

RECORD OF PROCEEDING

**SOUTHEASTERN COLORADO
WATER ACTIVITY ENTERPRISE
MINUTES
July 18, 2024**

A meeting of the Board of Directors of the Southeastern Colorado Water Activity Enterprise (Enterprise) was held on Thursday, July 18, 2024, at 10:36 a.m. at the District office, 31717 United Avenue, Pueblo, Colorado.

DIRECTORS PRESENT:

Alan Hamel	Justin DiSanti	Seth Clayton
Andy Colosimo	Kevin Karney	Tom Goodwin
Bill Long	Mark Pifher	
Curtis Mitchell	Matt Heimerich	
Howard "Bub" Miller(remote)	Pat Edelmann	

DIRECTOR(S) ABSENT AND EXCUSED:

Ann Nichols, Greg Felt, and Dallas May.

President Long established that a Quorum was present.

DISTRICT OFFICIALS:

Executive Director Leann Noga; General Counsel Lee Miller; Staff Attorney Peter Levish (remote); Senior Policy and Issues Manager Chris Woodka; Principal Engineer/Operations Coordinator Gordon Dillon; Finance Manager Stephanie Shiple; Administrative Support Specialist's Margie Medina and Patty Rivas; H2O Consultant Roy Vaughan; and Kogovsek & Associates Christine Arbogast.

VISITORS PRESENT:

Aurora Water, Abba Ahmed; USGS, Krystal Brown and Andrew Klakulak; and USBR, Mike Holmberg.

VISITORS CONNECTED VIA ZOOM:

Wilson Water Group, Lisa Brown; Otero County Commissioners, Tim Knabenshue, and Otero County Administrator, Amy White-Oquist; Colorado Springs Utilities, Chris Olney and Kelly Roesch; Colorado Department of Law, Luke Mecklenburg; Kansas Dept of Agriculture, Rachel Duran; Aurora Water, Rick Kienitz; and Security Water and Sanitation, Roy Heald.

APPROVAL OF MINUTES:

President Long said the minutes of the June 20, 2024, Enterprise Board meetings were posted to OnBoard and the website for review and asked if there were any corrections or additions. Hearing none, Mr. Pifher moved, seconded by Mr. Colosimo, to approve the minutes. Motion unanimously carried.

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TREASURER REPORT:

Mr. Karney reported the financial statements for June 2024, were posted to OnBoard and the Website for review. Mr. Karney moved, seconded by Mr. Clayton, for acceptance of the June 2024 financial statements and payment of the July 2024 bills. Motion unanimously carried.

PRESENTATION ITEMS:

FEDERAL LEGISLATION UPDATE

Ms. Christine Arbogast updated the Board:

The annual appropriations process for FY '25 is moving forward. The energy and water bill will be on the House floor next week and includes the \$13 million for the Arkansas Valley Conduit. Senate skipping subcommittee markups and going straight to full committee and will get underway soon.

Our delegation is working on the FY '26 budget request, trying to get a bigger number than FY '25. They are also working with Reclamation on potential legislation to ensure that the miscellaneous revenues will remain the only repayment source for the 35 percent cost-share. Leann Noga and Christne Arbogast have been updating the delegation.

Representative Pettersen of the 7th District has taken the lead on funding for the State Revolving Funds. She led a bipartisan letter to appropriators on funding levels and the impact of earmarks. She also has submitted an amendment to the Rules Committee for the Interior and Environment appropriations bill, messaging support for FY '24 levels of funding instead of the 29 percent cut proposed by the appropriations committee.

Folks continue to want a farm bill by year's end, but it is likely that there will be another year-long extension.

A Senate version of the House bill to codify that special districts are local governments, therefore eligible for federal grants across the array of federal agencies.

Senator Hickenlooper has introduced a bill to extend the authorization for the System Conservation Pilot Program for another two years. This is not without controversy, the conservation districts on the West Slope object.

The Water Resources Development Act has passed the House. It includes making water supply a mission of the US Army Corps of Engineers.

Family Farm Alliance and National Water Resources Association are both undergoing some reorganization.

Questions were asked of Ms. Arbogast.

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WATER RESOURCES AND OPERATIONS UPDATE

Mr. Chris Woodka presented to the board a PowerPoint that covered:

- Fry-Ark Collection Basin Snowpack vs. Annual Basin Average w/assoc. Fry-Ark Imports, 7/11/24
- Fry-Ark Imports
 - a. Reclamation Forecasts
 1. February 1 – 51,700 AF
 2. March 1 – 60,300 AF
 3. April 1 – 60,400 AF
- May 1 official Forecast – 60,600 AF

Forecast	Acre-Feet
May 1st Import Basis for Allocation	60,600
<i>Twin Lakes Exchange</i>	<i>(3,000)</i>
<i>Fish Hatchery</i>	<i>(200)</i>
Before Moving to Pueblo Reservoir	57,400
<i>less 10% Transit Loss</i>	<i>(5,740)</i>
Before Storage Evaporation	51,660
<i>less 10% Evaporation Loss</i>	<i>(5,166)</i>
Net Project Water to Pueblo	46,494
Project Water Adjustment for Allocation	-
Water Available for Allocation	46,494

	Authorized	Recommended
Municipal Allocation =	23,712 AF at 51.00%	10,709 AF at 23.03%
NPANIW	1,669 AF at 3.59%	1,669 AF at 3.59%
Agricultural Allocation =	21,113 AF at 45.41%	34,116 AF at 73.38%
Total Allocation	46,494 AF	46,494 AF

- Upper Ark Basin Snowpack vs. Annual Basin Average w/assoc. Fry-Ark Imports
- Pueblo Reservoir:
 - a. Voluntary Flow Management Program
 - b. Pueblo Reservoir Paper Spill Meetings
 - c. James W, Broderick Hydr Flows compared to Pueblo Reservoir Releases
 - d. On The River-Colors of Water Tool

Mrs. Noga added:

1. The Enterprise does not anticipate a second Allocation
2. The Pilot Project for AG carryover has been put on hold and will be discussed at the August 1st Allocation Committee Meeting.
3. There is a planned outage at the Hydro Plant, August 12-14. Staff will be doing some unplanned maintenance that can only be done when there is no water moving, at that time.

Questions were asked of Mr. Woodka

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ARKANSAS VALLEY CONDUIT COMMUNICATION PLAN

Mr. Woodka presented a PowerPoint presentation which covered topics on ways the Enterprise plans to communicate within the Organization as well as outreach to Participants:

- Planning Matrix
 - a. Planning Tool
 - b. Monthly activities/ Activities can be added
 - c. Staff leads identified/ Team will assist
 - d. Goals identified
- Monthly Report (newsletter)
 - a. Up-to-date information
 - b. Tracking Progress
 - c. Funding Updates
 - d. Past and upcoming events
 - e. Accurate reporting
 - f. Useful on multiple levels
 - g. Same information will go out to Board, Staff, Offices, Agencies, Stakeholders, Public, via:
 - 1. Press Releases
 - 2. Email-blasts
 - 3. Major developments as they occur

WHAT'S AHEAD IN AUGUST?

- AVC cash flow August-December 2024 projection.
- Summary of SRF funding and possible needs.
- Meeting with the CWRPDA for ongoing discussions.
- Updates on the Communication Plan.
- Update on water resources discussions.
- Development of a plan for operations and maintenance.
- Status of governance discussions.
- Federal construction update.
- Federal funding update.

Questions were asked of Mr. Woodka

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ARKANSAS VALLEY CONDUIT CONSTRUCTION PROGRESS

An update was given by Mr. Gordon Dillon. Construction of the Arkansas Valley Conduit Reclamation Sub-Project began in July 2023, and three construction contracts totaling almost \$100 million have been awarded. Design activities by Bureau of Reclamation (Reclamation) continue on further reaches of the Trunk Line.

Delivery lines to Boone and Avondale have been constructed by the Enterprise Sub-Project using available funds (primarily American Rescue Plan Act funds). Design has begun for the rest of the participants and is temporarily on hold until additional funding for design can be secured.

Boone Reach 1: The second leg of the horizontal directional drilling (HDD) is continuing. The pilot hole is complete and 3,500 feet of 5,500 feet for the 30-inch ream pass is complete. The entire length of 30-inch HDPE pipe for the second leg has been fused and is being prepared for testing. About 17,500 feet (3.3 miles) of trenched 30-inch pipe has been installed. WCA is resetting HDPE pipe in Chico Creek because of washouts as a result of recent thunderstorms. Pipe is being fused for the section around the PuebloPlex off-ramp.

Boone Reach 2 : As of July 10, 2024, Pate Construction has laid more than 5,000 linear feet of 30-inch PVC pipe in two areas along Colorado Highway 96 and is installing additional dewatering wells in a section between the two areas. The Colorado Department of Transportation has not approved a full road closure on Highway 96 at this time.

Injection Site: Reclamation anticipates that Thalle Construction Company will be onsite in the August-September of 2024 time frame to start site work. Design Crowley Reach 1, 60% design drawings and specifications are being reviewed. Major Crossings 30% design drawings have been reviewed, however, from feedback from Reclamation's Industry Day, it does not look like the major crossings will be a separate contract but will be included with the associated reach.

Questions were asked of Mr. Dillon.

ACTION ITEMS:**PAYMENT PLAN FOR TOWN OF SUGAR CITY**

Mrs. Leann Noga presented to the Board an action item recommending the Enterprise Board allow the Town of Sugar City make the Project Water payment (\$4,380.00) and Project Water Carryover payment (\$1,278.30) due by December 31, 2024 and that the allocation to the Town of Sugar City not be voided due to the specific circumstances faced by the Town.

The Town of Sugar City did not make the Project Water payment (\$4,380.00) and Project Water Carryover payment (\$1,278.30) by the intended due date of June 15 expressed in the "*Conditions Applying to the Allocation of 2024 Municipal Project Water*" due to some fraudulent activities that left the Town with insufficient funds. In Section 21 of the Southeastern Colorado Water Activity Enterprise Water Allocation Policy of Fryingpan-Arkansas Project Water states, "The Board has established a policy that applications received after the deadline, will not be considered. Failure to pay by the announced deadline, automatically voids the approved allocation."

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The Town has taken some measures to address the fraudulent activities, including hiring investigative auditors. Sugar City has indicated to Enterprise that it will have sufficient funds to make the Project Water and Carryover payments and intends to pay by August 2024.

Mr. Pifher moved, seconded by Mr. Colosimo, the Southeastern Colorado Activity Enterprise Board allow the Town of Sugar City until December 31, 2024, to pay in full the Project Water allocation of \$4,380.00 and Project Water Carryover of \$1,278.30. Motion carried unanimously.

INFORMATION ITEMS:

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

- Arkansas valley Conduit Newsletter
- JWBHP Update
- Excess Capacity Master Contract Update

President Long asked if there were any other matters to come before the Enterprise Board, hearing no other matters, Mr. Long adjourned the Enterprise meeting at 11:48 a.m.

President Long reconvened the District Board Meeting @ 11:48 a.m.

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Respectfully submitted,

Patty Rivas
Administrative Support Specialist

Seth Clayton – Secretary

Bill Long – President

Howard “Bub” Miller

Curtis Mitchell – Vice President

Justin Disanti

Ann Nichols – Treasurer

Kevin Karney

Alan Hamel

Mark Pifher

Andy Colosimo

Matt Heimerich

Dallas May

Pat Edelmann

Greg Felt

Tom Goodwin