
RECORD OF PROCEEDING

**SOUTHEASTERN COLORADO WATER
ACTIVITY ENTERPRISE**

MINUTES

February 17, 2011

The regular meeting of the Board of Directors of the Southeastern Colorado Water Activity Enterprise (SECWAE) was held on Thursday, February 17, 2011 at 9:37 a.m., at the District office, 31717 United Avenue, Pueblo, Colorado.

President Long announced a quorum was present.

DIRECTORS PRESENT:

Bill Long	Ann Nichols	Scott Reed
Kevin Karney	Reed Dils	Gibson Hazard
David Simpson	Gary Bostrom	Vera Ortegón
Greg Johnson	Lissa Pinello	
Alan Hamel-Advisory Board Member		

DIRECTORS ABSENT AND EXCUSED:

Carl McClure, Howard “Bub” Miller, Harold Miskel, and Shawn Yoxey.

ENTERPRISE OFFICIALS PRESENT:

Executive Director James Broderick; Administrative Manager Toni Gonzales; Project Manager Phil Reynolds; Finance Coordinator Tina White; Director of Engineering and Resource Management Bob Hamilton; Conservation Outreach Coordinator Jean Van Pelt; Legal Counsel Steve Leonhardt, Lee Miller, and Alix Joseph.

VISITORS PRESENT:

Roy Vaughan and Carlie Ronca, U.S. Bureau of Reclamation; Mark Carmel, Merrick & Company; Rick Kienitz, Aurora Water; Curtis Mitchell, City of Fountain; Pat Edelmann, U.S. Geological Survey; Chris Woodka, The Pueblo Chieftain; Steve Witte, Colorado Division of Water Resources-Division 2; Kevin Meador, Black & Veatch; Jerry Peña, MWH; Dwight Gardner, U.S. Senator Michael Bennet’s office; Doris Morgan, Congressman Cory Gardner’s office; Tony Keenan, Arkansas River Outfitters Association; Dan Henrichs, High Line Canal Company; Jim Baldwin, Otero County; Steve Harrison, Pueblo West Metropolitan District; Bill Hower, Beulah Water; Shirley Klipfel, Pueblo; Scott Campbell, Colorado Canal; Joe Rall, Congressman Doug Lamborn’s office; Sean Chambers, Cherokee Metro; Roy Heald, Security Water District and Fountain Valley Authority; Christine Thiebaut, Senator Udall’s office; and Ken Weber.

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APPROVAL OF MINUTES:

President Long asked if the members of the Board had received their copy of the minutes of January 20, 2011 and whether there were any corrections or additions. Hearing none, Mr. Reed moved, seconded by Mr. Johnson, to approve the minutes. Motion unanimously carried.

FINANCIAL REPORT:

Treasurer Ann Nichols reported a draft financial statement for December 2010 was posted to the Board website for review. Treasurer Nichols moved for acceptance of the draft December 2010 financial statement and payment of the February 2011 bills. Mrs. Ortegón seconded the motion, the motion unanimously carried.

CONSENT ITEMS:

None

PRESENTATIONS:

FEDERAL LEGISLATION

Arkansas Valley Conduit

Mr. Broderick reported Mrs. Arbogast was in Washington, D.C. working on Conduit issues and Mr. Kogovsek was unable to attend due to a conflicting meeting.

Mr. Broderick said that the President released his budget earlier this week and there was \$2.958 million designated for the Arkansas Valley Conduit (AVC).

President Long, Mr. Broderick, Mr. Miskel, and Mrs. Arbogast will be in Washington, D.C. in April and will brief the Colorado delegation and staff on AVC issues.

ARKANSAS VALLEY CONDUIT/ EXCESS CAPACITY UPDATE

Mr. Reynolds said that work was being performed on finalizing the sources and uses of water for the Environmental Impact Statement (EIS.) He spent two and a half days in Crowley County visiting with each water provider to get a better understanding of the unique supply and usage patterns and relationships among the various entities.

Mr. Reynolds reviewed the AVC Advisory Committee meeting that was held on January 25, 2011. The main focus of the meeting was the EIS work being performed by MWH. The committee reviewed a couple of the documents that MWH had prepared.

EXCESS CAPACITY MASTER CONTRACT

Mr. Reynolds reviewed the joint District AVC and Excess Capacity committees meeting that was held on February 15, 2011. He said that the committees are in agreement that the Conduit participants should participate in the Water Quality studies currently being undertaken by the Excess Capacity and Enlargement projects. The committees reviewed the MOAs for both projects.

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Mr. Reynolds gave a quick explanation of the various costs involved in the projects depending on which elements of the EIS each entity is involved in.

Mr. Reynolds said there will be a meeting Tuesday, February 22, 2011 to present the MOAs to the Conduit and Master Contract participants. They will also discuss the costing spreadsheets.

ACTION ITEMS:

CASH FLOAT FOR ENVIRONMENTAL STUDY

Mr. Reynolds reported that included in the Southeastern Colorado Long-Term Excess Master Contract Memorandum of Understanding (MOU) with Reclamation (signed in November 2010) is a payment schedule that requires the Enterprise to pay \$300,000 upon signing the MOU; \$500,000 in January 2011; and \$200,000 in September 2011. Reclamation has said it will stop work on the Master Contract portion of the EIS until payment of the first \$800,000 is made. This halt in work would have the effect of slowing the Conduit EIS study for a few months until the payment is made.

This payment schedule was given to the Excess Capacity participants at the October 27, 2010 committee meeting and included in the 2011 Enterprise budget. The participants were reminded of this payment schedule in a letter sent in early January 2011.

Staff invoiced the Master Contract participants for the initial advance payment of \$300,000 in November 2010. Collections towards this invoice total \$162,666.59, of which \$146,493 has been paid to Reclamation. All participants have paid their initial invoices except Penrose. The second set of invoices totaling \$500,000 was sent out February 10, 2011. Mr. Reynolds called all the participants and they have indicated they will pay their second invoice except Penrose and the Lower Arkansas Valley Water Conservancy District (LAVWCD.) Penrose is a late joiner to the Master Contract process and has not yet signed a Memorandum of Agreement (MOA) to be officially included in the process. Thus, their lawyer has recommended Penrose to not pay any invoices until they have signed the MOA. The LAVWCD has a cash flow problem. They will not be able to pay the second invoice (\$216,713.90) until May or June. Total collections from participants by March 1, 2011 for the first two invoices will total \$555,611.21. Staff will arrange to have an agreement signed by the LAVWCD to ensure they will make their payment.

Mr. Reynolds recommended that a temporary cash float of \$250,000 of the \$800,000 invoiced to participants to date be allowed in order to pay the upfront cost due to Reclamation per the signed Memorandum of Understanding (MOU) for the Excess Capacity Master Contract Environmental Impact Statement.

Mrs. Ortégón moved, seconded by Mr. Hazard, that the Enterprise be authorized to provide a cash float from the Enterprise reserve funds until June 2011 of up to \$250,000 to make the payments on the Southeastern Colorado Long-Term Excess Master Contract MOU. Motion unanimously carried.

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INFORMATIONAL ITEMS:

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

- Arkansas Valley Conduit Committee Report
- Excess Capacity Committee Report

OTHER BUSINESS

Mr. Broderick said a copy of the letter to Mr. Vaughan from Mike King, Executive Director, Colorado Department of Natural Resources, regarding the 2011-2012 Flow Recommendation for the Upper Arkansas was in their binder for review.

President Long reminded the Board members to submit their Emergency Form to Toni Gonzales.

President Long asked if there were any other matters to come before the meeting, and hearing none, adjourned the meeting at 10:04 a.m.

Respectfully submitted,

Toni Gonzales
Administrative Manager

Secretary

