

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

HELD: Monday, March 17, 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
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
Kevin Collins, CliftonLarsonAllen LLP
Russ Dykstra, Spencer Fane Britt & Browne LLP
Jack Ostrowski, Castle Pines Metropolitan District
Steve Witter, ACWWA
Pat Mulhern, Cottonwood / Inverness Districts
Mary Kay Provaznik, Dominion Water & Sanitation District
Matt Benak, Town of Castle Rock
Mark Scott, GEI Consultants
John Rehring, Carollo Engineering
Mark Shively, Independent Consultant
Joy Thompson, Water Ambassador Program
Will Koger, Forsgren Associates, Inc.
Catherine Kornbrust, BT Construction
Sarah Dorminy, CH2M Hill
Jon Diebel, CH2M Hill
Caryn Becker, Tetrattech
Marvin Taxar, resident

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 February 24, 2014 Board Meeting were reviewed. Upon motion duly made, seconded, and unanimously carried, the Minutes were approved as presented.

CLAIMS:

The Board reviewed the claims presented for payment represented by check number 3876, an interim check, and 3877 through 3889. The February Financial Statement was also presented to the Board. Eric Hecox reminded the Board that there are usually necessary interim payables listed on page 9 of the Financial Statement. Following Board discussion and questions, upon a motion duly made, seconded, and unanimously carried, the Board approved the interim and present claims in the total amount of \$130,107.92.

COMMITTEE REPORTS:

Legislative Report – Pat Ratliff provided a brief update on 2014 legislation introduced to date, as well as on Colorado Water Congress State Affairs and Federal Affairs Committees. She informed the Board that she will begin sending shortened updates with only new bill summaries in the future. With a revised handout describing each Bill and the SMWSA position to either 1) support, 2) oppose, 3) neutral, or 4) monitor, Pat clarified and made recommendations on the new bills. Upon motion duly made, seconded and unanimously carried, the Board voted to approve the other various positions recommended by Pat on the new bills presented. John Hendrick suggested that the Board direct Pat to oppose HB14-1332.

Attorney's Report – Russ Dykstra presented the draft Conservation / Education Participation Agreement (P.A.). Russ laid out the basic terms and details of the cost sharing splits and the need for some decisions. Eric Hecox explained two items that need comments or specific feedback: 1) the structure of the budget and 2) how to charge non-members. The Board discussed matters of budget and scope of the participation, how non-member participants are treated and charged, as well as terms of the option to withdrawal from the participation, as it is currently written in the draft P.A. President Kaunisto suggested that the

Board might need more time to review the P.A. and will come back in April to make a decision.

Regarding the Chatfield Participation Agreement, Eric explained that SMWSA will be initiating the formal process for making the shares available that withdrawing participants no longer need.

EXECUTIVE DIRECTOR REPORT:

WISE Partnership: Rick Marsicek mentioned that the WISE Authority is working on completing the Water Delivery Agreement Contingencies.

Chatfield Reallocation Project: Eric Hecox provided a brief overview to the Board regarding Chatfield. The Colorado Parks and Wildlife (CPW) and Colorado Water Conservation Board (CWCB) both unanimously approved the Fish and Wildlife Mitigation Plan for the Chatfield Reallocation Project in January 2014. Now that the plan has been approved at the state level, the focus will turn towards the process at the Federal level. The FR/EIS was completed in 2013 and the next steps for Chatfield involve the Federal Record of Decision (ROD) and a Water Storage Agreement (WSA). Both of these documents are still being exchanged between the Corps headquarters and district office. Eric explained that we are still anticipating the ROD soon and hope to have the Corps comments on a draft WSA about the same time.

The participants in the project took their spring semi-annual trip to Washington DC from March 4th through March 6th. Eric attended on behalf of the SMWSA participants and several other project participants attended, including Randy Ray, Randy Knutson, Jeff Shoemaker, Kip Stasny, Rick McLoud, and David Howlett and Marge Price with Capitol Representatives. At Corps Headquarters, the group learned that they do not have the ROD ready to send to ASA or the WSA comments ready to send out. They said it would take through March and possibly April to move the two key items forward. Eric explained that the participants voiced their disappointment with the process, with not being given priority, and with the lack of progress to date. The group was eventually able to get a commitment from Deputy Let Mon Lee to pushing HQ and other Army General Counsel people to make the project approval a higher priority. They also received commitments from all nine of Colorado's Congressional delegates to make phone calls to the Corps to reinforce the efforts of Let Mon Lee. Eric stated that the group asked that they show the united commitment and urgency of having the two processes (ROD and WSA) move forward with a deadline for both at the end of March. They also asked for a regularly scheduled conference call with Corps Headquarters to stay on top of the progress.

Aquifer Storage and Recovery Pilot Study: Rick Marsicek gave an overview of the status of the ASR project. Eric and Rick met with CWCB staff on March 7 to discuss revisions to the scope of work. The CWCB asked for three things: 1) A justification memo for contract extension beyond the standard five-year contract limit, 2) An interim report summarizing the project to date that includes a summary of challenges and benefits of ASR to use as a statewide educating tool, 3) An update of

scope of services. John Hendrick offered to provide a PowerPoint presentation of Centennial's experience with ASR. Rick said that would be helpful.

Colorado/Wyoming Coalition: Eric Hecox stated that there is little to update regarding the CO/WY Coalition. The Feasibility Study continues to be on hold pending release of the Flaming Gorge model by the Bureau of Reclamation (BOR). Coalition representatives have had a series of discussion with BOR. The Flaming Gorge model is complete and has undergone peer review and is ready for release to CWCB for their review, at which point the model will be available to the Coalition. Eric explained that the expectation has been to have it back to the Coalition by late March.

With the model close to completion, the Coalition is gathering funds to complete the study. SMWSA has a final Participation Agreement that outlines the terms of participating and also provides agreement to the amount each SMWSA member will contribute to the Coalition. Mikal Martinez has distributed those invoices to each member for their agreed upon portion of funding and she will is also circulating the P.A. for signatures.

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. Eric explained that SMWSA met with consultants on February 25th directly after the last Board Meeting to discuss coordination between the state planning process and the SMWSA Master Plan. We want to use the Master Planning efforts to influence the State Plan and appropriately leverage the work of the State Plan. Based upon the summary document provided at earlier Board meetings, the group is going to revise the write-up on west slope supplies and also add a section summarizing the groundwater situation in the South Metro area. In February, HDR circulated a request for updates to the data sheets that CWCB used previously to gather information on local projects. The table provided to the State was included in the packet. It is not too late to include any additional projects that any member might like to add to the list. HDR technical memo drafts on 1) Agricultural Needs and Alternative Transfer Methods, 2) Conservation, and 3) Watershed Programs were examined by both Rick Marsicek and Eric Hecox, who provided comments based upon past direction by the Board. Additional draft memos on local water projects and reuse and an annotated outline for the BIP are coming soon. HDR also created a website with videos explaining the Colorado Water Plan, the South Platte/Metro Basin Plan, and providing opportunities for public education, input, and feedback. Eric provided the web address www.SouthPlatteBasin.com and assured members that the website will be posted to the SMWSA site and also distributed to members asking them to send the link to customers and constituents.

John Hendrick provided comments on the recent Roundtable Summit meeting held on March 6, 2014.

SMWSA Master Plan Update: Rick Marsicek introduced Jon Diebel and Sarah Dorminy from CH2M Hill Engineers, Inc. Eric Hecox and Rick met with CH2M Hill on March 12, 2014 and discussed the information to be collected by each entity during upcoming meetings. The Master Plan collection of data will be coordinated with the HB-1051 reporting requirements. Meetings with individual entities will begin in late March, early April.

AUTHORITY BUSINESS:

Annual Report: Eric Hecox explained that we hoped to have a draft 2013 Annual Report for this meeting but it was not ready for review before the meeting. It will be available for review soon. The draft text was developed and vetted over the past two months and Lawscomm is working with staff to create the layout and to insert photos.

CFWE's President's Award Reception Sponsorship: Eric informed the Board that each spring, the CFWE recognizes two individuals. The President's Award is presented to a Coloradan who has shown great dedication to water education. The Emerging Leader Award honors the work done by a young Coloradan. This year, Alan Hamel is receiving the President's Award and Sean Cronin is receiving the Emerging Leader's Award. Eric explained that last year's event drew a record number of attendees and sponsorship of this event provides SMWSA positive exposure. Staff is recommending a \$250 sponsorship for the award banquet. The event will be on Friday, May 2, 2014 from 6-10pm at History Colorado in downtown Denver. Upon motion duly made, seconded, and unanimously approved, the Board approved staff's recommendation to a \$250 sponsorship.

Plum Creek Spring Up Sponsorship: Eric Hecox described the Spring Up event as the 11th annual Spring Up the Creek Day. The event encourages volunteers to clean up the trash and debris along the banks of East Plum Creek and Sellars Gulch and then enjoy various activities, food and fun, and informative booths. Staff recommended a \$50 sponsorship. Upon motion made and seconded, the Board approved a \$50 sponsorship for this event with four ayes and one abstention by Mark Marlowe.

Colorado Snowpack Map: Rick Marsicek stated that snowpack and projected runoff are well above average for the Colorado and South Platte River Basins. Dave Kaunisto mentioned that Denver Water will likely have spot sale water available if anyone is interested.

Regional Population & Demographic Trends: Eric Hecox introduced information compiled by Mikal Martinez regarding demographics and economics for both Arapahoe and Douglas Counties. Mikal explained that she was looking for data that described current trends involving current population, projected population, and housing and economic development. Materials provided came directly from the Colorado State Demography Office, Douglas County, Arapahoe County, and the

Denver South Economic Development Partnership Economic Summary for the 3rd quarter of 2013. Mikal explained that all of the information gathered points to positive economic recovery and steady and relatively predictable population growth within the South Metro region. Mikal stated that information is generally updated by July of each year for the prior year, and we can compile updated info each summer as needed.

Conservation / Messaging Workshop: Mark Shively led a water supply messaging workshop that resulted in his meetings with most of the individual SMWSA members. With a PowerPoint presentation that will be made available to members, Mark outlined conservation and education messaging strategies that have been proven to work.

UPCOMING EVENTS:

- 3/18/14 – 3/19/14: CWCB Meeting in Denver. Eric may attend if needed for finalizing the conditional approval of the second part of the WISE grant.
- 3/25/14: IBCC Meeting in Denver. Eric was asked to attend as an alternate for Joe Stibrich to represent the Metro Roundtable.
- 4/2/14: Pikes Peak Regional Water Authority: Eric will be speaking to PPRWA and discussing our Authority's shared interest in reducing reliance on nonrenewable groundwater and exchanging information on recent projects.
- UPCOMING: Members participating in CWCB loans for Chatfield and/or WISE should put May 21-22 in Pueblo on their calendars. The CWCB Board will be approving the individual loans that fall under these umbrella loans included in 2014 Projects Bill. Individual applicants will need to provide additional information prior to the meeting and may need to attend the meeting.

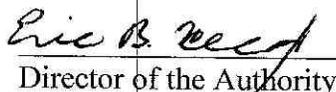
OTHER BUSINESS:

None.

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 3:02 p.m. The next regularly scheduled board meeting will be held on April 21, 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