

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

HELD: Monday, June 16, 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 & Sanitation District
Mark Marlowe, Town of Castle Rock
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
Kevin Collins, CliftonLarsonAllen LLP
Russ Dykstra, Spencer Fane Britt & Browne LLP
Jim Nikkel, Castle Pines North Metro District
Steve Witter, ACWWA
Mark Shively, Independent Consultant
Catherine Kornbrust, BT Construction
Mark Scott, GSI Consultants

CALL TO ORDER:

Director Kaunisto 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 1:04 p.m.

APPROVE/REVISE AGENDA:

The Board reviewed the Agenda. Upon motion duly made, seconded, and unanimously carried, the Board approved the Agenda.

PUBLIC COMMENT:

None.

MINUTES:

Minutes from the May 19, 2014 Board Meeting were reviewed. Upon motion duly made, seconded, and unanimously carried, the Minutes were approved.

CLAIMS:

The Board reviewed the claims presented for payment represented by check numbers 3924 through 3935. The May 31 Financial Statement was also presented to the Board. Following a brief discussion, and upon a motion duly made, seconded, and unanimously carried, the Board approved the interim and present claims in the total amount of \$30,343.57. Upon motion duly made, seconded, and unanimously carried, the Board approved the Claims and Financial Statement as presented.

COMMITTEE REPORTS:

Legislative Report – Pat Ratliff provided an update on the Colorado Water Congress (CWC) State Affairs and Federal Affairs Committees and facilitated an updated discussion of proposed Clean Water Act rule changes. Pat explained that this group should participate in opposing federal rulemaking that could redefine “navigable” waterways. As a reminder, a task force has been formed to deal with the issue in Washington. Colorado Water Congress is spearheading the effort for Colorado. Pat asked the Board to consider joining CWC's efforts, which would cost \$15,000 divided among participating CWC members. Upon motion duly made, seconded, and unanimously carried, the Board approved a maximum of \$2,000 contribution toward the task force efforts. Dave Kaunisto asked about the end of the session and if there is anything notable. Pat explained that Senate Bill 23 was vetoed by the Governor. Dave also asked about the Public Trust Initiative and Pat responded by saying that she is hoping to learn more this week.

Attorney’s Report – Russ Dykstra said he has nothing to report that is not addressed in other sections of the Agenda.

EXECUTIVE DIRECTOR REPORT:

WISE Partnership: Rick Marsicek explained that the WISE Authority continues to work on completing the Water Delivery Agreement Contingencies. Rick stated that he will be distributing an RFQ for the Design Build portion of the project in the beginning of July.

Chatfield Reallocation Project: Eric Hecox explained that the Federal Record of Decision (ROD) has been issued after nearly twenty years in the process. The signed ROD is included in the packet. The draft WSA is under development with both the USACE HQ legal staff and the ASA legal counsel. We are told that the Corps should have a draft WSA ready to send out to the State and providers for their review this week. Eric again reminded the group that we are in the process of cleaning up the SMWSA Chatfield subscriptions and he explained that the participants who want to make their shares available have filled out the formal notices, which were circulated to all SMWSA Members on June 6th. Eric asked that if any members would like to pick up additional Chatfield storage under the South Metro umbrella, they should let

us know as soon as possible. The last day for other SMWSA members or SMWSA to pick up shares is June 20th. On June 23rd, SMWSA, on behalf of the Selling Participants, will provide written notice to the State of Colorado and other Users. The Upstream Group will have 30 days from the dates of the notice to pick up shares. If there are any remaining shares not picked up by the Upstream Group by July 23rd, they will be conveyed to the State as orphan shares.

Aquifer Storage and Recovery Pilot Study: Rick Marsicek stated that he has been working with CDM Smith on the next steps for the ASR Study. A justification memo extending the 5-year term and a proposed scope is under development and will be presented to CWCBC soon.

Colorado/Wyoming Coalition: Eric Hecox explained that the 4 Upper Basin States reviewed the Flaming Gorge model, and the Bureau of Reclamation (BOR) has incorporated their comments and released the model on May 30, 2014. The Coalition is now restarting the feasibility study and is engaging John Carron to run the model.

Metro Roundtable / IBCC / State Water Plan: Eric Hecox updated the members on the State Water Plan activities. Eric said that staff continues to use the Board approved document as guidance in its review and comment on several aspects of the BIP and Colorado's Water Plan, and it was particularly helpful regarding issues with the permitting section. Eric also explained that the Metro and South Platte Roundtables are beginning to discuss Phase 2 of HDR's work in supporting the roundtables and ensure that information is captured in Colorado's Water Plan. Staff reminded the board that SMWSA acted as fiscal agent for Phase 1, and it makes sense to continue the same role in Phase 2. Eric asked the board to let staff know if they have any concerns with that.

SMWSA Master Plan Update: Rick Marsicek provided an update of the status of the Master Plan efforts by CH2M Hill. Rick explained that Mikal Martinez has a list of days and times that CH2M can meet with the six remaining South Metro members individually. Rick asked the members to please schedule the one-on-one meetings with CH2M Hill through Mikal.

Eric Hecox explained a conversation he had with John Hendrick about groundwater use in the region, planning for the future, and how suppliers might be able to cooperate or evaluate the groundwater declines. John's idea was to start exploring ways to optimize regional resources and better plan groundwater use within the SMWSA membership.

Conservation and Education – Regional Messaging: Eric Hecox described the details and outcome of the recent blast email efforts. Mikal Martinez summarized details provided by members reporting back on the first two email blasts.

Regarding the Water Ambassador program, Eric summarized the monthly status report from Mark Shively and also Joy Thompson, the WA Program Coordinator. Eric reminded the board and members of the decisions made during the May meeting to take a two-prong approach: 1) hire a water resource professional to support WISE

activities, SMWSA activities, and conservation activities, and 2) contract with an individual or entity to conduct regional messaging, education, general PR support, and reconfiguring the current website to include these efforts. Eric summarized several aspects agreed upon such as: budgets for the remainder of 2014, 2015, and 2016, how members can participate in the Water Ambassador program after the commitment in 2014 is finished, and the development of an RFP for Regional Messaging Proposals.

AUTHORITY BUSINESS:

10-Year Celebration: Eric Hecox summarized prior Board discussions on SMWSA's ten year anniversary in August. Eric explained that he incorporated Board and Member feedback, and staff will organize a happy hour celebration following the August meeting. We will reserve space at a nearby restaurant, provide appetizers and soft drinks, and invite current and former members and staff (attendees will need to purchase their own cocktails).

Water Resource Professional / Junior Engineer Job Announcement: Eric Hecox updated the Board on the SMWSA hiring activities to date. We have received 16 applications, offered interviews to 6, had 2 withdrawals, and staff will interview 4 candidates on June 25th. Eric said he hopes to make an offer by the end of the month.

CWC Summer Conference Sponsorship: Eric Hecox directed the Board to a sponsorship request for CWC's Summer Conference. SMWSA has sponsored this in past years as it offers an opportunity for positive exposure for the organization, and staff recommended a \$200 sponsorship. Upon motion duly made, seconded, and unanimously carried, the Board approved a \$200 coffee break sponsorship for the CWC Summer Conference.

AUTHORITY CAPACITY IN ECCV'S NORTHERN PIPELINE: Eric Hecox explained that Castle Rock has expressed interest in acquiring additional firm capacity in ECCV's Northern Pipeline. Rick asked if any Authority member with existing capacity in the Northern Pipeline is interested in selling capacity, please contact Castle Rock. Eric directed the Members to a table in the packet memo, which shows SMWSA Members who own capacity under the 2005 Agreement with ECCV. Eric explained that SMWSA staff is working on filling in gaps in critical documents and archived files.

CURRENT SNOWPACK & WATER SUPPLY:

Rick Marsicek stated that snowpack and projected runoff are still well above average for the Colorado and South Platte River Basins. Rick directed the board to the graphs provided in the packet and explained that the melt has occurred very rapidly, which means there is only about 5% of the snowpack remaining in the Colorado Basin and 30% in the South Platte Basin.

UPCOMING EVENTS:

- 7/1 – 7/20 – Eric's vacation
- 7/4 – Independence Day (holiday)

- 7/21 – 8/1 – Rick’s vacation
- 7/16 – 7/17 – CWCB Meeting – presentation of Basin Implementation Plans
- 8/7 – SMWSA Master Plan Workshop (1-5pm)
- 8/20 – 8/22 – CWC Summer Conference

OTHER BUSINESS:

None.

EXECUTIVE SESSION:

Upon a motion duly made, seconded and unanimously carried, the Board entered into an executive session at 2:15 p.m., pursuant to CRS 24-6-402(4) (b) and (f) to receive specific legal advice and develop negotiating strategies related to the following:

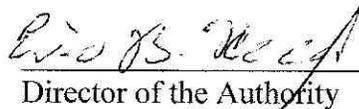
- a. Regional Messaging RFP

At 2:28 p.m., the Board adjourned the executive session and confirmed that no action was taken in executive session and that no matters were discussed beyond the scope for which it was called.

ADJOURNMENT:

There being no further business to come before the Board, upon a motion duly made, seconded and unanimously carried, the meeting was adjourned at 2:29 p.m. The next regularly scheduled board meeting will be held on June 16, 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