

RESOURCE AND ENGINEERING PLANNING COMMITTEE

MINUTES

November 10, 2021

A meeting of the Resource and Engineering Planning Committee was rescheduled for Wednesday, November 10, 2021, at 10:07 a.m. at the District Office, 31717 United Avenue, Pueblo, Colorado and via Zoom virtual meeting.

Chairman Mitchell announced a quorum was present.

COMMITTEE MEMBERS PRESENT:

Curtis Mitchell – Chairman, Seth Clayton– Vice Chairman, Andy Colosimo (via Zoom), Pat Edelmann, Tom Goodwin, Bill Long (via Zoom), and James Broderick.

COMMITTEE MEMBERS ABSENT AND EXCUSED:

None

OTHERS PRESENT:

Alan Hamel, Southeastern Colorado Water Conservancy District (District) Director; Mark Scott, Providence Infrastructure Consultants; Garrett Markus, Margie Medina, Leann Noga, and Chris Woodka, District staff.

Via Zoom

Bub Miller, District Director; Jenny Bishop, Colorado Springs Utilities; Lee Miller, Kevin Meador, Patty Rivas, District staff.

APPROVAL OF MINUTES:

Chairman Mitchell asked for approval of the Resource and Engineering Planning Committee minutes for September 2, 2021, and if there were any corrections or additions. Hearing none, Tom Goodwin moved, seconded by Andy Colosimo, to approve the minutes. Motion passed unanimously.

PRESENTATIONS:

JAMES W. BRODERICK HYDROPOWER PLANT UPDATE (JWBHP)

The James W. Broderick Hydropower Plant (JWBHP) generated at 71 percent of average generation year to date.

The average daily generation in October was 33 percent, at 9 percent of maximum generation. 496 MWhrs Power Generated compared to scheduled Power at 372 MWhrs. Revenue generated in October 2021 is estimated at \$18,800.

FEATURE CONDITION ASSESSMENT PHASE 2 PRIORITIZATION AND PLANNING

Mark Scott with Providence Infrastructure Consultants (PIC) provided a presentation addressing the draft October 2021 *Phase 2 Feature Condition Assessment Prioritization & Planning* report. The report examines the dams, diversion structures, tunnels, conduits, and facilities. The work document by this

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Phase 2 report, builds on the Phase 1 work performed in 2020. The technical memorandums (TM) 1 and 2 cover work performed by PIC during Phase 2, TM 1 efforts involved: data collection, feature scoring, prioritization of SECWCD features and TM 2 efforts involved developing a 'Preliminary Capital Improvement Plan.'

TM 1's process and goals are 1) collect and evaluate available and pertinent feature data to support a table-top review; and 2) develop and present the process to be followed for the scoring and evaluation of features. The condition assessment program consisted of:

- Initial scoring of the SECWCD features applying the established process and goals
- Initial prioritization based on coring of available data
- Observations and future efforts, desktop review

2022 PROPOSED BUDGET

Garrett Markus updated the Committee on the 2022 proposed budget with projects and programs associated with the Resource and Engineering Planning Committee. The 2022 proposed budget relative to the Resource and Engineering Planning Committee covers programs and projects necessary to maintaining the District's water portfolio and studies that support that cause. Such projects and programs are Hydropower development at Pueblo Reservoir, Recovery of Storage, Feature Condition Assessment, 10,825 Project, Regional Resource Planning Group (RRPG), Fry-Ark Project water rights protection and development, research project support, Restoration of Yield (ROY), reliable future water supply, and Fountain Creek Transit Loss Program.

ACTION ITEMS:

INCLUSION OF LAND ANNEXED BY COLORADO SPRINGS

Garrett Markus in a PowerPoint, identified five annexations for inclusion the four annexations surrounding park lands and one development annexation into the City of Colorado Springs.

Seth Clayton moved, seconded by Tom Goodwin that the Committee recommend the Board approve, by Resolution, the inclusion of the Corral Bluffs Addition No. 1, Jimmy Camp Creek Addition No. 1, North Gate Open Space Addition No. 1, and Bear Creek Canyon Park Addition No. 1; and Space Village Annexation Filing No. 1 annexation annexed by Colorado Springs subject to the following terms and conditions:

1. Approval of these inclusions into the Southeastern Colorado Water Conservancy District will not increase the amount of Fryingpan-Arkansas Project water available to the city. Any Fryingpan-Arkansas Project water used on these included lands will need to come from the water allocated to the city through Fryingpan-Arkansas Project water allocations made pursuant to the District's Allocation Principles and Policies; and
2. Any use of Fryingpan-Arkansas Project water on the included lands is subject to the decrees for the Fryingpan-Arkansas Project, and to all lawful rules, regulations, principles, policies, and contractual obligations of the District; and
3. The annexed lands will be subject to ad valorem taxes levied by the District as any other similarly situated lands in the District at the time of this inclusion; and

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4. Prior to the District filing a petition for District Court approval of this inclusion, the Municipality, and/or owner(s) of the annexed lands shall have paid all the costs charged by the United States in connection with the contracting officer's assent to this inclusion.

Motion passed unanimously

COLORADO SPRINGS TAX INCREMENTAL FINANCING

Jim Broderick reported the Colorado Springs Urban Renewal Authority (CSURA) is pursuing an urban renewal plan for a parcel of land located in the City of Colorado Springs in El Paso County. The Plan Area is comprised of two parcels on approximately 3.28 acres of land. The boundaries of the Plan Area to which this Plan applies includes Zebulon Drive to the west, Verde Drive to the north, and unnamed alleyway to the south, and commercial development to the east, which includes Family Dollar, Pitstop Carwash, and Shell gas station. The project is designated as the Almagre Urban Renewal Plan, which consists of about 138 units ranging from one-, two-, and three-bedroom units. All 138 units will be affordable for households earning between 30 and 60 percent of area median income (AMI). Almagre will serve the community by offering affordable housing as well as residential support services including financial counseling, homeownership counseling, job search assistance, after-school tutoring, and nutrition assistance. Because the property within the urban renewal area, is subject to the District's property tax, CSURA seeks an agreement confirming the District's consent to allocation of its entire additional tax increment on the property to CSURA in support of the plans.

Pursuant to the Colorado Urban Renewal Act, CSURA may issue bonds to pay for public improvements associated with the redevelopment of blighted property. Payment of the bonds may be funded by the increased property tax payment generated by the added property value resulting from redevelopment of the property. In order to use those increased payments, CSURA must seek agreements with the various taxing authorities authorizing allocation of the increased tax payments to the project. If agreement cannot be reached with any taxing authority, all the parties have to go to mediation to determine the appropriate allocation of incremental property tax payments.

The most significant term of the proposed Agreements is the waiver of the right to receive incremental increased property tax payments on the property for twenty-five years, and the pledge of those payments to CSURA for payment of the bonds. The Plan Area located within Southeastern Colorado Water Conservancy District, which has a 0.920 mill levy. The District's share of the current property tax base is \$73.00. The increment value of property taxes generated, which will be deferred by the Water Conservancy District, would be approximately \$32,407 over the 25-year period or \$1,296 per year. If the bonds are paid off early, the Agreement terminates, and the subsequent incremental payments will be paid to the taxing entities.

Tom Goodwin moved, seconded by Seth Clayton to authorize the Executive Director to execute Property Tax Increment Revenue Agreements with the Colorado Springs Urban Renewal Authority to provide tax increment financing for the Almagre Urban Renewal Plan. Motion passed unanimously.

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INFORMATION ITEMS:

None

OTHER BUSINESS

None

NEXT MEETING

Next meeting to be determined.

ADJOURN

Chairman Mitchell adjourned the meeting at 12:19 p.m.

Respectfully submitted,

Garrett J. Markus, P.E.

Water Resources Engineer