

**Assistant Operations Secretary Report**  
Compact Operations for John Martin Reservoir  
Compact Year 1999

This, my second year as Assistant Operations Secretary (AOS) has proven as enlightening as the first. During this compact year (CY), John Martin Reservoir (JMR) content reached a record 456,000 acre feet on May 9, 1999 and water spilled physically over the project's spillway during two separate events. I have again gained valuable insight into the complexities of both accounting for water in John Martin Reservoir (JMR) and in interpreting the various agreements that underlie the accounting. As detailed below, during the year, the Operations Secretary (OS) and I, with additional staff from each state, met three times to better understand the differences in our accounting methodologies and to seek resolution of these differences where possible. Our meetings have been productive, although we have not completed this work. A review of the proposed 1999 OS report reveals that the same disputed operations continue as in prior years. Even so, I remain hopeful that we can build on the work completed to date and resolve at least some of these concerns.

This report will review our meetings and discuss what we have learned regarding the differences between our accounting perspectives. I provided Colorado with alternative accountings for both 1998 and 1995 in January and February, respectively. I am not able to present an alternate accounting for compact year 1999 at this time as it is not yet complete. However, the previous accountings have provided sufficient basis for our discussions to this point.

Attached to this report is the final version of the Compact Year (CY)1998 Assistant Operations Secretary Report. Resolving the accounting issues in CY 1995 and after may affect this accounting for CY 1998.

#### **Meetings Between the Operation and Assistant Operation Secretaries**

Our first meeting was held in Pueblo on January 14, 1999. This meeting allowed me to present the Operations Secretary with the final version of the CY 1998 Assistant Operation Secretary's report and provided an opportunity for detailed discussion of many of the issues raised in the report. A second meeting was held in Pueblo on February 25, 1999 to continue these discussions. Prior to the meeting, I provided the Operations Secretary with a preliminary AOS 1995 accounting. At the meeting Colorado provided their reactions to the discussion of our positions of the first meeting. We began exploring the differences in spill accountings in greater detail though conceptual examples and discussed additional data requests by Kansas related to pass-through waters and the JMR administrative account.

A third meeting was held on April 8-9, 1999 in Garden City. At this meeting, the participants reviewed additional data the Operations Secretary proposed to provide on non-reported reservoir operations. We continued to explore impacts of the differences in accounting methods and their consistency with the 1980 Operating Plan. A fourth meeting was planned but was subsequently postponed due to the summer flooding.

## Review of Issues

### The "Pass Through Waters" and "Administration Account"

The AOS report of last year noted that the OS accounting does not report all reservoir inflows and releases. As a result of our discussions, Colorado has agreed to provide Kansas, at least monthly, a spreadsheet(s) showing all releases from JMR including "pass-through" waters as well the daily status of JMR's "administrative account" and its computation. Staff in my office is working to determine if this information is needed more frequently.

### Interruption of Releases from Conservation Storage to Section II Accounts

In the accounting review for previous years, the release of summer and winter compact water to accounts was interrupted in the OS accounting on November 1 and in the summer when the reservoir demand below JMR was curtailed. The 1980 Operating Plan provides for release of conservation storage to Section II Accounts, but does not provide for the interruption of these releases once initiated. The 1980 Operating Plan places a prescribed standing call for water by the Section II accounts on conservation storage. I do not believe that call should be interrupted unless specifically provided for by resolution of the ARCA.

### Agreement B Sub-accounts

The OS accounting divides each Colorado Ditch's Section II water into summer and winter, and in some cases previous summer, accounts. Similarly, the Operations Secretary's practice is to credit inflows between April 1 to October 31 to *summer* compact water. The purpose of these Colorado accounts is to implement "Agreement B." These sub-accounts are not necessary for the 1980 Operating Plan and are not authorized by ARCA. The AOS accounting does not include the Colorado Section II sub-accounts.

### Flood Pool Account

Unlike the OS accounting, the AOS accounting does not include a flood pool account as I see no provision for such an account in the 1980 Operating Plan and it was not necessary for the accounting. In the AOS accounting, forced releases spill the accounts at the rate of physical spill from the reservoir as prescribed by the 1980 Operating Plan. I believe this method was correctly applied in the 1987 spill accounting, based on the minutes from the CY 1987 meeting. The disputed spill accounting in 1995, 1998 and 1999 departs from the previous practice and the 1980 Operating Plan. The Operations Secretary's objection to this method is that account water is temporarily stored in the flood control space of JMR. **The AOS spill accounting simply relies on the physical constraints of the operation of the dam to dictate the forced release of account water under the 1980 Operating Plan.**

### Inflow vs. Outflow Spill Accounting

Inflow based forced releases from accounts manipulates the ownership of the stored accounts irrespective of dam operations. Water is transferred from accounts based on artificial inflows into an account that is not recognized by ARCA. This also removes the reliance on the physical spill over the project's spillway as a constraint to the forced release of accounts. Inflow based accounting relies on a specified elevation between conservation storage and the flood control space of JMR.

Outflow based forced releases relies on the measured physical spill over the dam to dictate the forced loss of account water as my reading of the 1980 Operating Plan requires. The outflow is measured below JMR so that the exact water being spilled is a known quantity.

### Depletion Credits in Spill Accounting for Out-of-priority Storage

My initial concern with the OS spill accounting, as detailed in the AOS CY 1998 report, was with the practice of adjusting inflows (depletion *debits*) in JMR for upstream post-compact storage in Pueblo during the 1998 spill. These depletion debits accelerated forced releases from accounts to conservation storage. The accounts in JMR again suffered forced releases when Pueblo Reservoir subsequently spilled. I can find nothing within ARCA that would allow for such depletion debits to be applied to inflows to JMR. In our discussions, we could find little hope for resolution of Kansas' concerns regarding post-compact storage during spills and depletion credits at our level.

### Evaporation Charges

The Operations Secretary and I discussed two areas of concern related to evaporation charges. One was the evaporation charge during a spill. The AOS accounting uses the method prescribed by the 1980 Operating Plan where all accounts are charged pro rata. The practice of the Operations Secretary has been to charge a flood pool account with all the evaporation.

The second evaporation issue arose out of the discovery that the 1976 resolution authorizing the permanent pool states that its evaporation charge shall be based on incremental area. This is in contrast to the remainder of the accounts which, as stated above, are charged based on the percentage of volume. The OS accountings and the AOS accountings have based the evaporation charge for the permanent pool on percentage of volume. The Operations Committee may want to consider recommending an amendment to the 1976 resolution in this regard or to direct operations accounting to reflect the 1976 resolution.

### Winter Water Storage

The 1980 Operating Plan calls for a 35% storage charge on Section III water to be assessed upon delivery to JMR. Under the OS accounting, a winter water account is created to hold Section III

water deliveries until March 15 when it is distributed to the individual Section III accounts and the transit loss account. Only then is the 35% charge assessed. Colorado contends that they do not know the exact distribution of the Section III waters until March 15. In the AOS accounting, the Section III accounts were not separated; inflows went directly to a combined Section III account and the 35% charge went to the Kansas transit loss account as delivery of Section III water to JMR occurred.

Deficit Accounting in the Kansas Transit Loss Account

The 1980 Operating Plan provides for a deficit accounting when Kansas calls for water and there is no water available in the Kansas Transit loss account. This circumstance occurred when Kansas called for water in CY 1999. I have been informed that no deficit can be shown on the accounting software used by the Operations Secretary. We will want to include some discussions in the future as to how to operate the transit loss account to meet this requirement under the 1980 Operating Plan.

**Comments**

Much work by both parties has gone into the discussions conducted thus far on these issues. I believe additional discussions between the Operations Secretary and I would be productive. At some point in the very near future, we should provide a report to the Compact Administration or one of its committees on our findings and recommendations. The report should also indicate differences that we could not resolve. I will provide the AOS accounting for compact year 1999 as soon as it is complete. It may be helpful to include revised accounting for CY's 1995 thru 1998 to assist in resolving the issues that are obstructing the adoption of past years operations reports. Ultimately, I believe all efforts to resolve these issues will serve to build confidence in the operations of the Arkansas River Compact Administration.



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Date