

RECORD OF PROCEEDING

**SOUTHEASTERN COLORADO WATER
ACTIVITY ENTERPRISE**

MINUTES

January 19, 2017

A regular meeting of the Board of Directors of the Southeastern Colorado Water Activity Enterprise (Enterprise) was held on Thursday, January 19, 2017 at 9:38 a.m., at the District office, 31717 United Avenue, Pueblo, Colorado.

President Long announced a quorum was present.

DIRECTORS PRESENT:

Bill Long	Ann Nichols	Gary Bostrom
Kevin Karney	Gibson Hazard	Carl McClure
Howard "Bub" Miller	Jay Moore (arrived at 9:40)	Pat Edelmann
Tom Goodwin	Curtis Mitchell	Dallas May
Mark Pifher		
Alan Hamel-Advisory Board Member		

DIRECTOR(S) ABSENT AND EXCUSED:

Vera Ortegon and David Simpson

ENTERPRISE OFFICIALS PRESENT:

Executive Director James Broderick; General Counsel Lee Miller; Administrative Manager Toni Gonzales; Principal Engineer Kevin Meador; Water Resources Engineer Garrett Markus; Issues Management Program Coordinator Chris Woodka; Finance Coordinator/IT Leann Noga; Special Water Counsel Alix Joseph and Katie McAuley; and Federal Lobbyists Ray Kogovsek and Christine Arbogast.

VISITORS PRESENT:

Tom Simpson, Aurora Water; Doug Fitzgerald, U.S. Congressman Scott Tipton's office; Roy Vaughan, U.S. Bureau of Reclamation; Bill Banks, U.S. Geological Survey; Jerry Peña, GEI Consultants; Alan Ward, Board of Water Works of Pueblo; Curt Thompson, AECOM; Bob Hartzman, City of Canon City Water; Roy Heald, Security Water District and Fountain Valley Authority; Gary Barber, citizen; Bob Hamilton, citizen; Brett Gracely, Colorado Springs Utilities; Kevin Niles, AGUA; Keith Goodwin, Otero County; and Mark Scott, GHD.

APPROVAL OF MINUTES:

President Long said the minutes of the December 8, 2016 Board meeting were posted to the Board website for review, and if there were any corrections or additions. Hearing none, Mr. Hazard moved, seconded by Mr. Bostrom, to approve the minutes. Motion unanimously carried.

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FINANCE COMMITTEE REPORT:

Treasurer Nichols reported the financial statements for November and draft December 2016 were posted to the Board website for review. Treasurer Nichols moved, seconded by Mr. Pifher, for acceptance of the November and draft December 2016 financial statements and payment of the January 2017 bills. Motion unanimously carried.

CONSENT ITEMS:

None

PRESENTATIONS:

FEDERAL LEGISLATION

Christine Arbogast reported there was not much to report given the transition and new Congress.

Congressman Ryan Zinke of Montana is expected to be confirmed in the near future as Secretary of the Interior. It will be good to have a westerner who is familiar with rural water projects.

Second and third tier appointees like Assistant Secretary for Water and Science and Commissioner of Reclamation are not expected for a few weeks.

In addition, the government is operating under a Continuing Resolution until April 28 so we do not know what our final budget number for FY 17 will be. We will not know the proposed budget request for FY 18 until spring. Delegation is working to try to boost both numbers under the new Administration.

The Administration has pledged to roll back the Waters of the US rule, but people should understand that doing so requires an involved process and eliminating the rule cannot be done by a simple executive order.

Bill Long, James Broderick, and Christine Arbogast will be going to Washington, D.C. February 1 to talk to the Colorado delegation and their staffs.

AVC AND EXCESS CAPACITY MASTER CONTRACT UPDATE

Chris Woodka reported shortly before the end of 2016, the District completed the Excess Capacity Master Contract (Master Contract) with Reclamation. This means that excess-capacity storage in Pueblo Reservoir will be managed by the District for the first time – something which has been envisioned since 1998.

The Master Contract required the completion of 16 subcontracts during the final two months of 2016, as well as payments for the storage of 6,525 acre-feet of water which totaled more than \$261,000. All of the loose ends came together on December 20, 2016. This allowed the District just enough time to get the contract signed in 2016.

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In recent weeks, the District's engineering staff has met with Reclamation on how the contracts will be administered. The amount of water stored by each participant and releases will continue to be administered by Reclamation, and monitored by the District. The District is primarily responsible for making sure the "colors" of water match the descriptions which were used in developing the Environmental Impact Statement for the Master Contract.

The District is still working with the remaining Master Contract participants to develop contracts that need to be in place prior to the initial operation of the Arkansas Valley Conduit.

PUEBLO DAM HYDROELECTRIC PROJECT LOPP PROGRESS REPORT

Kevin Meador provided the Board a copy of the Pueblo Dam Hydroelectric Project Lease of Power Privilege Progress Report-Updated January 19, 2017. Reviewing the following:

- Power Purchase Agreement
- Design Build Contract
- Project Financial Analysis Colorado Water Conservation Board Loan
- Work Permit Issued From Reclamation
- Upcoming Finance and Resource & Engineering Planning Committee Meetings

ACTION ITEMS:

None

INFORMATION ITEMS:

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

- AVC and Excess Capacity Master Contract Update

OTHER BUSINESS MATTERS:

President Long asked if there were any other matters to come before the meeting, and hearing none, adjourned the meeting at 10:08 a.m.

Respectfully submitted,

Toni Gonzales
Administrative Manager

Secretary

