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**SOUTHEASTERN COLORADO WATER  
ACTIVITY ENTERPRISE**

**MINUTES**

**June 19, 2014**

A regular meeting of the Board of Directors of the Southeastern Colorado Water Activity Enterprise (Enterprise) was held on Thursday, June 19, 2014 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	Harold Miskel	Ann Nichols
Vera Ortegon	Gary Bostrom	Kevin Karney
Tom Goodwin	Gibson Hazard	Carl McClure
Jay Moore	David Simpson	Pat Edelmann
Howard "Bub" Miller	Curtis Mitchell	

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

Leonard Pruett and Alan Hamel-Advisory Board Member

**ENTERPRISE OFFICIALS PRESENT:**

Executive Director James Broderick; General Counsel Lee Miller; Administrative Manager Toni Gonzales; Director of Engineering and Resource Management Bob Hamilton; Water Resources Specialist/Engineer Garrett Markus; Administrative Support Specialist Leann Noga; Program-Project Coordinator Jean Van Pelt; Special Water Counsel Steve Leonhardt; and Federal Lobbyists Ray Kogovsek and Christine Arbogast.

**VISITORS PRESENT:**

Chris Woodka, The Pueblo Chieftain; Tom Simpson, Aurora Water; Doug Fitzgerald and Hannah Wardell, U.S. Congressman Scott Tipton's office; Doris Morgan, Congressman Cory Gardner's office; Dwight Gardner, U.S. Senator Michael Bennet's office; Roy Vaughan, U.S. Bureau of Reclamation; Roger Ortiz, U.S. Geological Survey; Mark Scott, GEI Consultants; Gary Fuller, HDR; Curt Thompson, Consultant; Roy Heald, Security Water District and Fountain Valley Authority; Terry Book, Board of Water Works of Pueblo; Dan Henrichs, High Line Canal Company; Keith Goodwin and Jim Baldwin, Otero County; Lloyd Gronning, Capital Program Management Services; Bob Hartzman, City of Canon City Water; and Terry Scanga, Upper Arkansas Water Conservancy District.

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**APPROVAL OF MINUTES:**

President Long said the minutes of the May 15, 2014 Board meeting were posted to the Board website for review, and if there were any corrections or additions. Hearing none, Mrs. Ortegon moved, seconded by Mr. Howard “Bud” Miller, to approve the minutes. Motion unanimously carried.

**FINANCE COMMITTEE REPORT:**

Treasurer Nichols reported the financial statements for May 2014 were posted to the Board website for review. Treasurer Nichols moved, seconded by Dr. Moore, for acceptance of the May 2014 financial statements and payment of the June 2014 bills. Motion unanimously carried.

**CONSENT ITEMS:**

None

**PRESENTATIONS:**

**FEDERAL LEGISLATION**

Christine Arbogast reported on June 17, 2014 Estevan Lopez, currently head of the New Mexico Interstate Streams Commission, was unanimously confirmed by the Senate Energy and Natural Resources Committee to lead the Bureau of Reclamation (Reclamation). It is unknown when his nomination will go to the full Senate.

This has also been a busy time for appropriators working on the FY 2015 energy and water development bills. The House full appropriations committee approved its bill June 18, 2014. The total appropriation for Reclamation is \$1.003 billion. This represents nearly \$100 million less than the enacted FY 2014 bill, and \$29.4 million below the President’s budget request. It is likely the House bill will go to the floor before the August recess, if not before the Fourth of July break.

In the Senate, the energy and water bill is much more generous to Bureau of Reclamation, including a total of \$1.22 billion.

The final outcome on the FY 2015 energy and water bill is important to the Arkansas Valley Conduit (AVC). The week of June 9, 2014 Bill Long, Jim Broderick, Bill McDonald, and Christine Arbogast were in Washington, D.C. to discuss the AVC issues with the Colorado delegation and with appropriations committee staff members. Senators Bennet and Udall and Congressmen Tipton and Gardner all sought additional funding for Reclamation to allow for flexibility to move additional funds in FY 2015 to the AVC, above the \$500,000 administration request.

Clearly the House action indicates less support for Reclamation’s activities than the Senate. While the final numbers or language are not available, it is the understanding that the Senate bill may include increases, or “plus ups” in some Reclamation spending categories that would allow for some additional funding for the AVC if Reclamation’s leadership wished to provide that. It is also the understanding that bill report language may provide some guidance to Reclamation, prioritizing additional funds for

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authorized multi-purpose projects where work is being done on data collection and feasibility design. The AVC certainly falls under that umbrella.

Beyond FY 2015, the focus has been on the next two fiscal years and seeking support for more funding in the Administration's budget requests. The group met with Reclamation and with staff from the Secretary's budget office and the Assistant Secretary of Water and Science's office. Their efforts at this level have been supplemented in a huge way by Senators and Congressmen, who have been talking to Administration officials for some time about the need for better funding requests. And, last week, they met in Senator Bennet's office, Deputy Secretary of the Interior Mike Connor, and an upper level official from OMB to further stress the need for more funding support. They are explaining the justification for the project to help provide a safe drinking water supply, as well as the wisdom of the regional approach described in the preferred alternative described in the Record of Decision. Once again, please note the very high level of support we have from all four of our delegation members.

Mr. Broderick and Ms. Arbogast also attended a hearing on the EPA's proposed rule on the Clean Water Act. Both the Army Corps of Engineers and EPA provided testimony to the Transportation and Infrastructure Committee. It was quite evident from the questions which followed from Committee members that even the EPA and Corps are not altogether certain of the various provisions in their proposed rule, including the definition of "ditches" which the agencies claim are largely exempted from the proposed rule. There will be more hearings as Congress leads up to the election recess. And, the House appropriations bill for Energy and Water includes a rider which prohibits the expenditure of funds on implementation of the rule. This is not expected to survive in the Senate.

The agencies did last week extend the comment period on the rule for an additional 90 days, which allows for public comment from individuals and water providers until mid-October. Mr. Broderick said once the District produces a document for their comments, it will be posted to the Board website. This will assist other entities in providing comments.

Ms. Arbogast said Colorado Water Congress has a link to the National Water Resources Association website that has the hearing where Mark Pifher submitted testimony on the Clean Water Act.

There is some activity affecting water providers in the Forest Service, including a new proposed rule on groundwater and inclusion of bypass flow requirements in the San Juan Forest Service plan, which the regional forester has said will be extended to other forests.

**AVC AND EXCESS CAPACITY MASTER CONTRACT UPDATE**

Jean Van Pelt reported:

- Reclamation Geo Tech studies are on schedule
- Reclamation feasibility design will spend the \$3 million by the end of September 2014
- Moving forward on Water Conservation Plan, have had meetings with Excess Capacity and AVC participants
- Meetings with Upper and Lower Districts on management and efficiency plans

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- Southeastern District has been invited to Arizona to do a presentation on the Regional Water Plan and the Toolbox

President Long convened the District meeting at 10:07 a.m. for the presentation of the 2013 Annual Audit, so that the Enterprise and District meetings would be held in conjunction for this presentation.

**ACTION ITEMS:**

**ACCEPTANCE OF 2013 ANNUAL AUDIT**

Treasurer Nichols moved, seconded by Mr. Edelman, the audit of the 2013 Financial Statements of the Enterprise be accepted as presented. Motion unanimously carried.

**APPROVAL OF 2013 FINANCIAL STATEMENTS**

Treasurer Nichols moved, seconded by Dr. Moore, that the 2013 Financial Statements of the Enterprise be approved as audited. Motion unanimously carried.

**INFORMATIONAL 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 10:17 a.m.

Respectfully submitted,

Toni Gonzales  
Administrative Manager

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Secretary

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