

RECORD OF PROCEEDING

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**SOUTHEASTERN COLORADO WATER  
ACTIVITY ENTERPRISE  
MINUTES**

**December 3, 2020**

A virtual meeting of the Board of Directors of the Southeastern Colorado Water Activity Enterprise (Enterprise) was held on Thursday, December 3, 2020 9:37 a.m., via ZOOM.

Vice President Curtis Mitchell welcomed all in attendance to the virtual meeting. Mr. Mitchell asked Margie Medina if anyone new connected, Ms. Medina advised there were no new attendees. Mr. Mitchell established that a quorum was present.

**DIRECTORS CONNECTED:**

Alan Hamel	Dallas May	Pat Edelmann
Andrew Colosimo	Greg Felt	Patrick Garcia
Ann Nichols	Howard "Bub" Miller	Seth Clayton
Carl McClure	Kevin Karney	Tom Goodwin
Curtis Mitchell	Mark Pifher	

**DIRECTOR(S) ABSENT AND EXCUSED:**

Bill Long

**ENTERPRISE OFFICIALS CONNECTED:**

Executive Director James Broderick; General Counsel Lee Miller; Senior Policy and Issues Manager Chris Woodka; Water Resource Engineer Garrett Markus; Administrative Manager Toni Gonzales; Finance Manager Leann Noga; Administrative Support Specialist Margie Medina; Accountant Stephanie Shipley; Accounting Specialist Lynette Holt; Administrative Support Associate Patty Rivas.

**VISITORS CONNECTED:**

Mark Scott, Providence Infrastructure Consultants; Brett Gracely LRE Water.

**APPROVAL OF MINUTES:**

Vice President Mitchell said the minutes of the November 19, 2020 Board meeting were posted to the Board website for review and asked if there were any corrections or additions. Hearing none, Mr. Pifher moved, seconded by Mr. Clayton, to approve the minutes. Motion carried unanimously.

**ACTION ITEMS**

**AMENDED 2020 BUDGET RESOLUTION ADOPTION-ENTERPRISE WATER OPERATIONS  
AND THE ARKANSAS VALLEY CONDUIT**

Mrs. Noga presented an action item that recommends approval of the 2020 Amended Budget

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Resolutions No. 2020-01EF for the Enterprise Water Operations and 2020-02EF for the Arkansas Valley Conduit.

In September 2020, Board of Directors took action to reserve \$4.8 million of the Enterprise fund balance, reflecting an amount of payments from the 2003 Intergovernmental Agreement with Aurora previously received that were intended for use in the area of origin, the lower Arkansas River Basin within the Southeastern Colorado Water Conservancy District, to immediately fund current and future costs associated with the design, construction, and implementation of the Arkansas Valley Conduit. The above action established a financial transfer of \$4.8 million for the Enterprise Water operations to the Arkansas Valley Conduit. This transfer is reflected in Resolution No. 2020-01EF by increase the total 2020 Enterprise operations expenditures by \$4.8 million.

From November 2020 reconciliation and beyond the Arkansas Valley Conduit will be tracked as a separate budget within the Water Activity Enterprise. The original 2020 Budget Resolution No 2019-02EF included a total of \$344,609 expenditures for Arkansas Valley Conduit. Resolution No. 2020-02EF for the Arkansas Valley Conduit recognizes the \$4.8 million transfer from the Enterprise operations, recognizes the original 2020 Arkansas Valley Conduit expenditure total of \$344,609, plus an additional expenditure total of \$240,000 for 2020. This resolution establishes an amended 2020 Arkansas Valley Conduit budgeted expenditure total of \$584,609.

Mr. May moved, seconded by Mr. Karney that the Board of Directors adopt the 2020 Amended Budget Resolutions No. 2020-01EF for the Enterprise Water Operations and 2020-02EF for the Arkansas Valley Conduit. Motion carried unanimously.

**2021 WATER SALES AND STORAGE RATE RESOLUTION ADOPTION**

Mrs. Noga presented an action item that recommends approval of Resolution and Order No. 2020-01E for the 2021 Water Sales and Storage Rates as presented at the 2021 Budget Public Hearing on November 19, 2020. In December 2019, the Board of Director approved the 2020 Water Sales and Storage Rate. Staff recommend no increase or decrease to this rate for the 2021 water year.

Mr. Pifher moved, seconded by Mr. Clayton that the Board adopt Resolution and Order No. 2020-01E for the 2021 Water Sales and Storage Rates. Motion carried unanimously.

**2021 PROPOSED BUDGET AND RESOLUTION ADOPTION**

Mrs. Noga presented an action item that recommends approval of the 2021 Proposed Budget as presented for the Enterprise Operations, the Arkansas Valley Conduit Project and the Hydroelectric Power Project. The Board of Directors received the 2021 Proposed Budget on October 14, 2020. Then the 2021 Proposed Budget was presented to the Board of Directors and the general public at the November 19, 2020 Public Hearing. In the Public Hearing the Enterprise Operation 2021 Budget reflects no increase or decrease to the Water Sales and Storage Rate.

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Since the November Public Hearing, there have been two changes to the 2021 Proposed Budget. The first change includes an increase of expenditures in the amount of \$12,500 for regular annual consulting contract in the Enterprise operations. The second change includes an increase of \$100,000 for consulting contracts for the Arkansas Valley Conduit.

Mr. Garcia moved, seconded by Mr. Hamel that the Board of Directors adopt Resolution and Order No. 2020-03EF for the Enterprise, Resolution and Order No. 2020-04EF for the Arkansas Valley Conduit and Resolution and Order No. 2020-05EF for the Hydroelectric Power for the 2021 Budget as presented. Motion unanimously passed.

**APPROVAL OF THE AVONDALE WATER AND SANITATION DISTRICT AVC MOA**

Mr. Lee Miller presented an action item that recommends the Board approve the Executive Director executing the Avondale Water and Sanitation District (Avondale) Memorandum of Agreement (MOA) for participation in the Arkansas Valley Conduit (AVC) on the assumption that Avondale will approve the MOA at its upcoming meeting. Mr. Garcia stated that his law firm, Orona Garcia Petersen & Fonda, P.C., has a working relationship with the City of Avondale, which would make it necessary for him to recuse from participating in this action item.

Avondale was included in the Final Environmental Impact Statement (FEIS) for the Arkansas Valley Conduit but did not sign a Memorandum of Agreement (MOA) to pay for development and planning costs of the AVC. Most communities signed the MOAs in 2011, with the exceptions of Cheraw, Fowler, and Riverside Water Company, which all rejoined after 2011 under arrangements similar to the proposed Avondale MOA.

Avondale relies on two alluvial wells for its present water supply, but in 2018 learned that both wells were not in compliance with state and federal water quality standards, according to the Colorado Department of Public Health and Environment (CDPHE). At that time, Avondale approached the Enterprise and inquired about rejoining AVC. Subsequently, one of the wells was retested and found to be in compliance with the standards.

In June, the Enterprise reached out to the Avondale board and explained that when the AVC is built, it would be more expensive for Avondale to join at a later date and encouraged them to participate, in order for design engineering to include their community in the AVC. Avondale has agreed to make \$27,268.45 in back payments to the Enterprise for the AVC before December 31, 2020.

Mr. Karney moved, seconded by Mr. Hamel to move that the Board approve the Executive Director executing the Avondale Water and Sanitation District Memorandum of Agreement for participation in the Arkansas Valley Conduit. Mr. Mitchell noted that Mr. Garcia abstains from the vote on this matter.

**INFORMATION ITEMS:**

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The Board was provided written material on the following topics, which was posted to the Board website:

- JWBHP Update
- AVC and Excess Capacity Master Contract Update

No other matters were to come before the Board, Mr. Mitchell adjourned the meeting at 9:59 a.m.

Respectfully submitted,

Patty Rivas  
Administrative Support Associate

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Secretary

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