

**MINUTES OF A REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
SOUTH METRO WATER SUPPLY AUTHORITY**

HELD: Monday, January 27, 2014 at 1:00 p.m. at the South Metro Water Supply Authority, 2nd Floor Conference Room, 8400 East Prentice Avenue, Greenwood Village, Colorado 80111.

ATTENDANCE:

The regular meeting of the Board of Directors of South Metro Water Supply Authority ("Authority"), Douglas and Arapahoe Counties, Colorado, was called and held as shown above and in accordance with the applicable statutes of the State of Colorado, with the following directors present and acting:

Dave Kaunisto, East Cherry Creek Valley
Ron Redd, Parker Water and Sanitation District
Mark Marlowe, Town of Castle Rock
John Hendrick, Centennial Water and Sanitation District
Mitch Chambers, Stonegate Village Metro District

Also present were: Eric Hecox, SMWSA, Executive Director
Rick Marsicek, SMWSA, Director of Engineering
Mikal Martinez, SMWSA, Assistant
Pat Ratliff, Ratliff & Associates
Heather Beasley, Pinery W&WD
Doug Scott, Meridian Metro District
Jim Hunsaker, Spencer Fane & Grimshaw
Janece Soendker, CliftonLarsonAllen LLP
Matt Urkoski, CliftonLarsonAllen LLP
Jack Ostrowski, Castle Pines Metropolitan District
Scott Lehman, Rangeview Metropolitan District
Mark Shively, independent consultant

CALL TO ORDER:

Director Redd noted that a quorum was present for the purpose of conducting a meeting of the Board of Directors and called the meeting of the South Metro Water Supply Authority to order at 12:58 p.m.

APPROVE/REVISE AGENDA:

The Board reviewed the agenda. Eric Hecox requested to include two additional items: 2013 Annual Report and Colorado Snowpack / Surface Water Supply Update. Upon motion duly made, seconded and unanimously carried, the Board approved the Agenda.

PUBLIC COMMENT:

None.

MINUTES:

Minutes from the December 16, 2013 Board Meeting were reviewed. Upon motion duly made and seconded, the minutes were approved as presented with three votes in favor and two in abstention due to absence during the last meeting. Dave Kaunisto and Mitch Chambers abstained.

CLAIMS:

The Board reviewed the claims presented for payment represented by checks numbered 3853 through 3862. The December Financial Statement was also presented to the Board. Eric Hecox explained that there were some necessary interim payables listed on page 9 of the Financial Statement included in the packet. Following Board discussion and questions, upon a motion duly made, seconded, and unanimously carried, the Board approved the claims in the total amount of \$38,476.93.

COMMITTEE REPORTS:

Legislative Report – Pat Ratliff provided an overview of her Bill recommendations for legislation introduced to date. With a handout provided by email listing each Bill, its name, and her recommendations to either 1) support, 2) oppose, 3) neutral, or 4) monitor, Pat briefly explained the main points of each piece of legislation currently considered and her rationale for each recommendation. Upon motion duly made, seconded and unanimously carried, the Board to support the Bills under Pat Ratliff’s recommendation.

Attorney’s Report – Jim Hunsaker provided a brief explanation regarding the Draft Colorado / Wyoming Coalition Participation Agreement. Mark Marlowe had questions about whether each of the fourteen SMWSA members are on board with the current terms of the agreement. John Hendrick suggested that Jim Hunsaker include a synopsis to include for each member who might need to take it to their individual boards for approval. Mitch Chambers suggested that Jim make revisions to section 1.B. (e) of the draft agreement.

EXECUTIVE DIRECTOR REPORT:

Annual Report: Eric Hecox reminded the Board that staff has been working with Sandy Laws on the 2013 Annual Report. He suggested that each member carefully consider and respond to an email request for information on accomplishments in progress or completed in 2013 for each entity.

Colorado Snowpack Map: Rick Marsicek gave a summary of current snowpack conditions in the Colorado and South Platte River Basins. The board asked for future updates and John Hendrick mentioned that information on reservoir storage, drought, and forecasts should also be included.

WISE Partnership: Rick Marsicek provided a brief update on the status of the WISE Partnership. The Water Delivery Agreement Amendment became effective on December 31, 2013. The two remaining contingencies include the Western Pipeline Agreement and the issuance of a permit allowing WISE water to be stored in Rueter-Hess Reservoir. The WISE Authority is working hard on overcoming these two contingencies.

Chatfield Reallocation Project: Eric Hecox provided an update to the Board regarding Chatfield. The Colorado Parks and Wildlife (CPW) unanimously approved the Fish and Wildlife Mitigation Plan for the Chatfield Reallocation Project on January 9, 2014. The plan will now be sent to CWCB for approval and then may become the State's position on fish and wildlife mitigation. CWCB will take formal action on January 28, 2014.

On the federal level, the ROD and Draft Director's report is still at headquarters. It has been reviewed at many levels and has not been returned for revision, which is good news. It is still moving along and on track for a decision soon. The Water Storage Agreement is on a separate track and the State and the participants expect comment from the Corps in early 2014, with the hopes of completing the Water Storage Agreement in 2014.

John Hendrick informed the Board that Eric Hecox did a great job at the CPW Commission meeting and that Jack Ostrowski has been very instrumental in getting this project approved. He thanked everyone involved for the success of the project thus far.

Aquifer Storage and Recovery Pilot Study: Rick Marsicek gave an overview of the current status of the ASR project. The path forward will consist of a technical memo describing the work to date from CDM, closing the books on the project temporarily, and revisiting the project when WISE water can be used. Eric and Rick will coordinate with CWCB on the updated approach and report back to the Board.

Colorado/Wyoming Coalition: Eric Hecox provided an update on the CO/WY Coalition with regards to a Feasibility Study, which continues to be on hold pending release of the Flaming Gorge model by the Bureau of Reclamation (BOR). The Flaming Gorge model was completed several months ago and has been under peer review and is ready for release to CWCB for their review. Eric explained that the expectation is to have it back to the Coalition by late March. Eric also addressed the members to thank them for considering the Participation Agreement and to ask them to please let Jim Hunsaker know as soon as possible whether or not each district or entity will participate. He informed the Board that Northern Colorado Water Conservancy District (Northern) has joined the Coalition and contributed to this final phase of the study.

Metro Roundtable / IBCC / State Water Plan: Eric Hecox summarized the South Metro activities related to the Colorado Water Plan, as each Basin Roundtable is creating a Basin Implementation Plan (BIP) that will feed into the State Water Plan.

As a reminder, the South Platte and Metro Roundtables are doing a joint BIP, SMWSA is the fiscal agent for this grant, and HDR was selected as the contractor. HDR's current activities are focused on a communications plan, drafting goals and measurable outcomes for the plan, and preparing to gather information on local projects, demands, and the gap.

SMWSA will focus its input into the Colorado Water Plan in four major areas: agricultural transfers, streamline water project permitting processes, new and updated local projects, and new supply projects from the west slope. Mark Marlowe, John Hendrick, Rick Marsicek, and Eric Hecox met on January 15th to compile a draft input document for the Board and members to review. The group will continue to develop the draft input.

SMWSA Master Plan Update: Rick Marsicek directed the Board to the Scope of Work included in the packet for the initial phase of the Master Plan. Upon motion duly made, seconded and unanimously carried, the Board approved the CH2M Hill Scope of Work.

Conservation and Education Task from DCWRA and Potential Financing: Eric Hecox welcomed Mark Shively to the meeting to discuss a preview of his methodology on the conservation and education tasks he will be consulting on. Mark directed the Board to a handout circulated, which covers the main points he believes should direct how SMWSA communicates and educates about water issues. Dave Kaunisto and John Hendrick agreed that SMWSA would like quantitative information on the value of the Water Ambassador's program and other conservation and education efforts for each provider.

EXECUTIVE SESSION:

None.

AUTHORITY BUSINESS:

None.

UPCOMING EVENTS:

- 1/27-1/28 CWCB Meeting – Approval of the Chatfield Mitigation Plan
- 1/29-1/31/14 – CWC Annual Convention – Eric will speak during an afternoon workshop on Wednesday
- 2/7-2/12/14 Eric will be taking annual leave
- 2/18 CO Contractor's Association – Eric and Rick will provide a briefing on WISE and other SMWSA projects

OTHER BUSINESS:

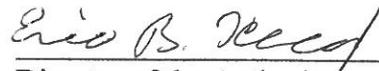
None.

ADJOURNMENT:

RECORD OF PROCEEDING

There being no further business to come before the Board, upon a motion duly made, seconded and unanimously carried, the meeting was adjourned at 2:55 p.m. The next regularly scheduled board meeting will be held on February 24, 2014 at 1:00pm at 8400 East Prentice Avenue, Greenwood Village, CO 80111.

The foregoing minutes constitutes a true and correct copy of the minutes of the above-referenced meeting and was approved by the Board of Directors of the South Metro Water Supply Authority.



Director of the Authority