

RECORD OF PROCEEDING

**SOUTHEASTERN COLORADO WATER
ACTIVITY ENTERPRISE**

MINUTES

May 20, 2010

The regular meeting of the Board of Directors of the Southeastern Colorado Water Activity Enterprise (SECWAE) was held on Thursday, May 20, 2010 at 10:40 a.m., at the District office, 31717 United Avenue, Pueblo, Colorado.

President Long announced a quorum was present.

DIRECTORS PRESENT:

Bill Long	Harold Miskel	Ann Nichols
Scott Reed	Gibson Hazard	Greg Johnson
Lissa Pinello	Howard "Bub" Miller	Carl McClure
Reed Dils	Gary Bostrom	David Simpson
Shawn Yoxey		
Alan Hamel-Advisory Board Member		

DIRECTORS ABSENT AND EXCUSED:

Kevin Karney and Vera Ortégón

ENTERPRISE OFFICIALS PRESENT:

Executive Director James Broderick; Administrative Manager Toni Gonzales; Project Manager Phil Reynolds; Finance Coordinator Tina White; Director of Engineering and Resource Management Bob Hamilton; Engineering Support Specialist Margie Medina; Conservation Outreach Coordinator Jean Van Pelt; Legal Counsel Steve Leonhardt and Lee Miller; and Federal Lobbyists Ray Kogovsek and Christine Arbogast.

VISITORS PRESENT:

Roy Vaughan, U.S. Bureau of Reclamation; Chris Woodka, The Pueblo Chieftain; Dan Kugler, Black & Veatch; Bob Hartzman, City of Cañon City; Bill Hower, Beulah Water District; Shirley Klipfel; Dwight Gardner, Senator Bennet's office; Mark Carmel, Merrick & Co.; Pat Edelmann, U.S. Geological Survey; Rick Kienitz, Aurora Water; Roy Heald, Security Water District and Fountain Valley Authority; Jerry Peña, MWH; Jay Winner, Lower Arkansas Valley Water Conservancy District; Dan Henrichs, High Line Canal Company; Scott Stevens, URS Corporation; and Scott Lorenz, AGUA.

APPROVAL OF MINUTES:

President Long asked if the members of the Board had received their copy of the minutes of April 15, 2010 and whether there were any corrections or additions. Hearing none, Howard Miller moved, seconded by Mr. Johnson, to approve the minutes. Motion unanimously carried.

RECORD OF PROCEEDING

FINANCIAL REPORT:

Treasurer Ann Nichols reported the financial statement for April was posted to the Board website for review. Treasurer Nichols moved for acceptance of the April 2010 financial statement and payment of the May bills. Mr. Reed seconded the motion, the motion unanimously carried.

CONSENT ITEMS:

None

ACTION ITEMS:

None

PRESENTATIONS:

FEDERAL LEGISLATION

Arkansas Valley Conduit

Christine Arbogast reported Mr. Kogovsek and she continue to monitor the FY 2011 appropriations process, which is moving slowly. Neither the House nor Senate have passed budget resolutions, which is generally the manner in which the Appropriations Committee gets its spending ceiling for the coming fiscal year. The Appropriations Committee then makes allocations, or ceilings, to each of the dozen subcommittees. The subcommittees then mark up their bills based on that allocation.

There is much discussion of not putting forth a budget resolution. If that is the chosen plan by leadership, then the Appropriations Committee will likely give allocations to the subcommittees based on the Administration's total budget request or last year's total ceiling. The bottom line is that it is unlikely that spending allocations will increase significantly for any of the subcommittees, particularly given the Administration's proposed spending freeze for the next three years.

Within that allocation provided to the House and Senate Energy and Water Development subcommittees, Mrs. Arbogast remains confident that funding above the \$3 million Administration request will be forthcoming. The level of support we have within our delegation for this priority project will make the difference, along with Congressman Salazar's position on the House subcommittee.

Jim Broderick and Christine Arbogast will be traveling to Washington, D.C. next week to talk with the Colorado delegation about further assistance, which might be needed in the appropriations process. In addition, they will update them on the NEPA process which is underway. Finally, they will be talking with them and meeting with Commissioner of Reclamation Mike Connor to discuss how a cooperative effort can move forward as Reclamation and the District continue to work to keep the NEPA process on schedule as well as other potential preliminary design activities. It will be important to the timetable to have in place the parameters of the cooperative effort.

Mr. Broderick and Mrs. Arbogast will also be lending support to the legislation proposed by the Colorado River Water Conservation District to allow water contributed to the Upper Colorado Endangered Species program to be credited toward their debt on Ruedi Reservoir.

RECORD OF PROCEEDING

Mr. Dils said that the Colorado Water Conservation Board has restored the \$60.6 million for the Arkansas Valley Conduit.

Clean Water Restoration Act

Mrs. Arbogast reported she continues to monitor the legislative proposal put forth by Congressman Oberstar on the Clean Water Act, but all information received at this point indicates that the bill is unlikely to move forward this year and this session of Congress because of lack of sufficient support to ensure its passage. She will continue to work with NWRA and our delegation on issues related to the bill.

Wilderness Bill

Mrs. Arbogast will continue to monitor the proposed wilderness bills, including that referred to as Hidden Gems. There is not any expected movement on that bill this Congress. Mr. Broderick said that Bob Hamilton will be attending a meeting, Friday, May 21, discussing the Hidden Gems issue.

ACTION ITEM:

ALLOCATION OF RETURN FLOWS

Mr. Hamilton reported the Board annually allocates Fry-Ark Project water return flows each year after the Bureau of Reclamation makes its May Fry-Ark Project water import forecast and the District allocates Project water.

Mr. Hamilton said at the Tuesday, May 12, 2010, Allocation Committee meeting, the Bureau of Reclamation released its forecast of 56,500 acre-feet (AF) of gross Fry-Ark Project water imports. Based on this forecast, together with the 4,500 AF of unallocated 2009 Project water, staff calculated there would be 48,276 AF available for allocation. Agricultural Fry-Ark Project water return flows are calculated based on the ag allocation of Project water allocated for direct irrigation use and released from Pueblo Reservoir. The District Board allocated this water at the May Board meeting, directing that upon payment for one hundred percent (100%) of the allocation, eighty percent (80%) of the allocation will be designated for distribution; and the remaining twenty percent (20%), to the extent available, will be designated for distribution no later than the July Board meeting date.

The amount of Project water return flows available for agriculture is determined by taking forty percent (40%) of the "headgate" deliveries to the ditches. After the amount of Project water return flows have been calculated, the return flows are allocated based upon the number of acres irrigated by one of two types of wells (supplemental or sole source) and the method of irrigation used on those lands (surface, sprinkler, or drip irrigation).

There is no specific allocation for municipal Fry-Ark return flows. When a municipal entity is allocated Project water, it is uncertain as to when the Project water will be used and will generate return flows. Municipal entities that exercise their first right of refusal for the return flows that they generate report those return flows to the District and are billed quarterly in arrears for that water. Therefore, as there is not a direct annual correlation between allocated municipal Fry-Ark Project water and municipal Fry-Ark Project water return flows, there is not a specific allocation of these return flows.

RECORD OF PROCEEDING

The Allocation Committee recommended the Enterprise allocate Fry-Ark Project water return flows as shown in the spreadsheet Mr. Hamilton prepared.

Mr. Johnson moved, seconded by Howard Miller, that the Enterprise allocate 10,114 AF of Fry-Ark agricultural Project water return flows for 2010, and sell municipal return flows to municipal entities exercising their first right of refusal for return flows that they generate. Motion unanimously carried.

INFORMATIONAL ITEMS:

The Board was provided written reports on the following, which were posted on the Board website:

- Arkansas Valley Conduit

OTHER BUSINESS MATTERS:

Mr. Dils reported that Eric Wilkinson, the General Manager of the Northern Colorado Water Conservancy District was diagnosed with cancer, but is on his way to a full recovery.

President Long asked if there were any other matters to come before the meeting, and hearing none, adjourned the meeting at 11:01 a.m.

Respectfully submitted,

Toni Gonzales
Administrative Manager

Secretary

