

RECORD OF PROCEEDING

**SOUTHEASTERN COLORADO WATER
ACTIVITY ENTERPRISE**

MINUTES

November 19, 2015

A regular meeting of the Board of Directors of the Southeastern Colorado Water Activity Enterprise (Enterprise) was held on Thursday, November 19, 2015 at 9:39 a.m., at the District office, 31717 United Avenue, Pueblo, Colorado.

President Long announced a quorum was present.

DIRECTORS PRESENT:

Bill Long	Vera Ortegon	Ann Nichols
Gibson Hazard	Kevin Karney	Carl McClure
Gary Bostrom	Tom Goodwin	David Simpson
Pat Edelmann	Curtis Mitchell	Leonard Pruett

DIRECTOR(S) ABSENT AND EXCUSED:

Howard “Bub” Miller; Harold Miskel; Jay Moore; and Alan Hamel-Advisory Board Member.

ENTERPRISE OFFICIALS PRESENT:

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

VISITORS PRESENT:

Chris Woodka, The Pueblo Chieftain; Cathy Garcia; U.S. Senator Cory Gardner’s office; Doug Fitzgerald, U.S. Congressman Scott Tipton’s office; Roy Vaughan, U.S. Bureau of Reclamation; Steve Witte, Colorado Division of Water Resources-Division 2; Jerry Peña, GEI; Brett Gracely, Colorado Springs Utilities; Terry Book, Board of Water Works of Pueblo; Kevin Niles, Arkansas Groundwater Users Association; Jack Goble, Lower Arkansas Valley Water Conservancy District; Bill Banks, U.S. Geological Survey; Bob Hartzman, Canon City Water Department; Mike Weber, Colorado Water Protective Development Association; and Bob Hamilton, retired.

APPROVAL OF MINUTES:

President Long said the minutes of the October 15, 2015 Board meeting were posted to the Board website for review, and asked if there were any corrections or additions. Hearing none, Mrs. Ortegon moved, seconded by Mr. Pruett, to approve the minutes. Motion unanimously carried.

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FINANCE COMMITTEE REPORT:

Treasurer Nichols reported the financial statements for October was posted to the Board website for review. Treasurer Nichols moved, seconded by Mr. Karney, for acceptance of the October 2015 financial statements and payment of the November 2015 bills. Motion unanimously carried.

CONSENT ITEMS:

None

PRESENTATIONS:

FEDERAL LEGISLATION

Christine Arbogast reported the federal lobbyist and District staff are primarily in monitoring mode. The FY 16 appropriations process is moving toward an omnibus appropriations bill not a continuing resolution (CR). The current CR runs out December 11, 2015. We are pushing for plus ups in the water and related agencies account; the Senate bill adds more. If language in the Senate bill is included the AVC would be eligible to receive some of the plus up. The Colorado delegation is talking to appropriators in support of the Senate provisions

Waters of the US is now in court and will likely stay there. Lawsuits from all sides, including environmental groups who believe changes made at the urging of Ag Secretary Vilsack, have resulted in a nationwide stay of implementation.

The Senate is still working on a drought bill, but the House and Senate California delegations haven't reached agreement.

PUBLIC HEARING ON 2016 PROPOSED BUDGET

Leann Noga thanked the staff for their input into preparing the budget and presented a PowerPoint presentation titled, *2016 Proposed Budget*, reviewing the following:

- Budget Policy
- All District Activity
- Fryingpan-Arkansas Revenue
- Fryingpan-Arkansas Tax Revenue
- Fryingpan-Arkansas Expenditures
- Grant Revenue
- Grant Expenditures
- Operating Revenue
- Operating Revenue Overview
- Operating Revenue Interfund Reimbursement
- Operating Expenditures
- Capital Outlay Expense Budget Compared to Actual
- Government Activity-Budget Comparison
- Enterprise

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- Enterprise Operating Revenue
- Enterprise Grant Revenue
- Enterprise Grant Expenditures
- Enterprise Operating Revenue
- Enterprise Operating Expenditures
- Summary Capital Outlay Expenses
- Partnership Contributions
- Enterprise Activity-Budget Comparison
- Government-Wide Overview
- Fund Balance Summary

President Long asked the Board members if there were any questions. President Long then asked if there were any questions from the public, there were none. Mr. Broderick said there is a possibility there will be a supplemental budget in 2016, if project dollars need to be shifted to move a project along.

Mrs. Noga was complimented on the job well done on the presentation of the 2016 Proposed Budget.

Mr. Broderick said beginning in 2017 a two-year budget will be prepared.

AVC AND EXCESS CAPACITY MASTER CONTRACT UPDATE

Jean Van Pelt reported:

- On November 2, 2015 our consultant Tracy Bouvette, Mr. Broderick, Kevin Meador, and Jean Van Pelt met with the State Health Department Drinking Water and Solid Waste Divisions.
 - The purpose of the meetings was to provide them an update on the Arkansas Valley Conduit (AVC) project and to inform them of the Water Quality Working Group's goals and objectives.
 - We have completed processing the data that was collected from our meetings with the participants and have developed several strategies.
 - A draft memorandum has been prepared, which provides a characterization and an estimate of the non-federal cost of future operations and compliance for the participants.
 - This information will be presented to the AVC Committee on November 19, 2015.
 - The next step for the Working Group is to review the memo with chosen participants, before presenting the finalized memo to all of the participants.
 - A meeting to present the finalized memo has been scheduled for Tuesday, December 8 from 1-3 p.m. at Otero Junior College in La Junta.
- TSC is currently preparing to deliver the feasibility level design of the ABC to Reclamation's cost estimators.
 - They are also currently working on modeling the hydraulics of the pipeline.
- The District has received a Colorado Water Conservation Board grant for \$49,889 to continue the implementation of the Regional Water Conservation Plan.
 - This funding will be used as a cash match for the Reclamation grant the District recently received.

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- The first Excess Capacity Master Contract negotiation meeting has been scheduled for Thursday, January 7, 2016.
 - The meeting will be held in Pueblo at Pueblo Community College.
 - If needed, a second meeting has been scheduled for Friday, February 5, 2016.

The District will be represented by Mr. Broderick, Lee Miller, Ms. Joseph, and Bill McDonald.

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 10:29 a.m.

Respectfully submitted,

Toni Gonzales
Administrative Manager

Secretary

