



ARKANSAS VALLEY CONDUIT MONTHLY REPORT

Thursday, January 15, 2026

This monthly newsletter summarizes activities related to the Arkansas Valley Conduit and is made available to the Southeastern Colorado Water Conservancy District Board of Directors and Arkansas Valley Conduit stakeholders. To request a subscription to the Report, please contact info@secwcd.com or view it at <https://www.secwcd.org/>



Important!
On-line meeting for AVC participants.

You're invited to attend a special on-line meeting to update participants on the current status of the AVC project.

Recent news reports have created some confusion over the impact of the presidential veto on the AVC Project. The Southeastern District is sponsoring an online session to fully explain what's happening.

Monday, January 26, 2026

5:30 p.m.

Click here for meeting info

https://us02web.zoom.us/meetings/84095042044/invitations?signature=V7_JLxuW0gvKE2JGvJCq1Fgg-vepl1cVpiNC18ygTY

For Past issues of the AVC Report:

<https://www.secwcd.org/>



Representatives Jeff Hurd and Lauren Boebert urged their colleagues in the U.S. House of Representatives to override President Trump's veto of HR131 "Finish the Arkansas Valley Conduit Act" on January 8, 2026.

AVC Work Will Continue

Veto override fails, but construction still in progress

While the U.S. House of Representatives failed to override the President Trump's veto of HR 131, the "Finish the Arkansas Valley Conduit Act," the AVC Project is very much alive, and the District remains committed to find every possible way to keep costs manageable for participants.

"This is far from over," said Southeastern Colorado Water Conservancy District President Bill Long said shortly after the vote. "We will regroup with our congressional delegation and our partners at the Bureau of Reclamation to continue a path forward for the Arkansas Valley Conduit. Today's vote was disappointing, but it's not the end of the line. Construction will continue."

A two-thirds majority is needed to override a presidential veto, and the House came up short. The House voted 248-177 in favor of an override of the veto on January 8, 2026, with 35 Republicans joining all Democrats in voting for the override. All eight members of Colorado's delegation, four Democrats and four Republicans, voted for the override.

Continued on next page



AVC construction continues despite bill's failure

Representatives Loren Boebert, the bill's sponsor, and Jeff Hurd urged their Republican colleagues to vote to override the veto, while Representative Joe Neguse reinforced the idea the support for the AVC crosses party lines during the floor debate on the action. All of the Representatives stressed the importance of the AVC to bring a new supply of water to the lower Arkansas Valley and its importance to public health.

Earlier in the day, Senator Michael Bennet urged the Senate to override the veto, if the House took action. He said the veto was made to punish Colorado on issues unrelated to the AVC, and that the AVC is needed for public health and safety.

Bennet, Senator John Hickenlooper, Boebert and Hurd issued a joint statement on the eve of the House vote (see page 3).

President Trump issued a veto statement (see Page 4) on December 29, 2025, after the Senate unanimously passed the bill on December 16, 2025 after House passage on July 21, 2025. The veto was surprising because of the bipartisan support the bill received during the last two sessions of Congress and the enthusiasm for the AVC shown by the first Trump administration in 2020.

The first Trump administration provided the first \$28 million toward funding AVC construction in 2020 and staged a groundbreaking ceremony at Pueblo Dam later in the year. Trump himself came to Colorado in 2020 to support the AVC at a campaign rally with then-Senator Cory Gardner.

For two days, the story grabbed national headlines, and some inaccurate information was spread. HR 131 was not an appropriations bill, and as lawmakers pointed out would not increase federal spending on the project. The District issued a statement in attempt to clarify that the bill only sought to make the AVC more affordable to participants by lowering the interest rate on repayment, extend the repayment period and provide an opportunity to reduce payments because of economic hardship (see Page 4).

"It's frustrating for all of us at the District to see this hap-

pen after all the hard work and the local, state and federal investment that has gone into the AVC project," District President Bill Long said. "We're still constructing the pipeline and will continue to build it."

Those investments include development payments by AVC participants, \$3.2 million in American Rescue Act grants by local governments, \$4.8 million by the Enterprise, \$90 million in loan capacity by the Colorado Water Conservation Board and \$30 million in CWCB grants. The grants will be used to leverage additional construction funds from the State Drinking Water Revolving Fund.

Reclamation has received \$613 million in federal appropriations toward construction, and so far has completed the first 12 miles of the AVC.

The legislation was sought by the District in 2024, after a revised cost estimate for the AVC doubled to \$1.3 billion on the federal side, in addition to \$79 million for the Enterprise Sub-Project.

AVC participants are responsible for 35 percent of the total cost of the AVC Project, but receive help on the federal costs through miscellaneous revenues (such as storage contracts) from the Fryingpan-Arkansas Project.

HR 131 did not seek any additional funding, but merely to extend the 50-year repayment period and lower the interest rate. Funding already in place was not affected.

The District, through its Enterprise, is moving ahead on completing a construction loan application with the Colorado Water Resources and Power Development Authority that will fund the construction of delivery lines all the way to Rocky Ford, and including four water systems south of Rocky Ford.

The Enterprise is contracting for design of some of those delivery lines through its fiscal agent, Otero County.

The Enterprise completed construction of delivery lines to the Avondale Water and Sanitation District and the Town of Boone using ARPA funds supplied by Pueblo County.



Bill Long



Michael Bennet

Congress of the United States
Washington, D.C. 20510

January 7, 2026

Dear Colleague,

We write to respectfully request your continued support of H.R. 131, the *Finish the Arkansas Valley Conduit Act*. Last year, this bill passed both chambers unanimously and would fulfill a commitment made six decades ago by the federal government to deliver clean, affordable drinking water to tens of thousands of rural Coloradans. Moreover, the bill would do so at virtually no cost to the American taxpayer. Should the Senate have the opportunity to reconsider H.R. 131 following the President's recent veto, we would be grateful if you could maintain your support and vote in favor of the bill.

The Arkansas Valley Conduit is the final, unfinished component of the Fryingpan-Arkansas water delivery project authorized by Congress in 1962. Sixty-four years later, more than 50,000 people across 39 communities in southeastern Colorado are still forced to rely on contaminated, carcinogenic groundwater. These are largely rural and economically vulnerable communities that have waited generations for the federal government to fulfill its promise.

Although administrations of both parties have supported the Conduit project, rising material and labor costs now threaten its completion, which would block local communities from accessing safe, clean, reliable drinking water. H.R. 131 provides a commonsense remedy by reducing interest rates and offering more flexible repayment terms to enable completion of the project – all without a measurable increase in federal spending. Three weeks ago, the Senate passed H.R. 131 without objection, reflecting broad bipartisan support.

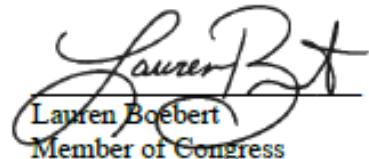
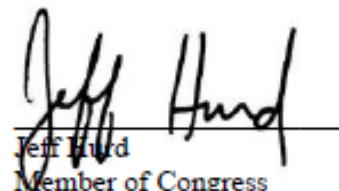
The Constitution expressly provides Congress with the power to override a presidential veto. Although that authority must be used judiciously, we believe it is especially appropriate in cases where Congress passed legislation unanimously and with bipartisan agreement. If Congress allows a precedent to be set for non-controversial, bipartisan bills to be vetoed for reasons unrelated to their substance, no bill is safe, and the efforts of every elected member of Congress to represent his or her constituents will be at risk.

Should the Senate have an opportunity to consider overriding the veto, we urge you to continue your support for H.R. 131. Thank you for your consideration.

Sincerely,



Michael F. Bennet
United States Senator


Lauren Boebert
Member of Congress
John Hickenlooper
United States Senator
Jeff Hurd
Member of Congress

Southeastern District message about the legislation

As you may have heard, the President vetoed the “Finish the Arkansas Valley Conduit” legislation, which passed the U.S. House and U.S. Senate unanimously.

The Southeastern Colorado Water Conservancy District is working with members of the Colorado Congressional delegation to determine next steps in making this legislation a reality.

To reiterate, the legislation:

1. Reduces the interest rate for repayment.
2. Extends the repayment period.
3. Provides an opportunity for a federal decision on debt forgiveness based on economic hardship.

Please be assured that the Southeastern District remains committed to completing construction of the Arkansas Valley Conduit at the lowest possible cost to participants. We are committed to pursuing every available path to enacting the legislation’s goals.

Text of the Presidential veto of HB 131

From the White House Web site:

I am returning herewith without my approval H.R. 131, the Finish the Arkansas Valley Conduit Act.

The Arkansas Valley Conduit (AVC) is a water pipeline currently being built to provide municipal and industrial water to communities in southeastern Colorado. It was originally authorized as part of the Fryingpan-Arkansas Project in a bill signed by President Kennedy in 1962. For decades it was unbuilt, largely because the AVC was economically unviable. Under the original plan, the costs of the project were to be initially funded by the Federal Government, but repaid by local users, with interest, over a 50-year period following completion of construction. But participants were unable to comply with that repayment obligation.

In 2009, President Obama signed the Omnibus Public Land Management Act of 2009, which not only reduced the repayment obligation from 100 percent to 35 percent but also provided that miscellaneous revenues from the Fryingpan-Arkansas Project at large would count towards the AVC cost share. Even then, however, construction did not begin until 14 years later, after the State of Colorado authorized \$100 million in loans and grants for the project.

The current bill would now have the Federal Government extend the repayment period (on the already-reduced repayment requirement) for an additional 25 years, creating a 75-year repayment period. The bill would also cut the interest rate in half.

More than \$249 million has already been spent on the AVC, and total costs are estimated to be \$1.3 billion. H.R. 131 would continue the failed policies of the past by forcing Federal taxpayers to bear even more of the massive costs of a local water project — a local water project that, as initially conceived, was supposed to be paid for by the localities using it.

Enough is enough. My Administration is committed to preventing American taxpayers from funding expensive and unreliable policies. Ending the massive cost of taxpayer handouts and restoring fiscal sanity is vital to economic growth and the fiscal health of the Nation.

For these reasons, I cannot support the Finish the Arkansas Valley Conduit Act. Therefore, it is my duty to return H.R. 131 to the House of Representatives without my approval.

DONALD J. TRUMP

THE WHITE HOUSE,

December 29, 2025.