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**SOUTHEASTERN COLORADO WATER  
ACTIVITY ENTERPRISE**

**MINUTES**

**June 20, 2013**

A regular meeting of the Board of Directors of the Southeastern Colorado Water Activity Enterprise (Enterprise) was held on Thursday, June 20, 2013 at 9:37 a.m., at the District office, 31717 United Avenue, Pueblo, Colorado.

President Long announced a quorum was present.

**DIRECTORS PRESENT:**

Bill Long	Ann Nichols	Harold Miskel
Tom Goodwin	Gibson Hazard	Kevin Karney
Carl McClure	Greg Johnson	David Simpson
Leonard Pruett	Jay Moore	Gary Bostrom
Shawn Yoxey (arrived at 9:45)	Howard "Bub" Miller	
Alan Hamel-Advisory Board Member		

**DIRECTOR(S) ABSENT AND EXCUSED:**

Vera Ortegon

**ENTERPRISE OFFICIALS PRESENT:**

Executive Director James Broderick; General Counsel Lee Miller; Administrative Manager Toni Gonzales; Project Engineer Kevin Meador; Director of Engineering and Resource Management Bob Hamilton; Finance Manager Tina White; Project-Program Coordinator Jean Van Pelt; Special Water Counsel Steve Leonhardt; and Federal Lobbyist Ray Kogovsek.

**VISITORS PRESENT:**

Chris Woodka, The Pueblo Chieftain; Steve Witte; Colorado Division of Water Resources-Division 2; Terry Book, Board of Water Works of Pueblo; Roy Vaughan and Valda Terauds, Bureau of Reclamation; Matt Cook, HDR Engineering; Dan Henrichs, High Line Canal Company; Dwight Gardner, Senator Michael Bennet's office; Robert Galena and Brian McCain, Congressman Scott Tipton's office; Lee Lindeen, Providence Infrastructure; Ann Lopkoff, Colorado Water Protective Development Association; Scott Lorenz, Arkansas Groundwater Users Association and Excelsior Ditch Company; Terry Scanga, Upper Arkansas Water Conservancy District; Curt Thompson, Merrick & Company; Perry Cabot, Colorado Water Institute; and Clint Bulkley and Mitchell Downs, Osborne, Parsons & Rosacker, LLP.

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**APPROVAL OF MINUTES:**

President Long asked if the members of the Board had received their copy of the minutes of the May 16, 2013 Board meeting, and if there were any corrections or additions. Hearing none, Mr. Johnson moved, seconded by Mr. Howard "Bub" Miller, to approve the minutes. Motion unanimously carried.

**FINANCE COMMITTEE REPORT:**

Treasurer Ann Nichols reported the financial statement for May was posted to the Board website for review. Treasurer Nichols moved, seconded by Mr. Hazard, for acceptance of the May 2013 financial statement and payment of the June 2013 bills. Motion unanimously carried.

**CONSENT ITEMS:**

None

**PRESENTATIONS:**

**FEDERAL LEGISLATION**

Mr. Broderick reported he and Ms. Arbogast traveled to Washington, D.C. on May 21 to meet with Commissioner of Reclamation Mike Connor to discuss funding levels for the Arkansas Valley Conduit (AVC) for future years. Reclamation was able to provide \$4 million for the AVC. He said they will travel to Washington, D.C. soon to have discussions with Reclamation and Office of Management and Budget on a funding mechanism for tasks after the Environmental Impact Statement (EIS) is complete.

**AVC, EXCESS CAPACITY MASTER CONTRACT, AND NEPA UPDATE**

Jean Van Pelt reviewed the following:

- Reclamation and staff have completed reviewing the chapters and appendices of the draft Final EIS.
- The draft Final EIS was released to the Cooperating Agencies for review and comment on June 7, 2013. Comments are due on July 8, 2013.
  - A meeting is scheduled for June 21, 2013 at 1:00 p.m. to brief the Cooperating Agencies on the preferred alternative.
- Work on the Water Conservation Best Management Practices Tool Box is near completion.
  - Colorado Water Conservation Board Water Conservation Technical Advisory Group, Colorado WaterWise Council, and American Water Works Association conservation minded professionals provided comments on the tool box.
  - Valuable tool for the region, state, and possibly the nation.
  - It can be found on the District website under the conservation & education tab.
  - Three workshops will be held July 8 and 9 to introduce and demonstrate the toolbox to AVC and Master Contract participants. Also invited were the municipalities that the District allocates water to.
- A joint meeting with the AVC and Excess Capacity Board Committees and participants was held June 19, 2013.
  - Staff provided an update on the implementation of the Regional Water Conservation Plan and the integration of the Master Contract participants into the Regional Plan.

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- Another purpose was to introduce the preferred alternative.

**PREFERRED ALTERNATIVE**

Jim Broderick presented a PowerPoint titled, *Arkansas Valley Conduit and Long-Term Excess Capacity Master Contract Draft Environmental Impact Statement*, reviewing the following:

- Purpose
- Hybrid Alternative Comanche North
- Preferred Alternative-Comanche North
- Principles and Guidelines Analysis Draft Report
- Appraisal Cost Estimates
- Comparison of Costs-Comanche South to Comanche North
- Next Steps in the Process
- Reclamation's Planning Process
- Arkansas Valley Conduit Process
- Final EIS Schedule

Mr. Broderick said there is still a lot to be done, and that this is a regional effort.

**ACTION ITEMS:**

**ACCEPTANCE OF 2012 ANNUAL AUDIT**

Treasurer Nichols moved, seconded by Dr. Moore, the audit of the 2012 Financial Statements of the Enterprise be accepted as presented. Motion unanimously carried.

**APPROVAL OF 2012 FINANCIAL STATEMENTS**

Treasurer Nichols moved, seconded by Mr. Johnson, that the 2012 Financial Statements of the Enterprise be approved as audited. Motion unanimously carried.

**RECOVERY OF YIELD (ROY) APPLICATION (CASE NO. 06CW120) APPROVAL OF STIPULATION**

Mr. Leonhardt reported the Enterprise Board authorized legal counsel to join with the other co-applicants (the cities of Colorado Springs, Aurora, Fountain and the Board of Water Works of Pueblo (BWWP)) to file the application in this case in late 2006. The Board previously approved a related intergovernmental agreement (IGA) with the co-Applicants and the City of Pueblo in 2004.

The applicants (also known as the ROY participants) are parties to the 2004 six-party IGA with the City of Pueblo, which provides for the ROY participants to forego certain diversions to maintain specified flow levels on the Arkansas River through Pueblo. They can then recover the foregone yield through downstream storage, followed by exchanges to upstream storage (mainly Pueblo Reservoir) when the flows are sufficient. The application seeks appropriate rights of exchange of Foregone Diversions (within the meaning of the six-party IGA) through the reach of the Arkansas River from its confluence with Timpas Creek, in Otero County, upstream to Pueblo Reservoir, Twin Lakes, Clear Creek and

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Turquoise Reservoirs. Twenty-one parties filed statements of opposition in this case, three of which subsequently withdrew their statements of opposition. Rocky Ford is one of the 18 remaining objectors.

The Applicants retained MWH as their shared engineering consultants for this case. While MWH prepared an initial engineering report, the co-Applicants' attorneys prepared a draft proposed ruling to circulate to counsel for the objectors. The Water Referee approved a schedule that called for the Applicants to circulate a proposed ruling and engineering report by April 12, 2013, and the objectors to provide any comments by July 12, 2013. The Water Referee is to hold a status conference on August 30, 2013, to determine a schedule for further proceedings.

In response to the Applicants' proposed ruling and engineering, Rocky Ford's attorney responded that he would recommend Rocky Ford stipulate to the co-Applicants' proposed ruling dated April 12, 2013. BWWP's attorney, Bill Paddock, then prepared a stipulation that is acceptable to the co-Applicants' attorneys, and has been signed by Rocky Ford's attorney. The Board members were provided the stipulation and proposed ruling. Mr. Leonhardt explained some terms of the proposed decree, and recommended the Board approve the stipulation with Rocky Ford.

Mr. Hazard moved, seconded by Mrs. Yoxey, to authorize special water counsel to execute the Stipulation with Rocky Ford and the co-Applicants in the form presented to the Board, consenting to entry of the co-Applicants' proposed ruling dated April 12, 2013. Motion unanimously carried.

**INFORMATIONAL ITEMS:**

The Board was provided written material on the following topics, which were posted to the Board website:

- AVC, Excess Capacity Master Contract, and NEPA Update

**OTHER BUSINESS MATTERS:**

President Long recessed the meeting at 10:24 a.m., and reconvened at 10:28 a.m. for a joint meeting with the District for the 2012 Annual Audit presentation.

President Long asked if there were any other matters to come before the meeting, and hearing none, adjourned the meeting at 10:42 a.m.

Respectfully submitted,

Toni Gonzales  
Administrative Manager

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Secretary

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