

RECORD OF PROCEEDING

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**SOUTHEASTERN COLORADO  
WATER ACTIVITY ENTERPRISE  
MINUTES  
October 17, 2024**

A meeting of the Board of Directors of the Southeastern Colorado Water Activity Enterprise (Enterprise) was held on Thursday, October 17, 2024, at 11:19 a.m., at the District office, 31717 United Avenue, Pueblo,

**Attendance:**

Board Members Present:

Alan Hamel	Dallas May(remote)	Mark Pifher(remote)
Andy Colosimo	Greg Felt	Matt Heimerich
Ann Nichols	Howard "Bub" Miller	Pat Edelmann
Bill Long	Justin DiSanti	Seth Clayton
Curtis Mitchell	Kevin Karney	

**DIRECTOR(S) ABSENT AND EXCUSED:**

Tom Goodwin

**DISTRICT OFFICIALS:**

Executive Director Leann Noga; General Counsel Lee Miller; Staff Attorney Peter Levish; Senior Policy and Issues Manager Chris Woodka; Principal Engineer Kevin Meador; Principal Engineer/Operations Coordinator Gordon Dillon; Water Resources Principal Engineer Garrett Markus; Finance Manager Stephanie Shipley; Administrative Support Specialist's Margie Medina and Patty Rivas; Administrative Manager Michelle Tocydlowski; H2O Consultant, Roy Vaughan; Kogovsek & Associates, Christine Arbogast; attending remotely - Kennedy Jenks, Jerry Pena; and Burns, Figa & Will, April Hendricks.

**VISITORS PRESENT:**

Aurora Water, Abba Ahmed; USBR, Mike Holmberg; Colorado Department of Ag, Robert Sakata; and Colorado Springs Utilities, Scott Lorenz.

**VISITORS CONNECTED VIA ZOOM:**

Wilson Water Group, Mitch Frischmeyer and Angie Alvarado; Congress Woman Lauren Boebert's Office, Cathy Garcia; Otero County Administrator, Amy White-Oquist; Otero County Commissioner, Tim Knabenshue; Family Farm Alliance, Dan Keppen; USGS, Krystal Brown; and Kansas Department of Agriculture, Rachel Duran.

**APPROVAL OF MINUTES:**

President Long said the minutes of the September 19, 2024, Enterprise Board meetings were posted to OnBoard and the website for review and asked if there were any corrections or additions. Hearing none, Mr. Karney moved, second by Mr. Hamel, to approve the minutes. Motion unanimously carried.

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**TREASURER REPORT:**

Ms. Nichols reported the financial statements for September 2024, were posted to OnBoard and the Website for review. Ms. Nichols moved, seconded by Mr. Clayton, for acceptance of the September 2024 financial statements and payment of the October 2024 bills. Motion unanimously carried.

**PRESENTATION ITEMS:**

**FEDERAL LEGISLATION UPDATE**

Ms. Christine Arbogast updated the Board:

Congress is working on a continuing resolution to keep government open after the end of the fiscal year. The House bill which would be a six-month extension failed; the Senate is now working on its own version, which would go to almost the end of the year.

There is talk that the farm bill might be included in a CR, but given there is no agreement on a farm bill, that is highly unlikely.

Leann, Lee Miller, Bill McDonald and I have been working hard with the delegation on a bill to address the length of time and the interest rate on repayment of the 35 percent cost share with miscellaneous revenues. The Senate Bill had a hearing last week and is tied up to be included in a package to be voted on by the Senate Energy and Natural Resources Committee next month. Senate bill sponsored by Senators Bennet and Hickenlooper, and House bill by Congresswoman Boebert and Congressman Greg Lopez.

There may be a package of water bills considered for passage by year's end. We are working hard to be in that package.

There is also discussion about a year-end lands package, important to us because it could include important forest and watershed health bills if leadership can get past their jurisdictional fight.

Questions were asked of Ms. Arbogast.

**ARKANSAS VALLEY CONDUIT UPDATE**

Mr. Woodka presented a PowerPoint to update the Board on the AVC Project:

- Review the upcoming Committee & Participants Meeting to be held on October 24<sup>th</sup> .
- Communication Plan
- Funding
- Construction updates were presented

Questions were asked of Mr. Woodka

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**ACTION ITEMS:**

**CITY OF LAMAR AMERICAN RESCUE PLAN ACT FUNDING**

Mrs. Leann Noga presented an action item to the Board advising that The AVC Committee recommends that the Enterprise Board ratify the City of Lamar American Rescue Plan Act (ARPA) Subrecipient Agreement for the Arkansas Valley Conduit (AVC).

The American Rescue Plan Act (ARPA) of 2021, which President Biden signed on March 11, 2021, includes federal funding to support several specific eligible activities, including water infrastructure. The federal government allocated these funds to counties, cities and towns all over America.

In 2021, a District staff met with the City of Lamar to provide an update of the AVC Project and request \$90,000 in ARPA funds for the design of the AVC Project within Otero County.

In March 2024, the City of Lamar contacted the District to discuss the use of the \$90,000 for design of Lamar's AVC vault. They indicated that they had the funds and would like to get them allocated as soon as possible. ARPA funds do have to be encumbered by December 31, 2024.

Attached to this report is the City of Lamar's ARPA Subrecipient Agreement for the AVC. Both Lamar and Enterprise have signed the agreement. On September 26, 2024, the AVC committee took action to ratify this agreement. The Enterprise is aware that the detailed tracking of these grant funds and the possibility of a required single audit could accrue.

Upon ratification of this agreement, the Enterprise will move forward with revised design contracts with AECOM.

A copy of the agreement was provided to the Board.

Mr. Karney moved, second by Mr. Heimerich, the Board of Directors to ratify the American Rescue Plan Act Funding Subrecipient Agreement for the City of Lamar for Arkansas Valley Conduit vault design. Motion carried unanimously.

**AGREEMENT FOR SERVICES BETWEEN THE SOUTHEASTERN COLORADO WATER ACTIVITY ENTERPRISE AND SWIFTWATER SOLUTIONS, LLC. FOR THE AVC FUNDING PACKAGE NO. 1 APPLICATION SUPPORT SERVICES FOR SPUR AND DELIVERY LINES.**

Mr. Meador presented to the Board an action item advising the AVC Committee and staff recommends approval of the Agreement for the Arkansas Valley Conduit (AVC) Funding Package No. 1 Application Support Services for Spur and Delivery Lines between the Southeastern Colorado Water Activity Enterprise and Swiftwater Solutions LLC.

This contract is to provide AVC funding application support for a revised Funding Package No. 1 with the SRF. Contracting with a firm that has previous funding experience and expertise will provide the Enterprise with expedited completion of funding tasks at the lowest cost.

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Originally, six funding packages were anticipated for the AVC. Each funding package was based on SRF criteria including a \$10 million funding cap per package and loan principal forgiveness provided only to governmental entities. Since many of the AVC participants are private non-profit water companies, these entities were included in a later funding package to allow them time to convert to a water authority, thus becoming eligible for loan principal forgiveness.

AVC staff met with the SRF staff in August 2024 to discuss potential changes to the SRF criteria and the impacts on the proposed funding packages. These changes (subject to SRF Board approval) include removing funding caps and allowing loan principal forgiveness to all AVC participants whether public or private entities.

The spurs and delivery lines typically begin at the connection to the Trunk Line being designed and constructed by the Bureau of Reclamation and terminating at a point of connection with the AVC Participant. The Owner will be submitting applications for funding on behalf of the thirty-nine total AVC Participants. It is anticipated that there will be three funding packages submitted for a total of approximately \$75 million of funding. The funding packages submittal timing will be based on the estimated construction timeline for the project and the Participant's physical location on the AVC as directed by the Owner. For estimating purposes, following are the anticipated funding packages:

<b>Funding Package No.</b>	<b>No. of Participants in Package</b>	<b>Estimated Funding Request</b>
1	20	\$ 32.36 million
2	12	\$ 18.88 million
3	7	\$ 23.76 million

For the initial scope of services covered by this RFP, only Funding Package No. 1 services will be performed. Initially, only the preparation of the Project Needs Assessment (PNA) will be authorized for 2024 with subsequent tasks authorized in 2025 as the project progresses. There may be multiple loan applications prepared for each Funding Package depending on the anticipated construction timing of various segments of the AVC. In 2025, only the first loan application is anticipated for Funding Package No. 1 to include Avondale, Boone, Fowler, Crowley County Water Association, Olney Springs, Town of Crowley, Ordway, 96 Pipeline, and Sugar City. The estimated construction cost of this first loan application is estimated at \$16.6 million. This is in line with the anticipated design and construction funding of the spurs and delivery lines up to and including the Crowley County Spur Line and the Trunk Line to Manzanola by late 2029.

A copy of the agreement was provided to the Board.

Mr. Karney moved, second by Mr. Howard "Bub" Miller, the Enterprise Board approve the Agreement for Services Between the Southeastern Colorado Water Activity Enterprise and Swiftwater Solutions LLC for the Arkansas Valley Conduit Funding Package No. 1 Application Support Services for Spur and Delivery Lines in a form substantially similar to Attachment 1.

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**INFORMATION ITEMS:**

The Board was provided written material on the following topics, which was posted to the Board website:

- Arkansas Valley Conduit Newsletter
- JWBHP Update
- Excess Capacity Master Contract Update
- 2025 Proposed Budget
- Other Business Matters

President Long adjourned the Enterprise Board Meeting @ 11:46 a.m.

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Respectfully submitted,

**Patty Rivas**  
Administrative Support Specialist

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**Seth Clayton – Secretary**

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**Bill Long – President**

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**Howard “Bub” Miller**

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**Curtis Mitchell – Vice President**

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**Justin Disanti**

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**Ann Nichols – Treasurer**

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**Kevin Karney**

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**Alan Hamel**

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**Mark Pifher**

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**Andy Colosimo**

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**Matt Heimerich**

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**Dallas May**

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**Pat Edelmann**

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**Greg Felt**

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**Tom Goodwin**