

RECORD OF PROCEEDING

**SOUTHEASTERN COLORADO WATER
ACTIVITY ENTERPRISE**

MINUTES

September 17, 2015, 2015

A regular meeting of the Board of Directors of the Southeastern Colorado Water Activity Enterprise (Enterprise) was held on Thursday, September 17, 2015 at 9:43 a.m., at the District office, 31717 United Avenue, Pueblo, Colorado.

President Long announced a quorum was present.

DIRECTORS PRESENT:

Bill Long	Vera Ortegon	Harold Miskel
Kevin Karney	Gibson Hazard	Carl McClure
Howard "Bub" Miller	Gary Bostrom	Tom Goodwin
Jay Moore	Pat Edelmann	Curtis Mitchell
Leonard Pruett	David Simpson	

DIRECTOR(S) ABSENT AND EXCUSED:

Ann Nichols and Alan Hamel-Advisory Board Member

ENTERPRISE OFFICIALS PRESENT:

Executive Director James Broderick; General Counsel Lee Miller; Administrative Manager Toni Gonzales; Program-Project Coordinator Jean Van Pelt; Finance Coordinator/IT Leann Noga; and Special Water Counsel Alix Joseph.

VISITORS PRESENT:

Chris Woodka, The Pueblo Chieftain; Doug Fitzgerald, U.S. Congressman Scott Tipton's office; Brandon Gould, U.S. Senator Gardner's office; Roy Vaughan, U.S. Bureau of Reclamation; Bill Tyner, 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; Bob Hamilton, retired; Jim Baldwin, Otero County; Roy Heald, Security Water District and Fountain Valley Authority; Dan Kugler, Black & Veatch; Bob Hartzman, Canon City Water; Mark Carmel, Pueblo West Metropolitan District; and Bill McDonald, McDonald Consulting, LLC.

APPROVAL OF MINUTES:

President Long said the minutes of the June 18, 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:

Mr. Kevin Karney reported the financial statements for June, July, and August were posted to the Board website for review. Mr. Karney moved, seconded by Mr. Goodwin, for acceptance of the June, July, and August 2015 financial statements and payment of the July, August, and September 2015 bills. Motion unanimously carried.

CONSENT ITEMS:

None

PRESENTATIONS:

FEDERAL LEGISLATION

Christine Arbogast provided a written report, which Mr. Broderick presented the following:

Appropriations process on hold; some talk of government shutdown but viewed as unlikely. Series of Continuing Resolution's most likely scenario. Therefore opportunity for plus up in Reclamation budget in limbo.

We are hoping for word from Reclamation of a possible reprogram of funds leftover from FY 15 that will keep us on track.

Waters of the United States seems focused on judicial branch. Judge ruled in favor of several states, including Colorado and rule will not take effect here for the time being. But will in other states.

Groups like National Water Resources Association are holding discussions with the Environmental Protection Agency about actual implementation, which might provide some relief.

Legislative action is at a standstill.

Hearings planned on various approaches to drought. We are watching carefully and looking for opportunities for Colorado in the discussions which are not specific to California.

While Colorado has thus far been spared from catastrophic wildfires other states have not. This continues to drive forest management and watershed health legislation.

AVC AND EXCESS CAPACITY MASTER CONTRACT UPDATE

Jean Van Pelt reported:

- Consultant Tracy Bouvette, Kevin Meador, and Jean Van Pelt held individual meetings with all but two of the Arkansas Valley Conduit (AVC) participants in August and the first week of September.
- The purpose of the meetings was to gather data for the Water Quality and Efficiency Working Group and for the development of the AVC Operations Plan.

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- A memo is currently being prepared that will provide a description and an estimate of the non-federal cost of future operations and compliance.
- Meetings with Reclamation's Eastern Colorado Area Office staff, Technical Service Center engineers, and District staff were held with Bent, Kiowa, and Prowers County officials on September 1 and 2, 2015.
- A separate meeting for the seven AVC participants that reside east of Las Animas was also held the evening of September 1, 2015.
- The purpose of the meetings was to provide an update on the AVC project and to review and receive comments on the AVC alignment in those areas.
- The supplement to the Regional Water Conservation Plan (RWCP) underwent a ninety day public comment period which ended Monday, September 14, 2015. No comments were received. The Board will be asked to approve the supplement to the RWCP as an Action Item later in today's meeting.
- Since negotiations with Reclamation on the Excess Capacity Master Contract have been delayed, the participants were notified on August 10, 2015 that annual "If and When" storage contracts were available for 2016.

HYDROPOWER UPDATE

Mr. Broderick reported the preliminary Lease of Power Privilege expired on August 27, 2015 but was given a six-month extension to February 27, 2016 by Reclamation. An extension was necessary for Reclamation to complete the Categorical Exclusion and for the District to have discussions with power purchasers. Black Hills Energy, as the area provider, does not have the ability to purchase power in a timeframe suitable to the project, and it is necessary for the District to look at other purchasers.

ACTION ITEMS:

APPOINTMENT OF BUDGET OFFICER

Mr. Karney moved to appoint the Finance Team, made up of James Broderick, Leann Noga, Jean Van Pelt, and Toni Gonzales as the Budget Officers for the 2016 Enterprise budget. Mr. Goodwin seconded the motion. Motion unanimously carried.

FRYINGPAN-ARKANSAS PROJECT WATER AND RETURN FLOW SECOND ALLOCATION

Mr. Broderick provided a PowerPoint reviewing the following:

- Fry-Ark Snowpack
- Boustead Tunnel Imports
- Fry-Ark Allocations
- Fry-Ark Municipal Allocation
- Fry-Ark Agricultural Allocation

Mr. McClure moved, seconded by Mr. Bostrom, the Board allocate 10,831 acre-feet of Project water and 750 acre-feet of Return Flows. Project water allocations would be available to municipal and agricultural entities following payment for 100 percent (100%) of the allocation. Motion unanimously carried.

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The following are charts showing the entities and allocations:

2015 2nd Allocation Municipal Entity	Recommended Allocation
West of Pueblo	
Pueblo Gardens Water Co.	3
Totals	3
Pueblo	
Pueblo	6,500
East of Pueblo	
Avondale Water & Sanitation District	75
Crowley County Water Association	250
Crowley, Town of	15
Fowler, Town of	500
Joseph Corporation	30
Lamar, City of	500
Las Animas, City of	100
Ordway, Town of	225
Totals	1,695

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Agricultural Entity or Ditch	Allocation
	AF
Cactus Ditch	20
Catlin Canal Co.	2,000
Colorado Canal	505
Ewing Koppe Ditch	1
Lee Ditch	1
Michigan Ditch	6
Steele Ditches (HR & MW)	100
LAWMA (Rule 14)	-
Totals	2,633

APPROVAL OF THE REGIONAL WATER CONSERVATION PLAN SUPPLEMENT

Ms. Van Pelt reported in conjunction with the Bureau of Reclamation’s requirement that the District must act to ensure that Fry-Ark Project water is used efficiently, and is put to beneficial use, the District was obligated to develop the Regional Water Conservation Plan. The supplement to this plan integrates the Excess Capacity Master Contract participants into the Regional Plan due to the requirements the District must adhere to in the Reclamation Reform Act of 1982 Section 210(b) which states the following:

Each district that entered into a repayment contract or water services contract pursuant to Federal reclamation law or the Water Supply Act of 1958, as amended (43 U.S.C. 390b), shall develop a water conservation plan which shall contain definite goals, appropriate water conservation measures, and a time schedule for meeting the water conservation objectives.

The scope of work for this project included expanding the applicability of the Regional Plan to include those that may participate in the Long-Term Excess Capacity Master Contract and to support the development of local water conservation plans using the Best Management Practices (BMPs) Tool Box contained in the Regional Plan and presented on the District website. Two of the local water conservation plans were developed for the Lower Arkansas Valley and the Upper Arkansas Water Conservancy Districts; whereas the others were developed for selected AVC participants. Ms. Van Pelt

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presented a PowerPoint titled, *Regional Water Conservation Plan Supplement Approval*, reviewing the following:

- Overview
- Deliverables
- RWCP Supplement Goals
- RWCP Supplement

Mr. Hazard moved, seconded by Mr. Edelman, to approve the Supplement to the Regional Water Conservation Plan in support of the Arkansas Valley Conduit and the Excess Capacity Master Contract. 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 10:37 a.m.

Respectfully submitted,

Toni Gonzales
Administrative Manager

Secretary
