

RECORD OF PROCEEDING

**SOUTHEASTERN COLORADO WATER
ACTIVITY ENTERPRISE**

MINUTES

March 20, 2014

A regular meeting of the Board of Directors of the Southeastern Colorado Water Activity Enterprise (Enterprise) was held on Thursday, March 20, 2014 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	Harold Miskel	Vera Ortegon
Ann Nichols	Greg Johnson	Gary Bostrom
Gibson Hazard	Tom Goodwin	Leonard Pruett
Jay Moore	Carl McClure	David Simpson
Howard "Bub" Miller		

DIRECTOR(S) ABSENT AND EXCUSED:

Kevin Karney, Shawn Yoxey, and Alan Hamel-Advisory Board Member

ENTERPRISE OFFICIALS PRESENT:

Executive Director James Broderick; General Counsel Lee Miller; Administrative Manager Toni Gonzales; Project Engineer Kevin Meador; Director of Engineering and Resource Management Bob Hamilton; Project-Program Coordinator Jean Van Pelt; Administrative Support Specialist Leann Noga; Special Water Counsel Steve Leonhardt and Alix Joseph; and Federal Lobbyist Ray Kogovsek.

VISITORS PRESENT:

Chris Woodka, The Pueblo Chieftain; Terry Book, Board of Water Works of Pueblo; Rick Kienitz, Aurora Water; Christina Thiebaut, U.S. Senator Mark Udall's office; Doug Fitzgerald, U.S. Congressman Scott Tipton's office; Roy Vaughan, U.S. Bureau of Reclamation; David Mau, U.S. Geological Survey; Curtis Mitchell, City of Fountain; Curt Thompson, Consultant; Jerry Peña, CDM Smith; Mark Scott, GEI Consultants; Katiana Dillon, Wells Fargo Securities; Jack Goble, Lower Arkansas Valley Water Conservancy District; Bob Hartzman, City of Canon City Water Department; Roy Heald, Security Water District and Fountain Valley Authority; Scott Campbell, Colorado Canal and Twin Lakes; Jim Baldwin, Otero County; Jenny Bishop, Colorado Springs Utilities; and Steve Witte, Colorado Division of Water Resources.

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APPROVAL OF MINUTES:

President Long said the minutes of the January 16, 2014 Board meeting were posted to the Board website for review, and if there were any corrections or additions. Hearing none, Mr. Howard “Bub” Miller moved, seconded by Mr. Pruet, to approve the minutes. Motion unanimously carried.

FINANCE COMMITTEE REPORT:

Treasurer Nichols reported the financial statements for January and February 2014 were posted to the Board website for review. Treasurer Nichols moved, seconded by Dr. Moore, for acceptance of the January and February 2014 financial statements and payment of the March 2014 bills. Motion unanimously carried.

CONSENT ITEMS:

None

PRESENTATIONS:

AVC, EXCESS CAPACITY MASTER CONTRACT, AND NEPA UPDATE

Jean Van Pelt reported on the following:

- Mr. Broderick will provide an update on the Environmental Impact Statement Record of Decision (ROD).
- Reclamation’s engineering and survey work continue to progress
 - Phase 1 Plan and Profile drawings
 - Scour Studies
 - Geophysics Data Collections
 - Will be Completed in September 2014
- District staff is in the process of reviewing a draft cost and planning schedule that Reclamation provided.
- District staff and consultant, Tracy Bouvette, have begun work on the grant funded addendum to the Regional Water Conservation Plan (RWCP) to integrate the Master Contract participants into the RWCP.
 - The work will consist of performing system-wide water audits on their systems to determine a baseline for data collection.
 - On March 10 meetings were held with four of the participants and meetings are scheduled for April 2-4, with the others
- The scope of work for the grants also includes developing local water conservation plans for the Arkansas Valley Conduit (AVC) participants.
 - District staff have met with the Cities of Lamar, La Junta, Las Animas, and Rocky Ford because they are interested. South Swink Water Company and Bent’s Fort Water are also interested.
 - District staff met with representatives from these entities the week of March 10-14.
- The District has been asked to give a presentation on the RWCP and the BMP Toolbox website at the national American Water Works Association Sustainable Water Management conference on April 1, 2014.

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- On March 19, 2014 the District was notified that our proposal was accepted to be a presenter at the national Water Smart Innovations Conference in Las Vegas in October 2014.

FEDERAL LEGISLATION

Mr. Broderick reported the ROD was signed by Reclamation on February 27, 2014. With the signing of the ROD, the planning of other activities can now begin.

Mr. Broderick said President Obama released his budget, which only had \$500,000 for the AVC. The District's federal lobbyists and Mr. Broderick will be in Washington, D.C. attending the upcoming National Water Resources Association Federal Water Issues Conference March 30-April 2, at which time they will have the opportunity to discuss funding for the AVC with the Colorado delegation.

Mr. Broderick said that Reclamation has started negotiation talks with the Northern Colorado Water Conservancy District regarding a rate study for excess capacity storage.

Mr. Broderick said the District will send a letter of support for Estevan Lopez for his nomination for Commissioner of Reclamation and a congratulatory letter to Jennifer Gimbel for being named the Department Director of External Affairs.

Mr. Broderick notified the Board that Jaci Gould took Mike Collins place, as Area Manager of the Eastern Colorado Area Office.

ACTION ITEMS:

PUEBLO DAM HYDROELECTRIC PROJECT PRELIMINARY DESIGN CONTRACT FOR ENGINEERING CONSULTING SERVICES WITH CH2M Hill

Kevin Meador reported the proposed engineering service contract was presented to the Resource and Engineering Planning Committee on February 6, 2014.

The Task Order No. 2 under the October 10, 2013 contract of consulting services between the District and CH2M Hill Engineers, Inc. is to perform Tasks 1: Project Management Services and Task 2: Preliminary Design for the Pueblo Dam Hydroelectric Project. The preliminary design deliverables will provide the necessary project layouts, design criteria, and estimated cost information required for the development plan to be included with the final Lease of Power Privilege application due in August 2014. These services are scheduled to be completed by early July 2014.

Mr. Howard "Bub" Miller moved, seconded by Mr. Hazard, to approve the Pueblo Dam Hydroelectric Project Preliminary Design Contract for Engineering Consulting Services to CH2M Hill Engineers, Inc. in the amount of \$241,328 for Tasks 1, 2, and 3 of the Statement of Work Task Order No. 02- Preliminary Design and Major Equipment Procurement. Motion passed with Mrs. Ortegon abstaining.

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SOUTHEASTERN COLORADO WATER CONSERVANCY DISTRICT (Case No 01CW151)
No action was taken.

INFORMATIONAL ITEMS:

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

- AVC, Excess Capacity Master Contract, and NEPA Update
- Pueblo Dam Hydroelectric Project Feasibility Study Update Executive Summary
- Pueblo Dam Hydroelectric Project Special Use Permit (SUP)
- Pueblo Dam Hydroelectric Project 6-month Progress Report to Reclamation

President Long recessed the meeting at 10:05 a.m. and reconvened at 12:02 p.m.

EXECUTIVE SESSION

Lee Miller reported a request has been made for the Southeastern Colorado Water Activity Enterprise to enter Executive Session for the purpose of:

Discussion with legal counsel on the Return Flow Exchange Application (Case No. 01CW151, Water Division 2)

Pursuant to:

- C.R.S. §24-6-402(4)(b): (Conferences with an attorney for the local public body for the purposes of receiving legal advice on specific legal questions)
- C.R.S. §24-6-402(4)(e): (Determining positions relative to matters that may be subject to negotiations; developing strategy for negotiations; and instructing negotiators)

The presence of the following persons is requested at this Executive Session:

1. Non-Excused Board Members (state for the record any who are excused)
2. Executive Director
3. General Counsel
4. Special Water Counsel
5. Director of Engineering and Resource Management

Minutes will be electronically recorded as required by the Colorado Open Meeting Act.

Mr. Howard "Bub" Miller moved, seconded by Mr. Johnson, to enter into Executive Session. Motion unanimously carried. The Enterprise entered into Executive Session at 12:03 p.m.

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REPORT OUT OF EXECUTIVE SESSION

Lee Miller reported the Board received legal advice regarding the Return Flow Exchange Application (Case No. 01CW151, Water Division 2), and there was no recommended action taken.

OTHER BUSINESS MATTERS:

President Long asked if there were any other matters to come before the meeting, and hearing none, adjourned the meeting at 12:36 p.m.

Respectfully submitted,

Toni Gonzales
Administrative Manager

Secretary

