

# ALLOCATION COMMITTEE

## MINUTES

August 2, 2018

A meeting of the Allocation Committee was held on Thursday, August 02, 2018 at 1:00 p.m. at the District Office 31717 United Avenue, Pueblo, Colorado 81001.

Chairman Carl McClure announced a quorum was present.

### COMMITTEE MEMBERS PRESENT:

Carl McClure – Chairman, Howard “Bub” Miller – Vice Chairman  
Tom Goodwin, Alan Hamel, Bub Miller, and James Broderick

### COMMITTEE MEMBERS ABSENT AND EXCUSED:

Andy Colosimo and Curtis Mitchell

### OTHERS PRESENT:

Alan Ward, Pueblo Board of Water Works; Kalsoum Abbasi, Colorado Springs Utilities; Mark Pifher, Southeastern Colorado Water Conservancy District (District). Garrett Markus and Chris Woodka, District staff.

### APPROVAL OF MINUTES:

Chairman McClure confirmed that members of the Committee received their copy of the May 3, 2018 minutes, and asked if there were any corrections or additions. Hearing none, Howard “Bub” Miller moved, Alan Hamel seconded, to approve the minutes. Motion carried unanimously.

### PRESENTATIONS:

#### 2018 FRYINGPAN-ARKANSAS PROJECT WATER IMPORT STATUS REPORT

Garrett Markus provided a PowerPoint presentation summarizing the 2018 Fryingpan-Arkansas (Fry-Ark) allocation year. The May 1, 2018 Bureau of Reclamation forecast anticipated 58,200 acre-feet (AF) of imports based on the snowpack; which would net 43,050 AF for allocation. The actual Fry-Ark Project water (Project water) imports for allocation year 2018 were 39,125 AF which was sixty-seven percent (67%) of forecasted imports; which produced an allocation of 27,599 AF of Project water. The initial release of Project water was reduced to sixty percent (60%) to ensure Project water imports would exceed actual diversions. The Municipal request was lower than the authorized amounts at the initial release; therefore, reductions in allocation from the May 1, 2018 forecast were strictly from the ag transfer water, or unused municipal allocation that was able to be allocated to agricultural entities. Reducing the May allocation for ag had a significant impact on the allocation of Project water Return Flows. Once final allocations are determined the augmentation plans are amended, which were significantly lower than what was estimated in February.

#### FRYINGPAN-ARKANSAS PROJECT WATER BUDGET IMPLICATIONS

The final Fryingpan-Arkansas Project water (Project water) imports for allocation year 2018 were 39,125 AF which was 67 percent (67%) of forecasted imports. Sixty-seven percent (67%) of the projected imports produced an allocation of 27,599 AF of Project water which is below the 2018 budgeted amount. From Attachment 1, the Project water sales and surcharges for municipal,

**ALLOCATION COMMITTEE MINUTES**

**August 2, 2018**

agriculture, and Return Flows was \$172,377.05 short of the 2018 budget projection. However, the surcharges associated with storage produced \$57,654.25 more revenue than the budgeted amount.

The Enterprise Water Stabilization Fund (EWSF) was created to cover shortfalls in revenue from Project water sales and surcharges and the Southeastern Colorado Water Activity Enterprise (Enterprise) has the capacity to cover the shortfall of \$169,897. Considering surcharges from storage above the budgeted amount offset the revenue loss due to a short water year, the EWSF is expected to be drawn down \$100,824 to cover lost revenue. This transaction will be part of a year-end analysis through the auditing process.

The budgeted number is derived from a 20-year rolling average. The EWSF covers water sales, which is approximately one third of the Enterprise budget. However, revenues from storage are approximately two thirds of the Enterprise budget and are not covered with the EWSF. The cost of service analysis will address this.

**ACTION ITEM:**

None

**INFORMATION ITEM**

**FORT LYON PILOT PROJECT FIRST RIGHT OF REFUSAL**

Garrett Markus informed the Committee that the Fort Lyon First Right of Refusal Pilot Project is in its fifth and final year. Discussions have continued with the remaining ditch companies that have the ability to take their own first right of refusal. The Committee will need to approve policies coming out of the Pilot Program to address the agricultural first right of refusal as a whole. Staff will be preparing these recommended policies to the Committee when necessary.

**PROJECT WATER COMMINGLING PLANS**

Commingling plans are agreements between the Southeastern Colorado Water Conservancy District and ditch companies that receive Project water and ineligible lands. These plans are tools to maintain compliance with Reclamation Reform Act's (RRA) ineligible lands and the delivery of Project water. However, the Commingling plans that are currently in place reduce native rights to individuals with RRA eligible land in order deliver Project water with more ease from the ditch company perspective. Commingling plans are being revised to see if this issue can be and resolved.

**NEXT MEETING**

Tuesday, September 4, 2018 at 1:00 p.m.

**ADJOURN**

Chairman McClure adjourned the meeting at 2:21 p.m.

Respectfully submitted,

Garrett J. Markus, P.E.

Water Resources Engineer