

RECORD OF PROCEEDING

**SOUTHEASTERN COLORADO WATER
ACTIVITY ENTERPRISE**

MINUTES

October 15, 2015

A regular meeting of the Board of Directors of the Southeastern Colorado Water Activity Enterprise (Enterprise) was held on Thursday, October 15, 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	Vera Ortegon	Ann Nichols
Gibson Hazard	Kevin Karney	Howard "Bub" Miller
Gary Bostrom	Tom Goodwin	David Simpson
Jay Moore	Pat Edelmann	Curtis Mitchell
Leonard Pruett	Carl McClure (arrived at 9:45)	
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; Program-Project Coordinator Jean Van Pelt; Water Resource Specialist/Engineer Garrett Markus; Finance Coordinator/IT Leann Noga 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; Bill Tyner, Colorado Division of Water Resources-Division 2; Jerry Peña, GEI; Kim Gortz, Colorado Springs Utilities; Alan Ward, Board of Water Works of Pueblo; Denise Howell, Fountain Utilities; Kevin Niles, Arkansas Groundwater Users Association; Jack Goble, Lower Arkansas Valley Water Conservancy District; Josh Cowden, MWH; and Stacy Beagh, Tamarisk Coalition.

APPROVAL OF MINUTES:

President Long said the minutes of the September 17, 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.

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FINANCE COMMITTEE REPORT:

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

CONSENT ITEMS:

None

PRESENTATIONS:

FEDERAL LEGISLATION

Christine Arbogast reported the government is operating under a continuing resolution until December 11, 2015. This means that funding levels for the Arkansas Valley Conduit (AVC) remain unknown at that this time. We do know that the Administration's budget request is \$500,000. In addition, Reclamation moved a small amount of money--\$300,000--to the AVC at the end of fiscal 2015. There are provisions in the Senate bill which add funding to Reclamation's budget, and language which would make the AVC eligible to receive some of that funding.

Congress is working on a drought bill, which is primarily driven by the severe drought in California. However, there are several west-wide provisions under discussion as well. We are working to make sure that southeastern Colorado would be eligible for any programs which might become available for drought-stricken areas.

Finally, the Waters of the United States rule has been finalized, and immediately lawsuits were filed from all sides. The judicial rulings have placed a hold on implementation of that rule nationwide. It is likely that water users will continue to operate as they do now, under a Clean Water Act whose jurisdiction is uncertain because of confusing previous rulings. There does not seem to be much action in Congress on this front, although a rider in appropriations bills might still be attempted.

AVC AND EXCESS CAPACITY MASTER CONTRACT UPDATE

Jean Van Pelt reported:

- District staff continues to work with our consultant, Tracy Bouvette on processing the data and developing strategies from our Working Group meetings with the Arkansas Valley Conduit participants in August and September.
 - A memorandum is being prepared that will provide a report and estimated non-federal cost of future operations and water quality compliance.
 - The data, costs, and strategies will be presented at the next AVC Committee meeting.
- Reclamation's Technical Services Center has delivered three of the Geo-Tech reports that were developed for the feasibility design and engineering phase of the project.
- Kevin Meador continues to work on the Operations Plan and with the Technical Service Center on engineering and design tasks.
- The District has received a grant for \$45,000 from Reclamation to continue the implementation of the Regional Water Conservation Plan.

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- The scope of work includes developing three individual water conservation plans and 16 system-wide water audits for project participants.
- Funding will also support updating the District's Five-Year Water Management and Conservation Plan.
- The District has submitted a grant application to the Colorado Water Conservation Board to assist in funding this project.
- Reclamation has spent the \$21,000 carried over from the Excess Capacity Master Contract funds that were not used during the EIS analysis.
 - These funds were used to cover Reclamation's costs associated with the technical sessions with the District.
 - Reclamation has requested additional funding for these technical sessions and the negotiations.
 - The District provided \$50,000 to Reclamation on September 17, 2015. This amount was accounted for in the 2015 Enterprise budget.
 - The Master Contract participants are responsible for these costs and will be invoiced in the next quarterly billing.

ACTION ITEMS:

SET PUBLIC HEARING FOR 2016 PROPOSED BUDGET

Mr. Broderick reported the Board conducts a Public Hearing each year prior to adopting the annual budget, which a published notice is required.

Mr. Goodwin moved, seconded by Dr. Moore, the Board set November 19, 2015 at 9:45 a.m. at the office of the Southeastern Colorado Water Conservancy District for a Public Hearing for the 2016 Proposed Budget. 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 9:55 a.m.

Respectfully submitted,

Toni Gonzales
Administrative Manager

Secretary

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