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RECORD OF PROCEEDING

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**SOUTHEASTERN COLORADO WATER  
ACTIVITY ENTERPRISE**

**MINUTES**

**March 17, 2011**

The regular meeting of the Board of Directors of the Southeastern Colorado Water Activity Enterprise (SECWAE) was held on Thursday, March 17, 2011 at 9:41 a.m., at the District office, 31717 United Avenue, Pueblo, Colorado.

President Long announced a quorum was present.

**DIRECTORS PRESENT:**

Bill Long	Ann Nichols	Harold Miskel
Kevin Karney	Reed Dils	Gibson Hazard
David Simpson	Carl McClure	Vera Ortégón
Howard "Bub" Miller	Lissa Pinello	
Alan Hamel-Advisory Board Member		

**DIRECTORS ABSENT AND EXCUSED:**

Gary Bostrom, Greg Johnson, Scott Reed, and Shawn Yoxey

**ENTERPRISE OFFICIALS PRESENT:**

Executive Director James Broderick; Administrative Manager Toni Gonzales; Project Manager Phil Reynolds; Finance Coordinator Tina White; Director of Engineering and Resource Management Bob Hamilton; Conservation Outreach Coordinator Jean Van Pelt; Legal Counsel Steve Leonhardt, Lee Miller, and Alix Joseph; and Federal Lobbyists Ray Kogovsek and Christine Arbogast.

**VISITORS PRESENT:**

Mike Collins, Roy Vaughan, and Carlie Ronca, U.S. Bureau of Reclamation; Mark Carmel, Merrick & Company; Rick Kienitz, Aurora Water; Curtis Mitchell, City of Fountain; Chris Woodka, The Pueblo Chieftain; Steve Witte, Colorado Division of Water Resources-Division 2; Dan Kugler, Black & Veatch; Jerry Peña, MWH; Doris Morgan, Congressman Cory Gardner's office; Dan Henrichs, High Line Canal Company; Jim Baldwin, Otero County; Sean Chambers, Cherokee Metro; Roy Heald, Security Water District and Fountain Valley Authority; Christine Thiebaut, Senator Udall's office; David Mau, U.S. Geological Survey; Bob Hartzman, City of Canon City; Darii McClure-Wohlens; David Vidikan, Jacobs Engineering Group; and Ken Weber.

**APPROVAL OF MINUTES:**

President Long asked if the members of the Board had received their copy of the minutes of February 17, 2011 and whether there were any corrections or additions. Hearing none, Mrs. Ortégón moved, seconded by Mrs. Pinello, to approve the minutes. Motion unanimously carried.

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**FINANCIAL REPORT:**

Treasurer Ann Nichols reported the financial statements for January and February were posted to the Board website for review. Treasurer Nichols moved for acceptance of the January and February financial statements and payment of the March 2011 bills. Mr. Hazard seconded the motion, the motion unanimously carried.

**CONSENT ITEMS:**

None

**PRESENTATIONS:**

**FEDERAL LEGISLATION**

Arkansas Valley Conduit

Mrs. Arbogast reported Congress continues to struggle with a plan to fund the government through the end of this fiscal year. A continuing resolution was passed to extend funding another three weeks but also includes some reductions. Thus far funding for FY '11 for the Arkansas Valley Conduit (AVC) remains stable.

Hearings have been held on FY '12 budget requests, which includes just under \$3 million for the AVC project. No further action is expected for several weeks, until FY '11 issues are resolved.

Mrs. Arbogast, Mr. Long, Mr. Miskel, Mr. Lee Miller, and Mr. Broderick will be in Washington, D.C. April 4-6 at the NWRA 2011 Federal Water Issue Conference. They will meet with staff from the Appropriation Committee, Congressman Tipton, Congressman Gardner, and Majority staff members while in Washington.

Discussions with our delegation continue regarding the Aurora/Lower District settlement.

**ARKANSAS VALLEY CONDUIT/ EXCESS CAPACITY UPDATE**

Mr. Reynolds reviewed the work performed the past month and ongoing work by MWH on the EIS. He said the \$500,000 payment on the Master Contract MOU had been paid to Reclamation.

Mr. Reynolds reviewed the February 22, 2011 joint meeting of the AVC and Master Contract participants where the draft MOA's and cost spreadsheets were handed out and discussed. Mr. Reynolds said that he attempted to meet with all the participants that were not able to attend the February 22 meeting to explain the MOA and the cost spreadsheets. The next meeting for the group will be March 24, 2011 at 10:00 a.m. at the District office.

The deadline for MOA comments was March 16, and the deadline for the signed MOA's is May 15, 2011.

Mr. Reynolds then gave a breakdown of how the cost spreadsheets work and the various elements of the EIS and how the costs are broken out.

**ACTION ITEMS:**

MWH CONTRACT (Case No. 01CW151)

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Mr. Hamilton reported in December of 2001 the Enterprise filed an application in Division 2 Water Court for Conditional Appropriative Right of Exchange of municipal and agricultural Fry-Ark Project water return flows, in Pueblo, Crowley, Otero, and Bent Counties, into Pueblo Reservoir. The exchanged return flows include agricultural return flows from east of Pueblo, as well as unmeasured municipal return flows (such as from lawn irrigation and septic tanks), and measured municipal return flows to the extent they are not repurchased by the same municipality and thereby exchanged under the Southeastern District's previously decreed 1939 exchange priority. Since 2002, SECWAE has contracted with MWH for engineering services as needed to support the Application in Case No. 01CW151. The Board has approved settlements with 10 of the 12 objectors in the case.

Of the original twelve objectors in Case No. 01CW151, ten have settled, leaving only Catlin Canal and Public Service Company (PSCo). Legal counsel reached a tentative agreement with PSCo's attorneys on a revised proposed decree in September 2010, subject to some further engineering and updated accounting, to be followed by final approval by PSCo and Southeastern District's Board. While not an objector in this case, the Division Engineer participates informally (as in most cases) by providing comments to the Water Referee. The Southeastern District has addressed several of the Division Engineer's earlier concerns, but Mr. Witte also provided some further comments more recently. The further studies and accounting proposed by MWH are designed to address the remaining concerns of both PSCo and the Division Engineer. This analysis needs to be completed this summer, to allow time for review in advance of the next status conference with the Water Referee on November 15, 2011.

Mr. Hamilton said this Engineering contract is for \$36,500. The 2011 Enterprise budget for "Engineering Legal" is \$20,000. The difference will be realized through austerity measures in other related Enterprise expenditures. The Board was provided a copy of the MWH Scope of Services.

Mr. McClure moved, seconded by Mr. Hazard, to authorize the Executive Director to execute the contract with MWH Americas, Inc. for the further engineering analysis of Fry-Ark return flows accruing to the Arkansas River that can be exchanged and preparation of proposed accounting forms for the return flows and exchange consistent with the September 2010 proposed Decree on the Enterprise's Application in Case No. 01CW151. Motion unanimously carried.

**INFORMATIONAL ITEMS:**

The Board members were provided written reports on the following, which were posted to the Board website:

- Arkansas Valley Conduit
- Excess Capacity

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**OTHER BUSINESS**

President Long asked if there were any other matters to come before the meeting, and hearing none, adjourned the meeting at 10:18 a.m.

Respectfully submitted,

Toni Gonzales  
Administrative Manager

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Secretary

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