

**Joint Meeting of the Arkansas Valley Conduit
and Excess Capacity Committees and Participants
Minutes
September 11, 2014**

Chairman Long called the meeting to order at 1:05 p.m. and welcomed all in attendance. Chairman Long stated a quorum was present and asked for introductions around the room.

ATTENDANCE

Arkansas Valley Conduit District Committee Members Present: Chairman Bill Long, Vice Chairman Howard “Bub” Miller, Carl McClure, Kevin Karney, Leonard Pruett, and James Broderick

Absent and Excused: David Simpson

Excess Capacity District Committee Members Present: Vice Chairman Gib Hazard, Curtis Mitchell, Kevin Karney, Howard “Bub” Miller, and James Broderick

Absent and Excused: Chairman Harold Miskel, Jay Moore, and Vera Ortegon

SECWCD Staff Present: Jean Van Pelt, Kevin Meador, and Lee Miller

Visitors Present: Tracy Bouvette, Sustainable Resources; Scott Eilert and Dan Higgins, Pueblo West Metro District; Rodger Ortiz, U.S.G.S.; Joe Kelley, City of La Junta; Claude Schultz, May Valley Water; Norman Noe, South Swink Water and Homestead Improvement; Nick Koch, Town of Cheraw; Dian White, Security Water District; Ken Wagner, City of Las Animas; Bill Rich, Hasty Water; and Ron Gasser, Penrose Water District

MINUTES

Chairman Long stated that both Committees had received the meeting minutes of June 23, 2014 Joint Arkansas Valley Conduit (AVC) Committee and Excess Capacity Committee meeting and asked if there were any changes or additions. Ms. Jean Van Pelt reported that the minutes had been amended to reflect Mr. Curtis Mitchell was in attendance. Chairman Long asked for a motion to approve the June 23, 2014 joint meeting minutes. A motion was made by Mr. Carl McClure and seconded by Mr. Kevin Karney. The motion was unanimously carried.

AVC Appropriations and Schedule

Mr. Broderick stated that previously there was \$500,000 appropriated for FY 2015. He reported that this amount was a placeholder due to the fact that the AVC had yet to receive the Record of Decision (ROD) on the Environmental Impact Statement (EIS). Mr. Broderick reported that in early August 2014 the Bureau of Reclamation (Reclamation) designated an additional \$2 million to the AVC project for FY 2015. Reclamation will carry over \$1.6 million from the FY 2014 budget for a total amount of \$4.1 for FY 2015.

Mr. Broderick reported that the District is working with Reclamation to implement a second Inter-Personnel Agreement (IPA) to compensate the District for two staff members to work on the AVC. The IPA will assist in lowering the participants' costs.

Mr. Broderick explained the schedule and the appropriation amounts that will be needed to continue moving the AVC forward. In 2016 a request for \$5 million and in 2017 and 2018 \$9 - \$10 million requests will be made for each year.

AVC Feasibility Level Construction Costs and Schedule

Mr. Broderick explained that the feasibility and design level will take place in 2015 and 2016. The District and Reclamation are considering phasing the project, as appropriations are available, in order to serve the participants that have state enforcement orders and/or out of compliance with safe drinking water standards faster.

Mr. Kevin Meador reported Reclamation continues to work on the design data collection and when the feasibility level is completed the design will be at 30 percent. This work will determine the final horizontal and vertical alignment of the AVC. Mr. Meador will work on an Operating Plan to determine how the AVC will be operated and integrated with the participants systems.

Mr. Broderick emphasized that now is the time for participants to determine if they are "in or out" of the AVC project due to the level of design and engineering for the AVC. It will not be possible to leave the project and rejoin at a later date.

Colorado Department of Public Health and Environment (CDPHE) Enforcement Orders and Discharge Regulations Impacts on AVC Participants

Mr. Tracy Bouvette presented to the Committees a methodology to improve communications with CDPHE and the AVC participants that are out of compliance with state drinking water standards and/or have issues with discharge of solid waste associated with treatment. Mr. Bouvette suggested developing a working group to bring together the key stakeholders with the following objectives in mind:

- i) Identify workable solutions for the appropriate management of water resources in the Lower Arkansas Valley in light of AVC supplies that are planned to replace currently impacted water sources.
- ii) Support local water companies that have limited financing options available to maintain and upgrade infrastructure and sustain regulatory response investments.
- iii) Develop a consistent application of the applicable or relevant regulations to entities that are either directly or indirectly impacted.

The working group was conceived to include entities that have a stake in the outcome of the discussions and/or have a potential role in the development and implementation of solutions. This may include the following organizations:

- Local water providers in the lower Arkansas River valley
- Bent, Crowley, Otero, and Prowers County officials
- Lower Arkansas Valley Water Conservancy District
- Southeastern Colorado Water Conservancy District
- Arkansas River Basin round table
- CDPHE (solid waste and drinking water divisions)
- Colorado Water Conservation Board
- Department of Local Affairs

USGS Water Quality Baseline Studies

Mr. Rodger Ortiz provided the Committees and participants a presentation illustrating the objectives of the U.S.G.S. water quality studies and how the data collected from the studies has been used throughout the basin.

Update on Master Contract Negotiations

Mr. Lee Miller reported that negotiations between Northern Water and Reclamation are still being conducted and the District has agreed to wait until these negotiations slow down before beginning the Master Contract negotiations.

Reclamation will need to free up resources and will need a six month process to put together a plan. Mr. Lee Miller said the negotiations may begin the first quarter of 2015. He stated the Master Contract would not be in place for storing water in 2015. He suggested that participants secure an annual storage contract with Reclamation for 2015. He also stated that technical sessions with Reclamation will begin the week of September 15, 2015 to firm up the discussion topics and narrow the scope of issues prior to beginning negotiations. Next tasks include determining the costs of negotiations, determine how much storage each participant wants and when, and preparation of participants' Memorandums of Agreements.

Update on Implementation of the Regional Water Conservation Plan (RWCP)

Ms. Van Pelt reported that the District is utilizing Reclamation and Colorado Water Conservation Board (CWCB) grant funds to integrate the Master Contract participants, who are not party to the AVC, into the RWCP. System wide water audits and data collection is being performed for ten of the participants. The Best Management Toolbox is also being updated with four case studies pertaining to successful local conservation programs. The District is also developing four local municipal water conservation plans and preparing planning grant applications to CWCB for La Junta and Lamar. In addition, two individual Water Management and Efficiency Plans are being developed for the Lower Arkansas Valley Water Conservancy District and the Upper Arkansas Water Conservancy District. The RWCP will be updated to reflect this effort.

Mr. Tracy Bouvette reported the system wide water audits are indicating that non-revenue water is around 16 percent - 17 percent. He also reported water is being produced but not sold due to authorized uses, apparent losses and real losses. Mr. Bouvette stated the goal for the RWCP is infrastructure management and water loss management.

2015 Draft Budgets for AVC and Master Contract

Mr. Broderick informed the participants they can expect draft budget numbers after October 15, 2014 and a final budget numbers in mid-December 2014. He suggested that participants plan to budget the same amount as they did in 2014. He stated one thing that will be different in 2015 is Reclamation will charge a rate for negotiating the Master Contract. Mr. Lee Miller estimated the cost may be \$60,000.

Discussion on the Management of Storage and Project Water

Mr. Broderick suggested to the participants that they build their water storage capacity gradually over time. He suggested putting water in storage over a five year period and not to plan on storing a large amount of water in just one year.

OTHER BUSINESS

None

Adjourn

Chairman Long adjourned the meeting 3:40 p.m.

Respectfully submitted,

Jean Van Pelt
Program - Project Coordinator