

RECORD OF PROCEEDING

**SOUTHEASTERN COLORADO
WATER ACTIVITY ENTERPRISE
MINUTES
September 21, 2023**

President Long convened the meeting of the Board of Directors of the Southeastern Colorado Water Activity Enterprise (Enterprise) to order at 9:35 a.m., Thursday September 21, 2023, to be held in conjunction with the District Board meeting to present the Budget action items.

ACTION ITEMS:

APPOINTMENT OF BUDGET OFFICER

Mr. Broderick presented an annual action item to the Board for the appointment of a Budget Officer in order to follow Colorado State Budget Law.

The first action the Governing Board must take under the Budget Law is to designate or appoint a Budget Officer to prepare and submit a proposed budget (Section 29-1-104, C.R.S.).

Mr. Edelmann moved, seconded by Mr. Karney, to appoint Leann Noga, Director of Finance and Administration, as the Budget Officer for the 2024 District budget period. Motion carried unanimously.

SET PUBLIC HEARING FOR 2024 PROPOSED BUDGET

Mr. Broderick presented an annual action item that the Board of Directors conduct a Public Hearing prior to adopting the annual Budget, to follow Colorado State Law C.R.S. 29-1-108(1).

A published notice of the Public Hearing is required for District Policy and compliance with Colorado State Law C.R.S. 29-1-106(1).

A copy of the letter to newspapers for publication, along with a copy of the notice as to 2024 Proposed Budget was provided to the Board.

Mr. Clayton moved, seconded by Mr. Hamel, that the Board of Directors set Thursday, November 16, 2023, at 9:45 a.m. for the Southeastern Colorado Water Conservancy District to hold the Public Hearing of the 2024 Proposed Budget. Motion carried unanimously.

Mr. Long recessed the Enterprise Board meeting at 9:38 a.m. that was held in conjunction with the District Board meeting, and reconvened the Enterprise Meeting @ 11:05 a.m.

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DIRECTORS PRESENT:

Alan Hamel	Hoard "Bub" Miller (remote)	
Ann Nichols	Kevin Karney	
Bill Long	Mark Pifher	
Curtis Mitchell	Matt Heimerich	
Dallas May (remote)	Pat Edelman	

DIRECTOR(S) ABSENT AND EXCUSED:

Andy Colosimo, Greg Felt, Patrick Garcia, Seth Clayton (had to leave @ 11:00 am) and Tom Goodwin.

President Long established that a Quorum was present.

DISTRICT OFFICIALS:

Executive Director James Broderick; General Counsel Lee Miller; Staff Attorney Peter Levis; Senior Policy and Issues Manager Chris Woodka; Water Resources Principal Engineer Garrett Markus; Principal Engineer's Kevin Meador and Mark Scott; Administrative Support Specialist's Margie Medina and Patty Rivas; Finance Manager Stephanie Shipley; Staff Intern Beth Nosker; H2O Consultant Roy Vaughan; and Kogovsek & Associates Christine Arbogast.

VISITORS PRESENT:

Andrew Klakulak and Krystal Brown USGS; Derek Mickle, Jeff Rieker, Mike Holmberg, USBR; Jack Goble, LAVWCD; Jerry Pena, Kennedy Jenks; Rachel Zancanella, Division of Water Resources; Rick Kienitz, Aurora Water; and Travis White, JHL Construction.

VISITORS CONNECTED VIA ZOOM:

Brett Gracely, LRE Water; Jeffery Deherrera, Pueblo West Metro District (9:33); Lisa Wade, Wilson Water Group; Luke Mecklenburg, Assistant Attorney General Water Unit; and Scott Lorenz, Colorado Springs Utilities (9:42).

APPROVAL OF MINUTES:

President Long said the minutes of the August 17, 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. Karney moved, seconded by Mr. Pifher to approve the minutes. Motion unanimously carried.

TREASURER REPORT:

Mrs. Nichols reported the financial statements for August 2023, were posted to OnBoard and the Board website for review. Mrs. Nichols moved, seconded by Mr. Edelman, for acceptance of the August 2023 financial statements and payment of the September bills. Motion unanimously carried.

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PRESENTATION ITEM:

FEDERAL LEGISLATION UPDATE

Ms. Arbogast updated the Board:

- The Farm Bill is not making any movement. They may get to it by the end of the year, however there is serious discussion regarding extending the current Farm Bill.
- Appropriations is halted, with all the focus on the possible Government shut down
- For the first time in a very long time, the Senate has marked up all 12 Bills and out of the Committee to go to the Senate Floor. There is not yet an agreement on the passing rules to get them considered on the House floor.
- The last time there was a C.R was 1997. There is not an agreement on how long the shutdown will be.
- If there is a shutdown, it will not affect construction on the AVC project.
- There is a 3 Bill package being debated on the Senate floor, this is progress.
- Cutting spending is currently under debate. There is a dismantling effort going on regarding the Inflation Reduction Act. Particularity on the 20 billion dollars going towards Climate and Conservation. There has been no discussion whatsoever regarding cutting back on the Infrastructure Bill.
- There is no movement on the Upper Colorado Fish Recovery Program

ACTION ITEMS (con't)

CONTRACT FOR PROFESSIONAL SERVICES BETWEEN THE SOUTHEASTERN COLORADO WATER ACTIVITY ENTERPRISE AND MESA FAB SHOP, INC.

Mr. Markus presented to the Board an action item recommending The Southeastern Colorado Activity Enterprise Board to approve a Contract for construction of the flowmeter access platform at the James W. Broderick Hydropower Plant between the Southeastern Colorado Water Activity Enterprise and Mesa Fab Shop, Inc. in the amount of \$67,764.

In 2022, maintenance was required on the main 90-inch diameter flowmeter at the JWBHP. Three flow transducers required replacement and access to the transducers was difficult. A temporary platform was constructed to allow access to the transducers but a permanent platform to facilitate future access was designed. In February 2023, a request for proposals was sent to three local Pueblo fabricators for manufacture and installation of the permanent platform.

Three proposals were received as follows:

1. Mesa Fab Inc. - \$67,764
2. Midwest Fabrication and Steel - \$78,000
3. Johnny's Boiler Shop - \$88,300

Based on a review of the proposals received, staff determined that Mesa Fab, Inc. submitted the most qualified, responsive, and responsible bid of \$67,764.

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Mr. Hamel moved, seconded by Mr. Karney, that the Southeastern Colorado Activity Enterprise Board to approve a Contract for construction of the flowmeter access platform at the James W. Broderick Hydropower Plant between the Southeastern Colorado Water Activity Enterprise and Mesa Fab Shop, Inc. in the amount of \$67,764. Motion carried unanimously.

AMENDMENT 1 TO AGREEMENT FOR OPERATOR SERVICES BETWEEN SOUTHEASTERN COLORADO WATER ACTIVITY ENTERPRISE AND KLEINFELDER, INC.

Mr. Markus presented an action item recommending the Board approve Amendment 1 to the Agreement for Operations Services Between the Southeastern Colorado Water Activity Enterprise and Kleinfelder, Inc.

On March 16, 2023, the Southeastern Colorado Water Activity Enterprise Board of Directors approved the Agreement for Operations Services Between the Southeastern Colorado Water Activity Enterprise and Kleinfelder, Inc.

Amendment 1 to the Agreement is to increase the annual maximum not-to-exceed from \$42,000 to \$92,000. The increase is required for backup operator training and additional on-site services in 2023 that is projected to exceed the agreement's annual maximum fee.

A copy of Amendment 1 was provided to the Board.

Mr. Edelmann moved, seconded by Mr. Hamel, that the Southeastern Colorado Water Activity Enterprise Board approve Amendment 1 to Agreement for Operations Services Between the Southeastern Colorado Water Activity Enterprise and Kleinfelder, Inc. Motion carried unanimously.

CONTRACT FOR PROFESSIONAL SERVICES FOR THE AVC FUNDING APPLICATION SUPPORT SERVICES FOR SPURS AND DELIVERY LINES

Mr. Meador presented an action item to the Board recommending that the Enterprise Board approve Contracts for Professional Services Between the Southeastern Colorado Water Activity Enterprise (SECWAE) and Swiftwater Solutions, LLC and GMS, Inc. Consulting Engineers for the AVC Funding Application Support Services for Spurs and Delivery Lines project.

The AVC Spurs and Delivery Lines are being designed by Enterprise by Agreement with The Bureau of Reclamation (Reclamation). The Enterprise desires, on behalf of the AVC Participants, to seek State Revolving Fund (SRF) funding for the AVC Group 1 Improvements which includes the Spurs and Delivery Lines. SRF funding is being sought to fund the design and construction of the Group 1 Improvements not covered by the previously granted ARPA funds. Because of the critical timing and specialized experience needed to navigate the funding process, the Enterprise is seeking a professional services contract to assist in the application and funding process.

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Enterprise staff will perform some of the funding application tasks as appropriated to reduce the costs of the applications. The funding application costs for Participants that are a government entities eligible for reimbursement under the SRF guidelines. In addition, the Preliminary Engineering Reports (PER) prepared in 2022 will provide substantial information used in completing the SRF applications. These reports will help expedite the application timing.

Seven funding “packages,” each consisting of \$8 to \$10 million funding requests, are anticipated over the next eighteen months based on recommendation by SRF administrators. The packages will be prepared over time because funding is not currently available for the anticipated \$64 million funding request. The first package will be completed by the end of 2023. Preapplications will be prepared for all the packages to provide the SRF with an estimate of the total amount of funding requested.

A request for proposals (RFP) was issued on September 6, 2023, for the AVC Funding Application Support Services for Spurs and Delivery Lines. Four responses were received on September 13, 2023. Two of the responses were letters declining to submit a proposal. The other two responses were proposals from Swiftwater Solutions, LLC, and GMS, Inc. A total of twenty-two firms reviewed the RFP on the posting site BidNet.

The proposals were reviewed and evaluated based on the scoring system established in the RFP. Based on the evaluation of the proposals, staff concluded that it would be in the best interest of Enterprise to contract for services with both firms initially in 2023. It is recommended that Swiftwater Solutions prepare funding package No. 1 through No. 7 Preapplications only for the funding packages for a not to exceed contract amount of \$24,025. GMS would complete Funding Package No. 1 in full for a not to exceed amount of \$70,952. Both contracts will conclude December 31, 2023.

Copies of contract for GMS, Inc, and Swiftwater Solutions, LLC. were provided to the Board.

Questions were asked of Mr. Meador

Mr. Karney moved, seconded by Mr. Heimerich, that the Southeastern Colorado Activity Enterprise Board approve Contracts for Professional Services for the AVC Funding Application Support Services for Spurs and Delivery Lines as follows:

Swiftwater Solutions prepare funding package No. 1 through No. 7 Preapplications only for the funding packages for a not to exceed contract amount of \$24,025. GMS would complete Funding Package No. 1 in full for a not to exceed amount of \$70,952, in a form substantially similar to the contracts provided in attachments 1 and 2. Motion carried unanimously.

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PRESENTATION ITEM (con't):

Mr. Woodka presented a video to the Board by videographer Sam Ebersole, to provide footage of construction of the Arkansas valley Conduit (AVC) and the Fryingpan-Arkansas Project 60th Anniversary videos.

Construction work in the video was filmed by drone and time-lapse photography on August 29, 2023.

One final Board Meeting item:

Mr. Broderick asked Ms. Margie Medina to join him at the Podium. The District had the great honor of being a part of the AVC Groundbreaking celebration back in April.

Margie Medina was one of the honored guests that was given a shovel and the opportunity to "toss" the dirt as representation of the groundbreaking.

Ms. Medina is the staff member that has been with the District the longest, a total of 20+ years.

The District wanted to present Ms. Medina with an item to remember this momentous occasion by, which was the news article that was published about the celebration, framed in glass.

President Long thanked Ms. Medina, on behalf of the Board, for all her hard work that she has done throughout her years at the District.

Ms. Medina was given a moment to thank the District and Board for being given the opportunity to be involved in this monumental day.

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. Mr. Heimerich wanted to let all know that he provided some produce from the lower valley to enjoy for lunch. Hearing no other matters, Mr. Long adjourned the meeting at 11:37 a.m.

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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