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**SOUTHEASTERN COLORADO WATER  
ACTIVITY ENTERPRISE**

**MINUTES**

**May 21, 2020**

A virtual meeting of the Board of Directors of the Southeastern Colorado Water Activity Enterprise (Enterprise) was held on Thursday, May 21, 2020 at 9:40 a.m., via ZOOM. Recessed at 9:47 a.m.

President Long announced a quorum was present.

**DIRECTORS CONNECTED:**

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

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

None

**ENTERPRISE OFFICIALS PRESENT:**

Executive Director James Broderick; General Counsel Lee Miller; Principal Engineer Kevin Meador; Senior Policy and Issues Manager Chris Woodka; Water Resource Engineer Garrett Markus; Finance Manager Leann Noga; Administrative Manager Toni Gonzales; Administrative Support Specialist Margie Medina; Accounting Specialist Stephanie Shipley; Administrative Support Associate Patty Rivas; and Federal Lobbyist Christine Arbogast.

**VISITORS PRESENT:**

Cathy Garcia, Senator Cory Gardner's Office; Jenny Bishop, Colorado Springs Utilities; Judy Leonard, Pueblo West Metro District; Brett Gracely, Matrix Design Group; Kevin Salter, Arkansas River Compact Administration/State of Kansas Water Division Engineer; and Josh Balle, CDM Smith

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**ACTION ITEMS:**

JAMES W. BRODERICK HYDROPOWER PLANT FOURTH AMENDMENT TO THE HYDROELECTRIC POWER PURCHASE AGREEMENT DATED OCTOBER 3, 2017 BETWEEN COLORADO SPRINGS UTILITIES AND THE SOUTHEASTERN COLORADO WATER CONSERVANCY DISTRICT ACTING BY AND THROUGH ITS WATER ACTIVITY ENTERPRISE

Kevin Meador presented a PowerPoint reviewing the following:

PROPOSED FOURTH AMENDMENT TO THE POWER PURCHASE AGREEMENT BETWEEN COLORADO SPRINGS UTILITIES AND THE SECWAE:

**Highlights**

- 1) The Third Amendment (November 27, 2019 stipulated that 100 percent of the Energy Output for December, January, and February would be delivered to Fountain versus a 50/50 split with Colorado Springs Utilities and Fountain. The Board was provided a copy of The third amendment to the Hydroelectric Power Purchase Agreement.
- 2) The supplemental power supplier to Fountain, Public Service Company (PSCo) expressed concerns with the Third Amendment as it changes the amount of energy PSCo delivers and sell to Fountain during the months of December, January, and February.
- 3) Fountain and Fort Carson have agreed to these changes by letter agreement The Board was provided a copy of a letter with the city of Fountain to nullify the November 26, 2019 Letter agreement and to revert to 50/50 share of the energy output with utilities.
- 4) The Fourth Amendment has no financial impacts to the Enterprise. The board was provided a copy of The Fourth Amendment which provides for the following:
  - a) Nullifies the Third Amendment, and
  - b) Provides for a one-time true-up by reducing the energy to Fountain by 906 MWhrs by June 30, 2020.

Mr. Edelman moved, seconded by Mr. Pifer the Board approve the Fourth Amendment to the Hydroelectric Power Purchase Agreement dated October 3, 2017 Between Colorado Springs Utilities and the Southeastern Colorado Water Conservancy District acting by and through its Water Activity Enterprise. Mr. Mitchell abstained from the vote. Motion passed.

The Enterprise meeting reconvened at 10:13 a.m

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**APPROVAL OF MINUTES:**

President Long said the minutes of the February 20, 2020, Board meeting were posted to the Board website for review and asked if there were any corrections or additions. Hearing none, Mr. Felt moved, seconded by Mr. Clayton, to approve the minutes. Motion unanimously carried.

**FINANCE COMMITTEE REPORT:**

Treasurer Nichols reported the financial statements for February, March, and April 2020 were posted to the Board website for review. Ms. Nichols moved, seconded by Mr. Clayton, for acceptance of the February, March, and April 2020 financial statements and payment of the May 2020 bills. Motion unanimously carried.

**CONSENT ITEMS:**

Chris Woodka presented items to be ratified by the Board.

The following four action items were approved by the Executive Committee:

1. Asset Valuation Contract Approval
2. Approval of 2019 Annual Audit
3. Approval of 2019 Financial Statements
4. Recovery of Storage Study Contract Approval

Mr. Woodka provided in the form of attachments, the Action reports as prepared by staff and presented to the Executive Committee in March and April 2020.

Mr. Hamel moved, seconded by Mr. Pifher, the Board ratify the four action items approved by the Executive Committee at the March 19, 2020 and April 16, 2020 meetings. Motion unanimously carried.

**PRESENTATIONS:**

**FEDERAL LEGISLATION UPDATE**

Ms. Arbogast reported while Congress is working remotely, staff of appropriations committees are trying to write bills for FY '21. It is somewhat expected that plus-ups may not be as generous as they have been in the past because of COVID-19 spending, but that there would be some based on the two-year budget deal. Appropriations are warning that FY '22 may see reductions in spending.

There is still talk of an infrastructure package but not in sight yet. Others will report on progress with Reclamation on the Arkansas Valley Conduit, but things are going forward nicely.

The state legislature will return next week and it is expected that the Colorado Water Congress Board (CWCB) projects bill will be a priority. Ms. Arbogast has been working with Kirk Russell at CWCB and keeping in touch with legislators and the Governor's office.

The WOTUS rule has been finalized and will go into effect in a few weeks, although there are a multitude of lawsuits from all directions which may prevent implementation.

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**JAMES W. BRODERICK HYDROPOWER PLANT UPDATE**

Mr. Meador reported the James W. Broderick Hydropower Plant (JWBHP) generated at 70 percent of full capacity in April 2020. Following is a summary of the operations:

<b>Month</b>	<b>Scheduled (MWh)</b>	<b>Delivered (MWh)</b>
Jan	744	732
Feb	696	556
Mar	1860	2169
Apr	3544	3500

The average daily generation in April was 4.9 MWh (scheduled) and 4.8 MWh (delivered) MWh per day compared to the average expected output for April 2020 of 3.7 MWh per day or 135 percent and 132 percent of average capacity, respectively. The figures on pages 2 and 3 show the actual generation compared to the average generation for the year and the cumulative generation for the year-to-date. Flows during April were in the range of 450 - 650 cubic feet per second (cfs). Flows are expected to be in the 650 - 800 cfs range in May 2020.

**ARKANSAS VALLEY CONDUIT UPDATE**

Mr. Chris Woodka presented a PowerPoint reviewing the following:

1. 2019: Value Planning and Path Forward Discussion
2. Purposes
3. Methods
4. Strategies and Changes
5. Reductions in the need for Reclamation Appropriations
6. November 20, 2019: CWCB approves 100 Million finance Package
7. February 4, 2020: Congress announced 28 million in funding for AVC in 2020
8. February 10, 2020: President requests 8 million for AVC FY 2021
9. Construction Outlook
  - a. Preconstruction Activities
  - b. Construction Activities
10. The next steps

**ACTION ITEMS (CONT):**

**FRYINGPAN-ARKANSAS PROJECT WATER AND RETURN FLOW ALLOCATION**

Mr. Garrett Markus presented a PowerPoint covering information for Board approval on the allocation of 62,915 acre-feet (AF) of Fry-Ark Project water (Project water) (11,690 AF for municipal use and 51,225 AF for agricultural use) and the allocation of 18,185 AF of Project water Return Flows (Return Flow). The Project water will be based off the May 1, 2020 import basis for allocation of 62,000 AF with an additional 15,287 AF of Project water available from the 2019 unallocated imports. Seventy percent (70%) of the imports will be made available for allocation to municipal and agricultural entities following payment for one hundred percent (100%) of the allocation. The remaining thirty percent (30%) will be

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made available when the District is confident that imports will meet Project obligations. If any portion of the thirty percent (30%) of allocated water is not available to the entities at that time, that portion of their Project water payments will be refunded.

Reclamation has forecasted an import basis for allocation of 62,000 AF based on the snowpack of May 1, 2020. With the additional 2019 unallocated Project water, 63,000 AF will be available for allocation. The recommended municipal allocation is 9,432 AF of Project water with 2,259 AF of NPANIW to total 11,690 AF for municipal. The agricultural allocation calculates to be 51,225 AF of Project water producing 18,185 AF of Return Flows.

Mr. McClure moved, seconded by Mr. Hamel, the Board allocate 62,915 AF of Project water and 18,185 AF of Return Flows. Project water allocations would be available initially at seventy percent (70%) of the projected import amount available to municipal and agricultural entities following payment for 100 percent (100%) of the allocation. The remaining thirty percent (30%) would be made available when the District is confident that imports will meet Project obligations. If any portion of the thirty percent (30%) of allocated Project water is not available to the entities at that time, that portion of their Project water payments will be refunded. Motion unanimously passed.

**INFORMATION ITEMS:**

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

- AVC and Excess Capacity Master Contract Update

**OTHER BUSINESS MATTERS:**

None

President Long asked if there were any other matters to come before the Board, and hearing none, adjourned the meeting at 11:09 a.m.

Respectfully submitted,

Patty Rivas  
Administrative Support Associate

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Secretary

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