

RECORD OF PROCEEDING

**SOUTHEASTERN COLORADO WATER
ACTIVITY ENTERPRISE**

MINUTES

October 17, 2013

A regular meeting of the Board of Directors of the Southeastern Colorado Water Activity Enterprise (Enterprise) was held on Thursday, October 17, 2013 at 9:40 a.m., at the District office, 31717 United Avenue, Pueblo, Colorado.

President Long announced a quorum was present.

DIRECTORS PRESENT:

Bill Long	Harold Miskel	Vera Ortegon
Gibson Hazard	Gary Bostrom	Tom Goodwin
Carl McClure	Leonard Pruett	David Simpson
Alan Hamel-Advisory Board Member		

DIRECTOR(S) ABSENT AND EXCUSED:

Greg Johnson, Kevin Karney, Howard "Bub" Miller, Jay Moore, Ann Nichols, and Shawn Yoxey.

ENTERPRISE OFFICIALS PRESENT:

Executive Director James Broderick; General Counsel Lee Miller; Administrative Manager Toni Gonzales; Project Engineer Kevin Meador; Director of Engineering and Resource Management Bob Hamilton; Administrative Support Specialist Leann Noga; Special Water Counsel Alix Joseph; and Federal Lobbyists Ray Kogovsek and Christine Arbogast.

VISITORS PRESENT:

Chris Woodka, The Pueblo Chieftain; Terry Book, Board of Water Works of Pueblo; Gary Fuller, HDR Engineering; Dwight Gardner, Senator Michael Bennet's office; Ian Lyle, Congressman Scott Tipton's office; Jack Goble, Lower Arkansas Valley Water Conservancy District; Curt Thompson, Consultant; Keith Goodwin, Otero County; Bob Hartzman, City of Canon City Water Department; Chris Woodka, The Pueblo Chieftain; Tom Simpson, Aurora Water; Scott Lorenz, Arkansas Groundwater Users Association; Doug Kemper, Colorado Water Congress; James Eklund, Colorado Water Conservation Board; and Tim Payne, Fremont County.

RECORD OF PROCEEDING

APPROVAL OF MINUTES:

President Long asked if the members of the Board had received their copy of the minutes of the September 19, 2013 Board meeting, and if there were any corrections or additions. Hearing none, Mr. Hazard moved, seconded by Mr. Goodwin, to approve the minutes. Motion unanimously carried.

FINANCE COMMITTEE REPORT:

President Long said the acceptance of the September financial statement would be deferred until the November Board meeting.

CONSENT ITEMS:

None

PRESENTATIONS:

FEDERAL LEGISLATION

Christine Arbogast reported with the government shutdown, there was not much legislative activity during the last few weeks. But now that the government has reopened, there may be two potential impacts of interest to the District and the Arkansas Valley Conduit (AVC);

1. The continuing resolution will fund programs through January 15, 2014 at sequestration levels, meaning that funding for the AVC and all programs will be reduced across the board, and
2. The FY '15 budget proposal, which would normally be released by the Administration around the first of February will likely be delayed because of the intense discussions, which will be going on regarding FY'14 during the coming weeks prior to January 15.

The federal lobbyists have been working with the delegation regarding future years' funding and they have been in contact with the Administration, and Senator Bennet, in particular, has been active in talking with the Administration.

Otherwise, other activity includes EPA's abandoning guidelines on the Clean Water Act and beginning development of full-blown rulemaking.

RESTORATION OF YIELD

Bob Hamilton presented a PowerPoint reviewing the following regarding the Restoration of Yield (ROY):

- History
- Six Parties to the Intergovernmental Agreement (IGA)
- Six Party IGA
- ROY Operations
- Location of Holbrook Canal Downstream of Pueblo and Facilities
- Gravel Pit Storage
- Gravel Pit Storage Using the Excelsior Ditch

RECORD OF PROCEEDING

- Comparison of Locations of Gravel Pit Storage and Holbrook Facilities
- Projects and Locations
- ROY-Transit Mix
- Proposed Reservoirs Filled from the Excelsior Ditch
- Stonewall Springs and Colorado Park and Wildlife
- Two Rivers and Arkansas Groundwater Association
- Next Steps

ACTION ITEMS:

SET PUBLIC HEARING FOR 2014 PROPOSED BUDGET

James Broderick reported the Board conducts a Public Hearing each year prior to adopting the annual budget in compliance with Colorado State Law C.R.S. 29-1-108(1).

Tom Goodwin moved, seconded by Mr. Pruett, the Board set November 21, 2013 at 9:45 a.m. at the office of the Southeastern Colorado Water Conservancy District for a Public Hearing of the 2014 Proposed Budget. Motion unanimously carried.

RESOLUTION No. 2013-01-EF, ADOPTION OF SUNFLOWER BANK CORPORATION AUTHORIZATION RESOLUTION, AND RESOLUTION AUTHORIZING TREASURY MANAGEMENT SERVICES

Mr. Broderick recommended the Board adopt Resolution No. 2013-01-EF, the Sunflower Bank Corporate Authorization Resolution, and the Sunflower Bank Resolution Authorizing Treasury Management Services, which the Board was provided documentation of each. Mrs. Ortegon moved, seconded by Mr. Goodwin. Motion unanimously carried.

RESOLUTION No. 2013-02-EF AND WELLS FARGO SECURITY, LLC CERTIFICATE OF AUTHORITY-GENERAL

Mr. Broderick recommended the Board adopt Resolution No. 2013-02-EF and direct the Secretary of the Board to sign the Certificate of Authority-General, which the Board was provided documentation of each. Mr. Goodwin moved, seconded by Mr. Pruett. Motion unanimously carried.

REQUEST TO CARRYOVER 2013 AGRICULTURAL PROJECT WATER

Bob Hamilton reported historically, when there have been requests to carryover Ag Project water and if there was space in Pueblo Reservoir, the Board has waived the 80/20 Rule, which according to Paragraph 8 of the Water Allocation Policy requires 80 percent of the water allocated be used by November 15, of the year the allocation was made and the remainder by May 1, of the following year. The most recent waiver was in August of this year when the Board approved a carryover request from the Colorado Canal Company.

Mr. Hamilton reported the Bessemer Irrigation Company (Bessemer) submitted a request to carryover 700 to 800 acre-feet of their 2013 Project water allocation. This request was made because of the heavy August rains. Bessemer was allocated 2,321 acre-feet and still has 814 acre-feet in its account. As of

RECORD OF PROCEEDING

October 6, 2013, there was over 127,000 acre-feet of storage space in Pueblo Reservoir and only 2,495.25 acre-feet of the 17,099 acre-feet of 2013 Ag Project water allocated remain in Pueblo Reservoir.

Mr. McClure moved, seconded by Mrs. Ortegon, the Board waive the 80/20 Rule for the Bessemer Irrigation Ditch Company and allow them to carryover 814 acre-feet of 2013 Ag Project water that they must use by May 1, 2014 or it reverts to the Enterprise.

Mr. Hamilton reported Titsworth made its first request for Project water this year and was allocated 14 acre-feet, all of which is still in storage. The Titsworth Ditch is located on Fourmile Creek near Canon City and has to get its Project water by exchange. Because of severe storm damage around September 12, 2013 the Titsworth Ditch submitted a request to be allowed to carryover its entire 2013 Project water allocation.

Mr. McClure moved, seconded by Mr. Pruett, the Board waive the 80/20 Rule for the Titsworth Ditch and allow them to carryover 14 acre-feet of 2013 Ag Project water that they must use by May 1, 2014 or it reverts to the Enterprise. Motion passed with Mr. Goodwin abstaining.

INFORMATIONAL ITEMS:

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

- AVC, Excess Capacity Master Contract, and NEPA 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 10:13 a.m.

Respectfully submitted,

Toni Gonzales
Administrative Manager

Secretary

