

RECORD OF PROCEEDING

**SOUTHEASTERN COLORADO WATER
ACTIVITY ENTERPRISE**

MINUTES

January 16, 2020

A regular meeting of the Board of Directors of the Southeastern Colorado Water Activity Enterprise (Enterprise) was held on Thursday, January 16, 2020 at 10:45 a.m., at the District office, 31717 United Avenue, Pueblo, Colorado.

President Long announced a quorum was present.

DIRECTORS PRESENT:

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

DIRECTOR(S) ABSENT AND EXCUSED:

None

ENTERPRISE OFFICIALS PRESENT:

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

VISITORS PRESENT:

Andy Klakulak, and Krystal Brown, U.S Geological Survey; Curt Thompson, AECOM; Judy Leonard, Pueblo West Metropolitan District; George Hanzas, Catlin Canal; Doug Fitzgerald, Representative Scott Tipton's office; Brandon Bernard, Fountain Valley Authority; Alan Ward, Pueblo Water ; Cathy Garcia, Senator Cory Gardner's Office; Jenny Bishop, Colorado Springs Utilities; Kevin Niles, Arkansas Groundwater Users' Association (AGUA); Jerry Peña, Kennedy Jenks; Will Landin and Britta Strother , Stantec; and Bob Hamilton, Citizen.

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APPROVAL OF MINUTES:

President Long said the minutes of the December 5, 2019 Board meeting were posted to the Board website for review, and asked if there were any corrections or additions. Hearing none, Mr. Pifher moved, seconded by Mr. Hamel, to approve the minutes. Motion unanimously carried.

FINANCE COMMITTEE REPORT:

Treasurer Nichols reported the financial statements for November 2019 and DRAFT December 2019 were posted to the Board website for review. Ms. Nichols moved, seconded by Mr. Clayton, for acceptance of the November 2019 and DRAFT December 2019 financial statements and payment of the January 2020 bills. Motion unanimously carried.

CONSENT ITEMS:

None

PRESENTATIONS:

FEDERAL LEGISLATION UPDATE

Ms. Arbogast reported we are awaiting release of the President's FY '21 budget proposal, scheduled for February 10. We are also waiting for the release of the spending plan for the large plus up funding provided by Congress in the omnibus appropriations bill passed just before Christmas.

It is our real hope that the action taken in November by the Colorado Water Conservation Board (CWCB) regarding non-federal funding will have a very positive impact on both of these budgetary items. Ms. Arbogast thanked in particular Cathy Garcia and Doug Fitzgerald for the work their respective bosses have done on addressing the budget needs for the Arkansas Valley Conduit. With their help and the CWCB's the attitude of the Bureau of Reclamation is measurably more positive. In fact, the CWCB action was described as "game changing" by Commissioner Burman's office. So we will see before long, and Jim Broderick, Bill Long, Kevin Karney, and Ms. Arbogast will be going to DC in February to meet with the delegation on the status of the project.

On the CWCB loan, this spring CWCB will put forth to the Colorado legislature their annual projects bill. Our loan/grant combination will be part of that. We have a robust work plan to ensure that the effort is successful.

Also in the administration's realm: they just released new regulatory proposals regarding the application of NEPA. NEPA analysis is currently triggered by a broadly defined "federal action." This rule intends to streamline that analysis and public process.

Further, the final new Trump WOTUS rule, replacing the now defunct Obama rule, is expected to be released as early as this weekend. Mark Pifher explained what might happen next.

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Legislatively, it is going to be a very short year in Congress as it usually is during a presidential election year. That said, most things water-related are expected to land in the biannual Water Resources Development Act or WRDA. There is a significant O&M bill pending, as well as two bills which attempt to address water resource needs and provide more drought resiliency. One is Senator Gardner's bill, S. 1932, and the other is a House bill sponsored by California Congressman Huffman. Both provide for additional infrastructure authorization—not appropriation mind you—for storage and conveyance projects. They also provide for things like feasibility studies to be authorized by the Bureau without an act of Congress. There is both support and opposition to both bills but certainly the western water community is working to resolve differences and move such a bill this year.

ACTION ITEMS:**JAMES W. BRODERICK HYDROPOWER CHANGE ORDERS 1 & 2 TO TURBINE SUPPLY CONTRACT WITH MOUNTAIN STATES HYDRO, LLC**

Mr. Meador reported District staff and counsel recommend Board approval of Change Orders 1 and 2 to the James W. Broderick Hydropower Plant (JWBHP) Turbine Supply Contract with Mountain States Hydro, LLC in the amount of a credit of \$62,500 which includes reimbursement for lost revenue in connection with workmanship issues on Unit 1 and extension of the Unit 1 warranty until November 15, 2020 at no cost.

The Turbine Supply Contract included in the original Omnibus Resolution authorized expenditures of \$2,460,000 for the Pueblo Dam Hydro Project (PDHP), which was changed to JWBHP. Change Order 1 decreases the contract amount to \$2,397,500. Change Order 2 extends the Unit 1 warranty to November 15, 2020 at no cost.

On September 21, 2017, the Southeastern Colorado Water Activity Enterprise Board of Directors ratified the Omnibus Resolution No. 2017-02E, which authorized and directed President Long to execute the Turbine Supply Contract for the JWBHP with Mountain States Hydro, LLC.

Suggested motion to approve JWBHP Change Orders 1 and 2 to the Turbine Supply Contract with Mountain States Hydro, LLC in the amount of a credit of \$62,500.00. Mr. Mitchell moved, seconded by Mr. Goodwin the Board approve The JWBHP Change Orders 1 & 2 Turbine Supply Contract with Mountain States Hydro, LLC. , Motion unanimously carried.

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INFORMATION ITEMS:

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

- James W. Broderick Hydropower Plant Update
- Colorado Water Conservation Board Contract Two Year Extension
- AVC and Excess Capacity Master Contract Update

OTHER BUSINESS MATTERS:

The Board was provided three handouts that were discussed at the 2019 CRWUA Conference:

1. Municipal Water Leader January 2020 edition
2. FFA Water Review DCP, Operating Guidelines & More Vol. 1 & 2

Mr Hamel mentioned that Jim Broderick had finished out his term on CRWUA at the 2019 conference. Mr. Broderick announced Christine Arbogast was appointed to serve as President of National Water Resource Association (NWRA), it is a two-year term. Mr. Long mentioned that the Board had been provided their W-2's in their binders.

President Long asked if there were any other matters to come before the Board, and hearing none, adjourned the meeting at 11:05 a.m.

Respectfully submitted,

Patty Rivas
Administrative Support Associate

Secretary

SECWAE
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