

RECORD OF PROCEEDING

**SOUTHEASTERN COLORADO WATER
ACTIVITY ENTERPRISE**

MINUTES

April 16, 2015

A regular meeting of the Board of Directors of the Southeastern Colorado Water Activity Enterprise (Enterprise) was held on Thursday, April 16, 2015 at 9:35 a.m., at the District office, 31717 United Avenue, Pueblo, Colorado.

President Long announced a quorum was present.

DIRECTORS PRESENT:

Bill Long	Ann Nichols	Vera Ortegon
Harold Miskel	Kevin Karney	Gibson Hazard
Carl McClure	Howard "Bub" Miller	Leonard Pruett
Jay Moore	Pat Edelmann	Tom Goodwin
Curtis Mitchell	Alan Hamel-Advisory Board Member	

DIRECTOR(S) ABSENT AND EXCUSED:

Gary Bostrom and David Simpson

ENTERPRISE OFFICIALS PRESENT:

Executive Director James Broderick; General Counsel Lee Miller; Administrative Manager Toni Gonzales; Principal Engineer Kevin Meador; Water Resource Specialist/Engineer Garrett Markus; Program-Project Coordinator Jean Van Pelt; Finance Coordinator/IT Leann Noga; and Federal Lobbyists Ray Kogovsek and Christine Arbogast.

VISITORS PRESENT:

Chris Woodka, The Pueblo Chieftain; Doug Fitzgerald, U.S. Congressman Scott Tipton's office; Dwight Gardner, U.S. Senator Michael Bennet's office; Roy Vaughan, U.S. Bureau of Reclamation; Steve Witte, Colorado Division of Water Resources-Division 2; Kurt Thompson; Tammy Ivahnenko, U.S. Geological Survey; Jim Baldwin, Otero County; Terry Scanga, Upper Arkansas Water Conservancy District; Jack Goble, Lower Arkansas Valley Water Conservancy District; Dan Kugler and Bill Stoner, Black and Veatch; Mark Scott, GEI; Scott Lorenz, Colorado Springs Utilities; Katiana Dillon, Wells Fargo Securities; Terry Book, Board of Water Works of Pueblo; Kevin Bergschneider, HDR Engineering; and Bob Hamilton, citizen.

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APPROVAL OF MINUTES:

President Long said the minutes of the March 19, 2015 Board meeting were posted to the Board website for review, and if there were any corrections or additions. Hearing none, Mrs. Ortegon moved, seconded by Mr. Howard "Bub" Miller, to approve the minutes. Motion unanimously carried.

FINANCE COMMITTEE REPORT:

Treasurer Nichols reported the financial statements for March were posted to the Board website for review. Ms. Nichols moved, seconded by Mr. Goodwin, for acceptance of the March 2015 financial statements and payment of the April 2015 bills. Motion unanimously carried.

CONSENT ITEMS:

None

PRESENTATIONS:

FEDERAL LEGISLATION

Christine Arbogast reported Bill Long, Jim Broderick, Lee Miller, Kevin Meador, and she just returned from a trip to Washington, D.C. to attend the National Water Resources Association (NWRA) meeting and to hold further meetings with the Colorado congressional offices and the Bureau of Reclamation.

The federal lobbyist and District staff are working on all three fiscal years....2015, 2016 and 2017. The House Appropriations Subcommittee on Energy and Water marked up its FY 2016 bill on Tuesday but we will not know until next week if they added language or additional funding for Reclamation. Congressmen Tipton and Buck plan to meet with Chairman Simpson to discuss funding for the AVC long-term. The group that went to Washington, D.C. met with both Congressmen who represent the AVC service area, as well as with Congressman Perlmutter and staff of Congresswoman DeGette.

In the Senate the federal lobbyist and District staff met with Sharon Haggett, who replaced Roger Cockrell on energy and water appropriations. She was informed and receptive. The Senate timeline is unknown but both Senators Gardner and Bennet are well engaged with the committee leadership. They met with both Senate offices.

If more funding and the proposed language is accepted by the committees, Reclamation will then submit its plan to Congress laying out how additional funds will be directed. Our goal is to have at least a portion of them directed to the AVC.

We also met with the Bureau of Reclamation and with Jennifer Gimbel, assistant secretary for water and science. Reclamation's FY 2017 budget process is well underway and discussions were had, explaining the need for 9-10 million dollars in that fiscal year.

On the Clean Water Act Rule, the House committee of jurisdiction marked up a bill to force Environmental Protection Agency and the Army Corps of Engineers to start the rulemaking process over and prescribes how consultations and such must be conducted in the development of a new rule. It is unknown at this time what the Senate will do.

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Also of interest, is that NWRA now has a task force working on watershed health and forest management. Concerns go to the impact on water providers after catastrophic fires, and how to develop strong management plans to help avoid such fires.

There is also considerable focus on drought and a federal role in dealing with it.

AVC AND EXCESS CAPACITY MASTER CONTRACT UPDATE

Jean Van Pelt reported:

- Our consultant, Tracy Bouvette and Jean Van Pelt have developed a plan of action, which the Board was provided.
 - We are in the process of contacting members of a Read Ahead Group, which are currently identified as selected members of the regulated water community – both private and public; key CDPHE staff; selected County Commissioners; and selected Reclamation staff.
 - We are currently working on a draft statement of the situation for the Read Ahead Group to review and comment on.
 - In May, after we have the Read Ahead Group's comments, meetings will be conducted with them, CDPHE, and the AVC Board Committee to best address the comments and to plan for and host the first Working Group meeting on June 22, 2015 in La Junta.
- Ms. Van Pelt has scheduled three meetings the beginning of May to meet with the Otero County AVC participants, Otero County, various City officials, Reclamation, and District staff.
 - Topics of discussion will include the AVC alignment, tie in locations, and construction regulations and permitting.
 - Meetings are scheduled for the afternoon of May 6, 2015 with the County officials and in the evening with the Otero County water companies and associations. A meeting is also scheduled for the morning of May 7, 2015 with the towns and cities in Otero County.
- Kevin Meador has continued working with Black and Veatch Engineering to develop water quality strategies for the AVC water treatment plant.
 - Mr. Meador has also worked on the Operations Plan and developed a memo addressing potential operation planning changes and impacts to the AVC design schedule. A meeting with Reclamation's Eastern Colorado Area Office is pending to discuss the plan.
- District staff has scheduled a meeting for April 24, 2015 with the Eastern Colorado Area Office to discuss the IPA, delivery points, and Feasibility-Level Design Phased Approach.

ACTION ITEMS:

FORT LYON PILOT PROJECT AD-HOC COMMITTEE

Garrett Markus reported during the 2014 Pilot Project, the Colorado Water Protective and Development Association (CWPDA) released excess Project water that were not needed to replace the well-head depletions during a given month. In lieu of the Project water becoming native flow, the Lower Arkansas Valley Water Conservancy District (LAVWCD) and CWPDA requested the Enterprise approve a trade

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for the like quantity of water in Pueblo Reservoir and the LAVWCD would use the excess Project water to replace their Irrigation Efficiency (Rule 10) depletions.

Given the limited timeframe available to make a decision, an Ad-Hoc Committee was necessary to justify the trade in a timely manner for the Division Engineers Office augmentation accounting. The Ad-Hoc Committee would be comprised of the Enterprise Board President, Allocation Committee Chairman, Executive Director, and Water Resource Specialist / Engineer. Any decision made by the Ad-Hoc Committee would be ratified by the Enterprise Board the following month.

Mr. McClure moved, seconded by Dr. Jay Moore, the Enterprise approve the Allocation Committee's recommendation to form an Ad-Hoc Committee composed of the Enterprise Board President, Allocation Committee Chairman, Executive Director, and Water Resource Specialist / Engineer to make timely decisions in regard to Project water under the Pilot Project. All decisions by the Ad-Hoc Committee will be ratified at the following Enterprise Board meeting. Motion unanimously carried.

INFORMATION ITEMS:

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

- AVC and Excess Capacity Master Contract Update

OTHER BUSINESS MATTERS:

President Long asked if there were any other matters to come before the meeting, and hearing none, adjourned the meeting at 10:17 a.m.

Respectfully submitted,

Toni Gonzales
Administrative Manager

Secretary

