

RECORD OF PROCEEDING

**SOUTHEASTERN COLORADO WATER
ACTIVITY ENTERPRISE
MINUTES
April 7, 2022**

A Special meeting of the Board of Directors of the Southeastern Colorado Water Activity Enterprise (Enterprise) was held on Thursday, April 7, 2022, at the District office, 31717 United Avenue, Pueblo, Colorado. President Long called to order the Enterprise meeting at 11:06 a.m. The ZOOM platform was also made available for Board members and visitors. President Long asked for a role call by Patty Rivas.

President Long established that a Quorum was present.

DIRECTORS PRESENT:

Alan Hamel	Dallas May	Pat Edelmann (remote)
Ann Nichols	Greg Felt (remote)	Patrick Garcia
Bill Long	Howard Miller	Seth Clayton
Curtis Mitchell	Mark Pifher (remote)	Tom Goodwin

DIRECTOR(S) ABSENT AND EXCUSED:

Andy Colosimo, Kevin Karney, and Carl McClure

ENTERPRISE OFFICIALS PRESENT:

Executive Director James Broderick; General Counsel Lee Miller and Peter Levish (remote); Senior Policy and Issues Manager Chris Woodka; Water Resource Engineer Garrett Markus; Principal Engineer Kevin Meador (remote), and Project Coordinator Mark Scott; Administrator of Finance and Administration Leann Noga; Administrative Support Specialist's Margie Medina and Patty Rivas; and Christine Arbogast, Kogovsek & Associates (remote).

VISITOR CONNECTED REMOTELY:

Scott Lorenz, Colorado Springs Utilities.

VISITORS PRESENT:

None

ACTION ITEM:

FISCAL AGENT IGA WITH OTERO COUNTY

Mr. Miller presented an action item recommending that the Enterprise Board authorize execution of the Intergovernmental Agreement (IGA) Between Southeastern Colorado Water Conservancy District, acting by and through its Water Activity Enterprise and the County of Otero allowing for Otero County to serve as the fiscal agent to receive Colorado Water Conservation Board (CWCB) grant funding for use in construction of AVC spur and delivery lines.

In 2020, the Colorado General Assembly approved a \$100 million financing package for the Arkansas Valley Conduit. The \$100 million in state funding includes \$90 million in loans and \$10 million in grants. Because of TABOR limitations restricting the amount of grant money that the Enterprise can receive from state or local governments in a single year and maintain its Enterprise status, the Enterprise

RECORD OF PROCEEDING

is not able to effectively utilize the grant funds. Otero County has received voter permission to accept grant funds such that they do not have the same TABOR constraints as the Enterprise and can partner with the Enterprise in effectively spending the grant funds.

Otero County has approved the form of the IGA; formal approval will likely come at the April 11, 2022, meeting. Adding Otero County as a recipient of CWCB grant funds will require a change to the statutory authorization by the General Assembly. The CWCB construction fund bill is currently being considered by the General Assembly.

A majority of the AVC participants are located in Otero County.

A copy of the Intergovernmental Agreement Between Southeastern Colorado Water Conservancy District and Otero County was provided to the Board.

Mr. Clayton moved, seconded by Mr. Hamel that the Enterprise Board authorize execution of the Intergovernmental Agreement Between Southeastern Colorado Water Conservancy District, acting by and through its Water Activity Enterprise and the County of Otero allowing for Otero County to serve as the fiscal agent to receive Colorado Water Conservation Board grant funding for use in construction of AVC spur and delivery lines. Motion unanimously carried.

PRESENTATION ITEMS:

FEDERAL LEGISLATION UPDATE

Christine Arbogast gave an impromptu update to the Board on the AVC project. Ms. Arbogast reported that The President's Budget was announced, in that Budget was 10 million for Arkansas Valley Conduit (AVC). There is currently work going on, trying to blend this 10 million with the infrastructure monies to get a large chunk of it devoted to the AVC in the coming year.

The appropriations process includes the possibility of earmarks. Given the infrastructure funds and the ongoing building of a strong relationship with the Bureau of Reclamation (Reclamation) there has been discussion which has resulted in the decision not to seek earmarks for the AVC. Instead, what the goal would be is to get a good engagement with Reclamation regarding the flow of funds so as not to become dependent on Congress backfilling any gaps.

A question came to Ms. Arbogast whether it would be wise to apply for earmarks for non-federal pieces, the connections and activity that comes off the trunk lines. Ms. Arbogast responded by stating that she would not advise that for the following reasons: 1. This may raise the question as to whether that is actually non-federal money contributing to the cost share. 2. If we try to obtain funding through earmarks, whether through USDA Rural Development or other means, whatever cost share or loans would place additional restrictions on AVC funding. If we go directly to the USDA, for certain entities in the valley, it is highly possible that there is qualification for it to be a grant and not a loan. It would be prudent to pursue grant type efforts. The chances of the entities qualifying for grants is highly likely. Earmarks are very uncertain and unknown at this time.

RECORD OF PROCEEDING

Ms. Arbogast also mentioned that there are plans being made to take a trip to Washington D.C., which has not been done for more than two years. Meetings have been scheduled for Senators as well as members at Reclamation headquarters.

Ms. Arbogast said Armando Valdez is the USDA State Director for Colorado, Armando Valdez. Mr. Valdez is a native of the San Luis Valley and was raised on a farm and ranch near Capulin, Colorado. It would be wise to schedule a meeting with Mr. Valdez and his team, either in Denver or down in the valley, to describe the kind of funding partnerships the District is looking for.

INFORMATION ITEMS:

None

President Long asked if there were any other matters to come before the Enterprise, hearing none the Enterprise meeting was adjourned at 11:26 a.m.

Respectfully submitted,

Patty Rivas Administrative Support Specialist

Secretary