

**EXECUTIVE COMMITTEE
MINUTES
September 7, 2017**

A meeting of the Executive Committee was held on Thursday, September 07, 2017 at 10:04 a.m. at the Southeastern Colorado Water Conservancy District.

Chairman Bill Long announced a quorum was present, and asked the visitors to introduce themselves.

COMMITTEE MEMBERS PRESENT:

Bill Long - Chairman, Ann Nichols, Vera Ortegon, Carl McClure, Tom Goodwin, and Jim Broderick

COMMITTEE MEMBERS ABSENT AND EXCUSED:

Gibson Hazard

OTHERS PRESENT:

Howard "Bub" Miller, Seth Clayton, Mark Pifher, Dallas May, Kevin Karney, and Greg Felt, SECWCD Board members; Lee Miller, Toni Gonzales, Leann Noga, Chris Woodka, and Garrett Markus, SECWCD staff; Jenny Bishop, Colorado Springs Utilities; Ray Vaughan, Terry Dawson, and Shane Hayden, Bureau of Reclamation; and Bill McDonald, McDonald Consulting

APPROVAL OF MINUTES:

Chairman Long confirmed that members of the Committee received their copy of the August 1, 2017 minutes, and asked if there were any corrections or additions. Hearing none, Mrs. Ortegon moved, seconded by Mr. Goodwin, to approve the minutes. Motion unanimously carried.

PRESENTATIONS:

Framing the Future: Fryingpan-Arkansas Project Revenues, Contract and Policy

Mr. Broderick gave a summary of topics that would be discussed in the presentation. He said that questions that had been asked at previous meetings, were incorporated in the presentation to provide answers.

Chris Woodka started the PowerPoint presentation reviewing the following:

- Financial timeline of Fry-ark Project

- Repayment of interest, OM&R, construction debt for local benefits
 - Water sales, Winter water, storage and exchange contracts
- District and Enterprise Money Buckets
 - Tax Revenue
 - General Revenue
 - Fry-Ark Project Expense
- Fryingpan-Arkansas Project Revenues
- Miscellaneous Revenues “Type A” or “Firm” Contracts
- Miscellaneous Revenues: Winter water
- Fry-Ark Charges
- PL 111-11 Miscellaneous Revenues
- Type B Miscellaneous Revenues: Excess Capacity Contracts

Mr. Broderick reviewed the following:

- Water Activity Enterprise
- Enterprise Money Buckets
- Enterprise Revenue Sources
- Forecasting Water Sales Revenue
- Surcharges
- Interest Income
- Southeastern District and Enterprise Estimated Reserves
- Protecting the Fry-Ark Project: What is Needed?

Discussion was had on cost of water during wet/dry years, what is done with returned allocated ag water, water storage, 80/20 Rule, carry over, and the Aurora contract. Lee Miller reviewed the agreements made with contracts and commitments of dollars.

President Long said that Mr. Broderick, Mr. Meador, Mr. Lee Miller, Mr. McDonald, and he had traveled to Billings, MT to discuss contract matters and the Arkansas Valley Conduit. He said Mike Ryan and his team are willing to work with the District on contract issues, and that now is the time to get this done.

Bill McDonald concluded the presentation reviewing the following:

- Contract Issues
- Reclamation’s Future Requirements Regarding Payment of OM&R Costs on the Fryingpan-Arkansas Project

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- 1982 Fry-Ark Contract
- Differences Between the Forms of Contract
- No Other Differences
- Current Policies for OM&R Costs
- Reserve Fund – Sooner the Better
- Current Use of Ad Valorem Tax Revenues
- Proposed Approach to Creating Reserve Fund
- Proposed Contracting Strategy
- Key Elements of Immediate Amendment
- Why Now?
- Proposed Schedule
- Summary

Discussions were had on how to begin to build a reserve for seen and unforeseen repairs and maintenance of the Fryingpan-Arkansas Project system.

Tom Goodwin left the meeting at 12:00 p.

The meeting was recessed at 12:10 p.m., and reconvened at 12:40 p.m.

President Long received consensus of the Committee members and the Board members that were present, to move forward with the proposed schedule presented by Mr. McDonald.

ACTION ITEMS:

None

INFORMATION ITEMS:

The Board was provided additional material regarding Fry-Ark OM&R and RAX Project Work Plan.

OTHER BUSINESS:

None

NEXT MEETING

TBD

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ADJOURN

Chairman Long adjourned the meeting at 12:50 p.m.

Respectfully submitted,

Toni Gonzales

Administrative Manager