

RECORD OF PROCEEDING

**SOUTHEASTERN COLORADO WATER
ACTIVITY ENTERPRISE**

MINUTES

June 18, 2015

A regular meeting of the Board of Directors of the Southeastern Colorado Water Activity Enterprise (Enterprise) was held on Thursday, June 18, 2015 at 9:40 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
Harold Miskel	Kevin Karney	Gibson Hazard
Carl McClure	Howard "Bub" Miller	Gary Bostrom
Jay Moore	Pat Edelmann	Tom Goodwin
David Simpson	Alan Hamel-Advisory Board Member	

DIRECTOR(S) ABSENT AND EXCUSED:

Curtis Mitchell and Leonard Pruett

ENTERPRISE OFFICIALS PRESENT:

Executive Director James Broderick; General Counsel Lee Miller; Administrative Manager Toni Gonzales; Principal Engineer Kevin Meador; Water Resource Specialist/Engineer Garrett Markus; Program-Project Coordinator Jean Van Pelt; Special Water Counsel Steve Leonhardt and Morgan Figurs; and Federal Lobbyists Ray Kogovsek and Christine Arbogast.

VISITORS PRESENT:

Chris Woodka, The Pueblo Chieftain; Doug Fitzgerald, U.S. Congressman Scott Tipton's office; Dwight Gardner, U.S. Senator Michael Bennet's office; Cathy Garcia, U.S. Senator Gardner's office; Roy Vaughan, U.S. Bureau of Reclamation; Steve Witte, Colorado Division of Water Resources-Division 2; Bill Banks, U.S. Geological Survey; Mark Scott, GEI; Brett Gracely, Colorado Springs Utilities; Terry Book, Board of Water Works of Pueblo; Tom Simpson, Aurora Water; Mike Weber, Colorado Water Protective Development Association; Amy Louise, Don Gallegos, and Jason Woodruff, U.S. Army Corps of Engineers; Terry Scanga, Upper Arkansas Water Conservancy District; Jack Goble, Lower Arkansas Valley Water Conservancy District; George Hanzas, Catlin Canal; Kevin Niles, Arkansas Groundwater Users Association; Bob Hamilton, retired; Jim Baldwin and Keith Goodwin, Otero County; Curtis Thompson, AECOM; Bud O'Hara, retire and Metrix Design; and Roy Heald, Security Water District and Fountain Valley Authority.

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APPROVAL OF MINUTES:

President Long said the minutes of the May 21, 2015 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 "Bub" Miller, to approve the minutes. Motion unanimously carried.

FINANCE COMMITTEE REPORT:

Treasurer Nichols reported the financial statements for May were posted to the Board website for review. Ms. Nichols moved, seconded by Dr. Moore, for acceptance of the May 2015 financial statements and payment of the June 2015 bills. Motion unanimously carried.

CONSENT ITEMS:

None

PRESENTATIONS:

AVC AND EXCESS CAPACITY MASTER CONTRACT UPDATE

Jean Van Pelt reported:

- The Water Quality and Efficiency Working Group are scheduled to meet at Otero Junior College in La Junta Monday, June 22, 2015. The focus will be to define current compliance issues. District staff will schedule individual meetings for the end of July with all participants to discuss compliance issues and current and future operations of their systems.
- Riverside Water Company has requested participation in the Arkansas Valley Conduit (AVC). This matter will be discussed at the AVC Committee meeting, June 18, 2015.
- District staff has completed the follow-up tasks from our meetings with Otero County and the Otero County AVC participants. Ms. Van Pelt will schedule meetings with Bent, Prowers, and Kiowa County participants in August.
- Ms. Van Pelt is working with the Lower District to assist three of the AVC water companies merge into one company. On June 17, 2015 at the Lower District's board meeting they agreed to provide some preliminary engineering and legal work for the group. We hope one of the outcomes of this project is to provide a template for other companies who may wish to merge.
- Kevin Meador continues to work with B&V on the water treatment plant and the Operations Plan.
 - On May 20, 2015, staff met with the Board of Water Works of Pueblo to outline the technical issues that need to be addressed as the first step to negotiating a capacity contract at Whitlock. These issues will be addressed in the feasibility level design that will be conducted this summer and fall.
 - Mr. Meador also attended a Utility Windshield Tour of the entire AVC alignment with engineers from the Technical Service Center (TSC) the last week of May 2015.
- On June 12, 2015 the TSC engineers, Eastern Colorado Area Office, and District staff met with two large developers in Pueblo County that have developments planned that will impact the AVC alignment. Both were very cooperative and we should be able to work out agreements to where the alignment and the developments are not heavily impacted.
- An AVC Board Committee meeting is scheduled for June 18, 2015.
 - Topics for discussion will include:

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- AVC Federal Appropriations and Other Funding Sources.
- AVC Engineering Update.
- Lower Arkansas Valley Water Quality and Efficiency Working Group.
- Supplement to the Regional Water Conservation Plan.
- Riverside Water Company request to participate.

FEDERAL LEGISLATION

Christine Arbogast reported it seems every major policy issue as well as funding issues, including for the AVC, are tied up in the appropriations process and headed for a collision between Congress and the White House.

Riders on the Clean Water Act and other EPA rules are included in a multitude of bills from energy and water to Interior and Environment and even the Defense Authorization bill. As Congress pushes for the riders, the President threatens vetoes. It is not as if a continuing resolution (CR) needs this kind of confrontation to be the path for appropriations, but almost everyone agrees that is where we are headed. How long of a CR will depend on how long of an impasse.

In the meantime, authorizing bills on the Clean Water Act rule have moved forward--a purely "do over" bill has passed the House and the Senate Environment and Public Works committee passed, on a straight party line vote, a half procedure, half substance bill which sends the rule back, but with congressionally driven definitions. The final rule got mixed reviews, even in the environmental community. Its thousand pages of rules and accompanying information are still under review by the water interests, with initial reaction finding some good in it but far from enough fix on issues of concern to garner our support. This will be around for a long time--still.

Ms. Arbogast provided the Board a copy of a letter Re: Comments on the Final Rule to Clarify the Definition of "Waters of the United States" under the Clean Water Act from David Modeer, Chair, Western Water Coalition to Administrator Gina McCarthy and Lieutenant General Thomas P. Bostick.

Ms. Arbogast said that Mr. Broderick and she had met with Congressman Buck at the Pueblo Dam, to update him on the progress of the AVC and summarize the Fry-Ark Project. Roy Vaughan was present at the meeting a provided a great deal of information for Congressman Buck.

ACTION ITEMS:

**APPROVAL OF INTERGOVERNMENTAL AGREEMENT, RESTORATION OF YIELD (ROY)
COST SHARING**

Lee Miller reported 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 appropriative 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.

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The IGA formalizes the cost allocation for ROY activities, including expert costs in Case No. 06CW120, acquisition of a storage site and other costs. The Enterprise's share of costs will not exceed 5 percent.

Mr. Simpson moved, seconded by Mr. Karney, the Board authorize the Executive Director to execute an Intergovernmental Agreement (IGA), Restoration of Yield (ROY) Cost Sharing Agreement substantially similar to the agreement provided to the Board for review. Motion unanimously carried.

APPROVAL OF TRANSFER OF PROJECT WATER FROM BUENA VISTA TO UPPER ARKANSAS WATER ACTIVITY ENTERPRISE FOR AUGMENTATION PURPOSES

Lee Miller reported Buena Vista has applied to have the Upper Arkansas Water Activity Enterprise augment a new well. Buena Vista proposes to provide the Upper Arkansas Water Activity Enterprise with Project water for this purpose, as opposed to purchasing water from the Upper Arkansas Water Activity Enterprise.

Mr. Hazard moved, seconded by Mr. Goodwin the Board approve the transfer of Project water from Buena Vista to Upper Arkansas Water Activity Enterprise for augmentation purposes. Motion unanimously carried.

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 10:20 a.m.

Respectfully submitted,

Toni Gonzales
Administrative Manager

Secretary

