

**ALLOCATION COMMITTEE
MINUTES
November 1, 2018**

A meeting of the Allocation Committee was held on Thursday, November 01, 2018 at 1:07 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
Andy Colosimo, Tom Goodwin, Alan Hamel, Curtis Mitchell, and James Broderick

COMMITTEE MEMBERS ABSENT AND EXCUSED:

None

OTHERS PRESENT:

Alan Ward, Pueblo Board of Water Works; Kalsoum Abbasi, Colorado Springs Utilities; Dan Dilts and Kortney Kelly, Fountain Valley Authority; Leann Noga, Garrett Markus, and Chris Woodka, Southeastern Colorado Water Conservancy District (District) staff.

APPROVAL OF MINUTES:

Chairman McClure confirmed that members of the Committee received their copy of the August 2, 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:

2019 PROPOSED BUDGET

Garrett Markus provided a PowerPoint presentation summarizing the 2019 budgeted water revenues in relation to Fryingpan-Arkansas Project water (Project water) sales, Project water Return Flow sales, and surcharge revenue. The average for allocation is based off a 20-year average which calculated to be 55,124 acre-feet (AF); after deductions the net allocable Project water for budgeting purposes is 42,058 AF. Surcharges are applied to both the sale of water and the sale of storage. However, surcharges make up approximately two-thirds of the budget and surcharges from storage equate to about 55 percent of the budget. Those storage surcharges include Project water Carryover, Winter Water, and Excess Capacity storage. Mr. Markus also compared dry year (13,200 AF), average year (55,124 AF), and a wet year (98,900 AF) identifying the volatility to different hydrologic conditions and what to consider as actual sales deviate from budgeted expectations.

ACTION ITEM:

AGRICULTURAL OFF-SEASON STORAGE FOR PROJECT WATER

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Even with the abnormally dry water year for 2018, the content levels in Pueblo Reservoir are 137 percent of average. In the past the District has enacted the 80/20 Rule to limit large amounts of agricultural Project water stored during the winter months when space is needed for the Winter Water Storage Program and Project water deliveries from the upper reservoirs. Ag stakeholders have planned on a 20 percent carryover enforcement and most entities have already executed plans to meet the current conditions of the 80/20 Rule for the 2018 Project water allocation year. Staff recommends enacting the Agricultural 80/20 Rule for the 2018 Project water year.

Alan Hamel moved, seconded by Howard "Bub" Miller, the Allocation Committee recommend to the District Board to enact the Agricultural 80/20 Rule for Project water storage for the 2018-2019 agricultural off season.

INFORMATION ITEM

None

NEXT MEETING

Thursday, January 3, 2019 at 1:00 p.m.

ADJOURN

Chairman McClure adjourned the meeting at 2:42 p.m.

Respectfully submitted,

Garrett J. Markus, P.E.

Water Resources Engineer