
RECORD OF PROCEEDING

**SOUTHEASTERN COLORADO WATER
ACTIVITY ENTERPRISE**

MINUTES

June 16, 2011

The regular meeting of the Board of Directors of the Southeastern Colorado Water Activity Enterprise (SECWAE) was held on Thursday, June 16, 2011 at 9:43 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	David Simpson	Greg Johnson
Carl McClure	Vera Ortégón	Reed Dils
Howard "Bub" Miller	Lissa Pinello	Gibson Hazard
Shawn Yoxey (arrived at 9:45)		

DIRECTORS ABSENT AND EXCUSED:

Gary Bostrom, Harold Miskel, and Alan Hamel-Advisory Board Member

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 Lee Miller and Bernie Gehris; and Federal Lobbyists Ray Kogovsek and Christine Arbogast.

VISITORS PRESENT:

Valda Terauds and Roy Vaughan, U.S. Bureau of Reclamation; Mark Carmel, Merrick & Company; Larry Patterson, City of Fountain; Chris Woodka, The Pueblo Chieftain; Kevin Meador and Dan Kugler, Black & Veatch; Doris Morgan, Congressman Cory Gardner's office; Dwight Gardner, Senator Michael Bennet's office; Joe Rall, Congressman Lamborn's office; Sean Chambers, Cherokee Metro; Roy Heald, Security Water District and Fountain Valley Authority; Bob Hartzman, City of Canon City; Rick Kienitz and Tom Simpson, Aurora Water; Wayne Vanderschuere and Tyler Allison, Fountain Valley Authority; Jay Winner, Lower Arkansas Valley Water Conservancy District; Eric Norwood, Wilson & Company, Inc.; Jim Spaccamonti, Spac Group; John Stulp, Governor's Office-IBCC; Jennifer Gimbel, Colorado Water Conservation Board; David Mau, U.S. Geological Survey; Clint Bulkley and Melanie Morgan, Osborne, Parsons & Rosacker, LLP; Scott Lorenz, AGUA and Excelsior; Steve Witte, Colorado Division of Water Resources; 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 May 19, 2011 and whether there were any corrections or additions. Hearing none, Mrs. Ortegón moved, seconded by Mrs. Pinello, to approve the minutes. Motion unanimously carried.

FINANCIAL REPORT:

Treasurer Ann Nichols reported the financial statement for May was posted to the Board website for review. Treasurer Nichols moved for acceptance of the May financial statement and payment of the June 2011 bills. Mr. Hazard seconded the motion, the motion unanimously carried.

CONSENT ITEMS:

None

PRESENTATIONS:

FEDERAL LEGISLATION

Arkansas Valley Conduit

Ms. Arbogast reported that on June 15, the full House Appropriations marked up the FY '12 energy and water bill and included \$2.907 million for ongoing work on environmental compliance for the Arkansas Valley Conduit. This represents a cut of only \$51,000 from the Administration's request, apparently as part of a small across the board reduction for projects and programs.

Bill Long, Harold Miskel, Jim Broderick, Lee Miller, and Christine Arbogast visited with the committee staff earlier this spring about the need to fund the project adequately in order to maintain the project's timeline. This was an important step given staff changes which occurred when the leadership in the House changed parties. Ms. Arbogast said she is pleased with the outcome and feels confident this funding level can be maintained in the Senate as well. Full House consideration is expected next week.

ARKANSAS VALLEY CONDUIT/NEPA/ EXCESS CAPACITY MASTER CONTRACT UPDATE

Mr. Reynolds reported all 37 of the Excess Capacity Memorandum of Agreements (MOA) have been turned into the District. Thirty six of the 38 Conduit MOAs have been turned in. Valley Water Company signed their Excess Capacity MOA but forgot to sign the Conduit MOA. When contacted, they decided to table the Conduit MOA until their July meeting. Mr. Reynolds has been in contact with them regarding the need to get a signed MOA into the District immediately. The other MOA not turned in is from the City of Lamar. A discussion with the administration of the City of Lamar will be held shortly to get this resolved.

This week MWH released two Request for Proposals (RFPs) for the Water Quality and the Mapping elements of the appraisal level engineering. This is engineering work that is supplemental to the work being performed by Reclamation's Technical Service Center (TSC).

MWH is moving along on the modeling for both the Conduit and the Master Contract. MWH performed a Yield Analysis of the Fry-Ark Project and there are several issues needing discussion and clarification. There is a

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conference call this afternoon (June 16) on this. MWH will begin modeling water quality shortly in conjunction with Colorado State University and USGS.

A meeting was held to review the parameters for climate change modeling.

Final revisions are being prepared on the: Geology and Paleontology Assessment, Soils Assessment, Hazardous Material Assessment, and Surface Water Hydrology. Revisions to the Air Quality memorandum are being made based on the climate change meeting.

The next meeting will be a joint meeting and will be scheduled once all the MOAs have been signed.

ACTION ITEMS:

President Long convened the District meeting at 9:49 to be held in conjunction with the Enterprise meeting.

APPROVAL OF 2010 ANNUAL AUDIT

The District and Enterprise meetings were held in conjunction for the 2010 Annual Audit presentation.

Clint Bulkley from Osborne, Parsons & Rosacker, LLP, the District's auditor, read the Independent Auditor's Report to the Board. He asked if there were any questions, and there were none. Miss Nichols moved, seconded by Mr. Johnson, that the audit of the 2010 Financial Statements be accepted and approved as presented. Motion unanimously carried.

APPROVAL 2010 FINANCIAL STATEMENTS

Miss Nichols moved, seconded by Mr. Howard Miller, that the 2010 Financial Statements of the Southeastern Colorado Water Activity Enterprise be approved as audited. 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 Update
- 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 9:59 a.m.

Respectfully submitted,

Toni Gonzales
Administrative Manager

Secretary