

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

HELD: Monday, September 15, 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
Logan Burba, SMWSA, Water Resources
Mikal Martinez, SMWSA, Assistant
Pat Ratliff, Ratliff & Associates
Russ Dykstra, Spencer Fane Britt & Browne LLP
Pat Mulhern, Cottonwood & Inverness
Jack Ostrowski, Castle Pines Metro District
Doug Scott, Meridian Metro District
Steve Witter, ACWWA
Catherine Kornbrust, BT Construction
Doug Brown, CDM Smith
Kate Henske, Burns McDonnell
Jason Curl, CH2M Hill

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 1:02 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 August 18, 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 payments represented by check numbers 3966 for the interim September lease and additional deposit payment and by check numbers 3967 through 3981 for all other monthly payables. The August 31, 2014 Financial Statement was 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 \$56,803.16 and the Financial Statement for the period ending August 31, 2014.

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, which could redefine “Waters of the U.S.” Pat summarized a document she emailed out written by Justice Hobbes. Pat briefly summarized each of the ten new bills along with her recommendations to support, oppose, or remain neutral. Pat updated the group on her efforts related to the CWC and the Waters of the U.S. lobby funding.

Attorney’s Report – Russ Dykstra has nothing to report at this time.

EXECUTIVE DIRECTOR REPORT:

WISE Partnership: Rick Marsicek updated the Board by saying that the WISE Authority continues to work on completing the Water Delivery Agreement Contingencies. The Purchase and Sale Agreement should be executed either today or very soon. The RHR permit amendment is progressing and draft terms of the amendment should be back from the Corps soon. Eric answered questions posed by the Board on the anticipated timing of the final permit amendment.

Chatfield Reallocation Project: Eric Hecox reminded the Board that the Federal Record of Decision (ROD) has been issued and the attention has now shifted to several agreements that must be executed before the project can move into implementation. The agreements currently under draft are the Water Storage Agreement (WSA) between the Corps and the State, a Reallocated Storage Users Agreement, Articles of Incorporation and the Bylaws for the Chatfield Mitigation Company, and an escrow agreement. The goal has been to have the WSA approved

and in place by September 30, 2014 with the other agreements moving along the same time frame, but it is looking unlikely to be completed by that date.

Eric also reminded the Board the Mt. Carbon Metropolitan District agreed to purchase shares held under SMWSA and made available by the Pinery, Stonegate, Roxborough, Cottonwood, and ACWWA. Eric directed the Board to the packet to review acknowledgement and assignment documents prepared by counsel. Upon motion duly made, seconded, and unanimously carried, the Board voted to approve the Chatfield Contract for Assignment and the Individual Acknowledgement Agreements.

Eric reminded the Board that the four South Metro entities left have consolidated their shares outside of the South Metro umbrella. There is a meeting set for August 19th to discuss SMWSA's new role as it relates to Chatfield. Eric addressed several questions from Board members relating to budgeting and agreements.

Aquifer Storage and Recovery Pilot Study: Rick Marsicek explained that this will be the last ASR update until the project is reinitiated, likely in 2016. He stated that the extension with CWCB should be approved shortly and that staff will be working with the groundwater group to set up a meeting with academic groups from the School of Mines and CSU on the economics of ASR.

Colorado/Wyoming Coalition: Logan Burba gave a brief summary of a September 9th meeting where a Flaming Gorge model demo and review was given by John Carron, and Bruce Lytle will be doing statistical analysis on the results of the model.

Metro Roundtable / IBCC / State Water Plan: Eric Hecox updated the members on the State Water Plan activities to date. The draft chapters described in last month's update are now available for review. The draft chapters released are: 1) Meeting the consumptive and non-consumptive gaps, 2) Municipal, industrial, and agricultural infrastructure projects and methods, 3) Environmental and recreational projects and methods, 4) Cross-basin conceptual agreements and points of consensus, 5) Alignment of state resources and policies, and 6) Outreach and public engagement. Staff will review those chapters as time permits. Eric informed the Board that the CWCB has met recently in Glenwood Springs and he will find out how that meeting went and what, if any, decisions came out of it.

SMWSA Master Plan Update: Logan Burba provided an update on the work in progress CH2M Hill has made in finding out demands. Next month, there will be a more robust update given by CH2M. Rick reminded the members that it is important that they communicate and work with the consultants so that our picture of demands are clear and accurate. Jason Curl was present and he answered questions asked by the Board and members.

Conservation and Education – Regional Messaging: Eric Hecox reminded the group about the process and selection committee who had worked to select a consultant to help SMWSA with our Regional Messaging program. GBSM was selected to work with SMWSA. Eric directed the Board to a draft Scope of Work and

explained that this and the contract are still under development. Eric answered questions regarding budget, deliverables, member input, and materials. Upon motion duly made, seconded, and unanimously carried, the Board voted to approve Exhibit A – 2014 Scope of Work for the consulting contract with GBSM, Inc.

Eric directed the Board to a link provided in the packet memo which contains documents and important content updates related to the Water Ambassador (W.A.) program. Eric explained that the W.A. program is in full swing for this academic year and Mark Shively's monthly report is available in the Board packet. Eric reminded the group that, due to budgeting processes starting again, staff will be working with members to find out who is interested in participating in the program in the future.

Logan Burba provided a summary of a meeting with Kevin Reidy from the CWCB on the necessity of updated, state-approved conservation plans. Logan will soon be meeting with Members individually to look at their conservation plans and discuss how regional efforts can be made moving forward. Mark Marlowe asked if the conservation plans will be included in the Master Plan. Eric Hecox gave an explanation of the requirements, cost, and components important to a conservation plan, and he explained how South Metro staff can help members explore grants and other opportunities that could help various SMWSA Members.

AUTHORITY BUSINESS:

2015 Budget Prep: Eric Hecox explained that budgeting preparation kicks off in September and October 6th has been held for a special budgeting workshop. Major topics of discussion will include 2015 level of effort for the Master Plan update, potential groundwater/DBA initiatives such as monitoring, long-term plans, and ASR, and conservation initiatives. Upon motion duly made, seconded and unanimously carried, the Board voted to authorize Eric Hecox to work with CliftonLarsonAllen to prepare the annual budget for 2015.

CFWE Membership Renewal: Eric Hecox summarized SMWSA's historical membership and recommended a \$2,000 level renewal. Upon motion duly made, seconded, and unanimously carried, the Board voted to approve \$2,000 for renewal of SMWSA's membership to CFWE.

CWC Membership Dues: Eric Hecox asked the Board to consider membership renewal to the Colorado Water Congress. Upon motion duly made, seconded, and unanimously carried, the Board voted to approve SMWSA's renewal to the CWC.

SMWSA Committees: Eric Hecox explained that with the multiple efforts being made (master plan, regional messaging, etc), he suggests the Board and Members consider how they might be able to help and provide direction on some of the larger scale projects in the form of subcommittees.

UPCOMING EVENTS:

- 9/15-9/17 – Chatfield DC Trip, SMWSA will not attend but staff from several participants will be there
- 9/26 – As a member of the Executive Committee, Eric will attend an all-day CFWE Strategic Planning retreat
- 10/6 – Board Budget Workshop
- 10/8-10/9 – Sustaining CO Watersheds Conference – Eric will speak on a groundwater panel
- 10/22-10/23 – South Platte Forum

OTHER BUSINESS:

Ron Redd announced that Rueter Hess may have storage space to lease/sell. Mitch Chambers wanted to acknowledge that Parker Water and Sanitation District recently received a collaboration and partnership award given by the Special District Association of Colorado.

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 2:18 p.m. The next regularly scheduled board meeting will be held on October 20, 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