
RECORD OF PROCEEDING

**SOUTHEASTERN COLORADO WATER
ACTIVITY ENTERPRISE**

MINUTES

August 18, 2011

The regular meeting of the Board of Directors of the Southeastern Colorado Water Activity Enterprise (SECWAE) was held on Thursday, August 18, 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	Ann Nichols	Scott Reed
Harold Miskel	Gary Bostrom	Kevin Karney
David Simpson	Greg Johnson	Lissa Pinello
Carl McClure	Vera Ortegón	Reed Dils
Gibson Hazard	Shawn Yoxey (arrived at 9:49)	
Alan Hamel-Advisory Board Member		

DIRECTOR ABSENT AND EXCUSED:

Howard "Bub" Miller

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 Alix Joseph; and Federal Lobbyists Ray Kogovsek and Christine Arbogast.

VISITORS PRESENT:

Valda Terauds and Roy Vaughan, U.S. Bureau of Reclamation; Mark Carmel, Merrick & Company; Chris Woodka, The Pueblo Chieftain; Kevin Meador, Black & Veatch; Doris Morgan, Congressman Cory Gardner's office; Joe Rall, Congressman Lamborn's office; Clarice Ratzlaff, Congressman Tipton's office; Sean Chambers, Cherokee Metro; Roy Heald, Security Water District and Fountain Valley Authority; Bob Hartzman, City of Canon City; Curtis Mitchell, City of Fountain; Tom Simpson, Aurora Water; Brett Gracely, Colorado Springs Utilities; Jim Baldwin, Otero County; Jerry Peña, MWH; Kevin Bergschneider, HDR Engineering; Jay Winner, Lower Arkansas Valley Water Conservancy District; Eric Norwood, Wilson & Company, Inc.; Dan Henrichs, High Line Canal Company; Pat Edelmann and David Mau, U.S. Geological Survey; Steve Witte, Colorado Division of Water Resources; Shirley Klipfel, Pueblo; Tom Goodwin, Avalon Ranch; and Bill Hower, Beulah Water District.

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APPROVAL OF MINUTES:

President Long asked if the members of the Board had received their copy of the minutes of June 16, 2011 and whether there were any corrections or additions. Hearing none, Mr. Johnson moved, seconded by Mrs. Pinello, to approve the minutes. Motion unanimously carried.

FINANCIAL REPORT:

Treasurer Ann Nichols reported the financial statements for June and July were posted to the Board website for review. Treasurer Nichols moved for acceptance of the June and July financial statements and payment of the July and August 2011 bills. Mr. Johnson seconded the motion, the motion unanimously carried.

CONSENT ITEMS:

None

PRESENTATIONS:

FEDERAL LEGISLATION

Arkansas Valley Conduit

Ms. Arbogast reported the Appropriations process continues in Washington, but promises of passage of every bill have already been broken, with plans to use the Military Construction/Veterans Affairs bill as the vehicle for a continuing resolution, the length of which is undetermined at this time. This decision appears to have been made more than six weeks before the end of the fiscal year and indicates that serious attempts to pass individual bills are not planned. This means the funding figure for the Conduit should remain stable, unless during the ongoing process Congress agrees to an across the board cut for all agencies.

The focus this fall will be on the Administration's budget request for FY '13. Mr. Kogovsek and Ms. Arbogast will be meeting with Reclamation and Interior officials as well as the Colorado delegation on this issue.

In the meantime, Mr. Kogovsek and Ms. Arbogast have been monitoring closely the activities of Reclamation regarding distribution of excess capacity revenues, and the "market based" rate setting for contracts. Additional meetings following Reclamation's public meetings last week are planned with the various parties involved. Mr. Kogovsek and Ms. Arbogast have been speaking with the congressional offices on this issue.

They also continue to monitor both the Environmental Protection Act (EPA) and congressional discussions regarding the Clean Water Act, and through the appropriations process, legislators are hoping to prevent EPA from administratively redefining waters of the United States.

Ms. Arbogast introduced Clarise Ratzlaff the new field representative for Congressman Tipton.

ARKANSAS VALLEY CONDUIT/NEPA/ EXCESS CAPACITY MASTER CONTRACT UPDATE

Mr. Broderick reported that Phil Reynolds had taken a position with the Colorado Division of Water Resources and that Jean Van Pelt will take over managing the majority of his responsibilities.

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Ms. Van Pelt thanked management and the Board for this fantastic opportunity and said she would strive to do an excellent job. In compliance with the implementation of the Strategic Plan there is opportunity to build a "Project" team for the Conduit and for the Master contract.

Ms. Van Pelt reported on the following:

- The balance of the conduit participants' cash float is \$53,180.
 - This will be paid off with this month's participant billing which is based on population.
- The float to cover the Master Contract EIS costs for Lower Arkansas Valley Water Conservancy District and Penrose have been paid in full.
- From November 2010 to present, the unpaid administrative costs to the Conduit participants are \$152,936.08.
- The unpaid administrative costs for the Master Contract participants are \$119,914.20 .
- The unpaid balance for the water quality studies to the Conduit and Master Contract participants is \$11,589.
 - Unpaid costs will be paid by billing the participants per the MOAs on a percentage based on acre -feet in the Conduit &/or Master Contract.
 - We will bill all participants when the MOAs are finalized

- All of the MOAs for both the Conduit and the Master Contract have been received and staff is reviewing them.
- Once completed Ms. Van Pelt will meet personally with each of the participants to introduce herself and to answer questions pertaining to the MOAs and to deliver the billings.
- The EIS team has secured the Water Treatment Plant (WTP) contract through MWH. Black & Veatch has been selected to perform the WTP work.
- The mapping contract through MWH also has been secured and Farnsworth was selected.
- Ms. Van Pelt attended a meeting on July 26 on the AVC alignment alternatives.
- Mr. Broderick and Ms. Van Pelt attended a Quarterly Coordination meeting August 9 with Reclamation.
- Staff has reviewed and submitted comments on draft Chapter 3 of the EIS to Reclamation.

Ms. Van Pelt reported a written report on what the EIS team has accomplished over the last two months is included as an attachment in the informational item, which is posted on the Board website.

ACTION ITEMS:

APPOINT BUDGET OFFICER

Treasurer Nichols said the first action of the governing board must take under the Budget Law is to designate or appoint a budget officer to prepare and submit a proposed budget. Treasurer Nichols moved, seconded by Mr. Karney, to appoint Finance Coordinator Tina White, as the budget officer for the 2012 Enterprise budget preparation. Motion unanimously carried.

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WILDERNESS DESIGNATION

Mr. Hamilton reported the Board has had concerns with Wilderness Designations in areas that could potentially halt or delay the development of Fryingpan-Arkansas Project facilities. The most recent activities the District has been involved with are the Hidden Gems Wilderness proposals.

The DeGette legislation will primarily affect the District and its constituents on the Arkansas River and its tributaries above Pueblo Reservoir. The decreed, but yet to be built, Fry-Ark Power Canals in the upper reaches of the Arkansas could be affected by Wilderness Legislation, as could at least three (3) constituents, being DeWeese-Dye on Grape Creek and Penrose and Beaver Park Water on Beaver Creek.

In the past, staff has monitored Representative DeGette's and other proposed Wilderness designation legislation and will continue to do so.

The Board was provided a copy of a letter from the Upper Arkansas Water Conservancy District (UAWCD) requesting that the Southeastern District not support the DeGette wilderness legislation and relay to the Colorado Delegation how wilderness designations could affect the Southeastern District's not yet built but decreed east slope features of the Fryingpan-Arkansas Project such as the Power Canal system.

Mrs. Yoxey moved, seconded by Mrs. Pinello, that the Board acknowledge the Upper District's letter, to not support the DeGette wilderness legislation, and relay this position to the Colorado Delegation. Motion passed with Mr. Dils voting no.

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