

RECORD OF PROCEEDING

**SOUTHEASTERN COLORADO
WATER ACTIVITY ENTERPRISE
MINUTES
August 15, 2024**

A meeting of the Board of Directors of the Southeastern Colorado Water Activity Enterprise (Enterprise) was held on Thursday, August 15, 2024, 10:12 a.m., at the District office, 31717 United Avenue, Pueblo, Colorado. The ZOOM platform was also made available for Board members and visitors.

Attendance:

Board Members Present:

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

DIRECTOR(S) ABSENT AND EXCUSED:

Alan Hamel

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 (remote); Administrative Support Specialist's Margie Medina and Patty Rivas; H2O Consultant Roy Vaughan; Kogovsek & Associates Christine Arbogast, AECOM Curtis Thompson; and McDonald Water Policy Bill McDonald (remote).

VISITORS PRESENT:

Aurora Water, Abba Ahmed; Pueblo West Metro, Bobby Banham; USGS, Krystal Brown; USBR, Mike Holmberg; and Colorado Department of Agriculture, Robert Sakata.

VISITORS CONNECTED VIA ZOOM:

Wilson Water Group, Angie Alvarado; Otero County Commissioners, Rob O'Quist and Tim Knabenshue, and Otero County Administrator, Amy White-Oquist; Colorado Springs Utilities, Chris Olney and Scott Lorenz; Aurora Water, Rick Kienitz; Security Water and Sanitation, Roy Heald; and L.P Water Logic, Lowell Pimley.

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APPROVAL OF MINUTES:

President Long said the minutes of the July 18, 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, seconded by Mr. Howard "Bub" Miller, to approve the minutes. Motion unanimously carried.

TREASURER REPORT:

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

PRESENTATION ITEMS:

FEDERAL LEGISLATION UPDATE

Ms. Christine Arbogast updated the Board:

- The appropriations process will likely proceed with some staff discussions during the August break. The \$13 million in funding for AVC is intact at this point and is likely to remain so.
- Funding for the State Revolving Funds in the Senate bill is at FY '24 levels, the House version cuts them 29 percent. The Senate prevailed last year and we hope they will again.
- The Farm Bill is almost certain to be moved next year.
- We will be conducting a tour of Fry-Ark facilities in Chaffee and Lake Counties with Congresswoman Pettersen on Sunday, August 25. Thanks to the District staff and Seth Clayton for participating on a Sunday.

Questions were asked of Ms. Arbogast.

WATER RESOURCES AND OPERATIONS UPDATE

Mr. Garrett Markus presented to the board a PowerPoint that covered:

- Fry-Ark Collection Basin Snowpack vs. Annual Basin Average w/assoc. Fry-Ark Imports, 7/11/24
- Fry-Ark Imports
 - a. Reclamation Forecasts
 1. February 1 – 51,700 AF
 2. March 1 – 60,300 AF
 3. April 1 – 60,400 AF

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- May 1 official Forecast – 60,600 AF
 1. Exceedance ranges:
 - a. 10% 47,300 AF
 - b. 30% 55,000 AF
 - c. 70% 65,800 AF
 - d. 90% 73,500 AF
- Fry-Ark Imports
- Projections:

~May 1 Projection **60,600 AF**

Forecast	Acre-Feet
May 1st Import Basis for Allocation	60,600
<i>Twin Lakes Exchange</i>	<i>(3,000)</i>
<i>Fish Hatchery</i>	<i>(200)</i>
Before Moving to Pueblo Reservoir	57,400
<i>less 10% Transit Loss</i>	<i>(5,740)</i>
Before Storage Evaporation	51,660
<i>less 10% Evaporation Loss</i>	<i>(5,166)</i>
Net Project Water to Pueblo	46,494
Project Water Adjustment for Allocation	-
Water Available for Allocation	46,494

	Authorized	Recommended
Municipal Allocation =	23,712 AF at 51.00%	10,709 AF at 23.03%
NPANIW	1,669 AF at 3.59%	1,669 AF at 3.59%
Agricultural Allocation =	21,113 AF at 45.41%	34,116 AF at 73.38%
Total Allocation	46,494 AF	46,494 AF

- On The River Colors of Water Tool
- Pueblo Reservoir:
 - a. Voluntary Flow Management Program
 - b. Pueblo Reservoir Paper Spill Meetings
 - c. James W, Broderick Hydro Flows compared to Pueblo Reservoir Releases

Questions were asked of Mr. Markus.

ARKANSAS VALLEY CONDUIT COMMUNICATION PLAN

Mr. Woodka presented a short movie describing construction activity. Most of the information will be included in the August 2024 AVC Newsletter.

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ACTION ITEMS:

PROJECT WATER ALLOCATION AND AGRICULTURAL CARRYOVER STORAGE

Mr. Garrett Markus presented to the Board an action item recommending the Enterprise Board of Directors implement the Spill Criteria for the Agricultural Project Water Carryover Pilot Project as presented and do not initiate a second allocation of Fryingspan-Arkansas Project Water.

Each year the Allocation Committee makes recommendations to the Enterprise Board concerning the allocation of Project Water and Project Water Return Flows. On September 15, 2022, the Southeastern Colorado Water Activity Enterprise approved the District staff to initiate the Agricultural Fryingspan-Arkansas Project Water Carryover Storage Pilot Project, investigate initial parameters of the storage conditions, and allow agricultural Project Water to be stored past May 1 of the following year if storage parameters are met.

As new modeling and operations in Pueblo Reservoir take place, the Risk of Spill determinations can change. Agricultural entities expressed the need for projected spill information earlier in the summer to help make operational decisions during the growing season. One effort in the Pilot Program is to give notice to ag entities as early in the season as possible providing modeling determinations so each ag entity can plan accordingly.

Garrett met with Reclamation to determine the unallocated water above the May 1, 2024, Reclamation forecast. There's roughly 7,000 acre-feet (AF) of unallocated Project Water in the Fry-Ark system. Since the unallocated Project Water is also intended to cover the evaporation on First-Use Project Water and the dead pools in the Fry-Ark system reservoirs until 2025 allocation year. 7,000 AF is not a large amount of water given the unquantified evaporation obligations projected till next year.

In 2015 the District and Division Engineers Office identified a list of difficulties with processing a second allocation of Project Water. These issues are related to reservoir accounting, groundwater accounting, groundwater lagging, 20-year modeling, and Project Water requests. A future item for this committee would be to develop guidelines when a second allocation is necessary. Given the reservoir storage conditions and the anticipated reduction in the risk of spill in the spring of 2025, the impacts of not having a second allocation are also mitigated. At this point staff strongly recommended not providing a second allocation.

Mr. Colosimo moved, seconded by Mr. Heimerich, the Enterprise Board of Directors implement the Spill Criteria for the Agricultural Project Water Carryover Pilot Project as presented and do not initiate a second allocation of Fryingspan-Arkansas Project Water. Motion carried unanimously.

APPROVAL FOR AGREEMENT FOR MAINTENANCE SERVICES BETWEEN RIVERSIDE INC. AND THE SOUTHEASTERN COLORADO WATER ACTIVITY ENTERPRISE

Mr. Gordon Dillon presented to the Board an action item recommending the Enterprise Board approve the Agreement for Penstock Inspections & TSV Repair between Riverside Inc. and the Southeastern Colorado Water Activity Enterprise.

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The amount for this contract is \$10,000 including travel and lodging.

The James W. Broderick Hydro Powerplant (JWBHP) has been experiencing leakage on the Unit 1 Turbine Shut Off Valve (TSV). Riverside Inc. has given pricing to perform repairs on the TSV and inspect the penstocks and a contract for these services has been prepared. Other work will be performed during this outage also. This work will be performed in late October or early November during a planned shutdown of the North Outlet Works.

Pat Edelmann moved, second by Tom Goodwin, the Southeastern Colorado Water Activity Enterprise Board approve the Agreement, substantially similar to the agreement with Penstock for Inspections & TSV Repair between Riverside Inc. and the Southeastern Colorado Water Conservancy District acting by and through its Water Activity Enterprise. Motion carried unanimously.

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

EXECUTIVE SESSION:

AVC Contract Negotiations

Mr. Lee Miller announced a request has been made for the Southeastern Colorado Water Activity Enterprise to enter Executive Session for the purpose of:

Discussion with legal counsel on the on the following matter:

AVC Contract Negotiations

Pursuant to:

- C.R.S. §24-6-402(4)(b):** (Conferences with an attorney for the local public body for the purposes of receiving legal advice on specific legal questions)
- C.R.S. §24-6-402(4)(e):** (Determining positions relative to matters that may be subject to negotiations; developing strategy for negotiations; and instructing negotiators)

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The presence of the following persons is requested at this Executive Session:

1. Non-Excused Board Members (state for the record any who are excused)
2. Executive Director
3. General Counsel
4. Staff Attorney
5. Senior Policy and Issues Manager
6. Principal Engineers (Kevin Meador, Gordon Dillon & Garrett Markus)
7. District consultants (Bill McDonald and Lowell Pimley)
8. Lobbyist/Consultant (Christine Arbogast)

MINUTES WILL BE ELECTRONICALLY RECORDED AS REQUIRED BY THE COLORADO OPEN MEETINGS ACT.

At 11:20 a.m. the Southeastern Colorado Water Activity Enterprise entered into Executive Session.

Mr. Howard "Bub" Miller moved, second by Kevin Karney, for the District Board to move into Executive Session. Motion unanimously carried.

At 12:22 coming out of Executive session, Mr. Lee Miller advised that there was discussion with legal counsel instructing contract negotiators, the Board was then directed to back to action item V.C.

SUPPORT AVC FEDERAL LEGISLATION AMENDMENT

After coming out of Executive Session discussion related to the repayment led to this action item. Mr Lee Miller announced the motion. Seth Clayton Moved, seconded by Tom Goodwin, the Board of Directors authorize sending a letter to members of the Colorado congressional delegation urging support for Federal legislation to extend the repayment period for the AVC, to reduce or eliminate the interest required to be paid on the AVC construction costs, and to limit the repayment obligation to the funds available from miscellaneous revenues generated by the Fryingpan-Arkansas Project. Motion carried unanimously.

President Long asked if there were any other matters to come before the Enterprise Board, hearing no other matters, Mr. Long adjourned the Enterprise meeting at 12:27 P.M.

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Respectfully submitted,

Patty Rivas
Administrative Support Specialist

Seth Clayton – Secretary

Bill Long – President

Howard “Bub” Miller

Curtis Mitchell – Vice President

Justin Disanti

Ann Nichols – Treasurer

Kevin Karney

Alan Hamel

Mark Pifher

Andy Colosimo

Matt Heimerich

Dallas May

Pat Edelmann

Greg Felt

Tom Goodwin