

RECORD OF PROCEEDING

**SOUTHEASTERN COLORADO WATER
ACTIVITY ENTERPRISE**

MINUTES

October 19, 2017

A regular meeting of the Board of Directors of the Southeastern Colorado Water Activity Enterprise (Enterprise) was held on Thursday, October 19, 2017 at 10:54 a.m., at the District office, 31717 United Avenue, Pueblo, Colorado.

President Long announced a quorum was present.

DIRECTORS PRESENT:

Bill Long	Vera Ortegon	Kevin Karney
Gibson Hazard	Curtis Mitchell	Carl McClure
Tom Goodwin	Howard "Bub" Miller	Dallas May
Mark Pifher	Seth Clayton	Greg Felt
Alan Hamel		

DIRECTOR(S) ABSENT AND EXCUSED:

Ann Nichols

ENTERPRISE OFFICIALS PRESENT:

Executive Director James Broderick; General Counsel Lee Miller; Administrative Manager Toni Gonzales; Water Resources Engineer Garrett Markus; Issues Management Program Coordinator Chris Woodka; Finance Coordinator/IT Leann Noga; and Federal Lobbyist Christine Arbogast.

VISITORS PRESENT:

Brett Gracely and Andy Colosimo, Colorado Springs Utilities; Roy Vaughan and Shane Hayden, U.S. Bureau of Reclamation; Kevin Rein, State Engineer; Steve Witte, Colorado Division of Water Resources; Bill Banks, U.S. Geological Survey; Alex Zipp, the Drifx Fly Shop and Parks and Wildlife Commission; Jack Goble, Lower Arkansas Valley Water Conservancy District; Curt Thompson, AECOM; Mark Scott, CHD; Tom Simpson, Aurora Water; Cathy Garcia, U.S. Senator Cory Gardner's office; Dwight Gardner, U.S. Senator Michael F. Bennet's office; and Judy Leonard, Pueblo West Metropolitan District.

APPROVAL OF MINUTES:

President Long said the minutes of the September 21, 2017 Board meeting were posted to the Board website for review, and asked if there were any corrections or additions. Hearing none, Mrs. Ortegon moved, seconded by Mr. Felt, to approve the minutes. Motion unanimously carried.

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FINANCE COMMITTEE REPORT:

Kevin Karney reported the financial statements for September were posted to the Board website for review. Mr. Karney moved, seconded by Mr. Clayton, for acceptance of the September financial statements and payment of the October 2017 bills. Motion unanimously carried.

CONSENT ITEMS:

None

PRESENTATIONS:

FEDERAL LEGISLATION

Christine Arbogast reported Congress continues to operate on a Continuing Resolution through early December. Thus far in the appropriations process the Arkansas Valley Conduit looks solid to receive \$3 million next fiscal year

The repeal and replace of the Waters of the United States rule is well underway and various national water groups have filed comments.

Forest health and watershed management issues have been gaining momentum. More than half a billion dollars is included in the hurricane disaster relief bill to address the cost of this year's forest fire fighting efforts, and the fire borrowing issue is proposed to be fixed in the budget resolution

ACTION ITEMS:

AGRICULTURAL OFF SEASON STORAGE FOR PROJECT WATER

Garrett Markus reported the content levels in Pueblo Reservoir are expected to reach high storage levels in the spring of 2018 as has been experienced the last several years. In the past the District has enacted the 80/20 Rule to limit large amounts of agricultural Project water to be stored during the winter months when space is needed for the Winter Water Storage Program and Project water deliveries from the upper reservoirs. Ag stakeholders have planned on a 20 percent carryover enforcement and most entities have already executed plans to meet the current conditions of the 80/20 Rule for the 2017 Project water year. Staff recommends to enact the Agricultural 80/20 Rule for the 2017 Project water year.

Mr. Markus provided a PowerPoint titled, *Agricultural Off Season Storage for Project Water*, reviewing the following:

- Agricultural Off Season Storage for Project Water
- Pueblo Reservoir Allocations
- Fry-Ark Accounting in Pueblo Reservoir as of 10/15/17
- 2017 Agricultural Project Water Allocation
 - Project Water Amounts Each Entity Have Above the 20 Percent Final Allocations

Mr. McClure moved, seconded by Mr. Goodwin, the District Board enact the Agricultural 80/20 Rule for Project water storage for the 2017-2018 Winter water season. Motion unanimously carried.

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2017 ADOPTED BUDGET RESOLUTIONS SEPARATING THE ENTERPRISE AND THE HYDROELECTRIC PROJECT BUDGETS

Leann Noga reported Colorado Revised Statutes 29-1-103 require all local governments adopt an annual budget for all major funds. As a result of the construction of the Hydroelectric Power Project, the Enterprise and the hydroelectric portion of the 2017 Adopted Budget must be separated. The total Enterprise 2017 Adopted Budget will be divided by Water Enterprise expenditures of \$2,236,182 and Hydroelectric expenditures of \$12,139,591.

The Board was provided two separate resolutions that reflect the above description. Resolution No. 2017-02EF and No. 2017-03EF would supersede the December 2016 Resolution No. 2016-01EF Adopted Budget.

Mr. Clayton moved, seconded by Mr. Hamel, the Board approve 2017 Budget Resolution No. 2017-02EF for \$2,236,182 for the Enterprise and Budget Resolution No. 2017 03EF for \$12,139,591 for Hydroelectric Project. Indicating that the two resolutions replace Budget Resolution No. 2016-01EF. Motion unanimously carried.

INFORMATION ITEMS:

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

- Arkansas Valley Conduit and Excess Capacity Master Contract Update
- Internal Financial Reporting

OTHER BUSINESS MATTERS:

President Long asked if there were any other matters to come before the meeting, and hearing none, adjourned the meeting at 11:09 a.m.

Respectfully submitted,

Toni Gonzales
Administrative Manager

Secretary

SECWAE
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