

RECORD OF PROCEEDING

**SOUTHEASTERN COLORADO
WATER ACTIVITY ENTERPRISE
MINUTES
April 20, 2023**

President Long convened the meeting of the Board of Directors of the Southeastern Colorado Water Activity Enterprise (Enterprise) to order at 9:36 a.m., Thursday April 20, 2023, to be held in conjunction with the District Board meeting to present the 2022 Annual Audit Presentation.

Mrs. Noga introduced Mitchell Downs from Erickson, Brown & Kolster, Inc, who represents the firm that conducted the 2022 audit. Mr. Downs read the Independent Auditor's Report.

ACTION ITEMS:

APPROVAL OF 2022 ANNUAL AUDIT

Ms. Nichols moved seconded by Mr. Clayton, the audit of the 2022 financial statement of the District and Enterprise be approved as presented. Motion unanimously carried.

Ms. Noga received and addressed questions by the Board.

APPROVAL OF 2022 FINANCIAL STATEMENTS

Ms. Nichols moved, seconded by Mr. Clayton, the 2022 financial statements of the District and Enterprise be approved as audited. Motion unanimously carried.

President Long thanked Leann Noga and the finance team.

Mr. Long recessed the Enterprise Board meeting at 9:42 a.m. that was held in conjunction with the District Board meeting, and reconvened the Enterprise Meeting @ 11:22 a.m.

DIRECTORS PRESENT:

Alan Hamel (remote)	Dallas May	Matt Heimerich
Ann Nichols	Greg Felt	Pat Edelmann
Bill Long	Howard "Bub" Miller (remote)	Patrick Garcia
Curtis Mitchell (remote)	Kevin Karney	Seth Clayton
	Mark Pifer	Tom Goodwin

DIRECTOR(S) ABSENT AND EXCUSED:

Andy Colosimo

DISTRICT OFFICIALS:

Executive Director James Broderick; Senior Policy and Issues Manager Chris Woodka; Water Resources Principal Engineer Garrett Markus; Administrator of Administration and Finance Leann Noga; General Counsel Lee Miller; Administrative Support Specialist's Margie Medina and Patty Rivas; Principal Engineer/Project Coordinator Mark Scott; Staff Attorney Peter Levish; Finance Manager Stephanie Shipley; Kogovsek and Associates, Christine Arbogast; Kleinfelder, Gordon Dillon; and H2O Consultants, Roy Vaughan.

SECWAE

April 20, 2023

2

RECORD OF PROCEEDING

VISITORS PRESENT:

Bill Tyner, Tyner Engineering; Dustin Ethridge and Krystal Brown, USGS; Mark Shea, Colorado Springs Utilities; Mike Holmberg, USBR; Curtis Thompson, AECOM; Jerry Pena, Kennedy Jenks; Krystal Brown, USGS; Mike Holmberg, USBR; and Rachel Zancanella, Division of Water Resources.

VISITORS CONNECTED VIA ZOOM:

Curtis Thompson AECOM; Luke Mecklenburg, Assistant Attorney General, Federal and Interstate Water Unit; Otero Commissioners; Roy Heald, Security Water & Sanitation, logged off @ 11:45 a.m.

APPROVAL OF MINUTES:

President Long said the minutes of the March 16, 2023, Enterprise Board meetings were posted to OnBoard and the website for review and asked if there were any corrections or additions. Hearing none, Mr. Garcia moved, seconded by Mr. Edelmann to approve the minutes. Motion unanimously carried.

TREASURER REPORT:

Ms. Nichols reported the financial statements for March 2023, were posted to OnBoard and the Board website for review. Ms. Nichols moved, seconded by Mr. Clayton, for acceptance of the March 2023 financial statements and payment of the April 2023 bills. Motion unanimously carried.

PRESENTATION ITEMS:

FEDERAL LEGISLATION UPDATE

Ms. Arbogast updated the Board as follows:

The annual appropriations process is underway with committee hearings on agency budgets. House expected to mark up in June.

Word on the next drop of money from the infrastructure fund for the Arkansas Valley Conduit, is likely to be in early summer.

Speaker McCarthy has put forth his debt ceiling bill, which includes a proposal to repeal the Inflation Reduction Act. Details to see if that includes the drought funding provisions is forthcoming. It also includes an effort to limit spending to enact FY '22 levels across the board and to stay there for sometime to reduce the deficit.

The endangered fish recovery program bill is expected to be introduced soon, and the farm bill process is moving along, including wildfire funding proposals.

And, next Friday, we will celebrate the Arkansas Valley Conduit groundbreaking.

RECORD OF PROCEEDING

ACTION ITEMS (con't):

ACCEPTANCE OF ARKANSAS VALLEY CONDUIT (AVC) PRELIMINARY ENGINEERING REPORTS

Mr. Mark Scott presented to the Board an action item recommending that the Enterprise Board accept the AVC Preliminary Engineering Reports prepared in 2021 and 2022 for the Enterprise by GMS, Inc. The multi-purpose reports will be used in support of the design, construction, and funding of the AVC Delivery and Spur lines in addition to collaboration with the AVC Participants to support the preparation of design plans and funding applications for their individual system improvements.

In February 2023, the AVC Preliminary Engineering Reports were completed. A report was prepared for each AVC Participant (39 total). The reports addressed water system evaluations for each Participant and how each Participant would connect to the AVC. Each report included the following information:

1. Executive Summary
2. Planning Area
3. Existing Water System
4. Historical and Projected Water Consumption
5. Existing Financial Status
6. Existing Water System Evaluation
7. Water Quality and Water Treatment
8. Water System Needs and Recommendations
9. Financial Impacts of Proposed Improvements
10. Funding Analysis

The reports addressed the following AVC information needs:

1. Summarize costs for AVC improvements in three categories:
 - a. Group 1 – AVC delivery and spur lines to be designed and constructed by Enterprise.
 - b. Group 2 – Improvements required by each of the Participants within their existing water systems to receive AVC water deliveries. These projects and costs are the responsibility of the Participants.
 - c. Group 3 – Recommended water system improvements to improve water delivery efficiencies from AVC that the Participants should implement within their existing water systems. These projects and costs are the responsibility of the Participants. These improvements may not be needed immediately to permit delivery of AVC water.
2. Address the multiple funding agency information needs for funding applications.
3. Analyze further potential consolidation opportunities in the Arkansas Valley.
4. Assist Participants facing enforcement orders from the Colorado Department of Public Health and Environment (CDPHE) with the information needs to respond and present a plan for compliance.

The AVC Preliminary Engineering Reports can be viewed in the OnBoard Resources tab: AVC Preliminary Engineering Reports.

Mr. Heimerich moved, seconded by Mr. Edelmann, for acceptance of the AVC Preliminary Engineering Reports prepared for the Enterprise by GMS, Inc. The motion unanimously passed.

RECORD OF PROCEEDING

AVC AVONDALE DELIVERY LINE UTILITY EASEMENT

Mr. Mark Scott presented an action item recommending that the Enterprise Board approve the AVC Avondale Delivery Line Utility Easement. The easement is required for construction of the Avondale water delivery line as a part of the AVC project.

A permanent ten feet wide easement immediately adjacent to the west side of the Avondale Boulevard right-of-way is required for the construction of the Avondale delivery line between U.S. Highway 50 on the north and the Avondale water treatment plant on the south. The easement is approximately 1,525 feet long and contains 0.35 acres. The existing Avondale Boulevard contains multiple utilities that are conflicting with the proposed water line alignment. The easement will facilitate installation of the water main and mitigate the existing utilities conflicts.

The grantor, Avondale Water and Sanitation District, has approved the easement. Easement documents have been drafted and are shown in Attachment A. Exhibit B as described in Attachment A is not included yet. Exhibit B is the final survey and legal description for the easement. The survey will be completed in early April and included in the final easement documents. Avondale Water and Sanitation District will record the easement after approval by the Enterprise Board. There is no cost for the easement.

Mr. Clayton moved, seconded by Mr. Goodwin for Enterprise Board to approve the AVC Avondale Delivery Line utility easement. Mr. Garcia recused himself. The motion unanimously passed.

A copy of the Grant of Water Easement was provided to the Board.

INFORMATION ITEMS:

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

- AVC Update
- JWBHP Update
- Excess Capacity Master Contract Update

President Long asked if there were any other matters to come before the Enterprise Board, hearing no other matters Mr. Long adjourned the meeting at 12:16 p.m.

RECORD OF PROCEEDING

Respectfully submitted,

Patty Rivas
Administrative Support Specialist

Seth Clayton – Secretary

Bill Long – President

Howard “Bub” Miller

Curtis Mitchell – Vice President

Kevin Karney

Ann Nichols – Treasurer

Mark Pifher

Alan Hamel

Matt Heimerich

Andy Colosimo

Pat Edelmann

Dallas May

Patrick Garcia

Greg Felt

Tom Goodwin