

RESOURCE AND ENGINEERING PLANNING COMMITTEE

MINUTES

March 7, 2019

A meeting of the Resource and Engineering Planning Committee was held on Thursday, March 07, 2019 at 10:00 a.m. at the District Office, 31717 United Avenue, Pueblo, Colorado.

Seth Clayton - Vice-Chairman announced a quorum was present.

COMMITTEE MEMBERS PRESENT:

Seth Clayton - Vice-Chairman

Andy Colosimo, Tom Goodwin, and James Broderick

COMMITTEE MEMBERS ABSENT AND EXCUSED:

Curtis Mitchell – Chairman and Gibson Hazard

OTHERS PRESENT:

Jenny Bishop, Colorado Springs Utilities; Alan Hamel, Kevin Karney, and Bill Long, Southeastern Colorado Water Conservancy District (District); Garrett Markus, Kevin Meador (via telephone), Lee Miller, Leann Noga, and Chris Woodka, District staff.

APPROVAL OF MINUTES:

Vice-Chairman Seth Clayton asked for approval of the February 7, 2019 minutes, and if there were any corrections or additions. Hearing none, Tom Goodwin moved, second by Jim Broderick to approve the minutes. Motion passed unanimously.

PRESENTATIONS:

PUEBLO DAM HYDROELECTRIC PROJECT UPDATE

Kevin Meador provided a YouTube video featuring the Pueblo Dam Hydroelectric Project (PDHP).

ACTION ITEMS:

PUEBLO DAM HYDROELECTRIC PROJECT OPERATOR SERVICES AGREEMENT BETWEEN KLEINFELDER AND SECWAE

This agreement is for services related to providing a part-time operator at the Pueblo Dam Hydroelectric Project (PDHP). The 7.5-megawatt (MW) facility is currently being constructed with commissioning planned by April, 2019. The PDHP will utilize discharge into the Arkansas River from the Pueblo Dam to generate electricity. The PDHP will not determine or forecast the discharges required for release. During normal operations, the PDHP will manage and direct the predetermined flows through the PDHP small, medium, and large turbines along with an existing fixed cone valve on the North Outlet Works. The cone valve is operated by the U.S. Bureau of Reclamation (Reclamation). It is intended that project operation will not affect the total average daily discharge from the Pueblo Dam.

RESOURCE AND ENGINEERING PLANNING COMMITTEE MINUTES

March 7, 2019

The plant operator will work closely on a part-time daily basis to determine the optimal combination of turbines to run based on the available flow to the facility. In addition, the operator will perform routine checks of mechanical equipment, instrumentation monitoring, and basic building functions to make sure that the facility is operating as intended. The operator will also be required to respond to alarm conditions and troubleshoot conditions. The operator will have remote access to the facilities operation information to operate turbine units and monitor operation. The operations, under this contract, will not be responsible for maintenance repairs or expenses that may be required. A separate maintenance contract will be obtained for annual maintenance and repair.

A summary of the basic operator duties and estimated time requirements was provided. The final negotiated operations agreement will detail the time requirements, as well as scope of services for the PDHP. The operator provided under this agreement will be required to have training and assistance during startup to become familiar with the facility. General duties and responsibilities for the PDHP operator was reported as well as estimated operator staff hour requirements.

During the term of the Agreement, Kleinfelder Inc., in its role as Operator, will provide part-time operator services at the PDHP. The estimated 2019 fee for these services is estimated to be \$88,590 which includes additional time for training and start-up. The estimated fee for 2020, as routine operations are established is \$28,500.

Tom Goodwin moved, second by Andy Colosimo to recommend the Board approve the Operator Services Agreement substantially similar to the attached agreement with Kleinfelder Inc. for the Pueblo Dam Hydroelectric Project. Motion passed unanimously.

PUEBLO DAM HYDROELECTRIC PROJECT MAINTENANCE SERVICE AGREEMENT BETWEEN RIVERSIDE, INC. AND THE SECWAE

This agreement is for providing annual equipment maintenance services at the Pueblo Dam Hydroelectric Project (PDHP). This is an annual renewable agreement and subject to both parties' acceptance each year. The 2019 agreement cost is \$14,250 for services outlined in the agreement. Emergency maintenance services would be provided at cost.

Two proposals were requested for the maintenance services. The proposals received were from Riverside, Inc. and Hydro Consulting & Maintenance Services, Inc (HCMS). The HCMS proposed an annual cost exceeding \$135,000, substantially over the Riverside estimate. Riverside is able to combine travel for annual services with several other facilities in Colorado resulting in lower costs. In addition, Riverside is familiar with the PDHP since they were the mechanical subcontractor on the PDHP who installed all of the equipment. Riverside has also worked with Mountain States Hydro for over 25 years on similar projects and has a long history of providing similar services on other facilities.

RESOURCE AND ENGINEERING PLANNING COMMITTEE MINUTES

March 7, 2019

Based on Riverside's experience, familiarity with our project, and proposed cost, it is recommended that the agreement be approved. During the first year the components of the hydro are under warranty.

Andy Colosimo moved, second by Tom Goodwin to recommend approval to the Board of Directors the Maintenance Service Agreement between the Riverside, Inc. and the SECWAE substantially similar to the attached agreement. Motion passed unanimously.

PUEBLO DAM HYDROELECTRIC PROJECT POWER SCHEDULING SERVICES AGREEMENT BETWEEN COLORADO SPRINGS UTILITIES AND SECWAE

On October 7, 2017 and amended on November 5, 2019, the SECWAE entered into a Memorandum of Understanding (MOU) for the Joint Construction and Installation of Utility Facilities with Colorado Spring Utilities (Utilities). The MOU included the installation of a fiber optic cable between the Communication Room Juniper Pump Station and the existing H-frame transmission structure located just outside the southeast corner of the Black Hills Energy Pueblo Reservoir Substation. The installation was requested by Utilities as an activity in conjunction with the Pueblo Dam Hydroelectric Project (PDHP) and SECWAE was reimbursed for the installation of the Utilities fiber optic installation.

As a condition of the MOU, SECWAE requested that additional strands of fiber optic be installed in a common cable to provide a communications link between the PDHP and Black Hills Energy (BHE). The 24-strand cable, in lieu of the Utilities requested 12-strand cable, could be installed at just the material cost increase of approximately \$2,000. If the separate cable was installed the cost would have been closer to \$100,000. The increased cost of the fiber optic cable was included in a PDHP change order with Mountain States Hydro, LLC, who installed the cable.

Utilities agreed to provide the higher strand fiber optic cable in the amended MOU. Since Utilities will own, operate, and maintain the fiber, a license agreement is needed between Utilities and the SECWAE to use the extra strands of the fiber optic cable. This license agreement includes the terms of the fiber optic cable use by the SECWAE.

Tom Goodwin moved, second by Andy Colosimo that the Committee recommend to the Board of Directors to approve the Fiber Optic License Agreement between Colorado Springs Utilities and Southeastern Colorado Water Conservancy District acting by and through its Water Activity Enterprise substantially similar to the attached agreement. Motion passed unanimously.

INFORMATION ITEMS:

None

OTHER BUSINES

None

**RESOURCE AND ENGINEERING PLANNING COMMITTEE MINUTES
March 7, 2019**

NEXT MEETING

Thursday, April 4, 2019 at 10:00 a.m.

ADJOURN

Chairman Mitchell adjourned the meeting at 10:37 a.m.

Respectfully submitted,

Garrett J. Markus, P.E.
Water Resources Engineer