

RECORD OF PROCEEDING

**SOUTHEASTERN COLORADO WATER
ACTIVITY ENTERPRISE**

MINUTES

April 20, 2017

A regular meeting of the Board of Directors of the Southeastern Colorado Water Activity Enterprise (Enterprise) was held on Thursday, April 20, 2017 at 9:43 a.m., at the District office, 31717 United Avenue, Pueblo, Colorado.

President Long announced a quorum was present.

DIRECTORS PRESENT:

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| Bill Long | Ann Nichols | Gary Bostrom |
| Vera Ortegon | Kevin Karney | Gibson Hazard |
| Tom Goodwin | Carl McClure | Curtis Mitchell |
| Dallas May | Mark Pifher | Seth Clayton |
| Greg Felt | | |
| Alan Hamel-Advisory Board Member | | |

DIRECTOR(S) ABSENT AND EXCUSED:

Howard "Bub" Miller

ENTERPRISE OFFICIALS PRESENT:

Executive Director James Broderick; General Counsel Lee Miller; Administrative Manager Toni Gonzales; Principal Engineer Kevin Meador; Issues Management Program Coordinator Chris Woodka; Finance Coordinator/IT Leann Noga; Accounting Specialist Stephanie Shipley; and Federal Lobbyist Christine Arbogast.

VISITORS PRESENT:

Tom Simpson, Aurora Water; Dwight Gardner, U.S. Senator Michael Bennet's office; Cathy Garcia, U. S. Senator Cory Gardner's office; Abby Ortega, Colorado Springs Utilities; Terry Dawson, U.S. Bureau of Reclamation; Curt Thompson, AECOM; Bill Banks, U.S. Geological Survey; Mark Scott, GEI Consultants; Kevin Niles, Arkansas Groundwater Users Association; Michael Weber and Pierre-Edouard Schadeck, Lower Arkansas Valley Water Conservancy District; Jerry Peña, GEI Consultants; Mark Scott, GHD; and Willard Behm.

PRESENTATIONS:

2016 ANNUAL AUDIT

President Long convened the Enterprise Board meeting to order at 9:43 a.m. to be held in conjunction with the District Board meeting to present the 2016 Annual Audit presentation.

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Treasurer Nichols introduced Mitchell Downs and Hillary Carlson, from Osborne, Parsons & Rosacker, LLP., who represents the firm that conducted the 2016 audit. Mr. Downs read the Independent Auditor's Report. Treasurer Nichols recognized the work of Leann Noga and the staff with assisting the auditors with the audit process.

ACTION ITEMS:

APPROVAL OF 2016 ANNUAL AUDIT

Treasurer Nichols moved, seconded by Mrs. Ortegon, the audit of the 2016 finance statements of the Enterprise be approved as presented. Motion unanimously carried.

APPROVAL OF 2016 FINANCIAL STATEMENTS

Treasurer Nichols moved, seconded by Mr. Bostrom, that the 2016 finance statements of the Enterprise be approved as audited. Motion unanimously carried.

President Long recessed the Enterprise meeting at 9:54 a.m., and reconvened at 11:23 a.m.

APPROVAL OF MINUTES:

President Long said the minutes of the March 16, 2017 Board meeting were posted to the Board website for review, 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.

FINANCE COMMITTEE REPORT:

Treasurer Nichols reported the financial statements for February and March were posted to the Board website for review. Ms. Nichols moved, seconded by Mr. Bostrom, for acceptance of the February and March financial statements and payment of the April 2017 bills. Motion unanimously carried.

CONSENT ITEMS:

None

PRESENTATIONS CONTINUED:

FEDERAL LEGISLATION

Christine Arbogast reported she is awaiting information on a meeting with Secretary of the Interior Ryan Zinke. Senator Gardner and Congressman Tipton reached out to him and requested a meeting with him early in his tenure to familiarize him with the Arkansas Valley Conduit (AVC).

Ms. Arbogast is also awaiting decisions on the funding levels for FY '17, which are still hung up in Congress. The Continuing Resolution expires in a week; there has been no announcement of a deal on an omnibus spending measure. Presumably discussions are taking place while Congress has been in its two week Easter District work period. They return next week and the level of activity is going to increase. Little talk of a government shutdown; what may be necessary is a short term extension of the Continuing Resolution in order to move forward with a bill.

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Ms. Arbogast is also awaiting the Administration's full budget, which will not likely be until well into May. Finally, she is waiting the appointments to key positions, including Assistant Secretary for Water and Science, Commissioner of Reclamation, Deputy Administrator for Water at EPA.

Reclamation has scheduled a meeting on May 9, 2017 to discuss a potential public-private partnership approach to funding the AVC.

Waters of the United States rescission and replacement is still in limbo. A meeting was held April 19, 2017 at EPA, and Supreme Court has determined to take up the question--not on its merits but on whether the district court or circuit court should hear these cases.

INFORMATION ITEMS:

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

- AVC and Excess Capacity Master Contract Update

OTHER BUSINESS MATTERS:

President Long asked if there were any other matters to come before the meeting, and hearing none, adjourned the meeting at 11:37 a.m.

Respectfully submitted,

Toni Gonzales
Administrative Manager

Secretary

