

RECORD OF PROCEEDING

**SOUTHEASTERN COLORADO WATER
ACTIVITY ENTERPRISE**

MINUTES

January 17, 2008

The regular meeting of the Board of Directors of the Southeastern Colorado Water Activity Enterprise (SECWAE) was held on Thursday, January 17, 2008 at 9:39 a.m., at the District office, 31717 United Avenue, Pueblo, Colorado.

President Long announced a quorum was present.

DIRECTORS PRESENT:

Bill Long	Carl Genova (arrived at 9:44 a.m.)	Reed Dils
Lissa Pinello	Lee Simpson	Greg Johnson
Gibson Hazard	Carl McClure	Ann Nichols
Vera Ortigón	Shawn Yoxey (arrived at 9:41 a.m.)	Harold Miskel
Alan Hamel-Advisory Board Member		

DIRECTORS ABSENT AND EXCUSED:

Edward Bailey, Howard "Bub" Miller, and Scott Reed.

ENTERPRISE OFFICIALS PRESENT:

Attorneys Stephen Leonhardt and Lee Miller; Executive Director James Broderick; Administrative Manager Toni Gonzales; Projects Manager Phil Reynolds; Chief Financial Officer Kathie Fanning; Director of Engineering and Resource Management Bob Hamilton; and Federal Lobbyists Ray Kogovsek and Christine Arbogast.

VISITORS PRESENT:

Roy Vaughan, U.S. Bureau of Reclamation; Chris Woodka, The Pueblo Chieftain; Dick Wolfe, State Engineer; Steve Witte, Colorado Division of Water Resources- Division 2; Kevin Meador, Black & Veatch; Tom Simpson and Rick Kienitz, Aurora Water; Jack Yaklich, High Line Canal Company; Joe Rall, Congressman Doug Lamborn's office; Dwight L. Gardner, Senator Ken Salazar's office; Larry Patterson, Fountain Utilities; Doris Morgan, Senator Wayne Allard's office; Bob Hartzman, City of Canon City; John Gillogley, Department of Corrections; Steve Howell, Ninyo and Moore Consultants; Roy Heald, Security Water District; Jill Gacnik and Curt Thompson, Merrick and Company; and Ken Weber.

APPROVAL OF MINUTES:

President Long asked if the members of the Board had received their copy of the minutes of December 6, 2007, and whether there were any corrections or additions. Hearing none, Mr. Hazard moved, seconded by Mrs. Ortigón, to approve the minutes. Motion unanimously carried.

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FINANCIAL REPORT:

Greg Johnson reported that the financial report for the month of December for the Enterprise was mailed to the Board and moved for the acceptance of the financial report for December and payment of the January bills for the Enterprise, seconded by Mr. Simpson. Motion unanimously carried.

CONSENT ITEMS:

None

PRESENTATIONS:

None

ACTION ITEMS:

None

INFORMATIONAL ITEMS:

The Board was provided written reports on the following:

- Arkansas Valley Conduit Committee Report
- Federal Legislation Update
- Legal Matters

PREFERRED STORAGE OPTIONS PLAN

Christine Arbogast reported she had no particular news to report as various parties continue separate negotiations. No additional meetings have been held by Senator Salazar, and so his plan for any alternative legislation is unknown at this time. Senator Salazar introduced a measure on Fountain Creek studies and long-term plans at the end of 2007, and Congressman Udall introduced a similar bill.

ARKANSAS VALLEY CONDUIT

Mrs. Arbogast reported Board President and Conduit Committee Chairman Bill Long, Executive Director Jim Broderick, Ray Kogovsek and she will be in Washington, D.C. January 21-23. They will be renewing their discussion with the Colorado congressional delegation and the authorizing committees regarding the possibility of using excess capacity contract revenues to help fund the conduit's construction. The goal is to obtain a clear sense from the committee staff whether they believe this alternative funding plan (different from the 80-20 cost share in the stand alone bill) will move through Congress in 2008.

In addition, Mr. Kogovsek and Mrs. Arbogast are preparing, with the assistance of Mr. Broderick, a modest appropriations request under the WRDA authorization that would, if appropriated, allow the Corps of Engineers to perform a defined task which would further the longer term Bureau of Reclamation construction of the conduit.

President Bush signed the omnibus appropriations measure for FY '08 just before the New Year. The bill includes the \$600,000 earmark for the conduit under EPA's State/Tribal Assistance Grant program. Mr. Kogovsek and Mrs. Arbogast will be working with the Colorado congressional delegation to ensure that the process of working with EPA to develop the plan for expenditure of the funds runs smoothly. It is their

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understanding that the first step is a discussion between the EPA and the appropriating subcommittee. It is believed that Senator Allard, as ranking member of that subcommittee, can be of significant assistance.

The administration has been vocal about earmarks in the omnibus, which total about \$11 billion, some of which the administration asked for themselves. The latest comes in the form of a threat to issue an executive order to the agencies not to follow the Congress' directives to fund certain programs and projects. This is being followed very closely and the Board will be kept advised. Should the administration carry through with the executive order, it is likely that Congress will challenge it in court, and it is possible that will be a bipartisan effort. Congress does guard closely its authority to direct federal spending.

Mrs. Arbogast provided copies of articles related to appropriations to the Board members.

OTHER BUSINESS MATTERS:

None

President Long asked if there were any other matters to come before the meeting, and hearing none, adjourned the meeting at 9:48 a.m.

Respectfully submitted,

Toni Gonzales
Administrative Manager

Secretary

