

ARKANSAS VALLEY CONDUIT COMMITTEE

MINUTES

July 7, 2022

A meeting of the Arkansas Valley Conduit (AVC) Committee was held on Thursday, July 7, 2022 at 9:30 a.m. at Otero College Student Center, 1802 Colorado Avenue, La Junta, Colorado.

Chairman Kevin Karney announced a quorum was present for the AVC Committee. Visitors were introduced.

AVC COMMITTEE MEMBERS PRESENT:

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

AVC COMMITTEE MEMBERS ABSENT AND EXCUSED:

None

OTHERS PRESENT:

Seth Clayton and Patrick Garcia, SECWCD Board and Pueblo Water; Leann Noga, Chris Woodka, Lee Miller, Kevin Meador, Garrett Markus, Mark Scott, Peter Levish, and Eleanor Ludwig, SECWCD staff; Ray Davis, Wyatt Dowell, City of Las Animas; Frank McKenzie, Ed Vela, Mike Bourget, Rick Klein, Tom Seaba, City of La Junta; Ross Nielsen and Jerry Bay, East End Water Company; Scott Larsen, South Swink Water Company; Kenneth Wilson, Vroman Water Company; Norman Noe, South Swink Water and Homestead Improvement Association; Genia Weaver, Homestead Improvement Association; Shirley Adams, Manzanola; Loren Johnson and Jack Hall, Beehive Water Association; Mike Mustain, Beehive Water Association and Cheraw; Tom Tomky, Newdale-Grand Valley; Jerry Barber, Town of Ordway; Greg Colvin and Rick Jones, May Valley Water Association; Jean Sykes, Bent County Commissioner.

APPROVAL OF MINUTES:

Howard “Bub” Miller moved, and Dallas May seconded approval of the May 13, 2022 AVC meeting minutes. Motion passed unanimously.

PRESENTATIONS:

A presentation was prepared for AVC participants to provide an update about the AVC project as it was revised in 2020. There have been numerous individual meetings with participants over the past year, but many had requested a large group meeting.

Bill Long provided opening comments, stressing the need for the AVC, and reminding participants that the project is a group effort we have been working together to build for 60 years.

A formal AVC PowerPoint presentation opened with Chris Woodka reviewing the history of the formation of the District and the Fryingpan-Arkansas Project. He explained that yield from the Fry-Ark Project might not always be sufficient for AVC needs, which is why there is storage and

the blending of water anticipated in some of the water systems. Garrett Markus answered questions about the specific amount of Project water and storage available.

Mark Scott presented the overall AVC project and some changes that have been made and are being worked on, he stressed that the trunk line is being designed and built by the Bureau of Reclamation (Reclamation) and represents 90 percent of the capital costs of the AVC project, which is covered by either federal appropriations or miscellaneous revenues. In response to a question, Leann Noga provided further clarification of AVC financial information. Mr. Scott explained that the rest of the presentation would focus on the spur and delivery lines to the participants that represent the remaining 10% of the AVC capital costs which are the participants responsibility.

Mr. Scott reviewed the three-party contract between Reclamation, the District and Pueblo Water. He pointed out that this agreement saved the project an estimated \$150,000,000 and up to 10 years of design and construction. In response to a question, Kevin Meador explained why the injection site is needed, to remove chloramine from water received from Pueblo so that it can effectively be used by the participants as filtered water. Seth Clayton later clarified that ammonia would be removed from water at the injection site so that only chlorine will need to be added by participating water systems at their points of delivery.

Mr. Scott reviewed the design and construction plans for delivery lines in each county moving from west to east, with the approximate percentage of the delivery line costs in each county. He pointed out that the design of the delivery lines to Boone and Avondale will start in August 2022 and construction scheduled for 2023 which coincides with the trunk line starting construction from the AVC connection point with Pueblo Water to Boone. He also pointed out that the District and Participants continue to work on securing grants and other financial and technical efficiencies to keep the overall costs to the participants down. There are still some geographic areas that are looking at consolidation that are being defined and agreed upon to further decrease the overall cost of the AVC by utilizing existing infrastructure and other efficiencies. In response to questions about the status of some of the consolidations, Jim Broderick assured the participants that once the consolidations are finalized, cost estimates can be updated. Mr. Long said, "It's like building a plane while you're flying it."

Mr. Woodka discussed the current variability of water rates among AVC water systems, and the uncertainty of how future charges would be recouped by each system. He stressed that the AVC has long been recognized as the most affordable and sustainable way to address water quality problems in the Lower Arkansas Valley.

In response to a question, Mr. Long explained that all construction costs for delivery lines will be shared on a pro-rata basis by all participants. Mr. Woodka later explained that the pro-rata formula is based on participants' estimates for water use from the AVC in 2070 that were determined in the Final AVC Environmental Impact Statement.

Mr. Woodka discussed the water quality benefits of the AVC, specifically focusing on May 2022 enforcement orders by the Colorado Department of Public Health and Environment for the

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current 18 water systems in the AVC to develop plans for dealing with radionuclides in their water supply. The AVC is the preferred method to deal with this issue.

Mr. Woodka reviewed the discussion about AVC governance which began at a June 15 meeting at Otero College in La Junta. The governance document is scheduled to be completed by November 2022 and is being drafted by a smaller committee of County representatives. The agreement will determine the powers of the governance body, obligations of the District and governance body, and financial responsibilities of AVC participants. It will be set up using the model of the Fountain Valley Authority with a Repayment contract between Reclamation and the District, a contract between the District and the governance body, and an IGA among the District, the governing body and participants. In response to a question about which agreement comes first, Lee Miller responded that these will move on separate tracks, and probably not be resolved at the same time.

Mr. Woodka reviewed the current schedule for AVC, noting that under the 2020 Project Management Plan, the AVC will be completed in 2035. However, under an expedited plan being discussed with Reclamation, the AVC could be completed as early as 2028.

Mr. Woodka shared his experience of covering the AVC as a reporter for the Pueblo Chieftain in his former career and pointed out that today the AVC has never been closer to reality. In the 1990s, water providers in the Lower Arkansas Valley began talking about reverse-osmosis treatment as an alternative, and plants were built in Las Animas and La Junta. Those plants are expensive to operate and generate an expensive and difficult to manage waste stream. The AVC, as a joint effort, is the most cost-effective solution to water quality problems.

In response to a question about how participants would know the water is better, Mr. Clayton told the audience that Pueblo Water meets or exceeds all EPA requirements, and AVC participants will be getting that same water.

Mr. Long made closing remarks, renewing his call for unity on the project. "This is not a money maker for the District. We feel this is our obligation to serve and help address water issues in the District." He also pointed out that the District staff is here to work with you and help answer your questions and we will plan on being back together in a couple months again.

INFORMATION ITEM:

AVC Injection Site Agreement with Triview Metro District

The Enterprise is assisting the AVC project and Reclamation by leading the purchase of property on U.S. Highway 50 about 4 miles east of the AVC connection point with Pueblo Water as a construction staging area, and a permanent location for the injection site. With this step the Enterprise will be able to support the AVC by keeping it on schedule. Triview has offered to sell the 9.6-acre parcel for \$25,000, or \$2,593 per acre plus a no cost access easement into the east side of the property. The District will use the services of TRC Companies to validate costs, at a cost of about \$10,000. Board action will be requested in August 2022.

ACTION ITEMS

Avondale-Boone AVC Delivery Lines Contract

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Executive Director and staff recommend that the Committee recommend to the Enterprise Board to authorize the Executive Director for execution of a Professional Services Contract to GMS, Inc. to provide engineering design services for the AVC Avondale and Boone Delivery Lines.

GMS was one of three bidders responding to the Request for Proposal (RFP) for design services. GMS bid \$218,070, which includes \$139,670 for design and \$78,400 for construction management services. Design will be complete by the end of 2022.

Dallas May moved, and Howard “Bub” Miller seconded the following motion:

“I move to recommend that the AVC Committee recommend to the Southeastern Colorado Water Activities Enterprise Board to authorize the Executive Director to execute an engineering services agreement with GMS, Inc. for the AVC Avondale and Boone Delivery Lines project in the amount of \$218,070.”

Motion passed unanimously.

AVC Boone Reach Boundary Survey

Executive Director and staff recommend that the Committee recommend to the Enterprise Board to authorize the Executive Director for execution of a Professional Services Contract with the Farnsworth Group to provide preliminary right-of-way and railroad mapping services for a portion of the AVC Boone Reach.

The Enterprise is assisting the AVC project and Reclamation in this task to stay on schedule for completion of the Boone Reach. The contract will be for an estimated \$49,200, including a contingency of \$4,500. Funds are not budgeted and will be paid from the AVC Fund Balance account.

Matt Heimerich moved, and Mr. May seconded the following motion:

“I move to recommend that the AVC Committee recommend to the Southeastern Colorado Water Activities Enterprise Board to authorize the Executive Director to execute a boundary survey services agreement with the Farnsworth Group for the AVC Boone Reach.”

Motion passed unanimously.

OTHER BUSINESS:

None

NEXT MEETING

Mr. Karney said the next AVC Committee meeting will be after the District and Enterprise Board meetings on Thursday, August 18, 2022. The next participants meetings will be in September or October, 2022.

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ADJOURN

Kevin Karney adjourned the meeting at 11:45 a.m.

Respectfully submitted,

Chris Woodka,
Senior Policy and Issues Manager