

**ARKANSAS VALLEY CONDUIT COMMITTEE
AND PARTICIPANT MINUTES
August 1, 2017**

A meeting of the Arkansas Valley Conduit Committee and Participants was held on Tuesday, August 01, 2017 at 1:10 p.m. at the Southeastern Colorado Water Conservancy District (SECWCD or District) office.

Chairman Bill Long announced a quorum was present.

COMMITTEE MEMBERS PRESENT:

Bill Long - Chairman, Howard "Bub" Miller – Vice Chairman, Carl McClure, Dallas May and Jim Broderick

COMMITTEE MEMBERS ABSENT AND EXCUSED:

Kevin Karney

OTHERS PRESENT:

Participants: Nick Koch, Town of Cheraw; Larry and Maxine Adcock, Riverside Water Co.; Claude Schultz, May Valley Water; Calvin Hostetler, Patterson Valley Water; Gary Cox, Newdale-Grand Valley and City of Rocky Ford; Joe Kelley, La Junta; Ken Wagner and Roy Davis, City of Las Animas; Van Brown, Eads; and Norman Noe, South Swink Water and Homestead Improvement.

Alan Hamel, SECWCD Board member; Patrick Fischer, Bureau of Reclamation; Keith Goodwin, Otero County Commissioner; Bill McDonald, SECWCD consultant; Christine Arbogast, SECWCD consultant; Lee Miller, SECWCD General Counsel; and Kevin Meador, Leann Noga and Chris Woodka, SECWCD staff.

APPROVAL OF MINUTES:

Chairman Bill Long confirmed that members of the Committee received their copy of the June 15, 2017 minutes, and if there were any corrections or additions. Hearing none, Carl McClure moved, seconded by Bub Miller, to approve the minutes. Motion unanimously carried.

PRESENTATIONS:

Chairman Long welcome Patrick Fischer of the Bureau of Reclamation Eastern Colorado Area Office. Mr. Fischer is the new Project Manager for the Arkansas

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Valley Conduit (AVC), and he told the group about his past experience and goals for the AVC.

Chris Woodka, SECWCD staff, gave a PowerPoint presentation about the progress of the AVC during the past year, funding to date and funding still needed to complete the AVC. The three major innovations are:

1. Looking at a New Concept that will allow the AVC to reach the east side of Pueblo sooner than envisioned in the Comanche North alternative endorsed in the 2014 Record of Decision.
2. Working with Reclamation to use a design-build approach that would reduce contract procurement time, while increasing flexibility of how funding can be applied.
3. Public-private partnerships.

Jim Broderick explained how the New Concept proposal by SECWCD was developed in February, with the cooperation of the Pueblo Board of Water Works. Reclamation gave the District and Pueblo Water the nod to develop the New Concept and the three agencies met in May to discuss how the New Concept plan could move forward. Mr. Broderick said it would save about 8 years and money as well. "We'll be throwing dirt by 2020," Mr. Broderick said.

While Reclamation has not decided to proceed on the New Concept, the District believes the New Concept will be how the AVC is built. Mr. McDonald noted the use of Pueblo Water infrastructure already had been contemplated in the Comanche North proposal, and the New Concept uses more of Pueblo Water's infrastructure. Mr. Broderick said we will have a good idea by the end of the year if the New Concept will proceed.

Mr. Broderick and Mr. Woodka explained in greater detail the New Concept proposal and how it would be phased in. In response to questions from participants, Mr. Broderick said there are advantages to Pueblo Water, but the New Concept makes big savings possible for the AVC.

Kevin Meador and Mr. Broderick explained in greater detail the design-build approach and public-private partnerships. The design-build idea would expedite construction and remove the "all-or-nothing" funding approach that results from purely funding-driven projects. The public-private partnership could address both construction and funding issues.

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Mr. Woodka, Joe Kelley, and Norman Noe talked about how greater efficiencies could be gained as the AVC is being constructed by employing ideas such as consolidating delivery points.

Mr. Meador asked participants to return technical survey information which was delivered to them in 2016. He also asked for updates on the contact list used by the District. "Now is the time to let us know if you are planning changes," Mr. Meador said.

Carl McClure asked if the hydraulics at delivery points would change. Mr. Meador said Reclamation is working to assure that the water quality and pressure at delivery points does not change.

Christine Arbogast reviewed the challenge with appropriations. She explained the main hurdle has been convincing the Office of Management and Budget (OMB) of the need to fund the project. One of the problems has been OMB asking "what's the federal interest?" OMB replies the federal mandates for clean water should be funded by the Environmental Protection Agency (EPA), but the EPA does not fund water projects.

Ms. Arbogast explained that Congress removed earmarked legislation about 10 years ago, which limits how appropriations may be steered toward the AVC. Funding has been difficult in the early stages of AVC, and will be difficult during the construction phase. However, the District continues to receive strong support for the AVC from the congressional delegation.

Ms. Arbogast said that the District is hoping for greater momentum for the AVC, particularly as a result of the New Concept increasing efficiency in the project. Up-front funding is the difficulty, because this project has no political opposition.

Mr. Broderick clarified that miscellaneous revenues may be used to pay federal construction costs and local participant costs, but not for such things as repaying a state loan. He reviewed the District's attempt last year to obtain new federal legislation that would have allowed the change. That legislation was not successful.

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ACTION ITEMS:

None

INFORMATION ITEMS:

- A. Committee report on Arkansas Valley Conduit Update.

OTHER BUSINESS:

None

NEXT MEETING

Not determined

ADJOURN

Chairman Bill Long adjourned the meeting at 2:41 p.m.

Respectfully submitted,

Chris Woodka,
Issues Management Program Coordinator