

**ALLOCATION COMMITTEE
MINUTES
November 7, 2019**

A meeting of the Allocation Committee was held on Thursday, November 07, 2019 at 12:05 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; and Curtis Mitchell

COMMITTEE MEMBERS ABSENT AND EXCUSED:

Andy Colosimo and James Broderick

OTHERS PRESENT:

Dan Dilts, Fountain Valley Authority/Colorado Springs Utilities; Kalsoum Abbasi, Colorado Springs Utilities; Garrett Markus, Leann Noga, and Chris Woodka, District staff.

APPROVAL OF MINUTES:

Chairman McClure confirmed that members of the Committee received their copy of the October 3, 2019 minutes, and asked if there were any corrections or additions. Curtis Mitchell moved, Bub Miller seconded, to approve the minutes. Motion passed unanimously.

PRESENTATIONS:

2020 PROPOSED BUDGET

Garrett Markus provided a PowerPoint for the 2020 Proposed Budget of Fryingpan-Arkansas Project water (Project water). The design yield of the Fryingpan-Arkansas Project collection system was 69,200 AF, or 100 percent. Project water allocations are based on a 20-year running average to calculate the revenues from the sale of Project water and was calculated to be 57,846 AF, or 83.6 percent of the design yield. To get from imported Project water to allocation Project water, several deductions are subtracted such as Twin Lakes Exchange, Fish Hatchery, transit loss, and storage evaporation. After all deductions, 44,263 AF of Project water was available for allocation to the District’s stakeholders. Authorized allocations were projected to be 22,574 AF (51%) for municipal, 1,589 AF (3.59%) for NPANIW, and 20,100 AF (45.41%) for agricultural. In 2019, the District underwent the Financial Strategy and Sustainability Study resulting in an aggressive, moderate, and gradual proposed water rate changes; denoted a Options 1, 2, and 3 respectively. Project water sales with surcharges were provided for current costs (no Change), Option 1, Option 2, and Option 3.

ALLOCATION COMMITTEE MINUTES

November 7, 2019

Project water Return Flows, Safety of Dams (SOD), Water Activity Enterprise (WAE), and Environment Stewardship (ESS) surcharges related to water sales costs were also provided but were not proposed to change as a result of the Financial Strategy and Sustainability Study. First use Project water used for well augmentation generates a Well Augmentation Surcharge. Budgeted storage revenues are calculated from the SOD, WAE, and ESS surcharges in relation to the Winter Water Storage Program, Project water Carryover, and Excess Capacity.

AGRICULTURAL FIRST RIGHT OF REFUSAL PROGRAM SCENARIOS

The Fort Lyon Canal Company Pilot Project has operated for five years exclusive to the Fort Lyon Canal and its shareholders. In those five years, Southeastern Colorado Water Conservancy District (District) staff, Fort Lyon Canal Company (FLCC), Colorado Water Protective and Development Association (CWPDA), Lower Arkansas Water Management Association (LAWMA), Lower Arkansas Valley Water Conservancy District (LAVWCD), and Colorado Division of Water Resources (DWR) have worked through several issues ensuring the equitable utilization of Return Flows, identifying beneficiaries, and improving mechanisms of delivery.

For 2019, the Pilot Project will encompass more than the FLCC. Two ditch companies that have expressed interest in claiming their agricultural first right of refusal (AFRR) and have similar, broader benefits to each of their members. The Rocky Ford High Line and Oxford Farmers Ditch have company wells, or wells that pump into the ditch for all members to use. This is a new and exciting model for AFRR.

Wilson Water Group has provided a scope of scenarios and policies that will be addressed in an analysis that will be brought to the Allocation Committee. This analysis will help drive policy discussions as the District moves out of the pilot program and into a more permanent program anticipated for the 2020 allocation year.

ACTION ITEM:

AGRICULTURAL OFF SEASON STORAGE FOR PROJECT WATER

Garrett Markus reported water year 2019 started off with high snow pack and elevated river conditions of a typical wet spring. However, late summer and fall were hot and dry with very little precipitation making for a rollercoaster of a year for water storage and projections. When all is said and done, the content levels in Pueblo Reservoir are 121 percent of average with 14,000 AF to 42,000 AF at risk for spill next spring with typical reservoir operations. 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 2019 Project water allocation year. Staff recommends to enact the Agricultural 80/20 Rule for the 2019 Project water year.

ALLOCATION COMMITTEE MINUTES

November 7, 2019

Bub Miller moved, seconded by Alan Hamel, that the Allocation Committee recommend to the District Board to enact the Agricultural 80/20 Rule for Project water storage for the 2019-2020 agricultural off season. Motion passed unanimously.

INFORMATION ITEM

None

OTHER BUSINESS

None

NEXT MEETING

Thursday, January 2, 2020 at 1:00 p.m.

ADJOURN

Chairman McClure adjourned the meeting at 2:19 p.m.

Respectfully submitted,

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