

RESOURCE AND ENGINEERING PLANNING COMMITTEE

MINUTES July 9, 2020

A meeting of the Resource and Engineering Planning Committee was held on Thursday, July 9, 2020 at 10:00 a.m. at the District Office, 31717 United Avenue, Pueblo, Colorado via video conferencing.

Chairman Mitchell announced a quorum was present.

COMMITTEE MEMBERS PRESENT:

Curtis Mitchell – Chairman, Seth Clayton – Vice-Chairman, Andy Colosimo, Pat Edelmann, and James Broderick

COMMITTEE MEMBERS ABSENT AND EXCUSED:

Tom Goodwin

OTHERS PRESENT:

Jenny Bishop, Colorado Springs Utilities; Mark Scott, Dillon Cowing, and Daniel Rice, Providence Infrastructure Consultants (PIC); Christine Arbogast, Kogovsek & Associates; Bill Long, Kevin Karney, Carl McClure and Dallas May, Southeastern Colorado Water Conservancy District (District) Board; Kevin Meador, Garrett Markus, Margie Medina, Lee Miller, Leann Noga, Patty Rivas, and Chris Woodka, District staff.

APPROVAL OF MINUTES:

Chairman Mitchell asked for approval of the May 7, 2020 minutes, and if there were any corrections or additions. Hearing none, Seth Clayton moved, seconded by Pat Edelmann to approve the minutes. Motion passed unanimously.

PRESENTATIONS:

JAMES W. BRODERICK HYDROPOWER PLANT UPDATE

Garrett Markus reported, the James W. Broderick Hydropower Plant (JWBHP) generated at 97 percent of full capacity in June 2020. Following is a summary of the operations:

Month	Scheduled (MWh)	Delivered (MWh)
January	744	732
Feb	696	556
Mar	1,860	2,169
Apr	3,544	3,500
May	5,012	4,021
June	5,232	5,122

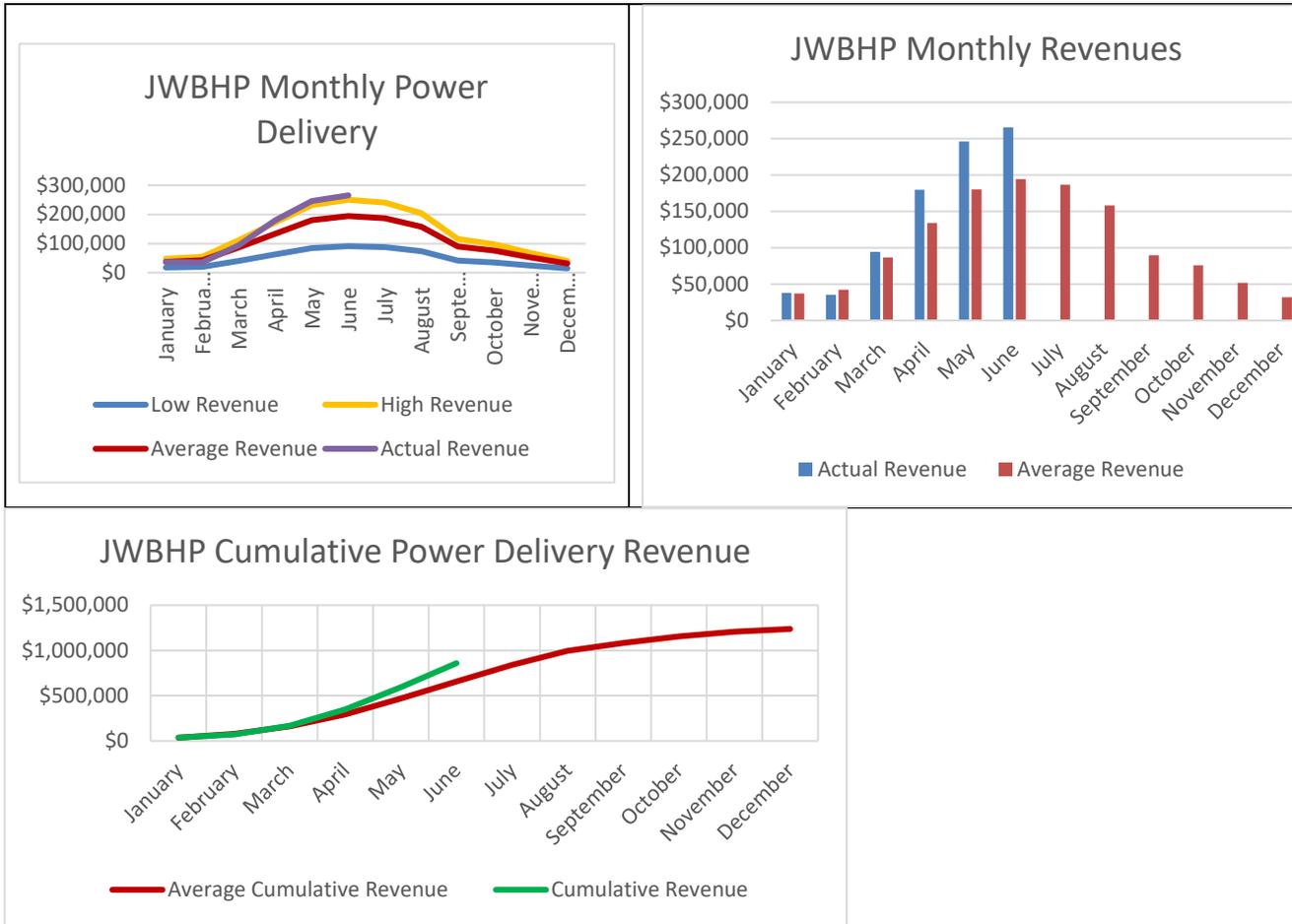
The average daily generation in June was 7.3 MWh (scheduled) and 7.1 MWh (delivered) MWh per day compared to the average expected output for June of 5.3 MWh per day or 138 percent and 134 percent of average capacity, respectively.

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Flows during June 2020 were in the range of 850-950 cubic feet per second (cfs). Flows are expected to decrease in the 650 - 800 cfs range in July 2020 as the snow runoff ended late in June.

Revenue generated in June was \$265,419 compared to an average June generation of \$194,300 or 137 percent of average. Cumulative revenue through June was \$858,932 compared to average budgeted revenue of \$657,598 or 131 percent of average. The figures show the actual generation compared to the average generation for the year and the cumulative generation for the year-to-date.



RECOVERY OF STORAGE STUDY UPDATE

Chris Woodka updated the Committee on the progress of the Recovery of Storage Study by reporting on some of the highlights so far with project consultant Mott MacDonald (Consultant). A Project Initiation Workshop was held by virtual electronic means on May 5, 2020, the Consultant identified data gaps and explained field work would be delayed because of COVID-19 restrictions. Field work was necessary to collect samples from tributaries between Canon City and Pueblo Reservoir to determine composition of material entering Pueblo Reservoir. Data gaps were mostly filled in May (some requests are still open), while field work was completed during June. Draft baseline information is being developed, and a formal progress meeting was held on June 24, 2020. Environmental and engineering reports will be reviewed by staff in July and a final draft report is expected by July 31, 2020. A final report is scheduled to be presented at the September Board meeting.

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ASSET VALUATION STUDY UPDATE

Garrett Markus reported the *Phase 1 Feature Valuation Study Draft* (also known as the Asset Valuation Study) has been completed and was provided to the Committee. The Asset Valuation (AV) Study is the first phase of the District investigating Fry-Ark features and District and Enterprise assets to help determine condition, maintenance scheduling, replacement, and betterment aspects of each feature. The AV study is the framework for identifying and defining all the studied features and their present-day value.

A Project Initiation Workshop was held with Providence Infrastructure Consultants (PIC) by video conference on April 8, 2020 and a Data Gap Coordination meeting was held April 14, 2020. This project did not entail field work but did observe each feature in detail to determine scale, original cost, and current comparable projects to finalize the study.

Mark Scott, Project Manager; Daniel Rice, Principal/Conduits Area Expert; and Dillon Cowing, Project Engineer provided a PowerPoint review of the report. Project overview and goals covered:

- Developing long-term SECWCD feature/asset strategy
- Established reserves to address financial obligations
- Develop Class 5 Replacement Cost for major features
 - Association for the Advancement of Cost Engineering (AACE)
- Set foundation for future project Phases
- Develop a 20-year Capital Improvement Plan (CIP)
- Organize replacement costs by SECWCD Activities

The study covered Southeastern Colorado Water Conservancy District reviewing the Fry-Ark Project and Operations. The other part covered the Southeastern Colorado Water Conservancy Enterprise addressing the water and hydroelectric.

Final valuation approach consisted of:

1. Desktop review
2. Obtain original feature construction costs and escalate to 2020 dollars
 - Escalated using Engineering News Record's (ENR) Index
 - Not available for all features
3. Develop costs from similar projects and experience
 - Used for features without reliable original construction costs
 - Majority in North and South Collection Systems
4. Take the escalated and developed costs and have area experts evaluate them
5. Develop a recommended Class 5 replacement cost for each feature

Appendix B of the report contains the expert review summaries identifying cost review and unit costs performed in four key feature types: Dams, Tunnels, Conduits, and Diversion Structures. Costs adjusted where appropriated based on location, difficult access, and short construction season. Phase I Feature Valuation determined the total value in 2020 dollars is \$2.8 Billion.

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Garrett Markus asked for the Committee to review the report and provide input. The report will be returned to the Committee for approval at the next Committee meeting.

ACTION ITEMS:

None

INFORMATION ITEMS:

None

OTHER BUSINESS

None

NEXT MEETING

August 6, 2020 at 10:00 a.m.

ADJOURN

Chairman Mitchell adjourned the meeting at 10:58 a.m.

Respectfully submitted,

Garrett J. Markus, P.E.

Water Resources Engineer