

ARKANSAS VALLEY CONDUIT COMMITTEE
MINUTES
April 7, 2022

A meeting of the Arkansas Valley Conduit (AVC) Committee was held on Thursday, April 7, 2022 at 9:00 a.m. via electronic and telephonic means.

Acting Chairman Bill Long announced a quorum was present for the AVC Committee.

AVC COMMITTEE MEMBERS PRESENT:

Howard “Bub” Miller – Vice Chairman, Dallas May, Bill Long, and Jim Broderick

AVC COMMITTEE MEMBERS ABSENT AND EXCUSED:

Kevin Karney, Chairman

OTHERS PRESENT:

Seth Clayton, Pat Edelmann (remote), Greg Felt (remote), Tom Goodwin, Alan Hamel and Mark Pifher (remote), SECWCD Board Members; Kevin Meador (remote), Lee Miller, Peter Levisch (remote), Leann Noga, Mark Scott, Garrett Markus, Chris Woodka, Margie Medina, and Patty Rivas, SECWCD staff; Christine Arbogast, Kogovsek & Associates; Jenny Bishop and Scott Lorenz, Colorado Springs Utilities.

APPROVAL OF MINUTES:

Howard “Bub” Miller moved, and Dallas May seconded approval of the February 10, 2022 AVC meeting minutes. Motion passed unanimously.

PRESENTATIONS:

None

ACTION ITEM:

Fiscal Agent IGA with Otero County

Lee Miller gave the following report:

In 2020, the Colorado General Assembly approved a \$100 million financing package for the Arkansas Valley Conduit. The \$100 million in state funding includes \$90 million in loans and \$10 million in grants. Because of TABOR limitations restricting the amount of grant money that the Enterprise can receive from state or local governments in a single year and maintain its Enterprise status, the Enterprise is not able to effectively utilize the grant funds.

Otero County has received voter permission to accept grant funds such that they do not have the same TABOR constraints as the Enterprise and can partner with the Enterprise in effectively spending the grant funds.

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Otero County has approved the IGA form. Adding Otero County as a recipient of CWCB grant funds will require a change to the statutory authorization by the General Assembly. The CWCB construction fund bill is currently being considered by the General Assembly.

A majority of the AVC participants are located in Otero County.

Mark Pifher asked what kind of oversight the Enterprise would have over the fiscal agent, in case there was a challenge.

Lee Miller said the agreement had been reviewed thoroughly by outside counsel for this issue, and that Otero County has entered similar agreements with other entities.

Greg Felt asked how payments to Otero County would be handled.

Lee Miller said the Colorado Water Conservation Board (CWCB) process is that receipts are submitted for payment, and Otero County's payments would be handled in that process.

Pat Edelmann asked if revenue pledges for loans are legally binding.

Lee Miller explained that more agreements will be coming before the AVC Committee and Enterprise Board in the future, including agreements between participants and the Enterprise or an AVC authority.

Bill Long said, "We still have a lot of work to do over the next several months."

Jim Broderick said staff has worked hard on developing the Otero County agreement and would continue that work on the upcoming agreements as well.

Lee Miller said the agreement would be ratified by Otero County on Monday, April 11, 2022. It then will be presented to the CWCB in November, to seek approval from the Colorado General Assembly in the 2023 session.

Dallas May made the following motion, seconded by Howard "Bub" Miller:

"I move that the Committee recommend that the Enterprise Board authorize execution of the Intergovernmental Agreement Between Southeastern Colorado Water Conservancy District, acting by and through its Water Activity Enterprise and the County of Otero allowing for Otero County to serve as the fiscal agent to receive Colorado Water Conservation Board grant funding for use in construction of AVC spur and delivery lines."

Motion passed unanimously.

INFORMATION ITEMS:

None

OTHER BUSINESS:

None

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NEXT MEETING

Not determined

ADJOURN

Bill Long adjourned the meeting at 9:29 a.m.

Respectfully submitted,

Chris Woodka,
Senior Policy and Issues Manager