



ARKANSAS VALLEY CONDUIT MONTHLY REPORT

Thursday, May 15, 2025

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/>



La Junta meeting recap

The La Junta City Council and Utilities Board had a joint meeting with Enterprise officials on the AVC on May 12. See a recap of the meeting on Page 3 of this month's newsletter.

AVC Committee

The Arkansas Valley Conduit Committee has not set its next meeting date.

Future meetings in planning stages

The Enterprise is in the process of planning future meetings with stakeholders, and these will be announced as details become available.

Want to learn more about the AVC?

If your organization would like a presentation on AVC, contact Chris Woodka, 719-289-0785 or email chris@secwcd.com

Enterprise officials visit D.C.



Southeastern Colorado Water Activity Enterprise Board President Bill Long (left), Executive Director Leann Noga and Board Secretary Seth Clayton, along with Christine Arbogast (not shown) attended the National Water Resources Association Policy Conference in Washington D.C. in April. During the event, they were able to meet with members of the Senate, House of Representatives and Federal Administration to discuss the Arkansas Valley Conduit (AVC) proposed legislation. The legislation seeks a longer repayment period, lower interest rate and continued use of Fryingpan-Arkansas Project miscellaneous revenues to keep the cost of the AVC as low as possible for AVC participants. Their visit generated positive reactions from all officials.



AVC Committee ponders schedule, funding issues

The Arkansas Valley Conduit (AVC) Committee met April 24, 2025, to discuss schedule and funding issues in light of recent events.

Federal Sub-Project

Gordon Dillon, Engineering Manager for the Enterprise, recapped the March 12, 2025 Principals Meeting between Reclamation and Enterprise staff. Reclamation has received \$500 million in Bipartisan Infrastructure funds and \$110.4 million in federal appropriations, enough to construct the AVC Trunk Line to Manzanola by 2030 and design the entire AVC.

Reclamation reported that \$175.9 million of BIL funds are either spent or obligated, leaving a total of \$437.4 million unobligated. In June 2024, Reclamation updated the cost estimate for AVC to \$1.4 billion. The schedule for completion of AVC will depend on future appropriations or infrastructure funding.

Construction on the Trunk Line in the Boone Reach (shown in red on map above) is nearly complete after resolution of an issue to move utility lines in Boone Reach 2 was resolved. However, the construction for the Injection Site is behind schedule, and not likely to be completed before 2027.

There was also an update of design work for the remainder of the AVC. Construction will start on

Crowley Reach 1 in 2027, and design is 60 percent complete for Crowley Reach 2 and 3 (shown in green and yellow on the map). The Committee also discussed federal legislation and Reclamation staffing levels.

Enterprise Sub-Project

Executive Director Leann Noga said the goal of the Enterprise will be to build spur and delivery lines ahead of the arrival of the Trunk Line being built by Reclamation, as has already occurred in Pueblo County.

Contracts to finish environmental clearances for the entire AVC route with AECOM and Kennedy Jenks were discussed, but no plans have been made to resume design contracts until the funding picture is clearer.

The Enterprise is completing a four-party agreement with the Colorado Water Conservation Board, the Colorado Water Resources Power and Development Authority and Otero County to use CWCB funds to leverage State Revolving Fund loans in an effort to keep participants' cost at a minimum.

Participant Meetings

The Committee also discussed upcoming meetings with the La Junta Utility Board and participants.



Enterprise Executive Director Leann Noga (right) and Engineering Manager Gordon Dillon (at podium) speak about the AVC as La Junta officials listen and ask questions.

La Junta workshop delves into details of AVC

The La Junta City Council and Utilities Board discussed the Arkansas Valley Conduit (AVC) in a work session on Monday, May 12, 2025. The major theme was developing a relationship of trust between the Southeastern Colorado Water Activity Enterprise (Enterprise) and participants as the AVC moves ahead.

“We want this to work for you. We are willing to have conversations about your concerns,” Enterprise President Bill Long told the group.

“It comes down to cost,” La Junta Mayor Joe Ayala said. “We want what is best for our constituents if you can share the numbers with us.”

“We will get you the numbers,” Long replied.

Enterprise Executive Director Leann Noga stressed that the Enterprise does not know the ultimate cost of the AVC project, and won’t know until it is complete.

The Enterprise is working with the Colorado Congressional delegation for new federal legislation that will reduce the interest rate and lengthen the period for repayment of the participants’ portion of the AVC project.

Under the 2009 Public Law 111-11, the participants are required to pay 35% of the cost of AVC. That 35% includes the cost of the spur and delivery lines being built by the Enterprise and the federal trunk line. The

spur and delivery lines will be largely financed using grants, while miscellaneous revenues from the Fry-Ingpan Arkansas Project will be used to either help build or pay for the federal portion of the AVC Project.

In light of the Updated Cost Estimate, some people in the community are still uneasy about the local share of the estimated \$1.375 billion price tag for AVC, said Mike Bourget, member of the La Junta Utilities Board.

Mrs. Noga explained that federal legislation was introduced in 2024 that was amended to cut the interest

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Watch It!

See the video of the La Junta workshop courtesy of SECO News at the link below:

[La Junta AVC Workshop, March 12, 2025](#)

<https://www.youtube.com/watch?v=H7SmTFBaxxc>



Enterprise meets with La Junta on AVC

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rate in half — to 1.523% from 3.046% — and moved the term to 75 years from 100 years.

“We went back to Washington in April and the response was very positive,” Mrs. Noga said. “We will diligently continue working on this process.”

She pledged to keep La Junta and other participants informed about the progress of the AVC legislation.

The bulk of the meeting was spent answering specific questions the La Junta Utilities Board submitted to the Enterprise which included:

- The cost of the AVC and escalation of costs in the future.
- La Junta’s share of the AVC and how that is linked to projected costs.

- The projection of current funding being sufficient to build the trunk line to Manzanola.
- Up-front costs.
- Specifics on the miscellaneous revenues.
- The structure of an oversight authority.
- What happens if participants drop out?
- Whether Fry-Ark Project Water would be required to be taken only through the AVC.
- The future viability of the AVC if costs continue to increase.

The La Junta officials discussed those questions and others with Mrs. Noga and Enterprise Engineering Manager Gordon Dillon, with President Bill Long and Enterprise Senior Policy and Issues Manager Chris Woodka providing supplementary information.

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Progress on a 70-year-old promise to pipe clean drinking water to southeastern Colorado

By Shanna Loomis - Apr. 23, 2025, 4:50 am

[LISTEN NOW](#) 0:00 / 0:30

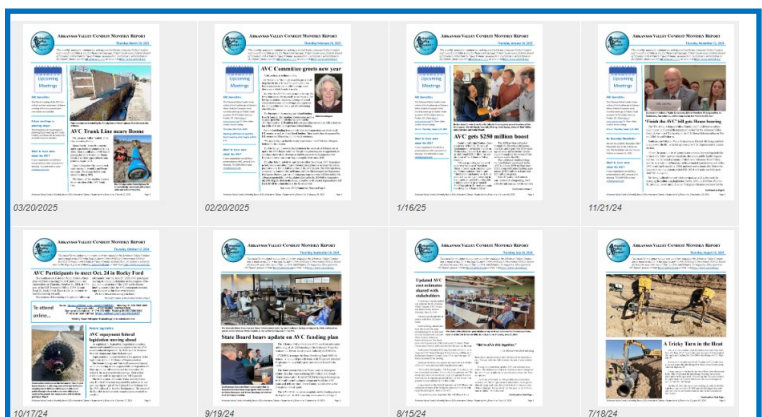
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The need for the Arkansas Valley Conduit, its progress and history are discussed on KRCC Public Radio by Chris Woodka of the Southeastern Colorado Water Conservancy District. Follow the link below to read or hear the interview

[Progress on a 70-year-old promise to pipe clean drinking water to southeastern Colorado](https://www.cpr.org/2025/04/23/arkansas-valley-conduit-progress/)

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