

RECORD OF PROCEEDING

**SOUTHEASTERN COLORADO WATER
ACTIVITY ENTERPRISE**

MINUTES

March 21, 2013

A regular meeting of the Board of Directors of the Southeastern Colorado Water Activity Enterprise (Enterprise) was held on Thursday, March 21, 2013 at 9:41 a.m., at the District office, 31717 United Avenue, Pueblo, Colorado.

President Long announced a quorum was present.

DIRECTORS PRESENT:

Bill Long	Ann Nichols	Vera Ortegon
Reed Dils	Tom Goodwin	Kevin Karney
Gibson Hazard	Carl McClure	Greg Johnson
David Simpson	Howard "Bub" Miller	Leonard Pruett
Shawn Yoxey (arrived at 9:45)	Gary Bostrom (arrived at 9:47)	
Alan Hamel-Advisory Board Member		

DIRECTOR(S) ABSENT AND EXCUSED:

Harold Miskel.

ENTERPRISE OFFICIALS PRESENT:

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

VISITORS PRESENT:

David Mau, U.S. Geological Survey; Chris Woodka, The Pueblo Chieftain; Steve Witte, Colorado Division of Water Resources-Division 2; Dwight Gardner, Senator Michael Bennet's office; Doris Morgan, Congressman Cory Gardner's office; Jim Baldwin, Otero County; Brett Gracely, Colorado Springs Utilities; Terry Book, Board of Water Works of Pueblo; Brian McCain, Congressman Scott Tipton's office; Christina Thiebaut, Senator Mark Udall's office; Bob Hartzman, City of Canon City Water Department; Terry Dawson, Bureau of Reclamation; Tom Simpson, Aurora Water; Roy Heald, Security Water District and Fountain Valley Authority; Daniel Rice and Lee Lindeen, Providence Infrastructure; Terry Scanga, Upper Arkansas Water Conservancy District; Scott Lorenz, Arkansas Groundwater Users Association; Bill Vaupel, Jacobs Engineering Group; Curt Thompson, Merrick & Company; Jennifer Gimbel and Ted Kowalski, Colorado Water Conservation Board; Tim Payne, Fremont County; Kevin Bergschneider, HDR Engineering; and Erin Wilson, Wilson Water Group.

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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 January 17, 2013 Board meeting, and if there were any corrections or additions. Hearing none, Mrs. Ortegon moved, seconded by Mr. Howard “Bub” Miller, to approve the minutes. Motion unanimously carried.

FINANCE COMMITTEE REPORT:

Treasurer Ann Nichols reported the financial statements for January and February were posted to the Board website for review. Treasurer Nichols moved, seconded by Mr. Hazard, for acceptance of the January and February 2013 financial statements and payment of the March 2013 bills. Motion unanimously carried.

CONSENT ITEMS:

None

PRESENTATIONS:

CONDUIT, EXCESS CAPACITY MASTER CONTRACT, AND NEPA UPDATE

Jean Van Pelt reviewed the following:

- The Environmental Impact Statement (EIS) team is finalizing the responses to the public comments on the draft EIS.
 - A conference call is scheduled for March 25 with the Cooperating Agencies
 - Within one-two weeks the responses will be posted on Reclamation’s website – usbr.gov/avceis
- Work continues on the Principles & Guidelines or cost/benefit analysis.
 - The analysis will not be included in the final EIS but will be used to determine the preferred alternative.
 - Reclamation is investigating a hybrid alternative that combine the components of the Comanche South and the Joint Use Pipeline North alternatives.
 - The hybrid will be called Comanche North.
 - Due to the time it has taken to select the preferred alternative, Reclamation is considering extending the schedule to complete the EIS from Summer to Autumn 2013.
- Reclamation has completed the Appraisal level engineering, which is at 10 percent design for the project.
 - Reclamation continues to progress on the Feasibility level of design, which is gathering data for 30 percent design.
- District staff has completed the responses to the comments on the draft Regional Water Conservation Plan (Plan).
 - The Board will be asked to approve the Plan today during the Enterprise Board meeting.
- The Town of Fowler has made an official request to buy-in to the Excess Capacity Master Contract for 50 acre-feet of storage.
 - Fowler was originally included in the EIS, but withdrew at the last minute.

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- Fortunately for them, work on the EIS had already begun and their 50 acre-feet had been included in the study. Otherwise they could not have been able to participate.
- Fowler's participation will help to reduce the costs for the other participants.
- The MOA with Fowler has been signed. Mr. Broderick and Ms. Van Pelt will meet with the Town Council March 25 to explain the process.
- Fowler's buy-in cost is ~ \$400 , and is based on a similar participant costs with 50 acre-feet of storage.

ARKANSAS VALLEY CONDUIT UPDATE

Mr. Broderick gave a brief report on his meeting with Bureau of Reclamation Great Plains Regional Director Mike Ryan, Deputy Commissioner Lowell Primly, and Christine Arbogast at the Family Farm Alliance annual conference in February. The meeting discussion was focused on how the Principle and Guidelines (cost/benefits) of the project will assist in selecting a preferred alternative for the EIS. The goal of this process is to identify a range of reasonable alternatives to meet the purpose and needs of the AVC, Interconnect, and Master Contract.

ACTION ITEMS:

REGIONAL WATER CONSERVATION PLAN IN SUPPORT OF ARKANSAS VALLEY CONDUIT AND RELATED PROJECTS

Ms. Van Pelt reported the draft Regional Water Conservation Plan has gone before the Arkansas Valley Conduit and Excess Capacity Committees, and has been referred to the Board of Directors for approval. The Board members were provided a copy of the *Regional Water Conservation Plan in Support of Arkansas Valley Conduit and Related Projects*.

In conjunction with Reclamation's requirement that the District must act to ensure the Fry-Ark Project water is used efficiently, and is put to beneficial use, the District was obligated to develop a Regional Water Conservation Plan that would apply to individual participants that choose to receive Arkansas Valley Conduit Project water deliveries. According to Reclamation's requirements the District must adhere to the requirements of Section 210 of the Reclamation Reform Act of 1982 Section 210(b), which states the following:

Each district that entered into a repayment contract or water services contract pursuant to Federal reclamation law or the Water Supply Act of 1958, as amended (43 U.S.C. 390b), shall develop a water conservation plan which shall contain definite goals, appropriate water conservation measures, and a time schedule for meeting the water conservation objectives.

Mr. Howard 'Bub' Miller moved, seconded by Mr. Goodwin, to approve the Regional Water Conservation Plan in Support of Arkansas Valley Conduit and Relation Projects. Motion unanimously carried.

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PROFESSIONAL SERVICES CONTRACT WITH WILSON WATER GROUP

Lee Miller reported while the District has had contracts with several different engineering consultants for different projects, and has shared consultants with other entities in water court cases, the District has not had a regular water engineering consultant that can advise the District and testify as an expert in water court cases. Staff has identified having a reliable, long-term engineering consultant relationship as part of its planning to protect the District's and the Enterprise's water resources.

Staff performed an internal review of the qualifications of several water engineering consulting firms, with the assistance of special water counsel. A major factor in the consideration of a long-term consultant was existing representational conflicts. Conflicting client loyalties has been a major difficulty faced by the District in its relationships with consultants in the past, particularly in regards to water court cases. In addition, staff considered expertise with consumptive use and surface water allocation models to be of high importance. Finally, knowledge of the Colorado and Arkansas River systems was important.

After the internal review, the Executive Director and General Counsel met with Erin Wilson of the newly formed Wilson Water Group. Staff was impressed with the service-oriented approach that Wilson Water Group professes, along with the dedication to avoid conflicts should the District contract with them. Wilson Water Group's expertise with Decision Support System consumptive use and surface water allocation models has been well demonstrated by Erin's work with the State on the Basin Study and the Colorado River Water Availability Study.

Mrs. Ortegon moved, seconded by Mr. Johnson, the Board approve a consulting services agreement in the amount not to exceed \$100,000 in 2013 with Wilson Water Group for the purpose of providing consulting engineering services to support the District's and Enterprise's efforts in ongoing and future water court litigation and authorize the Executive Director to execute the consulting services agreement. Motion unanimously carried.

INFORMATIONAL ITEMS:

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

- Conduit, Excess Capacity Master Contract, and NEPA Update

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OTHER BUSINESS MATTERS:

President Long asked if there were any other matters to come before the meeting, and hearing none, adjourned the meeting at 10:11 a.m.

Respectfully submitted,

Toni Gonzales
Administrative Manager

Secretary

