
RECORD OF PROCEEDING

**SOUTHEASTERN COLORADO WATER
ACTIVITY ENTERPRISE**

MINUTES

October 20, 2011

The regular meeting of the Board of Directors of the Southeastern Colorado Water Activity Enterprise (SECWAE) was held on Thursday, October 20, 2011 at 9:40 a.m., at the District office, 31717 United Avenue, Pueblo, Colorado.

President Long announced a quorum was present.

DIRECTORS PRESENT:

Bill Long	Harold Miskel	Ann Nichols
Gary Bostrom	Kevin Karney	Greg Johnson
Carl McClure	Vera Ortegón	Reed Dils
Gibson Hazard	Tom Goodwin	David Simpson
Shawn Yoxey		

DIRECTORS ABSENT AND EXCUSED:

Howard "Bub" Miller, Scott Reed, and Alan Hamel-Advisory Board Member

ENTERPRISE OFFICIALS PRESENT:

Executive Director James Broderick; Administrative Manager Toni Gonzales; Finance Coordinator Tina White; Director of Engineering and Resource Management Bob Hamilton; Conservation Outreach Coordinator Jean Van Pelt; Legal Counsel Steve Leonhardt and Lee Miller; and Federal Lobbyist Ray Kogovsek.

VISITORS PRESENT:

Roy Vaughan, U.S. Bureau of Reclamation; Chris Woodka, The Pueblo Chieftain; Bob Hartzman, City of Canon City; Curtis Mitchell, City of Fountain; Dwight L. Gardner, U.S. Senator Bennet's office; Doris Morgan, U.S. Congressman Gardner's office; Steve Witte, Colorado Division of Water Resources-Division 2; Jay Winner, Lower Arkansas Valley Water Conservancy District; David Mau, U.S. Geological Survey; Shirley Klipfel, Pueblo; Terry Book, Board of Water Works of Pueblo; Eric Norwood, Wilson & Co; Sean Chambers, Cherokee Metro District; Curt Thompson, Merrick & Company; Mark Carmel, Triview Metro District; Kevin Meador, Black & Veatch; Jerry Peña and Jeffrey Hlad, MWH; Bill Hower, Beulah Water District; Tony Keenan, Arkansas River Outfitters Association; and Ken Weber.

APPROVAL OF MINUTES:

President Long asked if the members of the Board had received their copy of the minutes of September 15, 2011 and whether there were any corrections or additions. Hearing none, Mr. Hazard moved, seconded by Mr. Johnson, to approve the minutes. Motion unanimously carried.

RECORD OF PROCEEDING

FINANCIAL REPORT:

Treasurer Ann Nichols reported the financial statement for September was posted to the Board website for review. Treasurer Nichols moved for acceptance of the September financial statement and payment of the October 2011 bills. Mrs. Ortegón seconded the motion, the motion unanimously carried.

CONSENT ITEMS:

None

PRESENTATIONS:

FEDERAL LEGISLATION

Excess Capacity Revenue

Mr. Broderick reported Ms. Arbogast was in Durango. Mr. Broderick said Ms. Arbogast reported last month a continuing resolution is still being worked on, and a special committee is being formed to look at the finances.

Mr. Broderick said Reclamation agreed to a process of how miscellaneous revenues will be used. There was a meeting October 14, 2011 held to discuss the time schedule for miscellaneous revenues. Harold Miskel will be on the committee that will work on the miscellaneous revenues.

Mr. Broderick said the District's paperwork has been submitted to Reclamation regarding the market base rate for reservoir storage. Ann Nichols will be on a committee that will assist in this issue.

Mr. Broderick said visits to Washington, D.C. during the end of 2011 and beginning of 2012 will be more frequent to keep undated on the issues of market base rate and possible hydropower issues by District staff and federal lobbyists.

CONDUIT, EXCESS CAPACITY MASTER CONTRACT, AND NEPA UPDATE

Jean Van Pelt presented a PowerPoint titled, *Arkansas Valley Conduit and Long-Term Excess Capacity Master Contract Fryingpan-Arkansas Project EIS*, reviewing the following:

- Proposed Actions in the AVC EIS
- AVC Alternatives
- Master Contract Only Alternatives
- AVC, Master Contract and Interconnect No Action Alternatives
- EIS Schedule

Jean Van Pelt reported on the following:

- She finished up on face-to-face meetings with both the Conduit and Master Contract participants.
 - Only one left and will met with them on October 21, 2011
 - Heard a need for better communication and consistent billing
 - Participants want to know what their dollars are going towards
- The EIS team is working with the Water Treatment Plant consultant, Black and Veatch and the mapping consultant, Farnsworth.

RECORD OF PROCEEDING

- Bob Hamilton and Ms. Van Pelt are continuing to review and provide comments on the EIS pre-decisional drafts.
- A Cooperative Agencies meeting was held at the District office October 19, 2011 to provide feedback on Chapter 3, Affected Environment, Appendices A.2, AVC Participant Water Rights and A.3., Non-AVC Participants Water Rights and on the Hydrological Daily Model. This meeting was attended by Board members Bill Long and Kevin Karney.
- Great Western Institute the consultant who is developing the conduit Water Conservation Plan, has completed the audits of the participants' water systems and is compiling the data
- Reclamation released its second newsletter on the NEPA EIS and a copy was provided to the Board members.

McDONALD WATER POLICY CONSULTING, LLC

Mr. Broderick said a contract for consulting services has been signed with William "Bill" McDonald, McDonald Water Policy Consulting, LLC for consulting services on an as need basis. Mr. McDonald will provide consulting services and advice to the District regarding the issue of how Reclamation will establish the cost or price to be charged for contract for the use of excess facilities capacity and for exchange contract using various features of the Fryingpan-Arkansas Project to store and convey non-Project water.

ACTION ITEMS:

SET PUBLIC HEARING FOR 2011 PROPOSED BUDGET

Treasurer Ann Nichols reported the Board of Directors conducts a public hearing each year prior to adopting the annual budget in compliance with state law. Ms. Nichols moved, seconded by Mr. Johnson, the Board set November 10, 2011 at 11:00 a.m. at the Southeastern Colorado Water Conservancy District office for the public hearing for the 2012 Proposed Budget. Motion unanimously carried.

INFORMATIONAL ITEMS:

The Board members were provided written reports on the following, which were posted to the Board website:

- Arkansas Valley Conduit NEPA Update
- Excess Capacity Master Contract Update

OTHER BUSINESS

President Long asked if there were any other matters to come before the meeting, and hearing none, adjourned the meeting at 10:10 a.m.

Respectfully submitted,

Toni Gonzales
Administrative Manager

Secretary