

RECORD OF PROCEEDING

**SOUTHEASTERN COLORADO WATER
ACTIVITY ENTERPRISE**

MINUTES

September 19, 2013

A regular meeting of the Board of Directors of the Southeastern Colorado Water Activity Enterprise (Enterprise) was held on Thursday, September 19, 2013 at 9:38 a.m., at the District office, 31717 United Avenue, Pueblo, Colorado.

President Long announced a quorum was present.

DIRECTORS PRESENT:

Bill Long	Ann Nichols	Harold Miskel
Vera Ortegon	Gibson Hazard	Kevin Karney
Carl McClure	Greg Johnson	Tom Goodwin
Leonard Pruett	Jay Moore	Shawn Yoxey
Howard "Bub" Miller		

DIRECTOR(S) ABSENT AND EXCUSED:

Gary Bostrom, David Simpson and Alan Hamel-Advisory Board Member

ENTERPRISE OFFICIALS PRESENT:

Executive Director James Broderick; General Counsel Lee Miller; Administrative Manager Toni Gonzales; Project Engineer Kevin Meador; Director of Engineering and Resource Management Bob Hamilton; Project-Program Coordinator Jean Van Pelt; Administrative Support Specialist Leann Noga; and Special Water Counsel Steve Leonhardt..

VISITORS PRESENT:

Chris Woodka, The Pueblo Chieftain; John VanOort, Lonnie Spady, and Phil Reynolds, Colorado Division of Water Resources-Division 2; David Mau, U.S. Geological Survey; Terry Book, Board of Water Works of Pueblo; Roy Vaughan, Bureau of Reclamation; Mike Gossett, HDR Engineering; Dwight Gardner, Senator Michael Bennet's office; Brian McCain, Congressman Scott Tipton's office; Doris Morgan, Congressman Cory Gardner's office; Christina Thiebaut, U.S. Senator Mark Udall's office; Scott Lorenz, Arkansas Groundwater Users Association; Terry Scanga, Upper Arkansas Water Conservancy District; Jack Goble and Jay Winner, Lower Arkansas Valley Water Conservancy District; Curt Thompson, Consultant; Jerry Peña, CDM Smith; Curtis Mitchell, City of Fountain; and Tim Payne, Fremont County.

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APPROVAL OF MINUTES:

President Long asked if the members of the Board had received their copy of the minutes of the August 15, 2013 Board meeting, 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 Ann Nichols reported the financial statement for August was posted to the Board website for review. Treasurer Nichols moved, seconded by Mr. Hazard, for acceptance of the August 2013 financial statement and payment of the September 2013 bills. Motion unanimously carried.

CONSENT ITEMS:

None

PRESENTATIONS:

FEDERAL LEGISLATION

Mr. Broderick reported Senator Udall had a meeting with Mike Connor in anticipation of his confirmation hearing to be Deputy Secretary of Interior.

There have been discussion with Assistant Secretary for Water and Science Anne Castle, regarding the Arkansas Valley Conduit (AVC). Anne Castle said the budget for the AVC is now in OMB's court, who will then come back to the Department later this fall as part of the process of developing FY 2015. The obstacle of concern is that the AVC may be viewed as a "new start."

AVC, EXCESS CAPACITY MASTER CONTRACT, AND NEPA UPDATE

Mr. Broderick reported Bill McDonald, Lee Miller, and he had discussions on the language in the Record of Decision (ROD). There is a meeting on October 1, to discuss the anticipating construction phase. Mike Ryan will be the one signing the ROD for Reclamation. After the signing of the ROD, then the next step will be to move to the Master Contract process.

HYDROPOWER UPDATE

Kevin Meador reported the partnership contract with the Board of Water Works of Pueblo and Colorado Springs Utilities has been executed. Also, the Reclamation agreement has been executed.

The District submitted a request for an extension for the Preliminary Permit for the Lease of Power Privilege (LOPP) at Pueblo Dam River Outlet. Reclamation has approved to allow for a six-month time extension for the LOPP.

ACTION ITEMS:

RUEDI INSURANCE WATER COST PARTICIPATION AGREEMENT

In 1999, the U.S. Fish and Wildlife Service (FWS) issued a programmatic biological opinion (PBO) for a critical reach of the Colorado River in Colorado related to recovery efforts for four fish species listed as endangered under the Endangered Species Act (ESA)10,825 Project: Upper Colorado River

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Endangered Fish Recovery Program In 1988, the Upper Colorado River Endangered Fish Recovery Program was established to restore endangered fish from the brink of extinction: the humpback chub, bonytail, Colorado pike minnow, and razorback sucker. The PBO provides ESA compliance for five U.S. Bureau of Reclamation (Reclamation) projects including the Fryingpan-Arkansas Project. This program has an established number of program partners. The District contributes annually to this program through the 10,825 Project. The impact this has on District stakeholders is that it allows for the diversion of Fry-Ark Project water.

As part of the PBO, Colorado water users agreed to provide 10,825 acre-feet/year for fish recovery from interim water sources until 2010, by which time permanent sources of water must be identified and agreements completed between water users and the FWS to provide the permanent source(s) of water. Water users have identified the required permanent sources of water for endangered fish. As a matter of convenience and accounting, the obligation to provide the 10,825 acre-feet of water committed to the Program was split equally between the west slope and east slope water users. The east slope water users will provide 5,412.5 acre-feet to the Program by purchasing Red Top Ditch water and modifying the operations of the ditch and other facilities. The Executive Director recently signed the agreement authorized by the Board in April. The District's pro rata share is 10.19 percent of the cost, or \$1,750,479.

The operations contemplated to effectuate delivery of the Red Top Ditch water could, under certain hydrologic conditions, adversely affect the operations of the City of Colorado Springs and Denver Water (collectively, "Cities") and Green Mountain Reservoir by increasing the amount of water the Cities must "substitute", or replace, to Green Mountain Reservoir pursuant to the Blue River Decree, and/or decreasing the amount of water available in Green Mountain Reservoir for use pursuant to Senate Document No. 80. A second agreement, addressing the Ruedi Insurance Water, necessary to mitigate this potential adverse impact, is nearly completed and will be presented to the Colorado River Committee prior to the next Board meeting for a recommendation. Under the draft agreement, the District will reimburse Denver Water for the District's pro rata share of the \$2,579,800 of capital costs paid by Denver Water, \$262,881.62. In addition, the District will pay OM&R costs for 2013 of \$513.58, and additional OM&R costs each year.

Mr. Goodwin moved, seconded by Dr. Moore, the Board authorize the Executive Director sign a version of the Ruedi Insurance Water Cost Participation Agreement substantially similar to the version provided to the Board. Motion unanimously carried.

APPOINTMENT OF BUDGET OFFICER

Treasurer Nichols reported due to the resignation of Tina White, who was appointed Budget Officer at the August Board meeting, she moved to appoint James Broderick, Executive Director, as the Budget Officer for the 2014 budget preparation, seconded by Mr. Hazard. Motion unanimously carried.

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INFORMATIONAL ITEMS:

The Board was provided written material on the following topics, which were posted to the Board website:

- AVC, Excess Capacity Master Contract, and NEPA 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 10:00 a.m.

Respectfully submitted,

Toni Gonzales
Administrative Manager

Secretary

