

Tuesday, March 20, 2018

AVC update



SOUTHEASTERN COLORADO

Water Conservancy District

"Your investment in water"

**Arkansas Valley Conduit Participants meeting
10 a.m. Tuesday, March 20
La Junta Municipal Building.
Attendance: 25.**

The President's Budget Message contained no funding for the Arkansas Valley Conduit (AVC) in FY 2019, and it is a top priority for the Southeastern Colorado Water Conservancy District to keep funding on course.

The Bureau of Reclamation has been very receptive to the District's New Concept proposal, and is evaluating the Technical and Costing Evaluation Report presented by the District.

Bill Long, President of the District Board, suggested that participants sign a letter to the Congressional delegation and Administration to underscore the need for funding of the AVC. He suggested that Chris Woodka, of District staff, should write and circulate the letter.

Participants also will be asked to write their own letters supporting funding. Mr. Woodka will prepare talking points for the letters and provide contact information about where to send them to the participants in the near future.

Participants also discussed a new proposal by Reclamation that would create regionalization of water providers in order to provide interim delivery points for the AVC. The delivery points would be effective in allowing delivery of water sooner when the AVC is constructed. These build on the New Concept proposal, because it allows water providers to take advantage of existing infrastructure.

These interim delivery points do not replace the ultimate design of the plan to deliver water to designated points, but will allow major parts of the AVC to be built in phases. In addition to reaching communities affected by radionuclides in Otero County, the AVC will benefit water users with a similar problem in May Valley, located at the far end of the line in Prowers County.

Enforcement orders from the Colorado Department of Public Health and Environment are also a concern. There are at least 18 active enforcement orders for communities that have chosen the AVC as the best form of mitigation.

Following a presentation, there was an exchange of ideas, which included Bureau of Reclamation policies on right-of-access permissions, locations of vaults at AVC delivery points and using existing research on groundwater tables.

Mr. Woodka also will be contacting all of the water providers to update water system operations, capabilities and needs in advance of AVC deliveries.



**AGENDA
PARTICIPANTS MEETING
Tuesday, March 20, 2018**

10 a.m. La Junta Municipal Building, 601 Colorado Avenue, La Junta, Colorado

1. Welcome and introductions
2. New Concept Technical and Costing Evaluation Report
3. Reclamation Evaluation of New Concept Report
4. Discussion of Regionalization (potential concept)
5. Enforcement Actions
6. Funding Update
7. Questions and Ideas
8. Adjourn

Arkansas Valley Conduit to date...

The Arkansas Valley Conduit (AVC) was first imagined in the early 1950s as a way to deliver a high-quality, domestic water supply from a reservoir at Pueblo to the communities of the Lower Arkansas Valley.

The AVC was included in every planning document during the creation of the Fryngpan-Arkansas Project (Project), and was a prominent feature of the Project when Congress authorized it in 1962.

Planning for the AVC began in 1968, and the city of Lamar petitioned to join the Southeastern Colorado Water Conservancy District (District), so that it might partake of AVC benefits.

The planning process for the AVC included incorporating the water treatment facilities of the Pueblo Board of Water Works (Pueblo Water) in order to more efficiently deliver water to the Lower Arkansas Valley. Pueblo Water participated in planning meetings for about 10 years.

When the federal Clean Water Act went into effect in the 1970s, some communities required more immediate

action to deal with water quality issues. Without the full strength of the Lower Arkansas Valley, the AVC became too expensive to build.

Interest in the AVC returned in 2001, when communities asked the District to revive the AVC. Initial studies were completed with a \$1 million payment by Aurora to the District, as a condition for storage of water it had purchased from farms in the region.

Since 2003, the District has met regularly with participants in the AVC to find a path to build and operate the AVC. In 2009, the AVC was authorized by Congress in a 65-35 cost share that included using miscellaneous revenues from the Project to repay all costs.

In 2013, an Environmental Impact Study was completed, and the Bureau of Reclamation issued a Record of Decision for the North Comanche option to build the AVC.

In 2017, the District asked Reclamation to evaluate a New Concept proposal that would use more of Pueblo Water's capacity in a phased approach that would serve the communities most in need.

ARKANSAS VALLEY CONDUIT UPDATE

PARTICIPANTS MEETING
TUESDAY, MARCH 20, 2018

TODAY'S TOPICS

- **AVC NEW CONCEPT TECHNICAL AND COSTING EVALUATION REPORT**
- **RECLAMATION EVALUATION OF REPORT**
- **REGIONALIZATION DISCUSSION**
- **ENFORCEMENT ACTIONS**
- **FUNDING UPDATE**



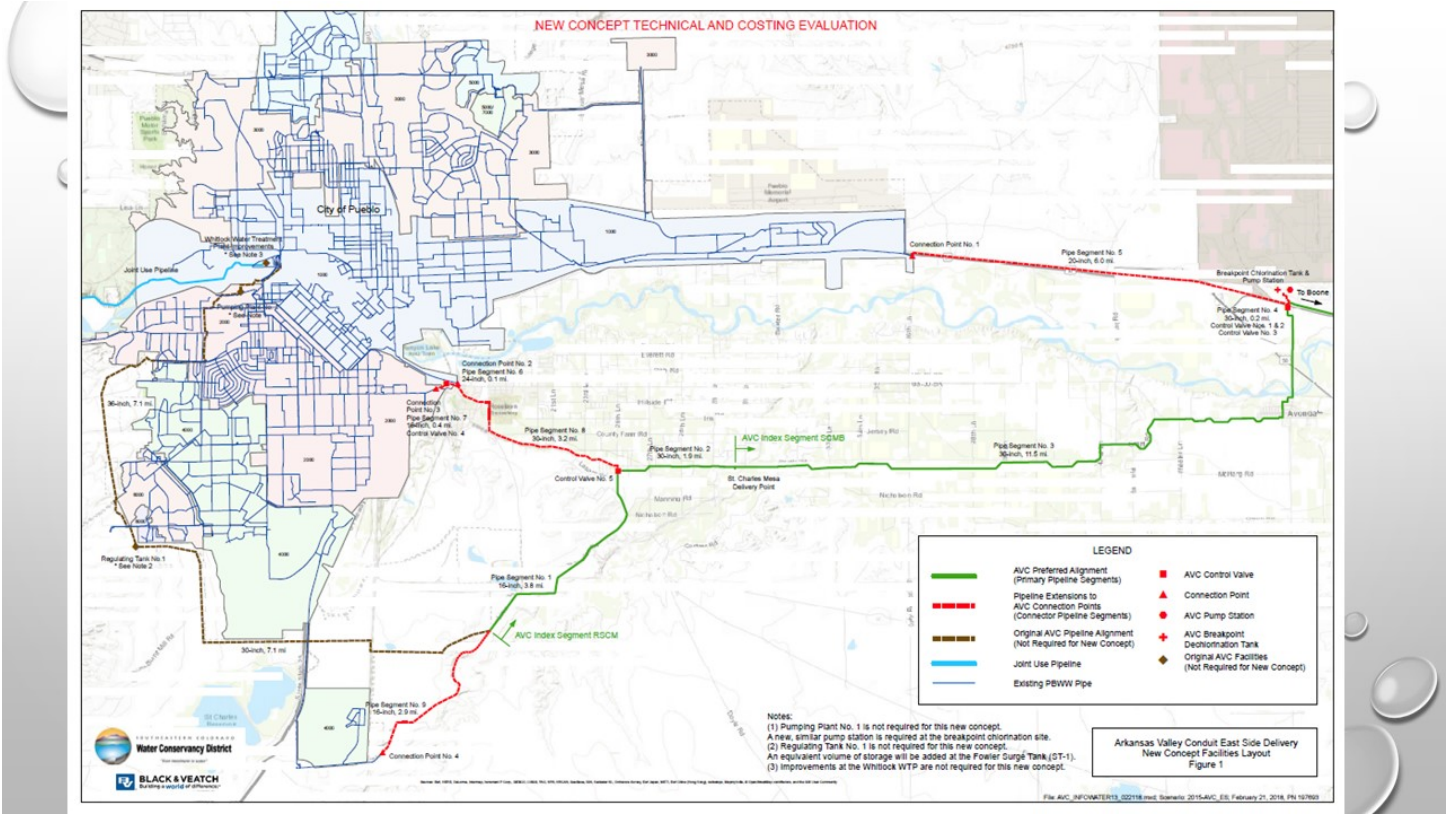
In 2017, the Southeastern Colorado Water Conservancy District asked the Bureau of Reclamation to consider the New Concept proposal, which the District believes will save time and money by using capacity in Pueblo Water's system to reach Pueblo's eastern boundary more quickly, saving millions of dollars and years of construction time.

AVC NEW CONCEPT TECHNICAL AND COSTING EVALUATION REPORT

- REACHES ENFORCEMENT-AFFECTED COMMUNITIES SOONER
- SAVES TENS OF MILLIONS OF DOLLARS
- DEFERS TENS OF MILLIONS OF DOLLARS IN COSTS THROUGH PHASING IN PUEBLO CONNECTIONS
- SAVES TEN YEARS OF CONSTRUCTION TIME
- AT THIS POINT, STILL AN INTERNAL DOCUMENT



Reclamation agreed to consider the New Concept for AVC, but only after a study of hydraulics, treatment and cost was completed. The District contracted Black and Veatch to complete the study for \$80,000, which is being paid jointly by the District and participants. The New Alignment would leave features east of Pueblo largely unchanged.



The map above shows the AVC route in green, along with the portion of the North Comanche route that would not be built in the dashed brown line. The red lines are pipelines that would connect Pueblo's system to the AVC. The Joint Use Pipeline and Pueblo's system are shown in blue, and so far are the only pipes in the ground.

RECLAMATION EVALUATION OF REPORT

- **TECHNICAL ISSUES**
- **CONTRACTUAL ISSUES**
- **NEPA ISSUES**
- **PROJECT COMPONENTS NOT REQUIRED FOR NEW CONCEPT**
- **PROJECT COMPONENTS REVISED FOR NEW CONCEPT**
- **"GO/NO GO" EXPECTED BY MAY 31, 2018**



The Denver Technical Center (shown in photo) of the Bureau of Reclamation has received the report, and will evaluate it as quickly as possible. Approval would allow federal work to begin on the New Concept.

REGIONALIZATION DISCUSSIONS



- **ARE THERE OTHER AREAS ON THE AVC WHERE WE CAN FIND EFFICIENCIES?**
- **RECLAMATION APPEARS TO BE RECEPTIVE TO THIS IDEA (I.E. NEW CONCEPT PROPOSAL)**
- **DISTRICT CAN FACILITATE BY MEETING WITH COMMUNITIES AND HEARING IDEAS ON HOW THIS MIGHT WORK**

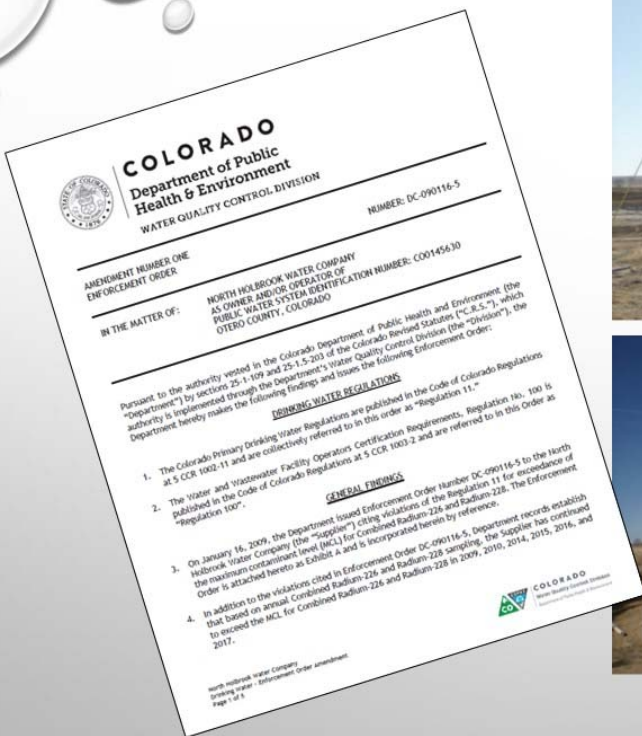
The District and Reclamation are discussing how other communities along the route of the AVC might benefit from regionalization. We do not want to lose sight of solutions already in place, but are looking for suggestions participants might have for improving the performance of the AVC.

ENFORCEMENT ACTIONS

- **12 OTERO COUNTY COMMUNITIES RECEIVED AMENDMENTS TO ENFORCEMENT ORDERS IN JANUARY, WITH UPDATED DEADLINES FOR 2018, 2022, 2025 FOR RADIONUCLIDES**
- **5 OTHERS HAVE EXISTING ENFORCEMENT ORDERS FOR VARIOUS ISSUES**
- **COMMUNITIES HAVE CHOSEN AVC AS THE METHOD TO REMEDY VIOLATIONS**



AVC participants have chosen the AVC as the best way to deal with potential enforcement actions. Alternative measures are more expensive and less effective than the AVC.



This is not meant to pick on North Holbrook, by any means. There are numerous other communities facing the same problem: How to comply with EPA and Colorado Department of Health and Public Environment rules while maintaining facilities to deliver water. Health officials have worked with the District to develop reasonable timelines for AVC completion.

FUNDING UPDATE

- **PRESIDENT'S BUDGET FOR RECLAMATION EXCLUDED FUNDING FOR SEVERAL RURAL WATER PROJECTS, INCLUDING AVC**
- **WE HAVE \$2.8 MILLION IN FUNDING FOR AVC FOR REMAINDER OF FY 2018**
- **BUDGETS IN LAST FEW YEARS HAVE RELIED ON CONTINUING RESOLUTIONS BY CONGRESS, WHICH TYPICALLY MEANS ABOUT \$3 MILLION FOR AVC ANNUALLY**
- **DISTRICT CONTINUES LOBBYING CONGRESS AND THE ADMINISTRATION FOR FUNDING AND THE NEED FOR THE AVC**
- **RECLAMATION HAS THE ABILITY TO SHIFT SOME FUNDING WITHIN ITS BUDGET**
- **AVC HAS GENERATED SOME INTEREST IN PUBLIC-PRIVATE PARTNERSHIPS, POTENTIALLY WITH BROADBAND**

The District continues its efforts to receive an increase in federal funding for the AVC. To date, this has been the biggest challenge for getting major work started.

Attachment 1
Timelines for Major Steps Required to Start Construction of AVC
Prepared by the Southeastern Colo. Water Conservancy District, Jan. 15, 2018

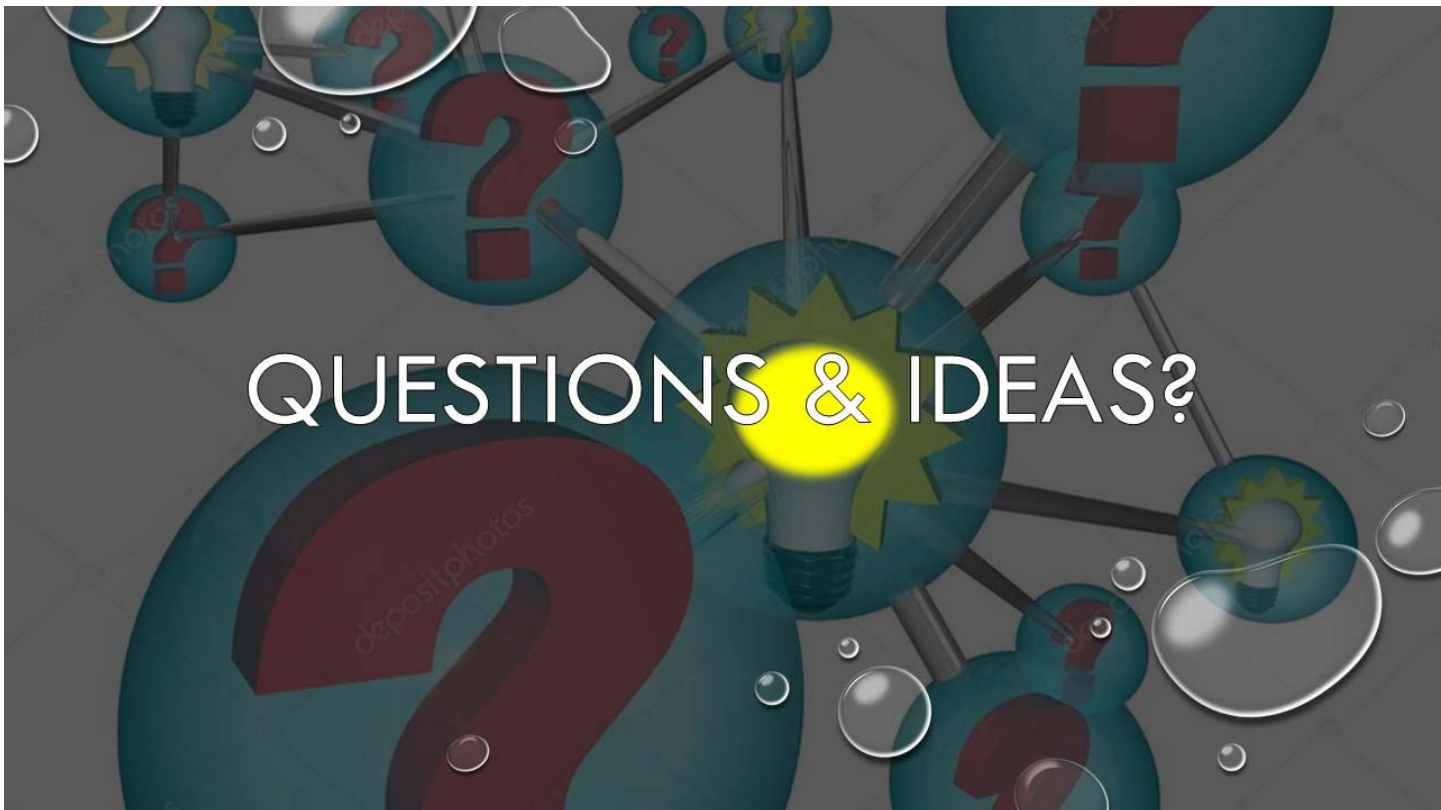
NOTE: These timelines are the District's preliminary estimates. They assume that: (i) the proposed AVC New Concept will be found to be acceptable, & (ii) Pueblo will agree to find a pipeline and to be paid for the costs of this pipeline and of capacity in its existing system via Reclamation giving Pueblo credits against the future annual charges which it will owe to capacity in Pueblo Reservoir.

Major Steps	FY 2018			FY 2019			FY 2020			FY 2021			FY 2022						
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1		Q2	Q3	Q4			
"Go/No Go" Decision on AVC New Concept	Peter flow analysis; decision by 3/30/18			Supp NEPA for AVC New Concept & new excess capacity contract															
Pueblo finances, designs, & constructs new 6-mile pipeline	Negotiation of contracts for: (1) use of capacity in Pueblo's system & financing by Pueblo to of 6-mile pipeline, & (2) Pueblo's use of Pueblo Res. excess capacity after CY 2025 (see attached table for major steps in each contracting process)						A&E retained by Pueblo, designs done, ROW obtained, bids solicited, & construction contract awarded (Assumes Pueblo starts while BoR contracts are going thru execution)			Construction by Pueblo									
Design & construction of AVC facilities by BoR	Negotiation of repayment contract (attached table for major steps in the contracting process)						(see)			ROW required; bids solicited; construction contract awarded & contractor mobilizes			Construction initiated by BoR; misc. revenues become available this FY						
Reclamation's budgeting process	Pw's FY18 Budget Review	BoR submits FY20 to DOI	DOI submits FY20 to OMB	SP starts working on FY 21 budget	Pw's FY20 BoR working on FY21	BoR submits FY 21 to DOI	DOI submits FY 21 to OMB	SP starts working on FY 22 budget	Pw's FY21 BoR working on FY22	BoR submits FY 22 to DOI	DOI submits FY 22 to OMB	SP starts working on FY 23 budget	Pw's FY22 BoR working on FY23	BoR submits FY 23 to DOI	DOI submits FY 23 to OMB	SP starts working on FY 24 budget	Pw's FY23 BoR working on FY24	BoR submits FY 24 to DOI	DOI submits FY 24 to OMB
Legend																			
BoR's final flow analysis of the AVC New Concept and reaching a "go/no go" decision by 6/30/18.																			
BoR's supplement NEPA analysis for: (i) AVC New Concept, & (ii) amended/new excess capacity contract for Pueblo after CY 2025.																			
BoR's contracting process for both contracts: tech. sessions, prep & approval of BOM, notice of negotiations, negotiations, public comment period, & contract execution																			
Contracting for A&E services by Pueblo, design work done by the A&E, and construction bids solicited and awarded																			
Construction financed and undertaken by Pueblo, with new 6-mile pipeline owned by it as part of its system, not as a feature of the federally owned AVC																			
BoR's contracting process: tech. sessions, prep & approval of BOM, notice of negotiations, negotiations, public comment period, & contract execution																			
Decisions reached on whether final AVC designs will be done for the entire project or in segments & whether design/build will be used																			
AVC final designs assumed to be done in segments. If not done by TSC, 1st part of FY will be used for awarding design or D/B contracts. If D/B is used, then latter part of this period will be used for soliciting competitive bids for construction and award of a construction contract.																			
Design of 1st segment completed and work started on second feature																			
ROW obtained; if D/B procurement used, then construction contract would be bid and awarded by BoR.																			
Construction initiated and funded by BoR using misc. revenues pursuant to the 2016 Master Contract with the District and Congressional appropriations																			



Timetable submitted to Reclamation by District to support the idea of beginning construction by 2021

The District has asked Reclamation to support an aggressive timetable that would allow AVC construction to begin by 2021, and Reclamation has been receptive. We will continue to pursue this course of action in order to develop the AVC in a timely way.



QUESTIONS & IDEAS?

Your ideas are increasingly important to this process.

20 Mar 2018
in La Junta

Please sign in

Name	Representy	e mail or phone
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