

RECORD OF PROCEEDING

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**SOUTHEASTERN COLORADO  
WATER ACTIVITY ENTERPRISE  
MINUTES  
December 7, 2023**

A meeting of the Board of Directors of the Southeastern Colorado Water Activity Enterprise (Enterprise) was held on Thursday, December 7, 2023, at the District office, 31717 United Avenue, Pueblo, Colorado. President Long called to order the Enterprise meeting at 9:37 to be held in conjunction with the District meeting for an action item. Following the joint action item with the District, President Long recessed the Enterprise meeting at 9:42 a.m. President Long reconvened the Enterprise meeting at 9:43 a.m. The ZOOM platform was also made available for Board members and visitors.

**DIRECTORS PRESENT:**

Alan Hamel	Greg Felt (remote)	Patrick Garcia
Andy Colosimo	Kevin Karney	Seth Clayton
Ann Nichols	Mark Pifher (remote)	Tom Goodwin (remote)
Bill Long	Matt Heimerich	
Curtis Mitchell	Pat Edelmann (remote)	

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

Dallas May and Howard "Bub" Miller.

President Long established that a Quorum was present.

**DISTRICT OFFICIALS:**

Executive Director James Broderick; Staff Attorney Peter Levish; Principal Engineer Kevin Meador, and Mark Scott; Senior Policy and Issues Manager Chris Woodka; Water Resources Principal Engineer Garrett Markus; Director of Administration and Finance Leann Noga; Administrative Support Specialists Margie Medina and Patty Rivas; Finance Manager Stephanie Shipley; Christine Arbogast, Kogovsek and Associates; and Roy Vaughan, H2O Consultants.

**VISITORS CONNECTED VIA ZOOM:**

Lauren Duncan, Colorado Water Conservation Board; Lisa Windham, Colorado Springs Utilities; Luke Mecklenburg, Assistant Attorney General Interstate Water Unit; and Travis White, JHL Construction

**VISITORS PRESENT:**

Curtis Thompson, AECOM.

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**APPROVAL OF MINUTES:**

President Long said the minutes of the November 16, 2023, Enterprise Board meetings were posted to OnBoard and the website for review and asked if there were any corrections or additions. Hearing none, Mr. Garcia moved, seconded by Mr. Hamel, to approve the minutes. Motion unanimously carried.

**PRESENTATION ITEM:**

**FRY-ARK 60<sup>TH</sup> ANNIVERSARY VIDEO - PART V: MUNICIPAL WATER IMPACTS**

Mr. Woodka presented to the Board the final video in the series. "Fryingpan-Arkansas Project: 60 Years of Progress" was shown at the 60th Anniversary Celebration at the Lake Pueblo State Park Visitors Center on August 16, 2022. It related the history of the Fryingpan-Arkansas (Fry-Ark) Project and touched on the benefits of the Fry-Ark Project. The first video can be viewed through a link on the District web site <https://www.secwcd.org> home page.

The second video was previewed for the Board at its October 20, 2022, meeting and featured Roy Vaughan, retired Bureau of Reclamation Fry-Ark Project Manager, and Bill Tyner, (now retired) Division 2 Engineer, discussing water storage and flow management and the Fry-Ark Project.

The third video was previewed for the Board at its January 19, 2023, meeting and featured irrigated agriculture's perspective on the Fry-Ark Project and Winter Water programs.

The fourth video looked at the Environmental and Recreational Benefits of the Fry-Ark Project and was shown at the June 15, 2023, meeting.

A total of 24 cities or towns, 34 water associations or companies, 2 conservancy districts and 8 special districts depend on the Fry-Ark Project for a supplemental water supply. Today's video looks at how this municipal and domestic supply was developed and how it benefits those who use it.

Starting with the largest utilities, Pueblo Water, and the Fountain Valley Authority, then travel to the far western end of the Arkansas River watershed to the east, where we are now building the Arkansas Valley Conduit. Now that the 60th Anniversary Video collection is complete, we will post all the videos on the District web site.

The Board was able to ask questions and comment.

**ACTION ITEMS:**

**2024 AGREEMENT FOR OPERATIONS SERVICES BETWEEN SECWAE AND KLEINFELDER**

Mr. Garrett Markus presented an action item recommending the Enterprise Board approve the 2024 Agreement for Hydropower Operations Services Between the Southeastern Water Activity Enterprise and Kleinfelder, Inc.

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This agreement is the continuation of the current agreement for operations services at the James W. Broderick Hydropower Plant (JWBHP). Kleinfelder, Inc. has provided the Lead Operator, Gordon Dillon, at the plant since its operations began in 2019. Mr. Dillon has provided excellent services for the operations and maintenance of the facility and Enterprise desires to continue those services for 2024.

A copy of the Agreement was provided to the Board.

Mr. Clayton moved, seconded by Mr. Karney, that the Southeastern Colorado Activity Enterprise Board approve the 2024 Agreement for Operations Services Between the Southeastern Colorado Water Activity Enterprise and Kleinfelder, Inc. Motion carried unanimously.

#### 2024 WATER SALES AND STORAGE RATE RESOLUTION ADOPTION

Mrs. Noga presented to the Board an action item recommending the adoption through resolution of the Water Sales and Storage Rate Structure approved by the Board of Directors in August 2023.

This Water Sales and Storage Rate Structure has been incorporated into the 2024 Proposed Budget as presented in the November 16, 2023, Budget Public Hearing.

The Rate Sub-Committee met twice in March and once in April to discuss the next step regarding Enterprise Project Water and Storage rates as well as Enterprise Surcharges. The Committee reviewed District and Enterprise funds, revenues, the Finance Rate Model revenue requirement results, the Finance Rate Model cash flow results, and previous Board approved policies.

The Rate-Sub Committee discussed a correction that should be made to the current rate structure regarding the use of First Use Project Water and Full Use Project Water. At the conclusion of this discussion, it was determined that it would be timely for a presentation of the Allocation Principles and Policies to the Board of Directors.

In July, the Allocation Principles and Policies presentation was given to the Board of Directors. Directly after the July Board meeting a Rate Sub-Committee meeting was held to review five different Rate Structure options. The Rate Sub-Committee brought five rate structures to the Board of Directors in August 2023. The Board of Directors approved the attached Rate Structure and authorized staff to communicate this structure with customers, prepare the 2024 Proposed Budget, and prepare Water and Storage Rate Resolution to be approved in December 2023.

Resolution 2023-01EF was provided to the Board.

Mr. Hamel moved, seconded by Mr. Garcia, that the Board of Directors adopt Resolution and Order No. 2023-01EF for the 2024 Water Sales and Storage Rates. Motion carried unanimously.

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**INFORMATION ITEMS:**

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

- AVC Update
- JWBHP Update
- Excess Capacity Master Contract Update

President Long asked if there were any other matters to come before the Enterprise Board, hearing no other matters Mr. Long adjourned the meeting at 10:02 a.m.

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Respectfully submitted,

**Patty Rivas**  
Administrative Support Specialist

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**Seth Clayton – Secretary**

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**Bill Long – President**

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**Howard “Bub” Miller**

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**Curtis Mitchell – Vice President**

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**Kevin Karney**

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**Ann Nichols – Treasurer**

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**Mark Pifher**

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**Alan Hamel**

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**Matt Heimerich**

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**Andy Colosimo**

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**Dallas May**

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