

**ALLOCATION COMMITTEE
MINUTES
November 2, 2017**

A meeting of the Allocation Committee was held on Thursday, November 02, 2017 at 1:03 p.m. at the District Office 31717 United Avenue, Pueblo, Colorado 81001.

Chairman Carl McClure announced a quorum was present.

COMMITTEE MEMBERS PRESENT:

Carl McClure - Chairman, Howard "Bub" Miller – Vice Chairman
Tom Goodwin, Alan Hamel, Curtis Mitchell, and James Broderick

COMMITTEE MEMBERS ABSENT AND EXCUSED:

None

OTHERS PRESENT:

Abby Ortega and Scott Lorenz, Colorado Springs Utilities; Alan Ward, Board of Water Works of Pueblo; Jack Goble, Lower Arkansas Water Conservancy District; Garrett Markus, Leann Noga, and Chris Woodka, Southeastern Colorado Water Conservancy District (District) staff.

APPROVAL OF MINUTES:

Chairman McClure confirmed that members of the Committee received their copy of the October 5, 2017 minutes, and asked if there were any corrections or additions. Hearing none, Tom Goodwin moved, seconded by Curtis Mitchell, to approve the minutes. Motion carried unanimously.

PRESENTATIONS:

2018 Proposed Budget

Garrett Markus provided a budget update to the Allocation Committee focusing on water revenues. The District uses a 20 year average for budget purposes. The 2017 budget and actual numbers were identified and 2018 budget in the below table:

<i>Fry-Ark Project Water Sales with Surcharges</i>							
Type of Water or Storage	2017				Difference	2018	
	Budget		Actual			Budget	
	Acre-Feet	\$	Acre-Feet	\$		Acre-Feet	\$
Ag Water Sales	20,429	\$ 143,003	35,023	\$ 245,161	\$ 102,158	20,206	\$ 141,442
Ag Water Sales WAE Surcharges		\$ 15,322		\$ 37,509			\$ 15,155
Ag Water Sales SOD Surcharges		\$ 10,215		\$ 17,512			\$ 10,103
Ag Water Sales ESS Surcharges		\$ 15,322		\$ 26,267			\$ 15,155
Total Ag Water Sales Revenue	20,429	\$ 183,861	35,023	\$ 326,449	\$ 142,588	20,206	\$ 181,854
M&I Water Sales	24,559	\$ 171,913	11,118	\$ 77,826	\$ (94,087)	24,292	\$ 170,044
M&I Water Sales WAE Surcharges		\$ 36,839		\$ 16,677			\$ 36,438
M&I Water Sales SOD Surcharges		\$ 12,280		\$ 5,559			\$ 12,146
M&I Water Sales ESS Surcharges		\$ 18,419		\$ 8,339			\$ 18,219
Total M&I Water Sales Revenue	24,559	\$ 239,450	11,118	\$ 108,401	\$ (131,050)	24,292	\$ 236,847
Total Water Sales Revenue	44,988	\$ 423,311	46,141	\$ 434,850	\$ 11,538	44,498	\$ 418,701

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<i>Fry-Ark Project Water Sales with Surcharges</i>							
Type of Water or Storage	2017				Difference	2018	
	Budget		Actual			Budget	
	Acre-Feet	\$	Acre-Feet	\$		Acre-Feet	\$
Ag Water Sales	20,429	\$ 143,003	35,023	\$ 245,161	\$ 102,158	20,206	\$ 141,442
Ag Water Sales WAE Surcharges		\$ 15,322		\$ 37,509	\$ 22,188		\$ 15,155
Ag Water Sales SOD Surcharges		\$ 10,215		\$ 17,512	\$ 7,297		\$ 10,103
Ag Water Sales ESS Surcharges		\$ 15,322		\$ 26,267	\$ 10,946		\$ 15,155
Total Ag Water Sales Revenue	20,429	\$ 183,861	35,023	\$ 326,449	\$ 142,588	20,206	\$ 181,854
M&I Water Sales	24,559	\$ 171,913	11,118	\$ 77,826	\$ (94,087)	24,292	\$ 170,044
M&I Water Sales WAE Surcharges		\$ 36,839		\$ 16,677	\$ (20,162)		\$ 36,438
M&I Water Sales SOD Surcharges		\$ 12,280		\$ 5,559	\$ (6,721)		\$ 12,146
M&I Water Sales ESS Surcharges		\$ 18,419		\$ 8,339	\$ (10,081)		\$ 18,219
Total M&I Water Sales Revenue	24,559	\$ 239,450	11,118	\$ 108,401	\$ (131,050)	24,292	\$ 236,847
Total Water Sales Revenue	44,988	\$ 423,311	46,141	\$ 434,850	\$ 11,538	44,498	\$ 418,701

Return Flow sales with Surcharges were presented as follows:

<i>Fry-Ark Project Water Return Flow Sales with Surcharges</i>							
Type of Water or Storage	2017				Difference	2018	
	Budget		Actual			Budget	
	Acre-Feet	\$	Acre-Feet	\$		Acre-Feet	\$
Ag Return Flows	6,920	\$ 41,520	12,365	\$ 74,190	\$ 32,670	6,845	\$ 41,070
Ag Return Flows SOD Surcharges		\$ 3,460		\$ 6,183	\$ 2,723		\$ 3,423
Ag Return Flows ESS Surcharges		\$ 5,190		\$ 9,274	\$ 4,084		\$ 5,134
Total Ag Return Flows Revenue	6,920	\$ 50,170	12,365	\$ 89,646	\$ 39,476	6,845	\$ 49,626
M&I Return Flows	1,000	\$ 6,000	1,021	\$ 6,126	\$ 126	1,000	\$ 6,000
M&I Return Flows SOD Surcharges		\$ 500		\$ 511	\$ 11		\$ 500
M&I Return Flows ESS Surcharges		\$ 750		\$ 766	\$ 16		\$ 750
Total M&I Return Flows Revenue	1,000	\$ 7,250	1,021	\$ 7,402	\$ 152	1,000	\$ 7,250
Total Return Flows Sales Revenue	7,920	\$ 57,420	13,386	\$ 97,049	\$ 39,629	7,845	\$ 56,876
Total Water & Return Flow	52,908	\$ 480,731	59,527	\$ 531,898	\$ 51,167	52,343	\$ 475,577

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Well Augmentation Surcharge							
Type of Water or Storage	2017				Difference	2018	
	Budget		Actual			Budget	
	Acre-Feet	\$	Acre-Feet	\$		Acre-Feet	\$
Well Augmentation Surcharge	5,314	\$ 13,816	3,854	\$ 10,020	\$ (3,796)	5,256	\$ 13,666
Project Water Carryover Surcharges							
Type of Water or Storage	2017				Difference	2018	
	Budget		Actual			Budget	
	Acre-Feet	\$	Acre-Feet	\$		Acre-Feet	\$
Project Water Carryover WAE Surcharges		\$ 139,364		\$ 160,031	\$ 20,668		\$ 134,800
Project Water Carryover SOD Surcharges	111,491	\$ 111,491	128,025	\$ 128,025	\$ 16,534	107,840	\$ 107,840
Project Water Carryover ESS Surcharges		\$ 83,618		\$ 96,019	\$ 12,401		\$ 80,880
Total Project Water Carryover Revenue	100,000	\$ 334,473	128,025	\$ 384,075	\$ 49,602	107,840	\$ 323,520
Winter Water Storage Surcharges							
Type of Water or Storage	2017				Difference	2018	
	Budget		Actual			Budget	
	Acre-Feet	\$	Acre-Feet	\$		Acre-Feet	\$
Winter Water Storage SOD Surcharges	50,000	\$ 12,500	43,718	\$ 10,930	\$ (1,571)	42,000	\$ 10,500
Winter Water Storage ESS Surcharges		\$ 37,500		\$ 32,789	\$ (4,712)		\$ 31,500
Total Winter Water Storage Revenue	40,000	\$ 50,000	43,718	\$ 43,718	\$ (6,282)	42,000	\$ 42,000
Total Carryover & Winter Water	140,000	\$ 384,473	171,743	\$ 427,793	\$ 43,320	149,840	\$ 365,520

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Excess Capacity Contracts (Long Term & Annual)							
Type of Water or Storage	2017				Difference	2018	
	Budget		Actual			Budget	
	Acre-Feet	\$	Acre-Feet	\$		Acre-Feet	\$
In District Excess Capacity Contracts (Long Term & Annual)							
In District Excess Capacity Contracts WAE Surcharges	49,612	\$ 24,806	58,368	\$ 29,184	\$ 4,378	57,483	\$ 28,742
In District Excess Capacity Contracts SOD Surcharges		\$ 24,806		\$ 29,184	\$ 4,378		\$ 28,742
In District Excess Capacity Contracts ESS Surcharges		\$ 37,209		\$ 34,776	\$ (2,433)		\$ 43,112
Total In District Excess Capacity Contracts Revenue	49,612	\$ 86,821	58,368	\$ 93,143	\$ 6,322	57,483	\$ 100,595
Out of District Excess Capacity Contracts (Long Term & Annual)							
Out of District Excess Capacity Contracts WAE Surcharges	509	\$ 2,036	599	\$ 2,396	\$ 360	509	\$ 2,036
Out of District Excess Capacity Contracts SOD Surcharges		\$ 1,018		\$ 1,198	\$ 180		\$ 1,018
Out of District Excess Capacity Contracts ESS Surcharges		\$ 382		\$ 449	\$ 68		\$ 382
Total Out of District Excess Capacity Contracts Revenue	509	\$ 3,436	599	\$ 4,043	\$ 608	509	\$ 3,436
Aurora Out of Basin (Long Term Contract)							
Aurora Out of Basin WAE Surcharges	10,000	\$ 100,000	10,000	\$ 100,000	\$ -	10,000	\$ 100,000
Aurora Out of Basin SOD Surcharges		\$ -		\$ -	\$ -		\$ -
Aurora Out of Basin ESS Surcharges		\$ -		\$ -	\$ -		\$ -
Total Aurora Out of Basin Revenue	10,000	\$ 100,000	10,000	\$ 100,000	\$ -	10,000	\$ 100,000
Total Excess Capacity Storage	60,121	\$ 190,257	68,967	\$ 197,186	\$ 6,930	67,992	\$ 204,031
Total Storage Surcharges	200,121	\$ 574,730	240,710	\$ 624,979	\$ 50,250	217,832	\$ 569,551

There was discussion regarding the Environmental Stewardship Surcharge (ESS) and how it was applied. The use of the reserve funds and future costs for the District.

ACTION ITEM:

None

INFORMATION ITEM

None

NEXT MEETING

Thursday, February 1, 2018 at 1:00 p.m.

ADJOURN

Chairman McClure adjourned the meeting at 2:01 p.m.

Respectfully submitted,

Garrett J. Markus

Water Resources Engineer