the Compact Year
12 2005 and hereby instructs the Recording Secretary
13 to send a copy of this resolution to Tom and to his
14 family and to the Governor of Colorado, entered
15 this 13th day of December 2005 at the annual
16 meeting of the Arkansas River Compact
17 Administration held in Lamar, Colorado.

18 Mr. Chairman, I would move these two
19 resolutions.

20 MR. POPE: Thank you. And it's, I think
21 I'll take the liberty of being both a Kansas member
22 here and Chair and second that motion, and ask if
23 there are any additional comments. My own view is
24 certainly these are excellent resolutions and very
25 deserving, and it's been a pleasure to work with

1 both Jim and Tom.

2 With that, why don't we just take a
3 general vote here. All of those in favor of
4 resolutions say aye.

5 MR. POPE: Motions passed. Thank you.

6 MR. KUHARICH: That was a close one.

7 MR. POPE: Thank you very much again.

8 And with that, the only final thing I would
9 indicate, I made reference to a specific letter
10 earlier. There are copies here. Someone had asked
11 about that, so if anyone needs those they could
12 have copies. With that, unless there is further
13 action --

14 MR. KUHARICH: I would move to adjourn.

15 MR. BRENN: Second.

16 MR. POPE: We have a motion and second
17 for adjournment. All of those in favor, leave.
18 No. All of those in favor, please say aye.

19 AUDIENCE: Aye.

20 MR. POPE: Motion is declared passed.

21 And we look forward to a lunch here that's being
22 hosted, I guess, by Rod's shop, is that correct?

23 MR. KUHARICH: Colorado is hosting a
24 lunch. Kansas can stay.

25 MR. POPE: Thank you very much.

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(Proceedings conclude.)

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C E R T I F I C A T E

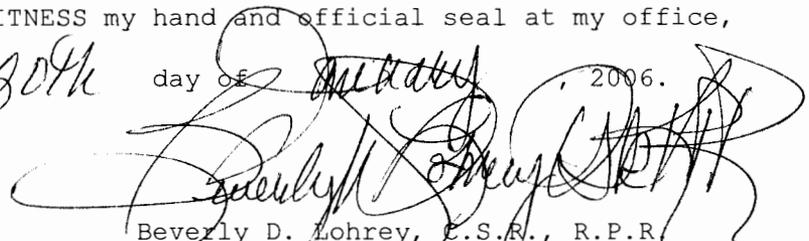
STATE OF COLORADO)

) ss:

PROWERS COUNTY)

I, Beverly D. Lohrey, a Certified Shorthand Reporter and Registered Professional Shorthand Reporter, hereby certify that the foregoing is a transcript of the proceedings had in this matter at the aforementioned time and place.

WITNESS my hand and official seal at my office, this 20th day of *March*, 2006.



Beverly D. Lohrey, C.S.R., R.P.R.
TRI-STATE REPORTING SERVICE
PO Box 1056
Dodge City, Kansas 67801
(620) 227.3474

Exhibit A

ATTENDANCE LIST

2005 ARKANSAS RIVER COMPACT ADMINISTRATION ANNUAL MEETING

Tuesday, December 13, 2005, 8:30 a.m. (MST) Lamar Community Building, Lamar, Colorado

NAME	REPRESENTING	ADDRESS	PHONE & FAX	EMAIL
Steve Wite	Colorado Div Water Res.	310 E. Horvath Pueblo	(719) 542-3368	steve.wite@state.co.us
Susan Champagne	U.S. Army Corps of Engineers	4101 Jefferson Plaza, NE Albuquerque, NM 87109	505-342-3602 Fax) 505-342-3607	susan.champine@ usace.army.mil
LTC TODD WANG	"	"	505.342.3432	todd.wang@us.army.mil
DENNIS E. GARCIA	"	"	505.342.3380	DENNIS.E.GARCIA@US.ARMY.MIL
Mark Yuska	"	"	505 342 3608	mark.e.yuska@ usace.army.mil
Dale Boock	Sprink Water Engineers Inc.	1800 Logan St Denver, Co 80203	(303) 861-9700	daboock@sprinkwater.com
Jon Mayberry	" "	" "	"	
MARK RUDE	AOS-ARCA SW. KS. GROUNDWATER MGT.	409 CAMPUS DR., SUITE 108 GARDEN CITY, KS, 67846	(620) 275-7147	MRUDE@GMD3.ORG
MIKE MEYER	KS. DEPT. AGRICULTURE Division of water resources	2508 Tobias St. Gardner, KS 67846	620-276-6042	mmeyer@ksa.state.ks.us
Hal Schuerman	Kearny County Farmers Irrigation District	PO Box 227 Deer Creek, KS 67827	620-426-6073	
Steven Henee	Frontier Ditch Co.	PO Box 147 Coolidge Kansas 67836	620-371-8251 Shop 620 372-8241	

ATTENDANCE LIST

2005 ARKANSAS RIVER COMPACT ADMINISTRATION ANNUAL MEETING

Tuesday, December 13, 2005, 8:30 a.m. (MST) Lamar Community Building, Lamar, Colorado

NAME	REPRESENTING	ADDRESS	PHONE & FAX	EMAIL
Grady McNeill	Colo. Div. of Wildlife	6060 Broadway, Denver	303 291-7280 303 291-7456 (F)	Grady.McNeill@state.co.us
Ed Perkins	CO Div. of Wildlife	6060 Broadway, Denver	303-291-7466 303-291-7456 Fax	ed.perkins@state.co.us
DON HIGBEE	LAWMA	P.O. Box 1161, Lamar	719-336-9696 719-336-2422	lawma@minet.net
Stephanie Conner	ARCA Rec. Sec.	4900 W. Grand Ave. 0A-WACB-82	719-724-5700 719-622-5719	jsgriffin@arcanet.org conner@arcanet.org
RANDAL RISTAU	CDPHE - Water Quality Control Div.	4300 Cherry Creek Drive South Denver 80246	303-692-3571	randal.ristau@state.co.us
Marcus Wiedmeier	Reclamation	11056 W. Co. Rd 118E Loveland Co 80537	970-962-4362 970-663-3212	m.wiedmeier@ep.usbr.gov
Lisa Vehmas	"	"	970/962-4369	lvh@usbr.gov
Dawn Wiedmeier	"	"	970 962 4343 (F) 970 663-3212 (F)	d.wiedmeier@ep.usbr.gov
Bill GRASMICK	LAWMA	P.O. Box 287 GRANADA	719 734 5422 719 734 5310	Bill@GRASMICKTAK.com
Russ Livingston	Livingston Professional Serv LLC - Hyd. Sciences	1109 Northridge Ct Golden, CO 80401	302-522-5627	livingston-llc@hotmail.com
George Austin	Ks. Dept. of Environment & Energy Div. of Water Res.	109 SW 9th Topeka, KS 66604	785-296-1495	gaustin@ks.gov kda.state.ks.us

ATTENDANCE LIST

2005 ARKANSAS RIVER COMPACT ADMINISTRATION ANNUAL MEETING

Tuesday, December 13, 2005, 8:30 a.m. (MST) Lamar Community Building, Lamar, Colorado

NAME	REPRESENTING	ADDRESS	PHONE & FAX	EMAIL
DAN NEUHOLD	CO. DIV. OF WATER RES.	30240 AD. 12 LAMAR, CO. 81052	(719) 336-5364 (719) 336-5384	DAN.NEUHOLD@STATE.CO.US
Joe Fiery	CO DNR	310 E 18th St Pueblo, CO 81002	719-542-3368 ext 2103	joe.fiery@state.co.us
Bill Taylor	CO DNR	315 E 18th St Pueblo, CO 81002	719-542-3327 ext 2105	bill.taylor@state.co.us
KEVIN SALTER	KS DWR / KDA	2508 JOHN GARDEN CITY KS 67846	785 (620) 276-2901	ksalter@kda.state.ks.us
David Barlow	KS DWR - KDA	109 SW 9th Topeka, KS 66612	785-296-3830	dbarlow@kda.state.ks.us
TERRY HOWLAND	Amity Mutual IRRE	P.O. Box 187 Holly Co. 81047	719-537-6627	Amity@runal.com.com
DON STEERMAN	Dist 67 Iro Canals Area Amity Bu Palo	Shirley Steerman & Shirley P.O. Box 390 Lamar, CO 81052	719-336-4313	ShirleySteerman@aol.com Centwaytel.net
Pat Johnson	U.S. Army	201 W 3rd St Pueblo, CO 81002	719-344-7155	patjohnson@usace.army.mil
Van Truan	USACE	1372 E. 1st St 1147 S. 1st St Pueblo, Colorado	719-344-2918	van.truan@usace.army.mil
CHAMPE GREEN	USACE	4101 JEFFERSON PLAZA NE ALBUQUERQUE NM 87109	505-342-3357	CHAMPE.B.GREEN@USACE.ARMY.MIL

ATTENDANCE LIST

2005 ARKANSAS RIVER COMPACT ADMINISTRATION ANNUAL MEETING

Tuesday, December 13, 2005, 8:30 a.m. (MST) Lamar Community Building, Lamar, Colorado

NAME	REPRESENTING	ADDRESS	PHONE & FAX	EMAIL
Doris Morgan	US Sen Wayne Allard	71003 503 N Main Pueblo, Co	545-3832 Fax 719-545-9751	doris_morgan@allard.senate.gov
Mark Mendenhall	USACE	4101 Jefferson PL Albuquerque, NM 87109	505.342.3351 505.342.3145	mark.u.mendenhall@usace.army.mil
JOHN MERSON	JOHN MARTIN RESERVOIR STATE PARK	30703 COUNTY RD 24 HASTY, CO 81044	719) 829-1801 FAX= 719) 829-1807	john.merson@state.co.us
Mark M. Stark	USACE John Martin/Trinidad	29455 Cty Rd 25.75 Hasty, Co 81044	719-336 3476 794-336 9711	Mark.M.Stark@USace.army.mil
Eve McDonald	Colo AG's office	1525 Sherman St Denver 80203	31866-5072	eve.mcdonald@state.co.us
Ken Knox	Colorado Division Water Resour	1313 sherman st. Denver, CO 80203	(303) 866-3581	ken.knox@state.co.us
Carol Angel	Colo AG's Office	1525 Sherman St 516 FL Denver CO 80203	303 866 5016	carol.angel@state.co.us
Tom Iseman	The Nature Conservancy	2424 Spruce Street Boulder, CO 80502	303 444-2950	tiseman@tnc.org
Steve Miller	Colorado Water Conservation Bd	1313 Sherman St Denver, CO 80303	303-866-3532 Fax 866-4474	steve.miller@state.co.us
JOHN DRAPER	KANSAS	7080x 2307 Santa Fe, NM 87505	505-986-2525 Fax 505-982-4289	jdraper@montand.com
Randy Hayzlett	KANSAS	RT 1 Box 44 Lakin, KS 67860	620-355-7499 620-355-7064 - FAX	hayzlett@pld.com

ATTENDANCE LIST

2005 ARKANSAS RIVER COMPACT ADMINISTRATION ANNUAL MEETING

Tuesday, December 13, 2005, 8:30 a.m. (MST) Lamar Community Building, Lamar, Colorado

NAME	REPRESENTING	ADDRESS	PHONE & FAX	EMAIL
Dave Brennan	ARCA KS	1710 Sheppard County, Garden City, KS	620-275-7460	dbrenn@ge.net com
David L. Pope	ARCA KS	109 SW 9th Topeka, KS	785 296 3710	dpope@kda.state.ks.us
Rod Koharich	COLORADO	1313 Sherman Denver, CO 80203	303-866-2562	rod.koharich@state.co.us
MATT KEMERIK	COLORADO AREA	5325 LN 9.5 D.S. CO 81662	719 267 5555 x 264 home 719 267 4012	matt@k-crawley.com
Colin Thompson	ARCA	302557055 HALLCO	719 537 6711 FAX 537 4380	
Dennis Montgomery	State of Colorado	1441 12th St. #100 Denver, CO	303-296-8100	
Jim Rogers	Farmer	Lamar CO 32259 RR 13	719 336 2124	

Exhibit B

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 2005 ANNUAL MEETING ARKANSAS RIVER COMPACT ADMINISTRATION

LAMAR, COLORADO
TUESDAY, DECEMBER 13, 2005,
8:30 A.M. (MST)

LAMAR COMMUNITY BUILDING
610 SOUTH SIXTH STREET
LAMAR, COLORADO

The 2005 Annual Meeting of the Arkansas River Compact Administration ("ARCA") will be held in Lamar, Colorado, on **Tuesday, December 13, 2005**, 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 may need a special accommodation as a result of a disability please contact Stephanie Gonzales at 719-537-0111 at least three days before the meeting.

The Engineering, Operations, and Administrative/Legal Committees of the Administration will meet on **Monday, December 12, 2005**, also at the Lamar Community Building, beginning at 1:30 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. 12, 2005, 1:30 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. Colorado request for new water source for John Martin Reservoir ("JMR") permanent pool
 - B. Permanent pool evaporation calculation and apportionment
 - C. Proposed transit loss study between JMR and Stateline

3. **Old business**
 - A. Review proposed transit loss study between JMR and Stateline (Livingston)
 - B. Colorado request for new water source for JMR permanent pool (Keesee Ditch)

4. **New business and other matters**
 - A. Review agreements between States associated with the Kansas v. Colorado litigation
 - B. Consideration of transit loss study above JMR
 - C. Status of implementation of recent amendments to Trinidad Operating Principles

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

6. **Future Meetings**

7. **Adjourn**

ARCA OPERATIONS COMMITTEE MEETING
MONDAY, DEC. 12, 2005, 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. Accounting and operations issues from prior years per "Water Issues Matrix"
 - 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 CY2005 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 per "Water Issues Matrix"
6. **New business and other matters**
 - A. Review agreements between States associated with the Kansas v. Colorado litigation
 - B. Recommendation concerning the appointment of a "Special Engineering Committee" to resolve disputed accounting and operational issues
7. **Summary of action items / Committee assignments to staff**
8. **Future Meetings**
 - A. April and/or mid-Summer meeting(s)
10. **Adjourn**

ARCA ADMINISTRATIVE & LEGAL COMMITTEE MEETING
MONDAY, DEC. 13, 2004, 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. Items currently before Committee.
 - B. Items referred from Operations Committee
 - (1) Records retention
 - (2) Matrix issue 52 re upstream storage of flood flows
 - (3) Matrix issue 60 re "Agreement B"

3. **Review Agenda for 2005 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
 - (1) Review of current fiscal year (FY) 2005-06 budget
 - (2) Review of previously adopted FY 06-07 budget and assessments
 - (3) Approval of USGS Cooperative Agreements for gaging network
 - (4) Adoption of FY 07-08 budget and assessments

6. **Old Business**
 - A. Status of Transcripts and/or Summaries from Prior Meetings:
 - (1) Annual Meetings: 1993, 1998, 1999, 2000, 2001, 2002, May 2003, Dec. 2003, Dec. 2004
 - (2) Special Meeting Minutes
 - B. Annual Report Preparation
 - (1) Status of uncompleted reports from 1994-2002
 - (2) Process to complete backlog and for future years
 - C. Referred issues
 - (1) Records retention
 - (2) Matrix issue 52 re upstream storage of flood flows
 - (3) Matrix issue 60 re "Agreement B"

ADMINISTRATIVE & LEGAL COMMITTEE CONTINUED

7. **New business**
 - A. Reconsider roles and duties of Recording Secretary and Treasurer and personal services contracts
 - B. Nomination of Officers
 - (1) Vice-Chairman
 - (2) Recording Secretary
 - (3) Treasurer
 - (4) Operations Secretary
 - (5) Assistant Operations Secretary
 - C. Recommendation on appointment of Committee chairs
 - D. Proposed resolution concerning the appointment of a "Special Engineering Committee" to resolve disputed accounting and operational issues
 - E. Discussion of future water quality studies and issues

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

9. **Future Meetings**

10. **Adjourn**

TUESDAY, DEC. 13, 2004, 8:30 A.M. (MST)
2005 ANNUAL MEETING
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. **Resolutions re Colorado's Outgoing Representatives: Tom Pointon and Jim Rogers**

5. **Reports of Officers for Compact Year 2005:**
 - A. Chairman: Robin Jennison
 - B. Vice-chairman: David Pope
 - C. Recording Secretary: Stephanie Gonzales [defer to agenda item 9]
 - D. Treasurer: Jim Rogers [defer to agenda item 9]

6. **Reports from Colorado Water Conservancy Districts**
 - A. Southeastern Colorado Water Conservancy District
 - B. Lower Arkansas Valley Water Conservancy District
 - C. Purgatoire River Water Conservancy District

7. **Kansas v. Colorado Status Update**
 - A. Procedures used to resolve litigation issues between the States and recent agreements adopted.
 - B. Colorado compliance efforts

8. **Reports of Federal Agencies:**
 - A. U.S. Geological Survey
 - B. U.S. Army Corps of Engineers
 - C. U.S. Bureau of Reclamation

ANNUAL MEETING CONTINUED

9. Report of Operations Committee

- A. Reports of Operations Secretary and Assistant Operations Secretary for CY2005
- B. Report from Dec. 12, 2005 Committee meeting
 - (1) Summary of discussions and submittal of written report
 - (2). Recommendations to the Administration
 - (a) Committee recommendations re 2005 Operations Secretary and Assistant Operations Secretary Reports
 - (b) Appointment of a "Special Engineering Committee" to resolve disputed accounting and operational issues
 - (3) Administration instructions to the Committee

10. Report of Engineering Committee

- A. Report from Dec. 12, 2005 Committee Meeting
 - (1) Summary of discussions and submittal of written report
 - (2) Recommendations to the Administration
 - (a) Livingston Transit Loss Study JMR to Stateline
 - (b) Development of transit loss study above JMR
 - (c) Permanent pool water source
 - (3) Administration instructions to the Committee

11. Report of Administrative and Legal Committee

- A. Report from Dec. 12, 2005 Committee Meeting
 - (1) Summary of discussions
 - (2) Written report
 - (3). Action items for consideration by Administration
 - (a) Election of Officers for Compact Year 2005
 - (b) Appointment of Committee chairs for Compact Year 2005
 - (c) Financial matters
 - i. Audit Report
 - ii. Budget review and adoption
 - (d) Approval of minutes from previous meetings
 - (e) Annual report procedures
- B. Administration instructions to the Committee
 - (1) approval of transcripts and/or summaries from prior meetings
 - (2) approval of annual reports

12. Old Business

- A. Water Issues Matrix items #50, 51, 53

ANNUAL MEETING CONTINUED

13. New Business

- A. Action on recommendations from Engineering Committee
- B. Action on recommendations from Operations Committee
- C. Action on recommendations from Administrative and Legal Committee
 - (1) Election of Officers
 - (2) Appointment of Committee chairs
 - (3) Approval of Audit Report
 - (4) Budget review and adoption
 - (5) Approval of minutes
 - (6) Annual Report instructions
 - (7) Resolution creating "Special Engineering Committee"

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. 2006 Annual Meeting

15. Adjourn

Exhibit C

C

ARKANSAS RIVER COMPACT ADMINISTRATION

Audited Financial Statements

June 30, 2005

Approved 12-13-2005
ARCA
David W. Rye
Vice Chair

ARKANSAS RIVER COMPACT ADMINISTRATION

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June 30, 2005

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Members
NSA
PASC

Certified Public Accountants

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

INDEPENDENT AUDITOR'S REPORT

November 2, 2005

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, 2005, 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, 2005 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

	June 30 2005	June 30 2004	June 30 2003
<u>ASSETS</u>			
Cash	<u>100,639</u>	<u>101,545</u>	<u>98,547</u>
TOTAL ASSETS	<u>100,639</u>	<u>101,545</u>	<u>98,547</u>
<u>LIABILITIES</u>			
None	0	0	0
<u>FUND BALANCE</u>			
Unexpended Fund Balance	<u>100,639</u>	<u>101,545</u>	<u>98,547</u>
TOTAL FUND BALANCE	<u>100,639</u>	<u>101,545</u>	<u>98,547</u>

ARKANSAS RIVER COMPACT ADMINISTRATION

**STATEMENT OF REVENUES and EXPENSES
with BUDGET COMPARISON**

For the Budget Year July 1, 2004 to June 30, 2005

	(NOTE 2) Actual:				
	July 1	Jan. 1			
	to Dec. 31	to June 30	TOTAL	BUDGET	OVER
			<u>ACTUAL</u>		<u>(UNDER)</u>
REVENUES					
Revenues from Assessments:					
Colorado 60%	40,800	0	40,800	40,800	0
Kansas 40%	27,200	0	27,200	27,200	0
Interest	721	598	1,319	1,000	319
Miscellaneous	0	0	0	0	0
			<hr/>		
TOTAL REVENUES	68,721	598	69,319	69,000	319
EXPENDITURES					
Professional Service Contracts:					
Treasurer	1,000	1,000	2,000	2,000	0
Recording Secretary	1,250	1,250	2,500	2,000	500
Operations Secretary	3,571	2,521	6,092	6,100	(8)
Auditor Fee	0	615	615	500	115
Court Reporter (transcripts)	0	1,052	1,052	2,000	(948)
Gaging Stations & Studies:					
U.S. Geological Survey - Colorado District	0	35,440	35,440	35,450	(10)
U.S. Geological Survey - Kansas District	0	8,500	8,500	8,500	0
State of Colorado Satellite System	10,500	0	10,500	10,500	0
Operating Expenses:					
Treasurer Bond	100	0	100	100	0
Printing Annual Report	0	0	0	2,000	(2,000)
Telephone	500	0	500	1,000	(500)
Miscellaneous Office Expense	177	78	255	300	(45)
Postage/Copying/Supplies	200	198	398	400	(2)
Meetings	500	0	500	500	0
Travel	1,173	0	1,173	1,500	(327)
Rent	600	0	600	600	0
Other:					
Equipment	0	0	0	0	0
Contingency	0	0	0	2,000	(2,000)
Litigation	0	0	0	0	0
Special Projects & Studies	0	0	0	6,500	(6,500)
			<hr/>		
TOTAL EXPENDITURES	19,571	50,654	70,225	81,950	(11,725)
NET DECREASE IN FUND BALANCE			(906)	(12,950)	12,044
Fund Balance at Beginning of Year			<u>101,545</u>		
Fund Balance at End of Year			<u>100,639</u>		

See Accountant's Audit Report.

ARKANSAS RIVER COMPACT ADMINISTRATION

**CHANGES IN CASH BALANCE
STATEMENT OF RECEIPTS AND DISBURSEMENTS
For the Year Ended June 30, 2005**

<u>CASH BALANCE - July 1, 2004</u>		101,545
<u>RECEIPTS</u>		
Revenues from Assessments	68,000	
Interest	1,319	
Miscellaneous	<u>0</u>	
<u>TOTAL RECEIPTS</u>		69,319
<u>DISBURSEMENTS</u>		
Professional Service Contracts	12,259	
Gaging Stations & Studies	54,440	
Operating Expenses	3,526	
Other	<u>0</u>	
<u>TOTAL DISBURSEMENTS</u>		<u>(70,225)</u>
DISBURSEMENTS in EXCESS of RECEIPTS		<u>(906)</u>
<u>CASH BALANCE - June 30, 2005</u>		<u><u>100,639</u></u>

ARKANSAS RIVER COMPACT ADMINISTRATION

NOTES TO FINANCIAL STATEMENTS

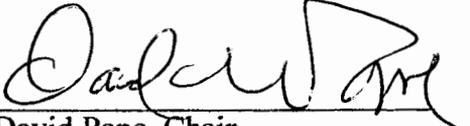
June 30, 2005

- 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*.
- NOTE 2 During the year there was a change in the position of Recording Secretary. Jan Anderson held the position from July 1 2004 to December 31 2004. From January 1 2005 the position has been held by Stephanie Gonzales. The records for both periods of time have been reviewed and found to be properly and consistently completed.

Exhibit D

Engineering Committee
Action Items
12 December 2005

- 1) Steve Miller and Kevin Salter were designated to develop a written summary for the 12 December Committee meeting. A draft written summary should be submitted to the Committee by 13 January 2006.
- 2) Authorize Russ Livingston to proceed with the transit loss study between John Martin Reservoir and the Colorado-Kansas Stateline, using the two phase approach. Mr. Livingston is to report back to the Committee at the end of Phase 1. Additionally, each State shall appoint a contact person, which will arrange for State supplied resources for this transit loss study. The State delegates will report back to the respective State Compact representatives.
- 3) The Committee heard from LAWMA / DOW concerning the use of the Keesee water right for the John Martin Reservoir Permanent Pool. The Engineering Committee is willing to monitor and take steps leading up to an ARCA Special Meeting. LAWMA/DOW needs to provide the Committee with information. The Committee will need to stay in touch with the process, settlement proposals, terms & conditions, and utilize respective State staffs to evaluate the proposal.


David Pope, Chair

Date: 12-13-2005


Matt Heimerich, Member

Date: 12/13/05

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Exhibit E

F

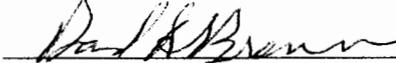
Operations Committee
Action Items
12 December 2005

- 1) Steve Miller and Kevin Salter were designated to develop a written summary for the 12 December Committee meeting. A draft written summary should be submitted to the Committee by 13 January 2006.
- 2) The Committee acknowledges the receipt of the Operations Secretary and Assistant Operations Secretary Reports.
- 3) The Committee recommends to ARCA that a Special Engineering Committee look at all unresolved issues that are before the Committee as indicated in the water issues matrix.



Colin Thompson, Chair

Date: 12/13/05



Dave Brenn, Member

Date: Dec 12, 2005

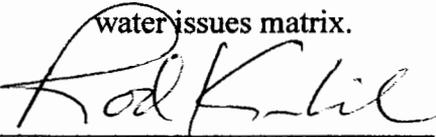
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Exhibit F

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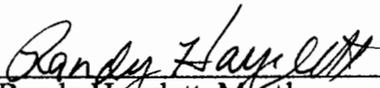
Administrative & Legal Committee
Action Items
12 December 2005

- 1) Steve Miller and Kevin Salter were designated to develop a written summary for the 12 December Committee meeting. A draft written summary should be submitted to the Committee by 13 January 2006.
- 2) Recommends that the audit be accepted
- 3) Recommends that the proposed budget for Fiscal Year (FY)07-08 be adopted by ARCA as presented
- 4) Report to ARCA that Colorado has generated a Compact Year (CY) 1994 Annual Report for Kansas' review and both States will work on a CY 2005 Annual Report that, at minimum, meets the requirements of the ARCA by-laws.
- 5) Recommends that the ARCA offices of Treasurer and Recording Secretary be combined.
- 6) Proposes the following slate of Officers:
 - a. Vice-chairman, David Pope
 - b. Treasurer / Recording Secretary, Stephanie Gonzales
 - c. Operations Secretary, Steve Witte
 - d. Assistant Operations Secretary, Mark Rude
- 7) Proposes the following committee assignments:
 - a. Engineering: David Pope; Matt Heimerich, Chair
 - b. Operations: Colin Thompson; Dave Brenn, Chair
 - c. Administrative & Legal: Rod Kuharich, Randy Hayzlett, Chair
- 8) The Committee recommends to ARCA that a Special Engineering Committee look at all unresolved issues that are before the Committee as indicated in the water issues matrix.



Rod Kuharich, Chair

Date: 12.13.05



Randy Hayzlett, Member

Date: 12-12-05

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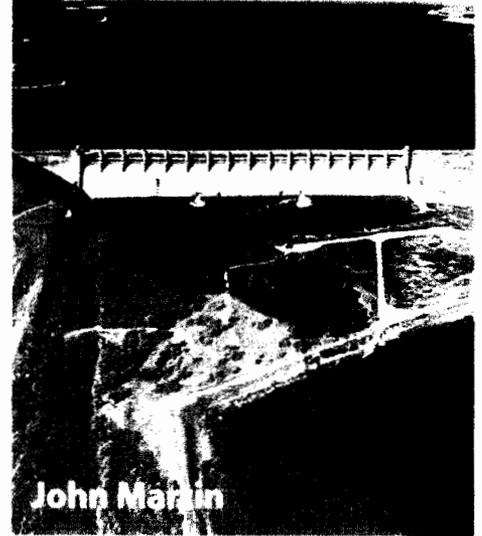
Exhibit G

Arkansas River Basin

Albuquerque
District

Fryingpan-
Arkansas ●

Pueblo ■



John Martin ▲

25



COLORADO

NEW MEXICO



US Army Corps
of Engineers.
Albuquerque District

Report of Civil Works
Activities for 2005

1. General. During 2005, 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 above normal throughout the upper basin, and considerably higher than normal in some of the southern sub-basins. The streamflow volumes for the Cucharas River near La Veta were an impressive 190% of average, and streamflow volumes on the Purgatoire River near Madrid reached 147% of average. Although the Upper Arkansas streamflow volumes were not as high, streamflows were 77% of average on the Arkansas River at Salida and 76% of average on Chalk Creek near Nathrop.

There were no significant flood-control operations at John Martin or Pueblo Reservoirs.

Trinidad Lake –

The Corps and the USGS have completed the installation of a secondary gaging station located downstream from the outlet works. This station will ensure that reliable readings for releases exceeding 1,000 cfs from Trinidad Lake can be verified.



Trinidad Lake, 2005. USACE photograph.

The need for a secondary gaging station became evident during flood operations in August of 2004, when heavy rains fell in the area and produced flows in excess of 4,500 cfs on the Purgatoire River above the reservoir, and releases in excess of 1,000 cfs were required. During attempts to execute these releases, it became apparent that the outlet works gaging station becomes unreliable for flow measurements of this magnitude, so releases were kept at or below 1000cfs.

The secondary gaging station will be used for all stage readings when future releases exceed 1000 cfs below the reservoir. The USGS continues to monitor and establish a rating table for the new location.



Trinidad Lake, 2004. Outlet works gaging station – 80 cfs. USACE photograph.



Trinidad Lake, 2004. Outlet works gaging station – 1260 cfs. USACE photograph.

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

a. 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.

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.

In October 2001, the Arkansas River Fisheries Habitat Restoration project was approved and a Project Cooperation Agreement was signed with the City of Pueblo in April 2002. The project will improve fish and riparian habitat along ten miles of the Arkansas River downstream of Pueblo Dam. Improvements will include in stream habitat and channel enhancement structures, channel restructuring, and riparian/bank plantings. Construction is ongoing and is scheduled for completion in 2006. Exotic vegetation removal and replantings are scheduled through FY08.

There are two potential section 206 preliminary restoration plans being developed to determine Federal interest in removing exotic vegetation and replanting with native vegetation at John Martin and Las Animas. The sponsors are the Colorado State Parks and the Las Animas Conservancy District.

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

d. **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.



Fountain Creek before jetty placement, 2000.
Photograph courtesy City of Pueblo, CO.

5. General Investigations. The Corps' General Investigations program provides for large comprehensive solutions to complex problems that can explore solutions on a watershed scale. The Fountain Creek watershed study began in 2002 and will be on-going through FY07.

The project will look at the entire watershed, identifying potential detailed studies involving environmental restoration, flood reduction, erosion protection and other factors in a Feasibility document.

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.



Chinook jetty construction, Fountain Creek.
Photograph courtesy City of Pueblo, CO.

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>.

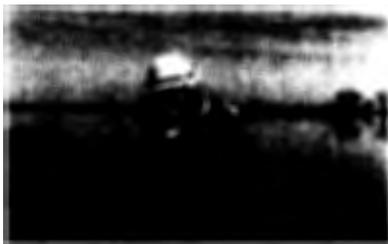
At the request of the Colorado Water Conservation Board, and partially funded by the Federal Emergency Management Agency, Region VIII, the Corps initiated a study in 2004, and is continuing work in 2005, on a floodplain delineation study and Flood Insurance Study for Oak Creek through the towns of Williamsburg and Rockvale and for Coal Creek through the town of Coal Creek in Fremont County. 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.

Under authority of an Interagency Agreement with the Federal Emergency Management Agency, Region VIII, the Corps initiated in 2004, and is continuing work in 2005, on a Flood Insurance Study for a portion of Black Squirrel Creek and five tributaries in El Paso County. 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.

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 2005, 20 individual permits were issued in the Arkansas River Basin. An additional 280 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. 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 3 contacts from local governments and private citizens in the Arkansas River Basin requesting information or assistance regarding flood related activities.

Exhibit H

Exhibit I

Exhibit J

Exhibit K

**Arkansas River Compact Administration
Resolution No. 2005 - 1 Regarding
Creation of a Special Engineering Committee**

WHEREAS, the States of Colorado and Kansas, acting through the Arkansas River Compact Administration (hereinafter "ARCA") and ARCA's Operations Committee have been unable to resolve certain accounting and interpretation issues arising from the Resolution Concerning an Operating Plan for John Martin Reservoir (hereinafter "1980 Operating Plan"); and

WHEREAS, the States have successfully resolved numerous technical issues relating to hydrologic modeling in the Kansas v. Colorado litigation through negotiation between a small group of technical experts; and

WHEREAS, the States want to resolve the issues related to the 1980 Operating Plan in a similar manner, and believe a new committee of ARCA may be best able to discuss and reach agreement on those conflicts; and

WHEREAS, Article V.5. of the Bylaws of ARCA provides that: "The Administration may. From time to time, create special committees composed of such members of the Administration and others as it may determine and assign to such committees such tasks as the Administration may designate."

NOW THEREFORE, BE IT RESOLVED that, pursuant to Bylaw Article V.5., the Arkansas River Compact Administration does hereby create the "Special Engineering Committee". The "Special Engineering Committee" shall operate according to the terms of ARCA's bylaws and the following additional provisions:

Special Provisions for ARCA Special Engineering Committee

1. Members of Committee: Each State shall designate two members to serve on the Special Engineering Committee (occasionally referred to as "Committee"), one of whom must be a member of the Administration. The Federal Representative and Chairman of ARCA shall be an ex-officio member of the Committee.

2. Term: The Special Engineering Committee is 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.

3. Meeting procedures: The Special Engineering Committee shall establish its own procedures for conducting its business. To the extent possible, notice of meetings shall be as provided for in the ARCA by-laws. However it is expressly agreed that the Committee may meet in private and without notice, and that no written record of its activities is required. A quorum for meeting purposes shall consist of two members, one from each state, and the Federal Representative need not be in attendance. Committee members shall communicate with their respective delegations regarding deliberations of the Committee.

4. Recommendations: The function of the Special Engineering Committee shall be to develop recommendations to ARCA which upon adoption will reduce or eliminate disputes between the States. The Committee may package its recommendations as "all or none" or in any other combination that protects the respective mutual benefits that each state has obtained through the Committee process. No agreement reached by the Committee shall be effective until adopted by ARCA.

5. Assigned Tasks: The Special Engineering Committee is hereby assigned the following tasks:

a. To develop recommendations on the resolution of the remaining issues set out on the table prepared by the Operations Committee entitled "JMR Accounting Issues", dated April 2005.

b. To review and provide recommendations on the revision and approval of all Annual Reports of the Operations Secretary for Compact Years 1994 - 2004, including the status of the Report for Compact Year 2005 if not approved by ARCA at the December 2005 Annual Meeting.

c. To provide guidance to the Administrative and Legal Committee, and its designee, on preparing drafts of the Annual Reports of the Administration for those years where accounting disputes appear to be resolved and for years where, absent such agreement, in the Special Engineering Committee's opinion a dual set of accounting should be displayed.

d. To develop recommendations on the resolution of any other accounting, operation, or interpretation issue arising under the 1980 Operating Plan if properly referred by the Operations Committee.

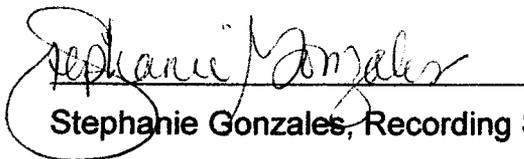
Adopted by the Arkansas River Compact Administration at its Compact Year 2005 Annual Meeting on December 13, 2005 in Lamar, Colorado, which date shall also be the effective date.



David Pope, Vice-Chairman
Arkansas River Compact Administration

12-13-2005

Date



Stephanie Gonzales, Recording Secretary,
Arkansas River Compact Administration

12-13-2005

Date

Exhibit L

