

**ARKANSAS VALLEY CONDUIT COMMITTEE**  
**MINUTES**  
**August 12, 2025**

A meeting of the Arkansas Valley Conduit (AVC) Committee was held at 10:06 a.m. August 12, 2025, at District offices and via electronic and telephonic means.

Chairman Kevin Karney announced a quorum was present for the AVC Committee.

**AVC COMMITTEE MEMBERS PRESENT:**

Kevin Karney – Chairman, Matt Heimerich (remote), Dallas May (remote), Mike Bartolo (Remote), Bill Long, and Leann Noga

**AVC COMMITTEE MEMBERS ABSENT AND EXCUSED:**

Justin Di Santi -Vice-Chairman

**OTHERS PRESENT:**

Bill McDonald, McDonald Water Policy (remote); Christine Arbogast, Kogovsek & Associates (remote); Paul Young, Swiftwater Solutions (remote); Curtis Thompson, AECOM; Gordon Dillon, Chris Woodka, Trevor Singleton, Robert Banham, Patty Rivas (remote), Lee Miller (remote), and Peter Levish (remote), SECWCD staff.

**APPROVAL OF MINUTES:**

Bill Long moved, and Matt Heimerich seconded approval of the June 5, 2025, AVC Committee meeting minutes. Motion passed unanimously.

**PRESENTATIONS:**

**Reclamation Sub-Project**

Gordon Dillon gave an update of the Reclamation Sub-Project.

Boone Reach 1 is complete, the “fill-and-flush” test completed, and hydrostatic testing is planned next. There were some issues on the connection that Pueblo Water is resolving. About 12 acre-feet (AF) of water is being used and the water is being purchased by the contractor from Pueblo Water. No Fry-Ark Project Water is being used.

Boone Reach 2 should be complete in December, following a delay to resolve payment procedures with Xcel Energy in order to relocate gas lines along some of the western portion of the pipeline route. Colorado Highway 96 has been reopened, but there will still be some daily lane closures along the road where work is occurring. Vaults for Avondale and Boone have been installed.

The Injection Site work is still behind schedule but should improve as Thalle is hiring subcontractors to perform some of the work. Bureau of Reclamation Regional Director Brent

Esplin will be on site to review issues with the contractor. Dirt should be moving by October, and completion is expected sometime in 2027.

Crowley Reach 1 is ready for advertising for bids. It is tricky because there are two railroad crossings to contend with as well as getting a final agreement from all the Restoration of Yield (ROY) partners for construction access across a corner of the future ROY reservoir site.

The remainder of the entire AVC Trunk Line to Lamar is at 30 percent design level and a final design contract notice for the portion of the line from Regulating Tank 2 near the Otero-Bent County Line to Lamar is being prepared.

### **Enterprise Sub-Project**

Mr. Dillon gave updates on several matters:

Grants for design work on delivery lines funded by state money for communities affected by PFAS (“forever chemicals” or per- and polyfluoroalkyl substances) has been approved for the Crowley County Water Association (\$23,000) and Manzanola (\$47,000).

There are several steps ahead to finish the Preliminary Needs Assessment (PNA) in connection with the State Revolving Fund (SRF) that were outlined by Mr. Dillon.

Leann Noga explained that a public meeting is required as part of the PNA process, which is different than the AVC participants meetings that are typically held. The meeting is scheduled for August 25, 2025 at Rocky Ford. Part of the requirement is to explain how rates could be affected, which in the case of AVC is \$4-\$5 per 1,000 gallons. Environmental impacts and alternative projects must also be discussed. Mrs. Noga said the impacts have been studied and there are no alternatives.

Mr. Dillon explained that the payment is a “cost recovery” for the Enterprise.

Mrs. Noga said by leveraging funds with the CWCB grant there will be no debt from the first loan package, which covers constructing delivery lines to 18 communities from Boone to Rocky Ford.

The Rocky Ford reach will cost an estimated \$20 million, which will be the SRF loan amount. The Colorado Water Conservation Board (CWCB) grant will be used to pay off the principle, which is expected to be \$10 million, if the loan includes 50 percent loan forgiveness as expected.

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The timing of the loan is to submit an application by November 5, 2025, so the Colorado Water Resources and Power Development Authority (CWRPDA) can consider the request at its January 29, 2026 meeting.

A participants meeting will be held at Rocky Ford on September 9, and that will be followed by an AVC Committee meeting on September 10, 2025.

Mr. Dillon reported that the Request for Proposals (RFP) for design of spurs and delivery lines through Rocky Ford has been issued and viewed 72 times. Proposals are due by 4 p.m. on August 22, 2025

**ACTION ITEMS:**

**Four-Party Agreement**

Lee Miller discussed a four-party agreement among CWRPDA, CWCB, the Enterprise and Otero County. The Memorandum of Understanding (MOU) needs approval from all parties, except CWCB, which has already approved \$30 million in grants for AVC. Work has been completed on the details through more than a year of discussion. It allows the Enterprise to pay off SRF loan principal by using CWCB grant funding, which will be administered by Otero County due to TABOR limitations on the District.

Bill Long made the following motion, seconded by Matt Heimerich:

“I move that the Committee recommend that the Enterprise Board authorize execution of a Memorandum of Understanding similar to the current draft MOU between Southeastern Colorado Water Activity Enterprise, Otero County, the Colorado Water Conservation Board (CWCB), and Colorado Water Resources and Power Development Authority (CWRPDA) to establish a framework for the joint efforts of the Parties to utilize state and federal loan and grant funds to finance design, construct, maintain, and operate portions of the Arkansas Valley Conduit.” Motion carried unanimously.

**OTHER BUSINESS:**

None

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**NEXT MEETING**

10 a.m. September 10, 2025

**ADJOURN**

Chairman Kevin Karney adjourned the meeting at 10:46 a.m.

Respectfully submitted,

Chris Woodka

Senior Policy and Issues Manager